Effects of Employee Perceptions Regarding Managers' Emotional Intelligence on Their Turnover Intention: The Case of Small and Medium Enterprises in Saudi Arabia

by

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Abstract

In the small and medium enterprises (SME) sector, managers play a significant role in the decision-making process. Typically, the process involves the adoption of crucial measures that can substantially contribute to organisational development and to shaping an entrepreneurial orientation that can render decision-making more efficient and profitable. This study investigated the role of SME managers in Saudi Arabia, where the economic participation of SMEs is still in its development stage, given the predominant control of the market by the oil sector. Specifically, the study aimed to determine the extent to which the perceived emotional intelligence of Saudi SME managers directly and indirectly affects employee turnover and job satisfaction via leader–member exchange (LMX). It also examined how employees' views of their managers' emotional intelligence differ from the latter's objective self-ratings. To this end, it adopted a quantitative approach to test hypotheses regarding the function of emotional intelligence in the workplace and to explore the degree of interrelationship between managerial emotional intelligence and employee turnover, as occurring through the LMX mechanism. The findings are expected to benefit the SME sector by serving as a reference for SME managers to increase employee job satisfaction and retain skilled professionals. Doing so is important because employees are best positioned to ensure that they are successful in their business environment. Further, given the competition in modern business environments, organisations must put relevant structures in place to ensure success.

A cross-sectional survey design was used, and 169 SME employees in Saudi Arabia participated in this research through an online survey. The several main findings of this research were linked with the detailed secondary research that was reviewed using various sources. The present study's results revealed a positive relationship between

emotional intelligence and LMX, supporting that emotional intelligence may inform the development and management of relationships between managers and their employees in the SME sector. Further, a negative relationship was found between perceived emotional intelligence and employee intention to leave, which suggests that emotional intelligence has a role in retaining employees and reducing their desire to leave. In addition, a positive relationship was found between emotional intelligence and job satisfaction. In particular, for leaders, emotional intelligence has a direct implication on ensuring that employees are able to execute their job functions. Moreover, it means that employees are willing to put in additional efforts for their organisation's success.

The study also found that LMX was positively related to job satisfaction. However, the results did not support a hypothesised interaction between LMX and turnover intention. Last, LMX was found to mediate the relationship between emotional intelligence and job satisfaction, but not the relationship between emotional intelligence and turnover intention. Thus, an organisation that has appropriate LMX would achieve successful assignment of job functions because its leaders would support employees to achieve their job functions and to execute their roles. Conversely, in an organisation in which appropriate support from leaders is lacking, employees are not able to achieve their job roles.

Declaration of Authenticity

I, Abdulmajeed Albalawi, declare that the PhD thesis entitled '*Effects of Employee Perceptions Regarding Managers' Emotional Intelligence on Their Turnover Intention: The Case of Small and Medium Enterprises in Saudi Arabia*' is no more than 80,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

I have conducted my research in alignment with the Australian Code for the Responsible Conduct of Research and Victoria University's Higher Degree by Research Policy and Procedures.

Signature: [redacted]

Date: 1/09/2021

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Publications

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List of Abbreviations

AVE	average variance extracted
CB-SEM	covariance-based structural equation modelling
CR	composite reliability
GCC	Gulf Cooperation Council
GDP	gross domestic product
HRM	human resource management
LMX	leader–member exchange
MAE	mean absolute error
MAPE	mean absolute percentage error
PLS-SEM	partial least squares structural equation modelling
RMSE	root mean squared error
SEM	structural equation modelling
SME	small and medium enterprise

Chapter 1: Introduction

1.1 Study Background

In the current competitive and increasingly internationalised business environment, the small and medium enterprise (SME) sector contributes prominently to most national economies by creating a wide pool of employment opportunities, introducing micro-innovation and cultivating entrepreneurship skills (Ardic et al., 2011). However, in this somewhat unstable industry, employee turnover is one of the most pressing challenges confronting small organisations (Blake, 2006). Within contemporary national economies that face a great deal of uncertainty and can be volatile, stability and profitability are crucial issues for SME companies, which require comprehensive investigation, given their prominent contributions to economies through employment creation and income generation (Henrekson & Johansson, 2010). This requirement is particularly significant in the Saudi Arabian context because SMEs have only recently begun to emerge and play a dominant role in the country's economy. However, this relatively new economic position has confronted the Saudi SME sector with many barriers, given the uncertain, constantly changing global economic environment (Kuada, 2006). This situation highlights the need for SMEs in Saudi Arabia to be creative and flexible to maximise profits rapidly.

In the current economic environment, human capital is considered an organisation's core competitive advantage (Sexton et al., 2005). A related issue is the vital role that human resources play in company efforts to achieve their goals (Barney & Wright, 1998). Most companies try to hire skilful managers to add value in the workplace to bring about positive change that cultivates long-term success. According to the Society of Human Resource Management, one topic that currently receives a great deal of attention is employee retention (Mitchell et al., 2001). Retention is vital to the stability of small organisations, given that employee turnover is harmful and expensive. Among the types of turnover, voluntary turnover poses significant problems to many organisations, prompting numerous researchers to explore this issue (Al-A'Raj, 1989). The loss of employees who are both skilful and knowledgeable can be detrimental to any company (Ballinger et al., 2011). However, it is particularly so for SMEs because the average cost of employee turnover is approximately USD 13,996 per employee, and the direct costs of hiring and training a new employee can range from 25% to 500% of the employee's annual salary (Ballinger et al., 2011).

Further, the expenses incurred from replacing highly educated executive employees average 213% of a company's annual salary bill (Boushey & Glynn, 2012). Because turnover is such a costly process (Al-A'Raj, 1989), it could negatively affect an organisation. In some situations, these consequences expand beyond a company, spilling over to the labour market, the economic cycle and communities in general. In the Saudi Arabian labour market, turnover substantially depletes financial resources, which may impair organisational development. The rate of employee turnover in private Saudi companies is very high (Achoui & Mansour, 2007) and is equally matched by the unemployment rate in the country (12.6%; Labour Market Statistics, 2020). Despite Saudi Arabia's membership in the G20 group of Middle Eastern countries—a membership that signifies a strong economic status—increased turnover in the region has contributed to the rise in unemployment rate. Therefore, it is imperative for government and industry sectors to engage in collective endeavours to deal with turnover issues.

Emotional intelligence, as a skill to attain employees, will become critical in labour markets in the future. The World Economic Forum (WEF, 2016) predicted that emotional intelligence would be among the 10 most essential skills by 2020. The current report of the World Economic Forum in 2020 has predicted that one of the 10 most essential skills by 2025 includes social influence. The updated list of 2020 only goes to further illustrate the importance of emotional intelligence due to the paramount role it plays within social influence. The following chapters will explain how EI can improve social influence. Mattingly and Kraiger (2019) determined specific reasons that organisations may find it desirable to develop emotional intelligence in their workers. For instance, the skillset associated with emotional intelligence, such as regulating emotions and demonstrating self-awareness, is useful in numerous roles. Therefore, needs assessment may seek to derive value by exploiting such skills. Further, the media and management publications routinely refer to emotional intelligence as a positive quality. This message is likely to spur organisations into developing it among their workforce, if possible. Whereas large companies can reduce employee replacements and resignations, given their ability to provide more centripetal benefits and absorb the financial outlay stemming from preventive measures, SMEs cannot do so because of fund constraints for such initiatives (Even & Macpherson, 1996). This fact can explain some of the difficulties of SMEs in reducing turnover and the consequent significance of retaining qualified employees as an essential competitive advantage for these companies. For this reason, turnover intention in the SME sector constitutes an important area for research.

Extensive research has been undertaken on improving leadership performance and the consequent outcomes. Leadership quality is considered an important factor of success, given that managers can motivate their subordinates, increase their productivity and improve their performance and job satisfaction, which are all key elements of organisational growth (Jex & Britt, 2014). The relationship between supervisors and their subordinates can affect employee commitment and satisfaction with the company and work (Ariani, 2012; Stringer, 2006). Specifically, their perception of their manager is a critical factor in employees' decision to stay or leave an organisation (Morrow et al., 2005). In fact, the key reason employees leave a job is poor treatment by their managers (Williams, 2002). High-quality leader–member exchange (LMX) leads to job satisfaction and better performance, while low-quality LMX can lead to increased employee turnover due to lack of job satisfaction and poor performance (Walumbwa et al., 2011).

1.2 Problem Statement and Study Questions

Hyson (2016) and George (2015) argued that an organisation will be more efficient at preserving knowledge and controlling resources if they proactively retain valuable employees. Proactively engaging in initiatives to retain staff could generally help organisations enhance their performance. In this respect, managerial behaviours have been suggested as a key factor for staff turnover. For instance, managers' encouragement of skilled employees is a critical component of employee retention (Snyder & Lopez, 2009). Of particular interest is the manager–employee engagement in the SME sector. These enterprises are fiscally smaller, and their resources are generally scarcer, which means that this sector suffers more severely than large enterprises from high employee turnover costs (Chang et al., 2013).

Researchers who have analysed the behaviours of managers have asserted that a manager's emotional intelligence is a crucial attribute because it significantly affects management processes and enterprise outcomes (Wong & Law, 2002). Debates over matters related to emotional intelligence and employee behaviour are ongoing in different cultures and parts of the world (Ang et al., 2007). This research was motivated by the belief that an analysis of how emotional intelligence factors in employee turnover in the SME context should be carefully investigated to understand how it affects employee retention outcomes in Saudi Arabia especially with the high attrition rate mentioned earlier.

A review of the literature on organisational behaviour suggested that there has been limited research into small and medium-scale businesses in Saudi Arabia. Compounding this deficiency is the controversy around the issue of whether the levels and perceptions of managerial emotional intelligence differ among various cultures (Gunkel et al., 2014; Schulze & Roberts, 2005). For instance, whether the role and importance of emotional intelligence in Saudi organisations is similar to that in Western organisations are debated. However, limited research has also been conducted on the link between emotional intelligence and employee turnover in SMEs, particularly in Middle Eastern settings. The present research is an attempt to fill these knowledge gaps.

Thus, the main research question of the study is as follows: *To what extent does employee' perception of managers' emotional intelligence affect employee turnover and job satisfaction directly and indirectly via LMX in the context of Saudi Arabian SMEs?* To sharpen the focus of inquiry, the research also pursued the following sub-questions:

1. What is the relationship between employees' perception of managers' emotional intelligence and LMX?
2. What is the relationship between employees' perception of managers' emotional intelligence and turnover intention?
3. What is the relationship between employees' perception of managers' emotional intelligence and job satisfaction?
4. What is the association between LMX and turnover?
5. What is the effect of LMX on employee job satisfaction?
6. To what degree does LMX mediate the relationship between employee perceptions regarding managerial emotional intelligence and employee turnover and job satisfaction?

1.3 Study Aim and Objectives

The main objective of the study is to explore whether the emotional intelligence of managers contributes to employee turnover in Saudi Arabian SMEs and shed light on the staffing problems that currently plague these organisations. The following objectives were proposed to achieve this:

1. To investigate the relationship between employees’ perceptions of managers’ emotional intelligence and LMX in an organisation in the Saudi Arabian SME sector.
2. To determine the relationship between employees’ perception of managers’ emotional intelligence and turnover intention and job satisfaction among employees in Saudi Arabian SMEs.
3. To assess employees’ perspective of the role of LMX in predicting employee turnover intention and job satisfaction.
4. To identify the mediating role of LMX between managers’ emotional intelligence and employees’ turnover intention and job satisfaction in Saudi SMEs.

1.4 Study Significance

The significance of the present study can be highlighted in the following:

- The SME sector is critical to the Saudi Arabian economy because it comprises 99.8% of Saudi enterprises and accounts for 51% of the country's labour force.
- The emotional intelligence of SME managers is regarded as an important determinant of staff retention, emphasising the need to analyse in detail how it affects enterprises’ management processes.
- More empirical studies are required to understand the possible relationship between managerial emotional intelligence and employee turnover and leverage

this association in developing emotional intelligence concepts specific to the Saudi SME sector. Further, this study was intended to establish the extent to which emotional intelligence can be affected by Saudi cultural and social attributes compared with those of other societies.

- Employee turnover is recognised as a source of high costs for the SME sector in Saudi Arabia, and these expenditures currently threaten the profitability and existence of many SMEs. This phenomenon should be illuminated to enable SMEs to formulate strategies for reversing turnover trends, stabilising the national economy, and ensuring community well-being (Ardic et al., 2011).
- Empirical examinations of turnover in the SMEs of Arab countries are lacking, which is disturbing given the infancy of this business sector and its important role in stabilising national economies as they move closer to adopting a market-led model.
- Most studies on the contributions of emotional intelligence to organisations focus on the success of managers in large corporations. In contrast, the present research focuses on managers in SMEs.
- There are limited studies that has investigated the correlation between emotional intelligence and certain work attitudes and behaviours, including job satisfaction, LMX and the reasons for turnover in SME sector.

1.5 Contributions to Knowledge

The study makes valuable contributions to current scholarship in the field of Entrepreneurship, and on emotional intelligence, job satisfaction, and employee turnover. Specifically, it contributes to. (1) There is a death of research about human resources in SMEs from both aspects of theory and practice (Heneman, Tansky & Camp;2000). While the fundamental basics of human resources emerged from large organizations, a paucity of theoretical and empirical research exists which seeks to understand the human resource and leadership in SME enterprises (Heneman, Tansky & Camp;2000). An important consequence ensuing from this approach is the lack of certainty about extent to which the EI theory could be applicable in smaller enterprises Although substantial research has been devoted to SMEs and emotional intelligence as separate constructs, limited attention has been paid to the link between emotional intelligence and employee turnover in SMEs, specifically in the Middle Eastern context. Moreover, such studies revolve around Western cultures and have not investigated emotional intelligence in the business world of Eastern cultures, especially Arabian society (Rajendran et al., 2007; Whiteoak & Manning, 2012). (2) The current study has paved the way for identifying differences in the perceptions of managerial emotional intelligence between Western and Eastern settings. Employee turnover is a serious problem in many Saudi Arabian workplaces, yet its causes have not been explored, particularly within the private sector.

(3) The nature of Saudi Arabian society, including its cultural, social and religious aspects, may influence its business environment because these aspects significantly vary from those of Western countries. As Bjerke and AI-Meer (1993) have argued, Arabian society's social structures, values and norms substantially influence Arabian managers' style of management. For instance, Saudi Arabia has a conservative culture typified by visible segregation between genders. Saudi men and women do not mingle because such practice is deemed inappropriate. This type of division is imposed in public, work and home environments, and the male figure is considered the head and provider of the family. Thus, this cultural orientation has resulted in gender segregation in all organisations operating in Saudi Arabia (Bjerke & AI-Meer, 1993).

Another potential contribution of this study lies in its (4) methodology, through which the researcher determined how employees' views of their managers' emotional intelligence differs from the objective self-ratings of managers. Prior research has showed that managers tend to exaggerate their abilities related to emotional intelligence (Choi & Kluemper, 2012; Law et al., 2004; Zammuner et al., 2013). Collecting data on employee perspectives of the emotional intelligence of managers is not a popular approach, even though it can enable a thorough overview of managerial emotional intelligence and its value. Examining the differences between the perceptions of employees and managers is important, given the effects of managers and their actions on employees. (5) A limited number of studies have considered the correlation between emotional intelligence and LMX although they have examined each topic separately and their correlation with leadership, decision-making or managing human resources (Johnson, 2013; Karim, 2011; Sears & Holmvall, 2010). (10) Despite LMX being thoroughly studied by numerous scholars, the results of only a few studies have consistently linked LMX with job satisfaction (Mardanov et al., 2007), turnover and employment outcomes (Harris et al., 2005). This issue motivates further research to deepen the understanding in this area in regard to high-quality LMX and its contribution to increasing job satisfaction and decreasing the intention to leave. (6) This study also contributes to the existing literature in other ways. First, it contributes to the SME literature by investigating how LMX and leaders' emotional intelligence affect employee job satisfaction and job leaving intention. This investigation is particularly important because, to the author's knowledge, there is a lack of studies that have investigated the effect of LMX in SMEs within the author's research and study context—even though the SME sector has grown rapidly worldwide. Second, the model described in this study can be used in other organisational sectors that have strongly defined roles for managers and employees (Hesselgreaves, 2007).

1.6 Structure of the Thesis

This thesis is organised into five chapters as follows.

Chapter 1: Introduction

This chapter provides general background knowledge and discusses the problem and questions, the objectives, the significance and the structure of the study.

Chapter 2: Saudi Arabian SMEs in the Context of Saudi Vision 2030

This chapter provides an overview of the Kingdom of Saudi Arabia, followed by a background of the country's economics and culture, and a general description of SMEs in the context of Saudi Vision 2030.

Chapter 3: Conceptual Framework and Literature Review

This chapter reviews the literature regarding the effects of employee perceptions of their manager's emotional intelligence on their turnover intention in SMEs, and the study variables, to locate the gap in the related literature that motivates the present study. It will also present the conceptual model along with the hypotheses.

Chapter 4: Materials and Methods

This chapter discusses the study methodology and provides information on the population and sample selection, data collection methods and analyses tools.

Chapter 5: Data Analysis and Results

This chapter describes the data, presents an analysis of the sample characteristics, tests the hypotheses and provides an interpretation of the results.

Chapter 6: Discussion, Conclusions and Recommendations

This chapter discusses the implications of the results for research and practical application and draws conclusions. It also provides recommendations for managers in SMEs and further research directions.

Chapter 2: Saudi Arabian Small and Medium Enterprises in the Context of Saudi Vision 2030

2.1 Introduction

This chapter provides an overview of the Kingdom of Saudi Arabia, including the characteristics and the influence of its socio-historical background, economy and culture on its business environment. A general description is provided of SMEs in the context of Saudi Vision 2030 (hereafter referred to as ‘Vision 2030’).

2.2 Kingdom of Saudi Arabia: Overview

The characteristics of the Kingdom of Saudi Arabia and the influence of its sociohistorical background on its business environment are described in this section. Saudi Arabia, which occupies more than 80% of the Arabian Peninsula, is the largest Middle Eastern country in Southwest Asia; it is at the juncture of three continents, namely, Europe, Asia and Africa. Its population is rising rapidly since the country has been increasingly opening its doors to foreign residents. In 2020, the number of individuals living in Saudi Arabia reached 35 million, from 31 million in 2016, which included more than 10 million foreign residents (General Authority of Statistics, 2020).

The Arabic language and Islam have traditionally had a notable influence on the Saudi Arabian community and all facets of Saudi life. The Kingdom is known as an Islamic homeland because of two holy mosques, the Masjid-al-Haram in Makkah and the Masjid-e-Nabwi in Medina. Thus, Saudi Arabia is a focal point for all Muslims, and the country is considered one the most sacred places in the Islamic world. The current ruler is King Sulman Bin Abdulaziz, who ascended the throne in 2015 as one of the last surviving sons of Abdulaziz. The country’s 13 separate regions—Al-Riyadh, Makkah Al-Mukarramah, Al-Madinah Al-Munawarah, the Eastern region, Al-Qassim, Aseer, Hail, the Northern Boundaries, Najran, Albaha, Jazan, Tabouk and Aljouf—are individually governed by emirs, who are members of the royal family, the Al-Sauds. This family has lived on the Arabian Peninsula since ancient times, and they are considered the rightful rulers of the country.

2.2.1 Saudi Arabia's Economic Context

The economy of the Kingdom of Saudi Arabia has been through dramatic changes over the past 20 years. One of the prominent characteristics of the Saudi Arabian economy is that it is hugely dependant on the oil sector. Saudi Arabia has 20% of the world's oil reserves, which makes it one of the most prominent exporters of oil (about 258,600 billion barrels; OPEC, 2019). The production capacity of Saudi Arabia is estimated at about 9,808.2 million barrels of crude oil per day, which makes it the largest oil producer in the world (OPEC, 2019). Over the past ten years, owing to increased capacity of Saudi oil production and a rise of oil prices, the gross domestic product (GDP) had risen to USD 792,967billion in 2019. In Saudi Arabia between 2014 and 2016 a sharp decline of oil prices caused one of the most dramatic economic falls witnessed in modern history (The World bank, Global Economic Prospects, 2018) Influenced by this collapse, oil exporter countries held several meetings seeking to reduce the associated consequences (see Figure 2.1).

Figure 2.1: Nominal Oil and Metals Price Indexes (2000-2017)

Source: Global economic prospects (2018).

Consequently, the Saudi government employed extreme measures to reduce the consequences of future declines of oil prices on its economy. In 2016, the country launched Vision 2030, a reform programme championed by its Crown Prince, Mohammad bin Salman. The main goals of the vision are to invest in untapped opportunities and diversify the economy to reduce dependence on oil.

2.2.2 Saudi Arabian Cultural Context

There is intense controversy regarding the influence of culture on attitudes towards human resource management (HRM) and leadership. The values and beliefs that individuals hold drive their actions and behaviours and serve as standards that guide them. The case has been made that national culture not only influences organisations but also that these organisations are essentially embedded in the prevailing national culture (Peretz & Fried, 2012).

The literature has confirmed the impact of religion and beliefs on management and human resource outcomes. In particular, Islam, as the dominant religion in the Middle East, has received significant attention in recent years, with increasing evidence derived about the effects of Islamic beliefs and standards on various aspects of the workplace. HRM in the Middle Eastern and Arab countries is greatly influenced by religion and local culture (Branine & Pollard, 2010; Budhwar & Mellahi, 2007; Metcalfe, 2006). Assad (2002) and Idris (2007) argued cultural matters influence the improvement process and the performance of Saudi organisations. Social research attaches importance to taking into consideration all conditions (cultural, social, economic and value-related) that envelope a context and influence a target sample. Religious diversity and culture-specific practices can affect job satisfaction, leadership style and effectiveness, ethical behaviours and legal challenges in companies (Budhwar & Fadzil, 2000; King & Williamson, 2005; Morgan, 2005; Weaver & Agle, 2002).

In Arabic religions, adherence to Islam means submission to the will of Allah (God). More than 1.5 billion people follow Islam, and it is the fastest growing religion in the world. This religion is defined in the Holy Book of Muslims, the Qur'an, which Muslims believe to be the word of Allah (God), and the Sunnah, which presents actual examples of conduct of the Prophet Mohammed. Several studies have indicated that their religion strongly affects Muslim managers and employees and their work practices (Abuznaid, 2006; Ali, 2009; Randeree & El Faramawy, 2011). Therefore, a logical approach is to investigate the correlation between Islam and HRM in Islamic countries or any workplace with a Muslim workforce.

The employee behaviours and management patterns in most organisations may not be recognised without an understanding of the nature of contexts and all the factors that shape organisational characteristics, such as culture. Thus, disregarding the role of cultures and societal values in the workforce would be insensible in organisational behavioural research. Arabian culture is prevalent in the Arabian Peninsula, which is regulated through tribal rules. In such setting, the family is a community unit that is ruled by strict laws. The family is led by the father, in accordance with the hierarchy that governs relationships among family members. As mentioned earlier, the culture of Saudi Arabia differs significantly from Western culture and society. Saudi Arabia is highly conservative and traditional (Budhwar & Mellahi, 2016), and is characterised by segregation between males and females in public places, organisations or homes. The male is considered the head and provider of the family. In correspondence with this orientation, gender differentiation is observed in every organisation run under Saudi influence (Bjerke & Al-Meer, 1993). Because Saudi Arabia represents the centre of Islamic civilisation and because its constitution originated from the Qur'an and the Shari'ah, almost all aspects of life are ruled by Islamic laws defined in the latter. Religion is an essential force in Saudi Arabian society. Its social setting is likewise based primarily on religious norms and values, with heavy influence exerted by local customs and traditions.

According to theories on personalities and values, people's religious conviction is an integral part of their identity, and accompanying values affect their work satisfaction (Chusmir & Koberg, 1988). In the context of Bahrain, studies have confirmed that religious perspectives affect employees' work, with this conclusion indicated to hold true specifically for Muslim female workers (King & Williamson, 2005; Metcalfe, 2006). Thus, Islam influences both gender and human resource policies in Bahrain. Such studies are essential, considering the scarcity of investigations that probe the gender and human resource issues in the Gulf region. Even though the aforementioned study was conducted in Bahrain, the insights are relevant to similar Middle Eastern countries, including Saudi Arabia, because these relate to areas including gender, religion, government policies and attitudes towards employees and women. Metcalfe (2006) collected data through surveys and interviews with professional women in Bahrain and found that women encounter professional and developmental challenges because of their gender and that companies have no human resource management policies that cover matters related to gender equality.

In a similar vein, national culture and Islam were found to influence HRM and managerial attitudes and practices in Saudi Arabia (Mellahi, 2006). An interesting insight into HRM in Saudi Arabia is the difficulty in implementing Western-based practices given its different cultural values and nationalisation standards (Budhwar & Mellahi, 2016).

2.3 Labour Market in the Context of Vision 2030

2.3.1 Vision 2030

Saudi Arabia initiated Vision 2030 in 2016 with the intention of overcoming the country's economic dependency on oil (Kosárová, 2020). It is identified in the literature as an ambitious project of socioeconomic transformation. The rationale for the implementation of Vision 2030 is evidenced in KPMG's (2019) findings that non-oil revenue is projected to increase to a new high of Saudi Arabian Riyal (SAR) 320 billion in 2020 from SAR 315 billion in 2019, representing an increase of 1.6%. This has been substantially boosted by the Saudi Arabian Government's consistent efforts to develop non-oil sectors with increased economic and social returns. In addition, as with other Gulf monarchies that have immense natural resources, enormous wealth from the oil industry has helped the royals establish a rentier governance system (Nuruzzaman, 2018). Thus, oil revenue underpins the relationship between the state and society because high revenues contribute to an authoritarian government capable of purchasing support and fidelity by subsidising water, fuel, electricity and various other commodities, providing higher-level public sector wages, as well as precluding the need for citizens to pay taxes (Faudot, 2019).

The implementation of Vision 2030 constitutes a revision of the social contract, which has been in place since oil and gas resources became the country's prime economic commodity (Freer, 2017). The reason for this revision is that Saudi Arabia's over-dependency on oil has caused vulnerability to fluctuations in oil price, which has manifested many times in the country's history. In fact, Saudi Arabia has been attempting to diversify its economy since the 1970s, when it implemented a five-year development plan (Alkhathlan et al., 2020). Nevertheless, despite the implementation of nine development plans, they failed to achieve the goal of economic diversification. Hence, Vision 2030 and the National Transformation Program 2020 may be regarded as the tenth development plan of this nature attempted in Saudi Arabia.

Thus, Crown Prince Mohammad bin Salman initiated Vision 2030 to respond to two critical trends in the Kingdom: the emergence of new economic and new demographic challenges (Habibi, 2019). These particular challenges could jeopardise the rentier system by undermining the social contract between the royals and citizens, endangering the legitimacy of the regime and, ultimately, destabilising the state.

Regarding economic challenges, Saudi Arabia's oil prices fell significantly in 2020, dropping by approximately 30%, the most significant drop since the Gulf War (Suliman & Abid, 2020). The outcome of this fall was that Saudi Arabia adopted a deficit budget, re-emphasising the necessity for successful economic diversification. In addition, given that oil is not a renewable resource, the need to identify the number of reserves owned by the Saudi Arabia Government has increased. Hence, there is a consistent and growing demand to prepare Saudi Arabia for a post-oil future, the core and ultimate focus of Vision 2030.

Demographic challenges are demonstrated by 2016 statistics that show that 70% of Saudis were younger than 30 years, with around half of this population being younger than 25 (Stats Gov, 2020). In this regard, the Government will need to create new jobs for this cohort in the future, which would increase the pressure on the state budget. Indeed, in the 2020 budget, the Saudi Arabia Government cut its overall spending while turning to its reserves and debt markets to fund its budget (Grand & Wolff, 2020). The significant decline in oil revenue and the rapid population growth have made the rentier social contract system unviable, which indicates a need for reassessment of the Saudi Arabia economic model (Kosárová, 2020). The Council of Ministers approved Vision 2030 in 2016 as a new strategy for Saudi Arabia's development. Due to the importance of Vision

2030 in Saudi Arabia, Qablan (2019) identified the megaproject as a monumental experiment of economic transformation to reduce the country's dependency on oil revenues and bring about successful economic diversification. Despite being presented by the Crown Prince as an economic program, its implementation demands substantial social reform. The pillars of Vision 2030 include a vibrant society, a thriving economy and an ambitious nation (Alzahrani, 2019).

These pillars comprise multiple directions (approaches for achieving the required end state) and particular goals (means of doing the assigned functions). Further, according to Mitchell and Alfuraih (2018), Vision 2030 has explicit 96 goals, and all are being adopted collaboratively. Examples of goals are promoting tourism, such as increasing the capacity to welcome approximately 30 million pilgrims annually, and increasing the contribution of the private sector to the GDP to approximately 60%. Part of the process entails the partial privatisation of several sectors, including healthcare, air travel and housing, and increasing foreign investment to approximately 5.7% of the overall GDP. Further, Vision 2030 plans to enhance non-oil exports and the role of SMEs (Amirat & Zaidi, 2020). Successful attainment of the identified goals demands investment in human capital. Hence, part of Vision 2030 is investing in education and training for all genders and attracting highly qualified individuals. This makes Vision 2030 an ambitious plan of socioeconomic liberalisation. Owing to the lofty aims and the limited timeframe for the implementation of Vision 2030, analysts are sceptical about the likelihood of meeting objectives (Mitchell & Alfuraih, 2018). Nevertheless, there has already been progress in specific areas since the adoption of Vision 2030, with critical reforms being successfully implemented.

2.3.2 Saudi Arabian Labour Market

A country's cultural and social constructs are fundamental to managing human resources (Connell & Teo, 2010). The private business environment in Saudi Arabia is complex and faces copious challenges associated with HRM (Budhwar & Mellahi, 2016). This complexity is attributed to several factors, including the high rate of unemployment, the recent programmes of nationalisation, the entrenchment of political and business lives in a tribal orientation and the considerable influence of a conservative society (Budhwar & Mellahi, 2016). Given the global character of monetary flows, nations have begun participating in the global marketplace and are crossing borders as they engage in business. The most significant stimulators of globalisation are multinational corporations (MNCs), which are thus being tested as regards managing an increasingly diverse workforce. It has been identified that a labour force constituted by employees from diverse backgrounds eases global operations for workers and companies (Andreassi et al., 2014; Budhwar & Debrah, 2001; Hofstede, 2009).

The past decade witnessed a dramatic change in the Gulf Cooperation Council (GCC) countries, which were compelled to evolve from traditional to more modern societies. For these nations, the turning point was the exploration of oil, earning them a leading position as the main source of revenue for the region. Rapid economic development and the growth of wealth have led to GCC countries experiencing a high influx of foreign migrant labour from all over the world (Salih, 2010). Currently, expatriates constitute the bulk of the workforce in the Saudi private sector. GCC countries are also encountering considerable difficulties in relation to labour market demographics because of the high unemployment rates stemming from the entry of thousands of young nationals into the workforce each year (Salih, 2010).

Occupying over 80% of the Arabian Peninsula, Saudi Arabia is the largest of the GCC countries and its population is also the highest. Since 2000, the country has experienced an average population growth of 3% each year primarily because of the influx of migrant workers. These numbers are increasing rapidly with the emergence of a progressively younger population, with more than 50% of people being less than 44 years old. Migrants constitute 4% of the annual growth in this period versus only 2% of local Saudi growth. Consequently, migrant workers now comprise 53% (or 11.9 million) of the total workforce and are crucial contributors to the Saudi economy. They account for 77% of the Saudi labour market and 83% of the workforce in the private sector (Ministry of Labour and Social Development, 2016). They have helped construct the country's economy throughout the past decades and alleviated labour force shortages and skill shortages. Their growing number mirrors the progressing quality and appeal of the Saudi economy. The public sector, including the education sector, administration and defence forces, is one of the largest employers of Saudis. Nevertheless, because the public sector cannot continue growing indefinitely, more job openings will have to come from the private sector, which currently employs mainly migrant workers (Ministry of Labour and Social Development, 2016). Hence, one of the most challenging issues that the Saudi government is trying to resolve is unemployment amongst young Saudi nationals.

2.3.3 Vision 2030 and Labour Market Challenges

The preceding discussion reflects that job creation remains a core obstacle in Saudi Arabia (Al-Dosary et al., 2005), as evidenced by an unemployment rate of 11.7% (General Authority of Statistics, 2021). The shortage in employment arises primarily from the limited growth pattern of the private sector; that is, this sector's capabilities do not correspond with increased employment demands. In recent years, the private sector (excluding oil companies) expanded the local Saudi economy by contributing 37.7% of the nominal GDP in 2010 and 39.3% in 2015 (Ministry of Labour and Social Development, 2016). Notwithstanding this impressive growth, the public sector continues to provide most new job openings for Saudi workers, who consider working for the government to be more prestigious than working for privately owned enterprises. Rationally, another driver of the preference for public sector employment is that weekly work hours in the public sector amount to 40 hours or less compared with more than 50 hours for six days of a week in the private sector. This schedule, and the higher work security, personal development opportunities through training or mentoring, higher starting salaries and better work conditions (Ministry of Labour and Social Development, 2016), make the public sector more appealing to Saudi employees. Further, the orientation of recruitment and human resource management in the private sector is an impediment. Particularly in the public sector, Saudis consider employee seniority to be a function of age, duration of employment and similar factors (El-Katiri, 2016). Accordingly, many Saudi nationals consider working for SMEs unattractive owing to the belief that these companies lack professionalism in terms of their work environment and practices.

Thus, Saudi Arabia does not have a large enough workforce to satisfy the requirements of a fast-growing economy (Al-Asmari, 2008). The total Saudi labour market reached just over 3 million people, of whom 66.4% are men and 33.6% are women (Al-Asmari, 2008). Interestingly, the percentage of women in the workforce remains considerably low, pointing to the need for the government to dedicate greater effort to addressing underlying gender issues. Indeed, women in Saudi Arabia represent an abundance of undiscovered potential for the economy. However, numerous women are yet to join the workforce despite being well educated and motivated. In total, 9.1 million (out of 13.5 million) women are of working age, but only 20.2% of this population were working in 2015 (Ministry of Labour and Social Development, 2016). In comparison, 77.8% of men in the same age group joined the workforce that year. These findings illustrate that Saudi Arabia has the widest labour gender discrepancy among G20 countries. Further, women who do seek employment are confronted with high unemployment rates; in 2015 the job-seeker rate in females was 32.8%, a percentage surpassed only by youth unemployment. It is also five times the rate of male unemployment.

Two principal factors drive low participation and high unemployment among Saudi women. First, although they are highly educated, their skills and experience have limited demand in the private sector. Second, women tend to prefer public sector employment because of the larger investment in infrastructure, work–life balance and female-friendly environments. Nonetheless, an increasing number of women are entering the private sector. In 2012, almost 100,000 women were employed in private companies, and in 2015 this number reached 159,000, which reflects a 59% increase in three years, exceeding the growth of employment of men (Ministry of Labour and Social Development, 2016). Yet, such progress is somewhat negated by the fact that many companies in the private sector continue to abide by traditional principles, which prevent the accommodation of female workers. New openings for women are reserved for jobs that do not require direct interaction with men, and employers are obligated to ensure that women can work in separate spaces—a requirement that is often unattainable in small companies. Other hurdles to the efforts of women to carve careers for themselves are childcare and transportation. These obstacles have prompted the government to assess different subsidy schemes and alternative measures for increasing the involvement of female workers in the private sector.

Vision 2030 represents an ambitious reform programme with the intention of securing meaningful employment for Saudi citizens. As noted in Harvard Kennedy School (2020), Vision 2030 intends to reduce the unemployment rate for Saudi citizens to 5% while increasing the proportion of women active in the labour force. Significantly, one of the core aims of Vision 2030 is to increase women's participation in the workforce from 22% to 30%. Hence, Vision 2030 comprises economic, social and developmental programmes (Soliman & Al Rubaie, 2019). These include the promotion of social responsibility, personal responsibility to self and family, and instilling appropriate citizenship values for enhancing national security and stability. Empowerment of women would positively affect the economic and social position of women (Naseem & Dhruva, 2017). This includes the promotion of equity and the utilisation of available human potential to build an increased capacity for economic growth and reduce poverty. Ultimately, this expansion of Saudi society to women would offer them an opportunity to take part in political, social, economic, cultural and legal life.

Another core aim of Vision 2030 is to ensure that most of the new employment opportunities are generated in the private sector, with approximately 4.5 million new job opportunities for Saudi women and men being created by 2020. Currently, Saudi employment in the private sector is significantly hampered by high wage demands and mismatched career expectations. Private sector employment offers lower wages and reduced job security than the public sector (Harvard Kennedy School, 2020). Hence, the most significant issues are whether Saudi citizens would have the will to work in the private sector for lower pay and whether they are sufficiently qualified for such roles (Khashan, 2017). To reverse this trend, Vision 2030 aims to engender a thriving economy, which necessitates a long list of economic reforms and quantitative targets with a significant emphasis on privatisation (Habibi, 2019).

Vision 2030's privatisation process intends to expand the private sector from 40% to approximately 60%. This would include increasing non-oil fiscal revenue by embracing appropriate taxation reforms and creating a business-friendly economic and legal environment, with foreign investment increased and an influx of foreign talent (Al-Tamimi, 2017). The Saudi government have been encouraged to support the private sector, which traditionally comprises a large proportion of foreign workers, as immigrants are willing to work for lower salaries. To address this issue, a Saudisation programme is already in place, in which private companies are required to employ a particular percentage of Saudi nationals (Kosárová, 2020). This government initiative seeks to create an environment in which Saudi workers are more attractive to private organisations than immigrant workers.

Vision 2030 is centred on education and aims to maintain a link between education and economic growth. For example, the Saudi government has been enhancing the supply of Saudi labour by implementing on-the-job training of the skills needed to thrive in the 21st century (Harvard Kennedy School, 2020). Provision of high-quality education and training is expected to lead to enhanced employment outcomes for younger employees and the growth of the private sector in Saudi Arabia (Mitchell & Alfuraih, 2018). This set of policies is aimed at influencing socioeconomic factors that stigmatise technical and vocational education and training (Aldossari, 2020). The importance of this type of education and training is that it helps to mitigate the mismatch between skills and qualifications by offering general, educational and life skills, as well as vocational training, to equip individuals to contribute and engage in society. Through a reflection on industrial engineering tools, Elkality and Hassanein (2018) suggested that technical and vocational education and training in Saudi Arabia directly contribute to enhancing self-esteem and facilitating personalised adjustments.

This view is also supported by Yusuf (2017), who highlighted the background of students' educational needs and the current economic situation in Saudi Arabia. Further, the Saudi government needs to help citizens obtain employment that fits their abilities and qualifications by establishing recruitment and qualification centres for employees lacking expertise in a craft or a profession and by granting funds or loans to those interested in launching businesses. Moreover, the Vision 2030 plan includes the establishment of a knowledge-based economy by formulating policies that promote innovative social systems and programmes (Amirat & Zaidi, 2020). These include post-oil jobs in the private sector, creating the industrial sectors needed for successful economic diversification and the active encouragement of foreign investment (Alomari, 2019). The outcome of these strategies would involve an improved labour market environment that accommodates most of Saudi citizens.

Despite the evident progress of Vision 2030 in terms of socioeconomic liberalisation measures that aim to increase opportunities in the labour market, some challenges remain. For instance, there are concerns about whether Saudi Arabia would be able to implement Vision 2030 successfully and efficiently and whether this would successfully alter the dynamics of the labour market (Mitchell & Alfuraih, 2018). However, Alomari (2019) identified Saudi's sustainable strategy of establishing a knowledge-based economy in which oil is no longer the basis of the country's economy, but rather the Saudi people's knowledge and skills are key to overcoming such issues. The government aims to achieve Vision 2030 goals by channelling international expertise through private education institutions. In one recent project, for example, colleges of excellence have been established with support from multinational organisations to train young workers for jobs in emerging economic sectors, such as renewable energy, mining, infrastructure development, transportation and tourism (Asel, 2020).

2.3.4 Vision 2030 and the Establishment of Small and Medium Enterprise General Authority

One core aim of Saudi Vision 2030 is to increase the contributions of SMEs to the Saudi Arabian economy to approximately 35% of the country's GDP. Moreover, Vision 2030 aims to ensure that the overall private sector contribution increases from 40% to 65% of the overall GDP. These aims are within the context of Saudi Arabia gradually transitioning from its long-term dependence on oil to SMEs for sustainable growth and development (Alzahrani, 2019). To achieve this ambitious goal, Vision 2030 is centred on ensuring that an ideal environment is created for SMEs to operate by easing access to finance and developing a culture of entrepreneurship and innovation among its young citizens. To this end, the government has established Small and Medium Enterprise General Authority and set up a support centre called Monsha'at where its primary role is on supporting, developing, and nurturing the sector with best global practices that promotes the cultural and spirit of entrepreneurship, and innovation, with diversifying sources of financial, administrative, and technical support for SMEs.

For instance, in the 2020 budget, the Saudi Arabia Government allowed for up to SAR 200 billion ($53 billion) in the Fiscal Balance Program, intended to realise the Vision 2030 reforms. This strategy falls under the Vision 2030 pillar of Saudi Arabia being a vibrant society, a thriving economy and an ambitious nation (Alzahrani, 2019).

SMEs in Saudi Arabia could positively contribute to many pillars of Vision 2030, such as fostering a vibrant society through improving the quality of life, the living standards and the well-being of the entire society. Further, this is a likely outcome since SMEs offer a strong foundation for the stimulation of various economic development levels in the country through their creation of wealth and the avenues for distributing it

(Ali, 2020). One example is the expected increase in tourism, which could lead to a surge in new SMEs providing hospitality-related services, such as secure, comfortable accommodation and other tourism-related services for visitors. The long-term implication of this boom is an increase in total active labour force, as a result of new employment opportunities in new and existing SMEs. Further, entrepreneurial educational programs, which have gained prominence through vision 2030 towards achieving this outcome (Qadri et al., 2019). The provision of entrepreneurship courses by a range of international universities would operate as a growth catalyst and pave the way for successful economic development. By acquiring entrepreneurial skills and knowledge, the next generation of the Saudi workforce may pursue self-employment and build new businesses, thus increasing job opportunities. The Communication and Information Technology Commission is expected to contribute 20% to e-commerce growth in the future (Alzahrani, 2019). This growth seems possible, since large numbers of young people are entering the Saudi workforce, which offers an unprecedented pool of talent in terms of creativeness and innovation, and traditional business models already in existence in Saudi Arabia are not able to absorb all of them.

Many SMEs are start-ups or businesses that are relatively young, agile, which implies they are more open to taking risks and are likely to invest considerable amounts in the latest technologies to achieve a competitive advantage (Ahmed, 2019). Vision 2030 aims to increase the percentage of SMEs in Saudi Arabia to stabilise the path to high-level economic growth. Alzahrani's (2019) recommendations of prioritising the local context and SMEs through providing them a mandatory proportion of the value of government contracts is an essential element to achieve this goal. This can also include the establishment of a digital financial platform for providing SMEs with the opportunity to participate in active competition and procurement, which would hence increase transparency and consolidation procedures.

Monsha'at which is the support centre, is mandated to provide training services, advice and mentorship to approximately 1,000 SMEs and entrepreneurs (Alsedrah, 2021). This strategy is intended to progress the government plan to decrease the overall unemployment rate from 11.6% to 5% and increase female participation in the workforce from 22% to 30%. Moreover, the government introduced the Biban forum to strengthen relations between SMEs and government institutions, function and investment organisations, incubators and accelerators, and growth and development agencies, thereby encouraging new enterprises to launch projects and establish themselves in the market (Tripathi, 2019). The rationale of these programmes is ensuring that SMEs assist Saudi Arabia in becoming an industrial and logistics platform for three different continents and creating appropriate jobs for all its citizens. Moreover, thanks to finances advanced through the Kafala loan guarantee program (i.e. an enactment of Vision 2030 policies such as the Vision Realisation Program, Financial Sector Development Program and Public Investment Fund Program), the number of women operating SMEs has increased by up to 35% (Alzahrani, 2019). These kinds of reforms are expected to ensure that the government designs and provides an appropriate business environment for SMEs to operate and succeed, thus contributing to the national economic growth. Economic diversification leads to economic resilience, and thus, increasing the proportion of SMEs in Saudi Arabia is anticipated to stabilise the economy, and thus fulfil the aims of Vision 2030.

2.4 Research Gap with SMEs- the Saudi Context

SMEs play a significant part in emerging and transitional economies since they contribute to business sectors and industries by creating jobs more rapidly than large corporations (Psychogios & Prouska, 2019). In these economies, socio-economic environments differ from those in developed countries in terms of their norms, available resources, infrastructure, and corporate framework (Han et al., 2018; Psychogios et al., 2016; Psychogios & Wood, 2010). In less developed economies, SMEs contribute to 60% of the GDP and 70% of the jobs created. Comparatively, in developing economies, they contribute to 70% of GDP and 95% of jobs created (Subhan et al., 2013).

Notably, the nature of HRM in the SME sector has been mostly neglected in previous studies. The pervasiveness of the belief that the HRM concepts used to conduct research in large firms can be applied in smaller firms' settings leads to misunderstandings. The fact is that the SME sector is distinguished from large firms in regard to institutional, resource and economic contexts (Psychogios & Prouska, 2019). The absence of scientific knowledge on how HRM in SMEs differs from that in large organisations is surprising. Large companies often implement sophisticated staff onboarding processes and procedures, and offer more external rewards and professional development, have more formal appraisal systems, invest more resources in employee training and maintain higher volume and fully functioning internal labour market (Krishnan & Scullion, 2017). In comparison, SMEs have more horizontal organisational systems where employees experience less bureaucracy, closer social relationships and varied tasks (Dietz et al., 2006).

As the country with the largest economy among the GCC countries, Saudi Arabia's budget has expanded by the equivalent of USD 170 billion, which is almost three times the amount it was previously (USD 69 billion). However, SMEs are reported to contribute only 20% of the country’s GDP, whereas SMEs in other countries contribute 70% (Small and Medium Enterprises General Authority, 2018). Perhaps with this discrepancy in mind, the extent to which Saudi Arabia’s economy has grown and the plans to diversify its economy (as laid out in Vision 2030), SMEs are projected to contribute more than 35% of the country’s GDP (Small and Medium Enterprises General Authority, 2018).

In the current economic environment, SMEs in Saudi Arabia face formidable challenges that limit their ability to be competitive and sustain growth. Saudi SMEs have been characterised as having high employee turnover, staff with inadequate skills and insufficient communication between executives and other employees (Achoui, 2009; Baldwin-Edwards, 2011). Yet, the SME sector constitutes the highest number of enterprises in Saudi Arabia. According to the General Authority for Saudi Arabia Statistics (2016), SMEs comprise 99.8% of the total number of enterprises and 38.9 % of the labour force.

Moreover, the limited data available regarding the current state of the SME sector in Saudi Arabia, such as on its financial performance and employment and on SME formation, reveal a general lack of leadership and management across the sector itself. Such information is critical to understanding the developmental effects of SMEs on specific sectors and to measuring the influence of general and SME-specific policies on small companies. The SME sector in Saudi Arabia clearly needs to improve further to be on par with SME industries in Western economies. Accordingly, the current direction in Saudi Arabia appears to be characterised by the implementation of policies and regulations intended to enhance the sector’s contribution to the country’s GDP. As mentioned earlier, the importance of this industry should not be neglected as it accounts for 20% of Saudi Arabia’s GDP (Small and Medium Enterprises General Authority, 2018). Consequently, the Saudi government recently launched its Vision 2030, which is designed to diversify income by maximising the role of the private sector.

The SME situation in Saudi Arabia requires illumination given the limited number of studies on this sector in Middle Eastern settings (Ahmad, 2012). A quick Google search on 'studies on SMEs in Middle East' let alone, Saudi Arabia confirms the limited number of empirical studies that have been conducted. In contrast to businesses in developed nations, businesses in developing countries encounter monumental difficulties, such as instability and high levels of bureaucracy. Complex and complicated laws governing private sector business features, such as registration and tax, company contracts, intellectual property, administration, bankruptcy, and property, are inappropriately designed or enforced, thereby creating an unfavourable environment for small enterprises. Further, informal networks based on family ties exert influence over decisions, thus impeding business development and improvement. Regarding business operations in the Middle East, trust is a common underlying factor for business policy. Similarly, individual power and sociocultural attributes are considerable factors in everyday life and connections among people in the Middle East (Hutchings & Weir, 2006). Further, Alfaadhel (2011) stated that the SME sector in Saudi Arabia suffers from problems and barriers that emerge from a lack of government protection and support, which forces SMEs to work in an unhealthy environment.

These problems motivated the Saudi government to consider the SME sector in its National Transformation Program as an essential contributor to alleviating dependence on the oil sector and enhancing national income. The contributions of the Saudi SME sector to the labour market are modest or even marginal compared with those of SMEs in other developed countries (Alsulamy, 2005). Thus, the Saudi government aims to expand the role of the sector by advancing measures to increase the SME employment rate to

53%. The factors that can affect the performance of SMEs need to be investigated given the country has high unemployment rate and high turnover rate within SMSs. This phenomenon needs further investigation to understand the link between the two.

The link between the emotional intelligence of managers and employees' turnover in the SME sector has not been explicitly examined to a large extent, which forms one of the value-added aspects of potential research. Since the majority of emotional intelligence studies have been applied to large companies, it is not clear whether the understanding of managerial behaviour or traits, such as emotional intelligence, gained from large firms is applicable to SMEs. Turning attention to Saudi, to date, there has been no such research that links emotional intelligence of managers to that of employees. As such, this research study is the first empirical study to examine the role of manager's emotional intelligence in the SMEs sector in an Arabian context. To this end, this study intends to fill the gap in the literature by asking the question: *To what extent does employee' perception of managers' emotional intelligence affect employee turnover and job satisfaction directly and indirectly via leader member exchange (LMX) in the context of Saudi Arabian SMEs?* This understanding will contribute to a growing body of literature and contribute insights into the value of certain manager traits in the SME sector, including variation in the impact of emotional intelligence in large firms compared with SMEs. A detailed review of the literature will follow in chapter 3 that will further highlight this gap and develop a conceptual model.

The SME structure is not strictly defined since the concept is not homogeneous (Krishnan & Scullion, 2017). The classification of SMEs, which varies from country to country, is grounded in the number of workers in a company and the amount of capital invested by it. This classification makes the comparison between nations rather difficult since the count of SMEs and employees in these companies differ (Krishnan & Scullion, 2017).

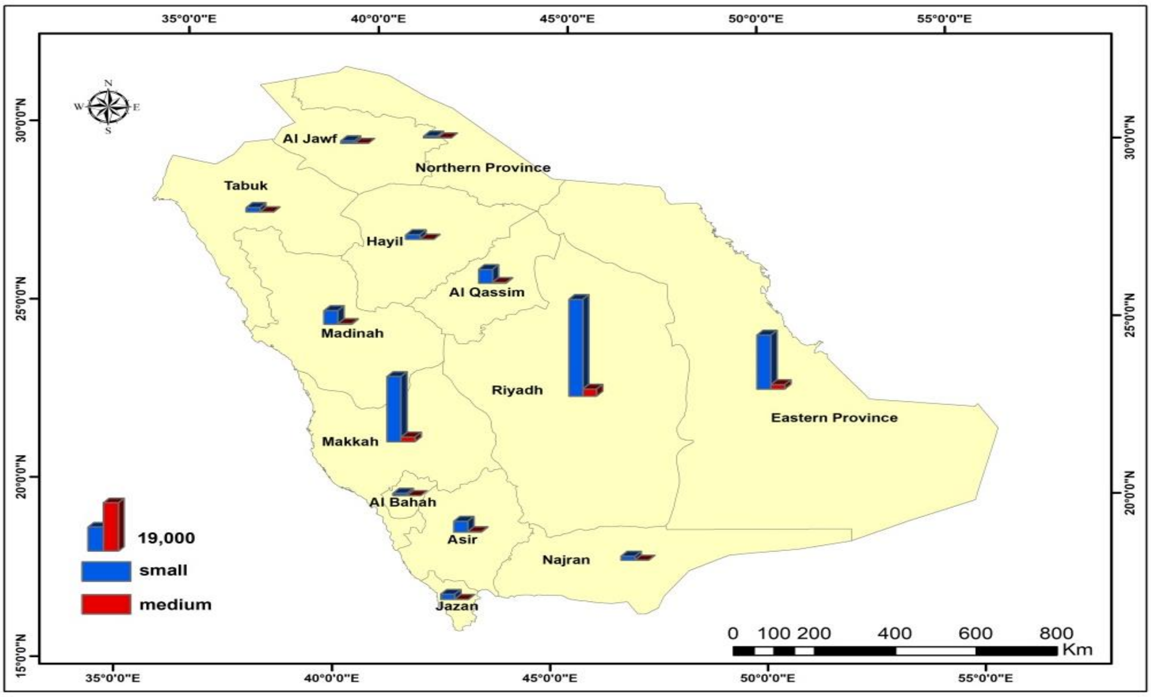
Within the Saudi context, Small and Medium Enterprises General Authority defined SMEs based upon the number of workers, as shown in Table 2.1.

Table 2.1: Classification of Saudi Arabia's SMEs

Industrial enterprise type	No. of employees	Capital (millions) (Riyal Saudi)
Microenterprises	1–5	Less than 3 m RS
Small enterprises	6–50	3–50 m RS
Medium enterprises	51–250	50–200 m RS

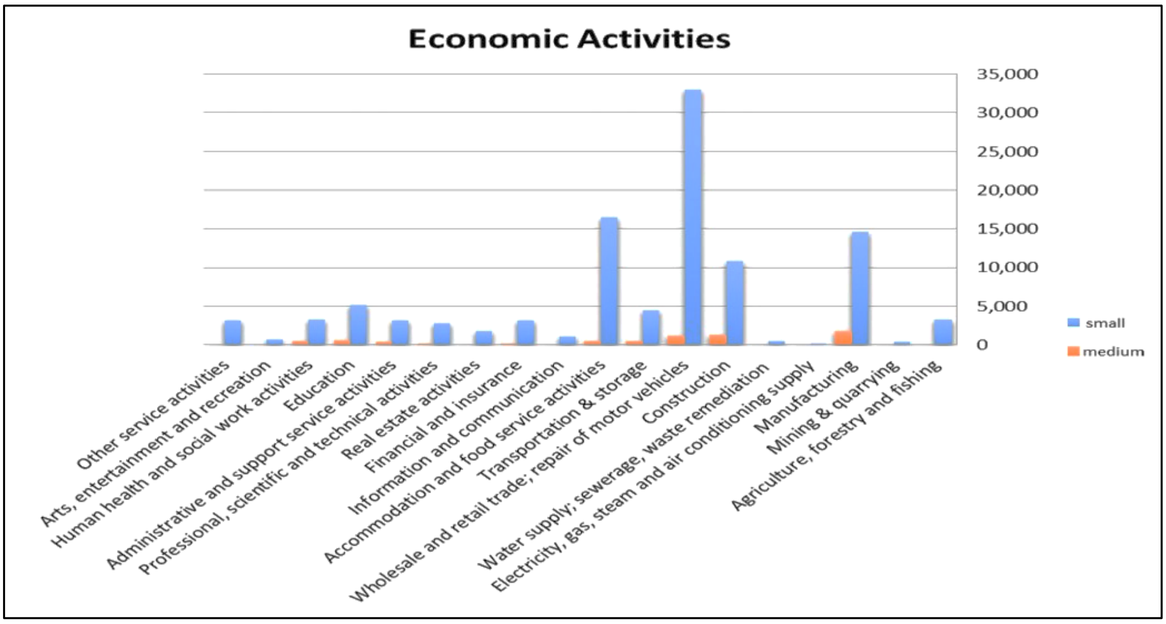
To gain more accurate information, the geographic information system was used to identify the distribution of SMEs in Saudi Arabia according to geographical location and economic activities. The majority of SMEs in Saudi Arabia are concentrated in three regions: Riyadh, Makkah and Eastern province (see Figure 2.2). The most common economic activities of these SMEs are accommodation and food service activities, wholesale and retail trade, repair of motor vehicles, construction and manufacturing (see Figure 2.3).

Figure 2.2: Distribution of Saudi Arabia SMEs According to Geographical Location



Source: Small and Medium Enterprises General Authority (Monshaat, 2017).

Figure 2.3: Distribution of Saudi Arabia SMEs According to Economic Activities



Source: Small and Medium Enterprises General Authority (Monshaat, 2017).

Chapter 3: Conceptual Framework and Literature Review

3.1 Introduction

The previous chapter highlighted the research short-comings related to SMEs in Saudi context and posed the research question: *To what extent does employee' perception of managers' emotional intelligence affect employee turnover and job satisfaction directly and indirectly via leader member exchange (LMX) in the context of Saudi Arabian SMEs?*

This chapter focuses on providing a theoretical basis and critical review of the literature relating to the constructs; emotional intelligence, LMX, employee turnover, and job satisfaction.

3.2 Theoretical Framework

The chapter reviews in detail previous studies on the role of emotional intelligence in LMX and in predicting employee job satisfaction and turnover intention. Moreover, the review outlines the existing literature on job satisfaction of employees in SMEs. Importantly, the literature will review Saudi Arabia's SMEs, since this is the focal point of this study. The gap in the literature will be highlighted and a conceptual framework and hypothesis will be developed.

3.2.1 Emotional Intelligence

The concept of emotional intelligence arose from social intelligence theory, with both the concept and the theory becoming fundamental bases. To effectively understand this concept, a useful approach is to refer to the notion of social intelligence proposed by Thorndike (1920) to describe how a person interacts emotionally with others (Goleman, 2001).

Later, Thorndike and Stein (1937) introduced the primary view of the best tools to measure social intelligence. They determined three main areas of measurement: attitude towards society (i.e. politics, economics and values); social knowledge (i.e. being up to date in modern subjects such as sport; this area is similar to the first area); and the degree of involvement in society (i.e. introversion and extroversion, which can be measured using questionnaires). After revising several instruments to measure social intelligence, Thorndike and Stein (1937) concluded that it was quite difficult to measure social intelligence and called for more investigations.

The social intelligence theory has since been redeveloped by Gardner (1983) to establish the concept of multiple intelligences, including personal intelligence and intrapersonal intelligence, which provide the basis for emotional intelligence (Rahim et al., 2018). Gardner's (1983) new model identifies the multiple intelligences as including the intelligence for sensing personalised feelings and work attitudes of other individuals.

The term 'emotional intelligence' was coined by Salovey and Mayer (1990). After extensive revision and research of the term, they defined emotional intelligence as 'the ability to perceive emotions, to access and generate emotions, to assist thought, to understand emotions and emotional knowledge, and to reflectivity regulate emotions to promote emotional and intellectual growth' (Mayer & Salovey, 1997). Consequently, four branches have been extracted from this definition: perceiving emotions accurately in oneself and others; using emotions to facilitate thinking; understanding emotions; and managing emotions to achieve goals. These branches progress from the simplest use of emotional intelligence to the more advanced uses. This model suggests the performance of individuals differ in each branch, and therefore, people have patterns of behaviour depending on their capability in these skills, which ultimately leads to differences in their daily life (Grewal & Salovey, 2005).

The first branch of emotional intelligence, the ability to perceive emotions, is the capability to distinguish and interpret emotions in faces, pictures, voices and cultural artefacts. It also comprises the aptitude to recognise one's own emotions. The ability to perceive emotions signifies the most rudimentary feature of emotional intelligence, as it enables processing of all other emotional information (Grewal & Salovey, 2005). The second branch of emotional intelligence is being able to harness emotions to enable several cognitive processes, such as thinking and problem solving. The third branch of emotional intelligence is understanding emotions, which means the ability to capture the language of emotions and recognise complex relationships through emotion. For example, the ability to understand emotions includes sensitivity to small variances in emotions, such as the difference between happy and ecstatic. The ability to manage one's own emotions as well as the emotions of others is the fourth branch of emotional intelligence. The ability to manage one's emotions is possibly the most well-known facet of emotional intelligence (Grewal & Salovey, 2005).

Emotional intelligence entails more than simply being able to control one's emotions encompasses keeping emotions in check when necessary but also utilising appropriate levels of emotion for different purposes (Grewal & Salovey, 2005). A good example is a speaker aiming to persuade her audience of an injustice leveraging her own outrage to motivate others to take action (Grewal & Salovey, 2005). Moreover, emotional intelligence includes the ability to identify and describe how emotions change over time, for example, how shock can develop into grief (Grewal & Salovey, 2005). Inherent to the four-branch model of emotional intelligence is the knowledge that these skills are not able to exist separately from the social context in which they function.

One of the most interesting definitions of emotional intelligence was that proposed by Salovey et al. (2003), who described emotional intelligence as, 'the ability to perceive and express emotion accurately and adaptively, the ability to understand emotion and emotional knowledge, the ability to use feelings to facilitate thought, and the ability to regulate emotions in oneself and in others. This definition conveys the theoretical construct of emotional intelligence beyond cognitive ability. Similarly, Goleman (1995) posits in his formalisation of emotional intelligence as the ability to, ‘motivate oneself and persist in the face of frustrations; to control impulse and delay gratification; to regulate one’s moods and keep distress from swamping the ability to think’. It is widely believed that emotional intelligence leads to accurate recognition and expression of one’s emotions and those of others, the ability to regulate emotions effectively in oneself and others and the harnessing of feelings in planning and achieving goals (Salovey & Mayer, 1990). Thus, emotional intelligence describes competency in processing, appraising and recognising emotional information (Mayer & Geher, 1996), both verbal and non-verbal, as well as self-regulating emotion.

Nevertheless, there has been extensive debate about whether emotional intelligence constitutes true intelligence. Some researchers are conservative in using the word ‘intelligence’ when referring to emotional capabilities (Roberts et al., 2001; Schulte et al., 2004). However, proponents of the concept contend that emotional intelligence meets the requirements of true intelligence (Côté & Miners, 2006; George, 2000; Law et al., 2004). Considering a definition of intelligence as, ‘the ability to grasp and reason correctly with abstractions (concepts) and solve problems’ (Schmidt & Hunter, 2000, p. 3), emotional intelligence can be conceptualised as the capability to grasp and reason correctly with abstractions of an emotional nature (emotional concepts) and to solve problems of an emotional nature (Côté & Miners, 2006). Scholars have also contended that emotional intelligence is authentic intelligence because it satisfies the criteria for an intelligence as described by Mayer et al. (1999). Côté and Miners (2006) describe emotional intelligence as follows: (1) emotional intelligence reflects the capability, rather than the tendency, to act in certain ways; (2) although emotional intelligence is correlated with other forms of intelligence, , and (3) this ability can improve over time.

There has been some controversy around whether there are any differences in the levels of emotional intelligence in people from different backgrounds and cultures and to what extent emotional intelligence can be affected by these factors. Several studies have claimed that some cultures are more likely to use non-verbal communication to interpret meaning, and that this denotes higher emotional intelligence (Kim et al., 1998). For example, Ilangovan et al. (2007) argue that Indian people have higher levels of emotional intelligence as they tend to be compassionate and like to assist others. Comprehending the impact of culture on emotional intelligence is pertinent in the modern globalised marketplace (Ilangovan et al., 2007).

Increasingly, expats with different cultural norms and values work outside their native countries. It is vital that managers realise that there is a variation between different cultures and how high levels of emotional intelligence may enhance the interaction at the workplace. Additionally, in international organisations in which the workforce may be diverse, variation in the employee's backgrounds may influence communication and levels of emotional intelligence. For example, an employee from the US may misunderstand the social cues of an Indian colleague, preventing appropriate reactions or, worse, hindering business operations (Crowne, et al., 2009).

In the context of the public sector, Lee (2018) identifies emotional intelligence as being inclusive of processes, contents and products. In a different context, Zeidner and Matthews (2018) viewed emotional intelligence as a concept that identifies the perception of external world in a narrow sense. Hence, emotional intelligence may be applied to solve different problems by allowing individuals to be well positioned to act appropriately, think logically and interact successfully in the business environment. This is supported by Drigas and Papoutsi (2018), who highlight that, generally, emotional intelligence is a process used to comprehend prevailing situations, solve problems, and to adopt a future-based course through connecting past practices and conducting appropriate reasoning. The basic assumptions underpinning emotional intelligence are founded on the social intelligence model. According to Drigas and Papoutsi (2018), social intelligence, which has been in existence since 1920, is identified as the ability of individuals to understand emotions. it had been evidenced that mechanical intelligence can be noted as the capacity for appreciating the mechanics, physical symbols of abstract intelligence and social intelligence.

In the context of managers and in SME operations, Kanesan and Fauzan's (2019) definition of emotional intelligence is applicable, which is that it comprises interrelated skills concerning the capacity to accurately perceive, appraise and express emotions. Moreover, the process is identified as involving the capacity to appreciate emotion and emotional knowledge and the capacity to regulate emotions for promoting emotional and intellectual growth. In line with this definition, emotional intelligence could successfully be operationalised by focusing on four distinct factors: self-emotional appraisal, emotional appraisal, emotional regulation and effective use of emotion. Moreover, Wen et al. (2019) highlighted that emotional intelligence positively stimulates and enhances the employee faith, sense of self-worth and abilities leading to a greater sense of employee satisfaction. Similarly, Azim et al. (2020) evidenced that employees possessing a high level of emotional intelligence have a high possibility of adopting an in-depth strategy for replacing shallow acting strategies in their work roles. This could be the reason employee's emotional intelligence is directly linked with job strategy and their expressions of naturally occurring emotions because they have the capability of carrying out their emotional labour through applying emotional abilities as critical resources. This is because such employees are able to adopt relevant emotions in the workplace and have better control of their emotions in general. The rationale of this is increasing the intention of playing an upper hand on surface acting. This view is supported by the Wong–Law Emotional Intelligence Scale, which identifies that there is a positive link between emotional intelligence and establishing positive behaviours in public and private sector jobs, which ultimately increase performance levels (Pacheco et al., 2019). Conversely, while focusing on Chilean managers, Prado and Torres (2019) evidenced that managers, specifically those working in dynamic environments, understand the best practices of influencing the various emotional intelligence dimensions, namely, the regulation of emotions, emotional appraisal and using emotions. These factors have a positive implication in ensuring the success of managers while executing their roles and adopting best practice for organisational development.

3.2.1.1 Emotional Intelligence Models

Numerous conceptualisations have been developed since emotional intelligence was first introduced in the early 1990s, but no consensus has been achieved on an operational definition of the concept. The construct space of emotional intelligence models is still unclear even though the existing literature shows various applications and capabilities of emotional intelligence (Mattingly & Kraiger, 2019). The measurement of emotional intelligence is equally controversial, with the arguments reflecting the individual preferences or orientations of scholars in conceptualising emotions (Livingstone & Day, 2005). The measurement of the dimensions of emotional intelligence is divided into two main approaches, ability models and mixed models. Another issue that has generated heated debate is, what the best model is for treating emotional intelligence.

The ability (i.e. maximal performance) model was the first type of emotional intelligence measurement established. Mayer and Salovey (1997) conceptualised the model based on cognitive ability and reflected the ability to process emotional information through rational thinking with the ability to understand emotional patterns and generate decisions by processing emotions (Grissette-Banks, 2014). The mental ability model of emotional intelligence was verified by Mayer and Salovey (1997) as a set of operations that parlay process via cognitive and emotional functioning and featuring four ability categories: (1) perceiving and expressing emotion, (2) assimilating emotion in thought, (3) understanding and analysing emotion and (4) reflectively regulating emotion. The model asserts that emotional intelligence is a form of intelligence that is independent of personality traits. Researchers who advocate emotional intelligence as an ability generally agree that emotional intelligence is an aggregation of actions and abilities that allow an individual to acknowledge and manage their own emotions and those of others (Mattingly & Kraiger, 2019). The relationship between emotions and mental abilities related to intelligence has been confirmed in several fields. There is biological evidence of the impact of emotions on the mental abilities of a human. One of the prevalent hypotheses in neuroscience is that some cognitive functions, such as decision-making, are influenced by emotions. The assumption adapted from neuroscientists is that any disruption in the sector of the brain involved with emotions hinders decision-making (Bechara et al., 2000). For example, the ventromedial prefrontal cortex is located in the frontal lobe of the brain and functions in emotion regulation, and damage to this area of the brain causes profound defects in social behaviour (Bechara et al., 2000).

Mixed models of emotional intelligence are regarded as the first form of mixed representation of emotional intelligence (Evans, 2016). The models encompass a combination of cognitive ability and personality traits (Evans, 2016). One of the main theorists of the model is

Bar-On (1997), whose definition of emotional intelligence incorporates non-ability factors, or 'an array of non-cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressures'. Bar-On (1997, 2000) also determined five main factors that might advance success in life: intrapersonal functioning (i.e. the capability to be aware of and understand one's own emotions, feelings and ideas), interpersonal skills (i.e. the aptitude of being conscious of and understanding other people's emotions and feelings), adaptability (i.e. the capacity to be flexible and modify one's own feelings amid changing situations), stress management (i.e. coping with stress and governing emotions) and general mood (i.e. feeling and expressing positive emotions and maintaining optimism).

The broadness of mixed models can have some shortcomings, and they are often criticised as being too general and covering any topic that is in any way related to emotional intelligence, which leads to a lack of scientific accuracy (Joseph & Newman, 2010). Nevertheless, others have contended that the emotional intelligence ability model is a valid measure and reflects an adequate development process (Daus & Ashkanasy, 2005). Some researchers propounded that mixed model do not belong with the intelligence concept, because the construct does not satisfy the standards that reflect ability (Côté, 2007). Others strongly recommended dealing with the emotional intelligence construct separately from personality traits (Bar-On & Parker, 2000). Yet other scholars are of the opinion that emotional intelligence, based on measures of ability, is more reliable than other indicators of intelligence that are regarded as loosely applicable (Van Rooy & Viswesvaran, 2004). For example, Livingstone and Day (2005) illustrated that ability models and mixed models comprise different constructs, indicating that the two instruments measure separate concepts. The author found an overlap between the mixed model measure and personality, which means that such representations tend to measure personality more than emotional intelligence.

Because of the marked variation between the mixed and ability models, an essential strategy is to account for how the construct of emotional intelligence is measured.

Research into emotional intelligence in Saudi Arabia has been limited with a small number of studies published (Al Reshidi, 2019). Typically, most such research has largely focused on the education and medical fields. For example, Al Kahtani (2013) focused on higher education in Saudi Arabia and proposed an appropriate framework for applying emotional intelligence in this setting using Mayer and Salovey's (1997) model. The model is used to identify and measure emotions through assessing emotional self-appraisal, using one's emotions, appraising others' emotions and regulating emotions. Al Kahtani (2013) highlighted how emotional intelligence is related to employee perceptions of stress, anxiety, irritability, work pressure, agitation and depression, which are factors that can affect employees' performance. In addition to affecting performance, these factors can also affect employee morale in a positive or negative direction. Al Kahtani offered recommendations to improve emotional intelligence in the Saudi higher education sector. In another study on Saudi schools, Alghamdi (2013) examined how emotional intelligence influences school leaders' capability for optimal decision-making and how it improves intra-school communication, that is, their ability to communicate with school management, parents, students and co-workers, such as other teachers. Alghamdi (2013) also noted that one of the main factors that demotivates school leaders is the centralisation of the education system. More importantly, currently existing development programs are in a low state of maturity, for which Alghamdi (2013) suggested that Saudi policymakers develop a new strategy for educational leaders and emphasise the importance of emotional intelligence. Thus, this research will consider these recommendations and apply them to a work context by testing how emotional intelligence can affect work-based outcomes.

Similarly, Naeem et al. (2014) conducted research across three medical schools in Saudi Arabia on the relationship between emotional intelligence and academic achievements by using the Schutte Self-Report Emotional Intelligence Scale and Cumulative Grade Point Average to measure these, respectively. They found that while students with good results enrol in medical schools, their success ultimately depends on their interpersonal skills. Their research concluded that there is a significant relationship between academic achievement and level of emotional intelligence in students while no differences in gender were noted.

Emotional intelligence was also studied within the context of Saudi banking sector, by considering emotional intelligence conceptual models and the association of emotional intelligence with performance and work culture (Alferaih, 2017). This research utilised Goleman's (1998) mixed competency-based model and concluded that emotional intelligence has a positive effect on employee and manager performance in the banking sector. Alotaibi et al. (2020) conducted a study to investigate the relationship between emotional intelligence and empowering leadership in enhancing psychological empowerment and work engagement in Saudi private hospitals. They concluded that emotional intelligence enhances psychological empowerment and engagement at work and recommended that emotional intelligence and empowering leadership training should be provided to empower nursing teams.

Although there has been substantial research on SMEs and emotional intelligence as separate constructs, limited research has been conducted on the relationship and/or linkage between emotional intelligence and the outcome of employees in the SME sector in Saudi Arabia. The present study sought to fill this gap. The only study to date in this area is that of Rizwan and Serbaya (2019), which focused on assessing the impact of managers' emotional intelligence on employees' stress and motivation. They found that SME managers with high levels of emotional intelligence positively increase employee motivation, which implies the positive effects it can have on employee productivity and efficiency.

3.2.1.2 Emotional Intelligence and Leadership Roles

Emotions are highly influential in the leadership process (Rubin et al., 2005; Sy et al., 2005). Meanwhile, Graen and Uhl-Bien (1995) emphasised that leadership is not only reflective of the actions of leaders and followers but is also governed by the nature of the prevailing relationships. The emotions already exist in the leadership process. Humphrey (2002) proposed that leadership is inherently an emotional process and that emotional states of employees can be identified and regulated by managersLeadership is by its very nature accompanied by emotions (Rubin et al., 2005). As a result, emotional intelligence has received a vast amount of attention in the leadership field (Ashkanasy et al., 2002; Ashkanasy & Tse, 2000; Dasborough & Ashkanasy, 2002; George, 2000).

Nowadays, a successful manager is one who can handle their emotions and others' emotions effectively (Mathew & Gupta, 2015). It is possible to use emotions in a strategic manner by exploiting their ability to enhance a dynamic processes or institutional change. In addition, emotions can be used to promote values or stability (Toubiana & Zietsma, 2017; Vaccaro & Palazzo, 2015; Wright et al., 2017). There is an intuitive connection between emotional intelligence and leadership (Ashkanasy & Daus, 2002). George (2000) suggested that emotions and moods (feelings) can significantly influence the mechanisms of leadership. It was also hypothesised that emotional intelligence facilitates various facets of leadership, including unifying goals, revealing the value of the work to employees, generating a positive environment full of excitement, trust, enthusiasm, cooperation and optimism, nurturing the ability to adapt and change, and last, forming and maintaining corporate identity (Conger & Kanungo, 1998). This assumption is supported by numerous empirical studies that show how managers with high emotional intelligence display outstanding performance and progress at a faster rate than those with low emotional intelligence (Bar-On & Parker, 2000; Higgs & Rowland, 2002). Goldring et al. (2015) assert that managers who are emotionally intelligent can manipulate the emotions of others, thereby ensuring that the workforce is willing to cooperate in the delivery of stated targets. Leadership, like other social phenomena, is socially constructed through interaction (Conger, 1999). Importantly, if a manager can accurately interpret the emotions of others, they will be able to take appropriate action in emotionally challenging situations and provide tailored support (Ashkanasy & Daus, 2002).

The concept of emotional intelligence has had a remarkably significant influence on management practices (Ashkanasy & Daus, 2002). Several large multinational companies have included the emotional intelligence courses in training programmes for their employees. It is suggested that knowledge of emotions or emotional intelligence can give us a better understanding of performance within the workplace (Van Rooy & Viswesvaran, 2004). Some scholars assert that emotional intelligence is the missing factor in the research and discourse of entrepreneurship (Piperopoulos, 2010), and development of entrepreneurship is related to the capability of individuals to analyse their own emotions and values (Zakarevičius & Župerka, 2010). Several studies suggested that emotional intelligence has a positive effect on creativity (Zampetakis et al., 2009), which is an important core competency for entrepreneurs. Moreover, recent research findings indicate that emotional intelligence is a key component of strategic leadership capability and affects the competitive advantage through leadership and strategic change (Voola et al., 2004).

Antonakis et al. (2009) argue that the most effective manager for an organisation is one who can control their emotions and empathise with their team. Yukl (2002) suggests that leadership is by its nature a kind of social interaction process where the leaders seek to affect the behaviour of their subordinates. A manager who is able to manage their emotions and exhibit passion will ultimately have a stronger impact on employees. Research conducted into emotional intelligence has over time demonstrated the connection with work success and leadership. Leadership is intrinsically the way that a leader can influence a social effect of their employees, including feelings, perceptions and behaviours. The emotional intelligence of the manager can have an effect on employees' emotions as well as their motivation (Zampetakis & Moustakis, 2011). According to Singer and Francisco (2005), use of emotional intelligence can enhance the ability of managers and employees to regulate their emotions, which leads to better relationships between them. Additionally, there is evidence that managers who have emotional intelligence and can control their emotional displays can motivate entrepreneurial action among employees (Brundin, et al., 2008) and also influence the innovation, creativity and ultimately the performance and competitiveness of the SME (Piperopoulos, 2010).

In the modern world, globalisation has become the new state of the business environment. Thus, effective communication is increasingly required between managers and employees from different backgrounds (Salovey & Mayer, 1990). In addition, there is relatively scant research that investigates the role of emotional intelligence in the Middle East and particularly in Arabic countries. Whilst numerous studies have been conducted on the leader, relatively few have been conducted on the other two areas. It is clear that more research is needed on the relationship between managers and employees (Graen & Uhl-Bien, 1995).

3.2.1.3 Gender Differences in Emotional Intelligence Within the Context of Leadership

Since leadership responsibilities—including managerial positions—are traditionally viewed as masculine oriented, female managers serving in these roles tend to defy gender stereotypes. While referencing the congruity theory, Alipour et al. (2021) noted that female managers failing to manifest communal characteristics, including interpersonal sensitivity, tend to be favoured less than males. The theory further highlights that male leaders are not subjected to similar expectations and are not negatively rated for failure to exhibit communal characteristics. This view is supported by Salavera et al. (2017), who identified gender as a social construct with some activities being perceived as masculine rather than feminine because of certain traits that are culturally viewed as desirable for one gender but not the other, such as empathy being considered desirable among women but not among men. Ahmad et al. (2009) showed that emotional intelligence does not appropriately respect gender. Further, Çizel (2018) found that women often vary in the ways in which they are emotionally intelligent. In analysing the emotional intelligence of thousands of males and female managers, they found that on average women have a higher awareness on their emotions, demonstrate a higher level of empathy and are more adept interpersonally. They found that, in contrast, males are characterised by more self-confidence and optimism and are generally more adaptable. Yet, despite the evident differences, as many similarities have been found between female and male emotional intelligence. In this regard, the emotional and intimate nature of women in their relationships means that they have a higher emotional intelligence than men (Pardeller et al., 2017).

Further, emotional intelligence is identified to be comprised of 26 abilities and, thus, is influenced by a wide range of factors. One such critical factor that influences emotional intelligence is gender. Meshkat and Nejati (2017) found emotional intelligence to be influenced by various social and biological factors. In regard to the social factors, women are identified as having an increased emotional intelligence than males. As noted earlier, the core differences in emotional intelligence between the male and female managers are due to differences in socialisation. As Meshkat and Nejati (2017) revealed, in socialisation, different platforms encourage females to be more cooperative, express their emotions and be attuned to an interpersonalised world, while men tend to be competitive, independent and instrumental. Eventually, because of a range of experiences that employees obtain in the initial phases of life, females ultimately learn to be more nurturing and about interpersonal interconnectedness, unlike males.

Further, from a cultural point of view, the distinction between men and women's emotional intelligence is largely linked to cultural variations. For instance, Van Rooy et al. (2005) evidenced that, at a mean correlation of 0.17, females scored better than males for emotional and interpersonal skills in the US. In a different setting in Tamil Nadu, India, Chandra et al. (2017) and Ranasinghe et al. (2017) identified that, in female medical graduates have more emotional intelligence than their male counterparts.

Additionally, Nikoopour and Esfandiari (2017) focused on managers with English as a Foreign Language (EFL) background and found clear differences in the level of emotional intelligence between male and female employees. Despite the evident differences in male and female managers' emotional intelligence in different cultures, some studies have demonstrated that there are no cultural differences between males and females in terms of emotional intelligence. For instance, Arteche et al.'s (2008) UK study did not find clear evidence of any significant relationship between emotional intelligence and gender. Further, Myint and Aung's (2016) Myanmar study noted that there is no substantial distinction evidenced regarding the emotional intelligence of male and female managers.

3.2.2 Leader–Member Exchange Theory

Leader-Member Exchange Theory (LMX) is distinct from other leadership theories since it emphasises a dyadic relationship between leaders and their subordinates. According to López-Ibort et al. (2020), LMX was proposed in response to approaches to leadership (dominating until the middle of the last century) that assume that leaders treat all their subordinates in a similar manner. Hence, the basic assumption of the LMX theory is the concept of differentiation. Keskes et al. (2018) explained that the LMX theory postulates that the nature and quality of prevailing relationships has a significant impact on the attitudes and behaviours of leaders and their subordinates. Hence, the quality of the leader–subordinate relationship can vary from being a high-quality relationship, defined by extra-contractual behaviours, to a low-quality one, which is primarily identified by contractual behaviours and a hierarchical structure and job functions. In developing these relationships, the dimensions that act as exchange currencies are their contributions and levels of loyalty, affection and mutual respect.

LMX developed from Dansereau et al.'s (1975) study on vertical dyad linkages theory, which suggested that there is a difference between interactions within teams, which results in dyadic relationships between managers and their team members. Graen and Uhi-Bien (1995) suggested that conventional leadership models centre only around the leader. In contrast, the LMX model focuses mainly on the relationship between the leader and their subordinates instead of leaders and their characteristics (Dansereau et al., 1975). Similarly, average leadership style theory proposed that relationships between leaders and their team members are not perceived to have any significant consequences since team members are considered a unit rather than individual members (Dansereau et al., 1974). This methodology was supported by disregarding the differences in perception of the relationship as measurement errors (Katerberg & Hom, 1981). According to Graen and Uhl-Biien (1995), LMX theory development consists of four stages:

1. socialising at work and vertical dyad linkage where the emphasis was on distinct dyads (e.g. in- and out-groups),
2. LMX with an emphasis on the quality of the relationship and its results,
3. a customary approach to dyadic relationship creation, and
4. LMX as a framework perspective (i.e. examining group and network level relationships).

The fundamental assumption in LMX is mutual cooperation, which aligns with the earlier social exchange theory itself (Blau, 1964). In combination with LMX, this theory has evolved from the in- and out-group approach to a progressively equal relationship between managers and their employees. This approach suggests that those employees who display higher levels of capability, aptitude, trust and motivation are supported by their managers and therefore are considered the in-group (Johnson, 2013). These in-group team members are usually presented with the opportunity to complete more challenging or favourable tasks, and in the process, they increase their communication exchange with their manager. Consequently, as the exchange increases, the relationship between the manager and employees becomes less formal and more productive. Conversely, those employees that do not display high aptitude, capabilities, trust and motivation are considered the out-group and thus are assigned mundane and routine tasks that present little opportunity to increase the communication exchange with their leaders (Johnson, 2013). Therefore, the relationship between leaders and out-group employees tends to remain highly formal. This belief development is captured in a transition from LMX being a social exchange process to being a leadership process instead (Hesselgreaves, 2007).

LMX theory has advanced into one of the most fascinating and valuable methodologies for examining hypothesised linkages between leadership approaches and outcomes within the general area of organisational leadership (Gerstner & Day, 1997). It is set apart from other leadership theories by its emphasis on the dyad linkage between a leader and a member (Gerstner & Day, 1997). Unlike traditional theories that try to explain leadership as a component of the individual leader's characteristics, situational characteristics or an interaction between the two, LMX theory is distinctive in its appropriation of the dyadic relationship as the degree of analysis. The fundamental attribute of LMX theory is that managers do not engage with all team members equally, and hence, the LMX quality varies significantly (Mueller & Lee, 2002). For instance, LMX proposes that managers may treat their team members differently and therefore communicate with them differently based on whether their relationship is characterised by high- or low-quality exchange. Communication in higher-quality LMX is described by a pattern of increased information exchange, mutual support, informal influence, trust and a higher negotiating position (Mueller & Lee, 2002). On the opposite spectrum, low-quality exchange is identified by more formal communication, low trust and less consideration from the leader.

According to Lorinkova and Perry (2017), the role theory is applied to build a theoretical foundation of LMX with managers and subordinates operating through social interactions, resulting in managers assigning critical organisation roles to employees who perform well to engender high-quality LMX relationships (including loyalty, trust and respect) with their managers (Yip et al., 2019; Yu et al. 2018). Conversely, employees assigned less important job roles end up having a lower-quality LMX relationship, resulting in mistrust and a lack of loyalty and respect for their managers. Additionally, Martin et al. (2018) asserted that LMX can be viewed as being a subset of the social exchange theory. As mentioned earlier, the LMX theory evidences the extent to which supervisors develop sustainable relationships with their subordinates over time. This is similar to Haynie et al.'s (2019) assertion that the theory is based on identifying multiple material and non-material elements that could be potentially exchanged, including friendship, advice and workflow, which is an indicator that the exchange relationships between managers and employees are of a multidimensional nature. The outcome is that the different roles and exchanges between them are viewed as having a wide range of dimensions.

Further, Ali et al. (2019) highlighted that LMX is inclusive of three core dimensions: affect, contribution and loyalty. Their findings showed that the mutual link of managers and employees is an appropriate predictor of LMX as opposed to the former's assessment of the latter's performance. Moreover, as highlighted by Robert and Vandenberghe (2020), loyalty is a critical determinant in making an appropriate decision on the category of tasks to be assigned to employees. In this report, apart from the core dimensions identified earlier, trust, openness, respect, honesty and professional respect have been identified as core dimensions.

The role of LMX varies by the type of sector and the level of interaction in the organisation. LMX intensity is significantly higher when employees are required to interact with multiple people as part of their tasks since this process is generally monitored by managers to ensure the targeted outcomes are achieved (Liden et al., 2006). Similarly, high LMX assists leaders to succeed since it enables high performance (Morrow et al., 2005). For instance, businesses in service industries have high LMX because they maintain close customer relationships. This holds true for construction companies, research institutes and other companies that exhibit a flat hierarchy structure and use non-routine technologies (Mardanov et al., 2008).

3.2.3 Employee Turnover

The foundation of turnover tendencies is the Participant Determination Model developed by March and Simon (1958, as cited in Zhang et al., 2018). The basic assumption of this model is that participatory approaches link working conditions, work environment practices and employee participation (Abildgaard et al., 2020). According to Long et al. (2012), the March and Simon (1958) framework is informed by the view that employees are confronted with decisions through their interactions with their organisation. This is characterised by the desirability of, and ease of movement in and out of, the organisation. However, this fails to include critical variables that influence turnover processes, such as the role stress or different forms of organisational commitment (Peltokorpi et al., 2015).

To understand and investigate more clearly the nature of employee turnover, it is important to present a systematic definition of the concepts which form the framework of the study. In this respect, the literature provides many definitions of ‘employee turnover’, but for the purposes of the present study turnover will be defined as ‘the cessation of membership in an organisation by an individual who received monetary compensation from the organisation’ (Mobley, 1982). This is a well-respected definition, but it nevertheless includes a number of issues that need to be further clarified, and it is these discussions that will provide the detail for the development of the present research. First, the focus here is on the cessation of employment or the separation from an organisation by employees rather than on internal movements within an organisation, such as transfer or promotion. Second, the present study focuses on people who receive payment for their work, and hence excludes volunteers, given this general understanding of employee turnover.

Another definition, that of Tett and Meyer (1993), is perhaps most popular. They identified ‘turnover intention’ as the conscious and deliberate will to leave an organisation. Schyns et al.

(2007) define turnover intention as an employee's intention to voluntarily change jobs or leave an organisation. Hence, based on these definitions, turnover tendencies are chiefly linked to the actions of the employee rather than the organisation. Moreover, turnover tendencies are influenced by the internal state of the individual, rather than their immediate actions. Thus, turnover intention would be high if an employee is interested in leaving an organisation even if they have not yet left. From a different perspective, Christopher et al. (2018) delinked turnover tendencies from an individual perspective and linked it with a lack of identification with the workplace, highlighting the influence of attitudes, decision-making and behaviours. More pragmatically, Belete (2018) defined employee turnover as the number of employees who quit within a particular timeframe, usually a year, relative to the overall number of employees. Further, Reukauf (2018) identified that the intention of employees to quit comes at a high cost, which includes the cost of recruitment and the impact on the quality of service offered by employees to an organisation. Sexton et al. (2005) list four distinct categories of 'turnover'—voluntary separation, layoff, discharge and other (i.e. retirement, disability or death)—the latter three being largely involuntary (see Table 3.1).

Table 3.1: Four Categories of Turnover

Category	Description
Voluntary separation	Employee-initiated termination of a contract with an employer
Layoff	Suspension of an employee for business reasons such as economic difficulties, downsizing or other finance-related matters, and initiated by the employer
Discharge	Permanent termination of employment for administrative reasons
Other	Retirement, death or permanent disability

Source: (Sexton et al., 2005)

3.2.3.1 Turnover Causes, Correlates and Consequences

3.2.3.1.1 Turnover Causes and Correlates

The causes of employee turnover have been the subject of much research that has approached the topic from various perspectives. For example, economists may approach turnover by exploring its links with wages or other financial compensation. Human resources researchers may consider parameters associated with turnover rates, such as length of service. Sociologists may compare particular variables such as the size of work groups or patterns of communication. Psychologists may explore particular determinants of turnover such as job dissatisfaction, organisational commitment or intention to leave. Thus, determining the specific causes of turnover is difficult and calls for a comprehensive view of this issue. However, despite the vast amount of research conducted on turnover, generalisations can be difficult to achieve owing to organisational and individual variables (Mobley, 1982).

Masood et al. (2020) emphasised that the work behaviours of employees vary as they arrive at turnover intentions that are influenced by their career expectations. Although numerous studies have explored the main factors that lead to turnover intention, they have neglected what might be one of the most important factors: cultural perspective. Allen and Vardaman (2017) observed that the prevailing cultural context can cause predictors to have different effects on turnover because culture has a significant bearing on how employees perceive, interpret and construct meanings. For instance, a person’s culture can influence the weight that they assign to factors associated with turnover (Wong & Cheng, 2020). It is quite conceivable that employees in an individualistic country, such as the US, and those in a collectivistic country, such as Japan, will assign different weights to a particular factor (Wong & Cheng, 2020).

3.2.3.1.2 Turnover Consequences

According to Reina et al. (2018), voluntary turnover is substantially costly for organisations since it reduces productivity and quality levels with equal negative implication on the organisation's capacity to leverage competitive advantage. This view of employee's voluntary turnover is supported by the Causal Model of Turnover (Kulachai & Amaraphibal, 2017), which identified turnover tendencies to be characterised by exogenous variables and intervening endogenous variables. These variables are further categorised into environmental, individual and structural factors. Further, as noted in Silaban and Syah (2018), the researchers who developed the model identified that the causes of employee turnover tendencies include employees' general training, job involvement, positive affectivity and negative affectivity. The limitation of this definition, as Jaworski et al. (2018) noted, is the failure to include factors of diversity, which is synonymous with the modern business environment, particularly in SMEs. The diversity factors include the difference in the terms of employment, that is, whether a part-time or full-time employee; gender; and employee backgrounds.

Harris et al. (2005) asserted that relying on the analysis of actual turnover data involves a time lag that prevents addressing the factors responsible for dysfunctional turnover in a timely manner. Moreover, the attitudes of employees with a high turnover intention are typically detrimental to the organisation and can have adverse effects on their colleagues, negatively affecting workplace culture and productivity (Griffeth et al., 2000; Hom & Griffeth, 1995). For these reasons, this research focuses on the turnover intention instead of actual instances of turnover. Conversely, voluntary turnover could lead to a lack of skill in organisations and consequently to employees transferring to competitors and sharing their experiences and skills with them (Stovel & Bontis, 2002). There are many reasons for voluntary turnover, such as the length of time the employee has been employed with the company, the incentives and the culture of the organisation (Larkin et al., 2013; Wang et al., 2015).

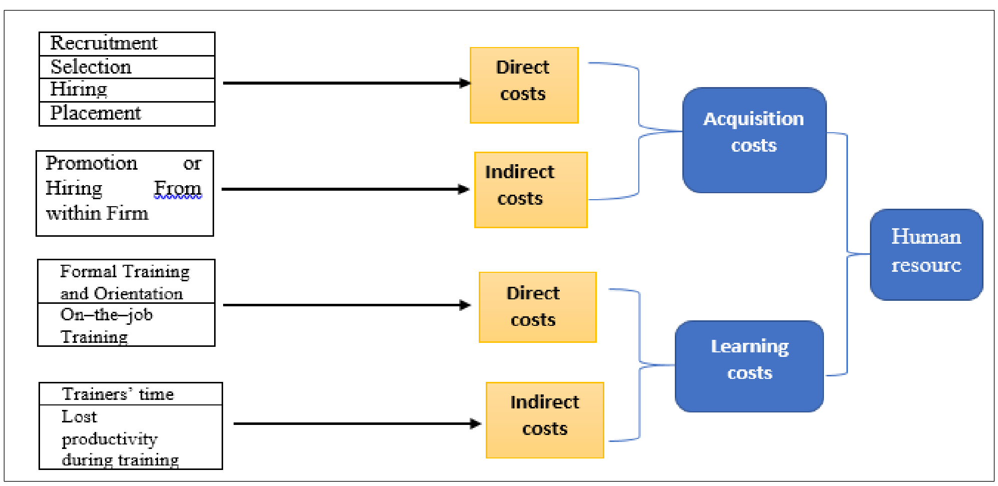
Many turnover researchers acknowledged that ‘turnover is not all bad’ and the majority do not fully explore the consequences of turnover on the individual and the organisation systemically. Allen et al. (2010) argued that the supposition that turnover is undesirable for organisations is a commonly believed misunderstanding. However, employee turnover is linked with different direct and indirect cost implications. According to Belete (2018), employee turnover is associated with the costs of recruitment of new employees, training costs, reduced productivity costs and loss of sales. For instance, in SMEs, which are the focus of the present study, turnover costs are often, on average, one and half times the employee’s overall annual compensation package dependent on the employee’s level, which is one of the most evident reasons that organisations fail (Reukauf, 2018). From a different context, Botek (2018) identified turnover to be either voluntary or involuntary, which affects the direct or indirect costs. For instance, voluntary turnover occurs when an employee opts for alternative employment. This is opposed to involuntary turnover, which is as a result of special factors, including ill-health or death, retirement or discharge from employment.

- **Potential Negative Organisational Consequences**

From the employers’ perspective, employee turnover, particularly voluntary turnover, can be harmful and expensive. This issue is so important that numerous researchers, such as Al-A’Raj (1989), have studied both its causes and the consequences. Although many of these researchers concede that ‘turnover is not all bad’, most have not examined in detail the effects of turnover on both the individual and organisation. Al-A’Raj (1989) has pointed out that a high turnover rate is usually costly for organisations and could be damaging, especially when the effects of such turnover spills out on to the wider labour market, society in general and the national economy. The literature reveals several potential negative organisational consequences of turnover: cost, disruption of performance and disruption of social and communication patterns. Each of these consequences will now be discussed in detail.

1. *Cost.* Organisations experience the main consequence of employee turnover immediately in the financial area (Mobley, 1982). Clearly, turnover brings a high cost (Flamholtz, 1973), meaning that organisations could be required to bear financial and non-financial costs. A simplified model of turnover determinants is presented in Figure 3.1 (Mobley, 1982). It provides an overview of the direct and indirect human resource costs that arise from the hiring and training processes that a company would have to institute when searching for a new employee or replacing an employee due to turnover (Flamholtz, 1973).

Figure 3.1: Model of Turnover Determinants



The term 'determinants' is used here in a generic sense to describe any variable potentially related to turnover directly, indirectly, causally or correlationally. The general classes of determinants of turnover are the state of the economy, including the availability of job alternatives, inherent variables within and across organisations, including such elements as leadership practices, systems of reward and the design of jobs, and individual variables. Turnover is essentially an individual behaviour. Thus, it is important to bear in mind the ways that employees comprehend and assess such variables on an individual level, and the relationship between work and extra-work factors (Mobley, 1982).

2. *Disruption of performance.* Although turnover is an undoubtedly a costly phenomenon that could have a negative influence on a company's performance, the relationship between turnover and organisational performance is not clear-cut. While some researchers see this relationship as negative (Alexander et al., 1994; McElroy et al. 2001; Siebert & Zubanov, 2009), others argue turnover does not always have a negative impact on organisational performance (Dalton & Todor, 1979). This viewpoint is based on the idea that turnover offers a good opportunity to replace weak employees with better employees who can improve the organisation's productivity (Dalton & Todor, 1979; Mobley, 1982; Staw, 1980). Whereas this positive outcome can be very attractive, it is not always possible, because it is a complex interaction that depends on many independent elements. For example, it may not be a weak employee that chooses to leave, and there are also constraints on the recruitment of a qualified employee, including employee expectations of rewards and satisfaction, and the financial ability of organisations to meet these expectations. In the SME sector, resources are very scarce unlike in large companies, and a main factor that leads to the rise of turnover in SMEs is that 50% of SMEs cannot survive beyond the first five years after being established (Twyford et al., 2016). This problem of increase in employee turnover in the SME sector suggests that more investigation is needed to highlight the causes and effects of turnover in SME sector. Flamholtz (1973) has identified

several indirect performance costs associated with employee separation. Although there is (i) the loss of efficiency on the part of the leaving employee prior to separation and (ii) the cost of the search for a replacement employee, in terms of having vacant job roles, performance costs may be involved. If, for example, the leaving employee had unique skills or occupied a pivotal position in the organisation, the gap in the organisation may extend beyond just their workload being unaccounted for, which may continue until a suitable replacement has been found. In addition, to the extent that others in the organisation must take added responsibilities, their own performance may suffer, and if the employee who left is exceptionally talented, the effect of their departure may leave a continuing impact on the organisation.

3. *Disruption of Social and Communication Patterns***:** Another indirect cost associated with separation of employees is disruption of social and communication patterns (Flamholtz, 1973). A vital element of any organisation is formal and informal communication channels. Building a culture of smooth and effective communication between employees, and between employees and their employers, is essential for success. Turnover intention of employees can adversely affect their ability to psychologically attach to the organisation, which can undermine efforts to instil organisational citizenship behaviour (Wang et al., 2017). It is of the utmost importance for any company to retain those employees who have an excellent and valuable communication network. Argenti (2015) emphasises that good internal communication contributes to improving employee behaviour in that they become more productive, quality-oriented and entrepreneurial. According to (Argenti, 2015), the system of communication inside the company could be disrupted by losing an employee who is a very skilled communicator. Of relevance here is that if departing employees are a

pivotal part of communication networks and key in ensuring working groups are unified, their departure may affect the remaining employees. It can also mean those who remain must accept additional workload, and this can possibly lead to a performance decline of the group (Mobley, 1982). Price (1977) further suggested that turnover in SMEs can negatively impact group integration and unity, and which may prevent cohesion from maturing.

- **Potential Positive Organisational Consequences**

The negative organisational impact of turnover is usually the focus of discussions. However, several authors have begun exploring its positive consequences (Dalton & Todor, 1979; Mobley, 1982; Staw, 1980), which have perhaps been overlooked because they are not as easily observable and measurable and may only become evident at a later stage (Staw, 1980).

1. Turnover of Poor Performers: Perhaps the most immediately obvious benefit of turnover is the replacement of poor performers with employees who are better. Performance of leavers is generally ignored in the turnover literature (Martin et al., 1981), and scholars all too often overlook analysis of leavers' performance in their assessment of turnover. Developing of human resources accounting should lead to cost–benefit analyses regarding the expected utility of investing in attempting to develop and motivate poor performers versus encouraging turnover and investing in replacement.
2. Innovation, Flexibility and Adaptability: The replacement of employees means that the opportunity exists to introduce new technologies, ideas and knowledge; methods; and working styles. Mobley (1982), Staw (1980) and Dalton and Todoe (1979) discussed a number of ways in which turnover can improve the effectiveness of an organisation, via the influx of new technology and variety, and the need for reorganisation and the disruption of deeply engrained bureaucratisation. There are several variables involved in whether or

not turnover can add value to a business, such as the character of the business and its related technologies, the opportunities for change and innovation in business practices, the level of turnover, the relative qualities of the out-going and in-going employees and the positions left vacant by those leaving. Although Price (1977) does not find strong support for the proposition relating to turnover and innovation, the indirect evidence is sufficient to warrant more systematic attempts to evaluate this relationship.

3. Further, turnover could lead to financial benefits, since it presents the opportunity to blend job roles, terminate an unnecessary role, giving roles new parameters or introducing automation. Additionally, it presents a way to manage resistance to change, such as through introducing technology to fulfil organisational functions, since turnover can replace the need to terminate jobs. Another possible benefit of turnover is that it allows greater internal mobility, which increases the possibility for individuals' career development and fosters variation in their training, which can boost employee morale in general. Hence, despite the possible negatives of turnover, the potential for engendering positive change in an organisation stretches far beyond the added value that new employees can potentially bring. To take advantage of this, the organisation can maximise the benefits that turnover brings by carefully planning and implementing changes to policy, practices and organisational processes.

4. Reducing conflict: Staw (1980) found that turnover has the potential to affect conflict resolution. Although most of the work on conflict focuses on approaches such as arbitration and resolution to mitigate its negative effects, Staw suggests that in cases where resolution is unlikely, turnover may be the best way to overcome conflicts and resume business as normal. He found that the turnover of executives who were pivotal in the dispute enabled

the company to resume normal functionality and was a positive outcome, not only for the organisation, but also for the individuals involved.

3.2.3.2 Effective Management of Turnover

Organisations that are subject to fluctuation in levels of employment could find it difficult to retain employees when they are fearful of being made redundant. Some unions have attempted to tackle this issue by negotiating with the organisation for additional allowances, such as job sharing or security funds. Such provisions may lessen the negative influence of economic downturns and may thus contribute to reducing the impact of turnover on job security (Mobley 1982). For effective management of turnover, the following need to be considered:

- *Working conditions:* The physical work environment cannot be overlooked. An increase in the regulation, publicity and perceptions of safety and environment conditions, together with the ageing of this nation's physical plants, lead to the hypothesis that work environments that are physical and psychologically safe and desirable are a social requirement (Mobley, 1982).
- *Centralisation:* Price (1977) concluded through a review that highly centralised organisations experience greater turnover. This relationship may be based on factors such as less autonomy, less involvement in decision-making, slower response time to individual needs or perceived lack of control. The structure if an organisation is based on many factors including technology, size and rapidity of change in relevant external environments. However, high turnover may be one sign that a centralised structural has dysfunctional consequences. Thus, in assessing organisational structure, turnover should be considered.
- *Organisational commitment:* Individuals' belief in, and acceptance of, organisational goals and values is a major part of organisational commitment (Mowday et al., 1979). Thus,

communication of such goals and values is an important part of encouraging individuals to become more committed to the organisation. This communication can be bolstered by various methods, such as clearly explaining the rationale of these goals and values, reward sharing when goals have been attained and including employees in in the processes related to attaining such goals. More effective communication with employees is widely advocated but unevenly practiced. Price (1977) suggests that formal organisational communications and task-specific communications are both determinants of turnover. Thus, creating effective means of imparting feedback on a regular basis and forming robust channels for formal communication to take place are worthwhile ventures and could aid in managing turnover.

- *Controlling Employee Turnover:* Mobely (1982) suggests that use of the term *control* does not indicate attempting to stop turnover, but rather indicates managing turnover well, which includes encouraging any turnover that leads to overall positive outcomes for the company and working to reduce cases where turnover leads to negative organisational outcomes.

The main factors that help the organisation to control turnover are summarised in the following:

- **Job Content:** Mobely (1982) suggests that employee perception and evaluation of job content are among the more consistent correlates of turnover. For example, some employees may resent having the parameters of their job reworked and it can be difficult to match individuals' capabilities and interests with organisational needs. Hence, two types of strategies can be employed. The first is related to selecting and placing new employees, which involves testing and interviewing them, and creating job descriptions that accurately represent the roles. The second is related to the actual design of the job outline. This is especially important for employees who place a high value on the meaningfulness of the assigned job.

- **Compensation Practices:** Mobely (1982) indicates that organisational differences in employee pay rates can contribute to turnover. Although this perspective predicts turnover at an individual level, businesses should continuously consider how competitive their rates of pay are compared with similar organisations within the same sector.
- **Internal Equity Considerations:** The need for a well-developed and well-understood job evaluation procedure is well-documented in several studies. Among the consequences of internal inequity are pay disparities between new employees and employees who have been in the organisation for several years (Mobley, 1982). The perception of inequity can contribute to turnover if alternatives are available. Attempts to minimise disparities, as well as other forms of perceived inequity, are difficult but important in controlling turnover.
- **Pay, Performance and Turnover:** When pay is regarded as a reward that gives access to desirable outcomes, such as status, and when an employee’s performance can be measured and quantified, reinforcing the connection between performance and pay can be especially useful, especially when the employee is easy to manage (Lawler, 1973, 1981). Given the recent levels of inflation, many individuals will be dissatisfied with the absolute amount of their pay increase. Conversely, many managers give the same evaluation of pay increase for good and poor performers, which make the good performers think that performance is not relevant to pay. This increases their dissatisfaction and enhances the perception of poor performers. The good performer’s reaction may be to reduce their levels of performance or leave should the opportunity arise to join another organisation.

- **Leadership and Supervision:** Rewards, which are fundamental to creating employee attachment to the organisation, can come from various directions, and the employee's manager or managerial team can also be a crucial source and mediator of their receipt of rewards. Therefore, they have a key role in turnover management.
- **The manager controls** a significant reward: praise (Latham & Wexley, 1980). When a manager is able to establish a good rapport with employees and works to support them and foster a working environment characterised by encouragement and togetherness, employees are far less likely to leave the organisation (Mobley, 1982). Despite this, there are some risks to such involvement (Mobley, 1982). For example, when the employee's organisational attachment is based on this relationship alone, change of the manager could negatively affect their attachment. Hence, it is important that attachments are created beyond a single person. Additionally, when the manager is well disposed to employees, their judgement of their performance may be prejudiced, which may lead to undeserved performance bonuses and diminished expectations of performance. Moreover, managers can play a role in turnover management by helping employees accomplish their tasks at a high level by fostering an environment of achievement by offering feedback, acknowledging good work and diminishing anything which may negatively affect performance. In doing so, the manager facilitates task accomplishment and reward. Managers who are unsuccessful in achieving such an environment could be a cause of turnover increase among high-performing workers. Alternatively, not having an effective reward system in place may actually encourage poor performance.

3.2.3.3 Gender Differences in Turnover Patterns

The literature review revealed that although several studies have focused on investigating gender as a predictor of turnover, few have evaluated the concept of gender differences and voluntary turnover amongst employees. Cunningham et al.'s (2019) meta-analysis of 20 studies showed that women have a higher turnover rate than men. They also found that the type of the employee population moderates the relationship between gender and turnover, with evidence that there is a stronger relationship between gender and turnover for professional employees than for nonmanagerial and nonprofessional employees. In contrast to this finding about a direct correlation, Weisberg and Kirschenbaum (1993) found that gender is not a conclusive factor in understanding the process through which employees develop turnover intention. That is, gender differences are not directly linked with turnover intention, since turnover intention is influenced by multiple factors that are collectively identified as human capital variables.

Some studies have successfully evaluated the effects of gender differences on turnover intention or tendencies, as regards both voluntary and involuntary turnover. For instance, Lee et al. (2017) established that, other than the issues of age, length of an employee's tenure at an organisation, educational background and prior mobility factors, females had a higher likelihood of leaving an organisation than their male counterparts within a period of two years. Nevertheless, the extent of the findings' generalisability to managers who are not transferred by organisations and the cross-organisational differences are unclear and could have confounded these results. Conversely, in Stamolampros et al. (2019) found no gender differences in employee turnover, but found that the core issues that influence turnover include the salary grade, age, tenure classification and education. Nevertheless, since the study was primarily focused on findings from the public sector, these findings cannot be generalised to the private sector. Akram et al. (2017) identified women as being less future-oriented, less assertiveness and having less facilities as opposed to their male counterparts. In Saudi SMEs particularly, the male population have a significantly higher dominance in all sectors with women having substantially less freedoms.

Thus, the limited studies on the influence of gender differences on turnover levels makes it essential to investigate the impact of gender differences on employment gaps and turnover intentions. For instance, Rajeh et al. (2019) found that women are more likely to face voluntary career interruptions—a period without employment—during their career. Similarly, Weisberg and Kirschenbaum (1993) observed that women had lower consistent labour force participation rates than men, supporting the hypothesis that actual turnover behaviours and intent to leave can be gender specific. However, this is the case only if there are other sets of labour market turnover and work environment factors. Nevertheless, the scope of gender differences to contribute to turnover intentions is affected by hierarchical levels, age factors, job roles and performance ratings. Indeed, Lyness and Judiesch (2001) evidenced that age, education, number of years in an organisation, number of past organisations worked for and availability of employment at different organisations all contributed to higher turnover intention for females than males—particularly those in senior levels of the organisation. They also found that, generally, the identified gender differences could also be the result of less educated and more highly educated women being compared to men in their turnover behaviours, because the more educated a female manager, the greater the likelihood she would switch jobs in pursuit of appropriate employment opportunities.

3.2.4 Job Satisfaction

The concept of job satisfaction can be considered common to organisations worldwide, given that it refers to employees' feelings and emotions that are caused by their working environment and experiences (Price, 2001). The initial definition of the job satisfaction concept can be traced back to Tietjen and Myers (1998) who identified Locke's composite theory of job satisfaction and considered Herzberg's (1974) theory of job satisfaction.

There are varying definitions of job satisfaction in the literature, which need to be considered when investigating this phenomenon. Kam and Meyer (2015), for example, describe job satisfaction as the degree of gratification that an employee receives from a job. Similarly, Demir et al. (2002) refer to job satisfaction as an employee's feeling of contentment in a job. Cranny et al. (1992) suggest that job satisfaction is the differential contribution of cognitive and affective reactions to employees' perception of what they want to receive compared with what they actually receive. Hancock et al. (2013) posit that job satisfaction depends on internal and external organisational elements such as leadership, organisational climate, pay and working conditions.

According to Moorman et al. (1993), the meaning of job satisfaction can be encapsulated by three practical elements: (i) It adds value to society; (ii) it forewarns an organisation that an employee might be unhappy in the workplace; and (iii) it can serve as a predictor of organisational behaviour. In concert with Moorman's point of view, Cranny et al. (1992) found that frustration and reduced productivity could result from job dissatisfaction. Further, Brookfield (1998) asserted that it is key in pulling in new employees and retaining existing employees and that workers with high levels of job satisfaction are healthier and, as a result, more productive and effective in achieving work goals.

Herzberg's (1974) model comprised two basic needs: the need for psychological growth or 'motivating factors' and the need for averting pain or 'hygiene factors'. Motivating factors constitute elements such as achievement and advancement and are regarded as positive elements that contribute to high job satisfaction and motivation. Hygiene factors include policies, supervision, work conditions, pay and the relationship between employees at various levels of the hierarchy and are regarded as potentially negative elements that could cause dissatisfaction at work. Herzberg's theory treats job satisfaction and job dissatisfaction as separate dimensions. In comparison, Taris and Feij (2001) describe job satisfaction in terms of intrinsic and extrinsic values, where intrinsic values refer to non-material aspects, such as the variety and autonomy of the role, whereas extrinsic values refer to aspects that are material, such as level of pay and opportunities for professional development and advancement. Job satisfaction decreases when intrinsic work values are not met (Taris & Feij, 2001).

This view differs from Escardíbul and Afcha's (2017) definition of employee's job satisfaction. They identified it to be the result of mismatch between employee needs and motivation, the incident classification system, employee defensiveness, the application of frequency data and the denial of personalised differences. Further, in the area of organisational behaviour, it is widely appreciated that job satisfaction ranks as the most critical and frequently studied attitude. This view is supported by Torlak et al. (2020) who focused on organisational citizenship behaviour and identified multiple factors that influence the scope of job satisfaction. In the typical organisational context, these factors include the job itself, bonuses, employee's supervision level, working in teams and various working conditions. These factors could be linked to the reason that individuals tend to stay for long, devoting more time in office, as opposed to working on one activity. Another view is that of Prasetio et al. (2017), who identified different reasons for people's involvement in their job roles. These include the meaning of earnings, an appropriate resource of work function and motivation, resourcing social contacts as an easier approach for constructing time and adoption of self-fulfilment and self-actualisation. Further, employee job satisfaction is viewed as an essential factor of job roles by various studies. As Sakiru et al. (2013) noted, positive feelings achieved in the job context could contribute significantly to individuals having healthier emotions. Work could be identified as a means of pleasure for an individual; however, studies have failed to show the extent to which individual pleasures and stress levels affect job satisfaction. Further, Tweedie et al. (2019) noted that workers are involved as the primary organisational resource where without workers, organisations would not exist or function appropriately. Hence, organisations have been investing considerable amounts to ensure that they have relevant measures for identifying the scope of employee's satisfaction in their assigned job functions. Regardless of these multiple definitions, job satisfaction is considered a critical concept in the organisational study of the employees' responses to their jobs.

Thus, some essential factors that are perhaps not immediately obvious should be taken into account when studying job satisfaction. Moreover, some studies have considered differences in job satisfaction across cultures (Clugston et al., 2000; Kanungo & Wright, 1983; Lincoln & Kalleberg, 1985; Palich et al., 1995; Sommer et al., 1996; Verkuyten et al., 1993). For example, Lincoln and Kalleberg (1985) found that job satisfaction was a more important issue in the United States than in Japan. This observation suggests that an investigation of (i) the role of culture on the nature of job satisfaction, and (ii) the implication that job satisfaction's link to turnover intention, might also be appropriate. However, surprisingly limited attention has been paid to employee job satisfaction within small businesses (Rowden, 2002). A decrease in job satisfaction among employees could lead to one of four categories of negative behavior (Camp, 1994). First, they could try to steal, use work hours to undertake personal errands or even moonlight (seek a second job). A second negative behaviour could be that they may psychologically withdraw from the job by missing meetings, consume alcoholic beverages while at work or walk around the office to look busy. Third, dissatisfied staff members may withdraw by being absent, leaving or taking early retirement. Finally, they may engage in behaviors to try to change the working environment, such as taking part in union activity, and asking for a job transfer or even voluntary demotion (Camp, 1994). Moreover, leadership and management are included among significant factors that affect job satisfaction (Sojane et al., 2016).

An individual with a high level of job satisfaction likes their job and believes they receive fair treatment and that their job role has desirable features (Akehurst et al., 2009). Hansen and Stræte (2020) stated that job satisfaction, which is a positive emotional state established by an individual's appraisals of job experiences, leads to perceived discrepancy between the intended and actual performance. This also represents the scope of individual performance discrepancies with individualised set values. In this case, the greater the achievement of an individual set value, the most critical is the scope of satisfaction. In general, employee job satisfaction is an outcome of the employee's varying perceptions of how well their job provides for the things they view as essential.

The relevance of the job satisfaction concept is evidenced by the view that it is critical to employees since it guides the scope of organisation development. According to Sakiru et al. (2013), employees would consider job satisfaction in deciding whether to remain in their current organisation and in transitioning to the other. This is the rationale underlying the attempts of human resource professionals to determine the scope of awareness of workers as against discrete and organisational wants in a manner that ensures that workers hold the belief that their self-improvement can be implemented in tandem with the organisation's growth. Hence, Wolter et al. (2019) highlighted that the organisation cannot achieve a significant amounts of customer support if employees do not possess feelings of high-level satisfaction. In a different context, Akehurst et al. (2009) established that turnover has a negative implication on the group synergy owing to the loss of experience and essential knowledge required to cooperate, including team knowledge.

3.2.4.1 Job Satisfaction and Turnover Tendencies

The definitions of job satisfaction reveal that it is the most representative antecedent factor for directly anticipating turnover tendencies, which is evidenced in most empirical studies (Shafique et al., 2018; Zeffane & Melhem, 2017). Conversely, the integration model (Long et al., 2012) finds that job satisfaction could influence turnover intention primarily through advancing a high level of organisational commitment. However, studies on the relationship between job satisfaction and turnover tendency primarily focus on corporate employees, and there is a limited amount of literature that focuses on SMEs, although surveys have been conducted in several countries.

Further, Ramlall (2004) identified that Herzberg et al.'s (1959) theory of motivation is applicable to link turnover tendencies and employee's satisfaction. The assumption of the theory is that, in an organisation, there are both hygiene and motivation factors which have implications for employee job satisfaction or dissatisfaction. The job satisfiers in this regard include achievement, recognition, work, responsibility, advancement and opportunity for growth and advancement (Reukauf, 2018), whereas job dissatisfiers include organisation policy, supervision, work conditions, job security and interpersonal relations, all of which can impact turnover tendencies. In affirmation of this view, Samuel and Chipunza (2009) highlighted those turnover tendencies significantly increase when employees become dissatisfied with their organisation's policies and their treatment by managers.

3.2.4.2 Job Satisfaction and SMEs

The reason that SMEs rely on job satisfaction is a critical issue worth investigating. Dharmanegara et al. (2016) note that in the modern SME sector, the organisation's success is dependent on its employees, who represent its most valuable capital. Smolarek and Sułkowski (2020) state that SMEs must offer employees appropriate capacity development strategies, enabling them to broaden their scope of knowledge and creativity and increase their effectiveness in pursuing their personal development, to ensure their job satisfaction. Further, the employee's involvement in the organisation directly contributes to their job satisfaction, which contributes to increased organisational efficiency. Similarly, through a focus on ICT-SMEs in Malaysia, Valaei and Rezaei (2016) highlight that there is a causal relationship between job satisfaction and increased employee involvement. For instance, lack of work planning in SMEs has been identified as leading to increased employee dissatisfaction, and employees feel confused when they lack sufficient understanding of their roles or their exact career goals. Hence, in SMEs, as a best practice, Bilan et al.'s (2020) recommendations can be put in place, which include the development of policies and procedures that are informed by remuneration and incentives for enhancing fairness, which is as important as salary. Thus, it would be instrumental for management to maintain an increased satisfaction level.

Reukauf (2018) found that the leading reason for employees leaving their position is job dissatisfaction. However, limitations about using the Herzberg model in the context of SMEs have been found, such as the model's failure to include important concepts, especially those related to demographics and whether the SME has full- or part-time employees, all of which can lead the employee to view the identified job-related factors differently, and which, therefore, play an instrumental role in employee motivation.

Eliminating adverse working factors can influence employees to increase their usage of their capabilities and potential. Yetim and Yetim (2006) observed that, for SMEs, it is important to recognise the relevance of a good working environment in fostering increased employee satisfaction levels. This means that, for SMEs, increased employee satisfaction is directly linked to a reduced likelihood of employee turnover. Yetim and Yetim (2006) recommend that aspects relating to flexible working hours, reduced workload, and an appropriate approach to teamwork and management all positively influence employee performance. This leads to high levels of employee satisfaction, as it causes employees to become highly involved in organisational activities, thus increasing their motivation to work harder and more efficiently, which has the overall effect of boosting the performance of the SME. In the case of SMEs in Saudi Arabia, Alzalabani (2017) observed that fostering high levels of employee satisfaction was substantially hindered by issues relating to job stress and workplace violence.

3.3 Literature Review and Hypotheses Development

3.3.1 Managers' Emotional Intelligence and LMX

Current theories that describe emotional intelligence emphasise the vital role of emotions in the social function and the importance of emotions to assist in establishing and maintaining relationships (Fischer & Manstead, 2008; Frijda & Mesquita, 1994). Emotions have a significant impact on social processes at cultural, interorganisational, organisational and interpersonal levels (Zietsma et al., 2019). Jordan and Troth (2011) describe that LMX itself is an emotional exchange. Further, Bass (1990) was one of the initial researchers to take note of the significance that emotional maturity has in leadership. LMX describes 'leadership-making', which enhances role proficiency and employees and managers being 'partners' (Hesselgreaves, 2007). Similarly, the emotional intelligence model is fundamental for building outstanding leadership roles in the workplace. Thus, analysing the development of LMX is an appropriate methodology to study the topic of emotional intelligence.

With respect to the interaction between emotional intelligence and LMX, several scholars have argued that emotional intelligence may ameliorate the quality of relationships between managers and employees (Dasborough, 2006; Jordan & Troth, 2011; Joseph, 2011; Sears & Holmvall, 2010). Individuals who can mindfully observe, comprehend and respond to emotions are more likely to maximise emotions within interpersonal relationships and therefore establish higher quality LMX bonds (Joseph, 2011). This notion was also proposed in an earlier study by Dasborough (2006), who indicated that the capacity of managers to perceive and interpret their emotions is key to their effectiveness. Indeed, emotional intelligence offers a wide spectrum of abilities useful in comprehending and addressing relationship issues at the core of LMX. Empirically, Jordan and Troth (2011), who conducted a study to investigate the extent of emotional intelligence that could influence LMX, supported this claim by revealing that there is a significant relationship between the two.

Sears and Holmvall (2010) claimed that both employees' and managers' emotional intelligence contribute to the development of LMX. They used the Wong–Law Emotional Intelligence Scale to examine the four aspects of emotional intelligence: self-emotions, others' emotions, emotion use and emotion regulation. Their study investigated both employees and leaders in the same manner and then examined employee attitudes using LMX-7. In different research done by Barbuto and Bugenhagen (2009) found a significant relationship between emotional intelligence of managers and LMX. They concluded that emotionally intelligent managers are more capable of building strong relationships that enhance information flow, share influence, raise confidence, provide accountability, create high-level engagement and encourage communication.

According to Ordun and Beyhan (2014), emotional intelligence has a direct effect on the quality of LMX because it dependent on emotional interchanges. Haynie et al. (2019) reported that, the perceived manager emotional intelligence influences the creation and development of their relationship with employees. In addition, Thory (2013) reported the significant relationships between followers' perceptions of different leaders and the extent to which they display these emotions and leadership emergence. Similarly, Jordan and Troth (2004) posited that higher emotional intelligence of followers may be directly linked with higher levels of quality of the leader perceived by them.

Based on all the identified studies that have focused on emotional dimensions evidenced by members and investigated the existing implications of the dimensions on becoming a member of an in-group or out-group, a positive correlation is evident. The evaluated research (e.g., Clarke & Mahadi, 2017; Seemann & Stofkova, 2020; Waglay et al., 2020) has noted that both the one-dimensional and multidimensional concepts of LMX directly focus on the expanded relationships between managers and employees, in acceptable roles that are formally described. Similarly, it is likely that similar or distinct emotional intelligence variables influence the direct relationships and role dimensions of LMX. In line with the identified considerations, the following hypothesis was established:

H1: Perceived emotional intelligence of managers is positively associated with perceived quality of LMX by employees. (For a list of the study hypotheses, see Table 3.2.)

3.3.2 Managers' Emotional Intelligence and Employee Turnover

Several studies have demonstrated the impact of emotional intelligence on several variables, but data that prove a direct link between the emotional intelligence of managers with employee turnover are limited (Jafferian, 2016; Vigoda-Gadot & Meisler, 2010; Wong & Law, 2002). Psychological research into emotional intelligence is relatively recent, but already the empirical literature has demonstrated the importance of management in voluntary employee turnover decisions (Ansari et al., 2007; Dunegan et al., 2002; Gerstner & Day, 1997; Griffeth et al., 2000; Jordan & Troth, 2011; Morrow et al., 2005; Vecchio & Norris, 1996).

There is still considerable opportunity to contribute to the understanding of the relationship between the emotional intelligence of managers and employee turnover and to utilise this correlation to develop a deeper understanding of the behaviour of employees towards withdrawal and the extent to which their emotional intelligence level enables managers to retain their talented employees. Staff retention can be maximised by embracing certain human resource policies and procedures, such as for recruitment, performance management and training, that help managers to convey commitment to employees. This creates an organisational culture that positively affects employees' job satisfaction, commitment, productivity and outcomes (Dockel et al., 2006). Consequently, emotional intelligence is a skill that can help organisations achieve success (Ensley et al., 2011; Jansen et al., 2006; Trehan & Shrivastav, 2012).

In terms of proactiveness, Sunindijo et al. (2007) found that, in the construction industry, the emotional intelligence of project managers has a positive correlation with employees' proactive behaviour. Project managers with higher emotional intelligence tend to use open communication and proactive leadership styles that can bring positive outcomes to the organisation. Managers who have emotional intelligence can be considered 'emotional managers' and can increase positive ‘affective tone’ (Pescosolido, 2002). Additionally, managers with high emotional intelligence have relationships with employees that are more meaningful and fulfilling, which consequently may reduce employee turnover (Coetzee & Pauw, 2013; Jordan & Troth, 2011 ; Imron,2021). Managers with high emotional intelligence can analyse their emotions more accurately, allowing them to use them productively (Mayer et al., 1999). Therefore, it allows these managers to understand the correlation between their negative emotions and their effect on employees. As a result, they are able to adjust their emotions and assure their employees of their emotional control, thus allowing employees to recognise their managers’ high emotional intelligence.

Further, managers with high emotional intelligence are able to deal with unknown and uncertain situations more confidently (Mohammad et al., 2014). In other words, emotional intelligence helps to increase the abilities of managers to be more positive and creates a stable atmosphere in their organisation, which reflects in the motivation of employees. It encourages employees to be more productive, which will be reflected in an increase in job satisfaction and job commitment, a reduction in turnover and an improvement in leadership, which will ultimately improve the performance of enterprises. (Carmeli (2003) suggested that emotional intelligence contributes significantly to alleviating employees’ turnover intention by improving their ability to regulate their emotions. As a result, employees will recognise the high emotional intelligence of their leaders. Once this recognition occurs, leaders will be able to create strong, meaningful relationships with employees and reduce the turnover rates since leaders have the skills to manage negative and positive emotions more effectively. However, the vast majority of previous studies have examined the relationship between emotional intelligence and employee turnover only indirectly.

Further, Azim et al. (2020) highlight that manager possessing a high level of emotional intelligence have a reduced likelihood of leaving for other roles (Belete, 2018; Reukauf, 2018). Moreover, the literature evidences a negative link between turnover intention and emotional intelligence. For example, the Wong–Law Emotional Intelligence Scale model (Pacheco et al., 2019) demonstrated that higher emotional labour in a specific job role has a significant negative relationship with emotional intelligence and overall turnover intention. Therefore, in line with the evident research, it is valid to propose the following hypothesis:

H2: Perceived emotional intelligence of managers is negatively related to turnover intention of employees (see Table 3.2).

3.3.3 Managers' Emotional Intelligence and Job Satisfaction of Employees

By its nature, leadership influences the feelings, perceptions and behaviours of employees through social influence (Pirola-Merlo et al., 2002). Emotional intelligence is an embedded set of domains that works to enrich the interaction between manager and employee in positive ways, such as regulation and expression of emotion. Through high levels of emotional intelligence, managers can elicit positive emotions in employees through the ability to empathise, which in turn can be used to activate an employee's emotion (George, 2000). At the same time, job satisfaction is a kind of positive emotion that emerges from an employee's impression about their job or experiences at a workplace (Locke, 1976). It can therefore be said that an employee's affections are influenced by the manager's ability to perceive, understand and manage emotions, also known emotional intelligence (George, 2000; Sy et al., 2005). One of the most important factors in leadership is the interaction between managers and employees, while the ability to effectively communicate is key to building a positive relationship including listening, providing feedback, coaching and information-sharing (Robbins & Digby, 2003). Emotions are considered a powerful tool in communication and drive actions.

Several researchers have suggested that relations with direct managers have a strong influence over worker performance, satisfaction and retention (Goman, 1991; Graen & Uhl-Bien, 1995). According to Hoppock (1935, cited in Liu & Liu, 2013), the style of leadership is highly influential in determining the satisfaction of employees in their role. Therefore, it is logical to assume that managers' emotional intelligence could affect employees' satisfaction. A significant relationship has also been found between the level of emotional intelligence and team members' job satisfaction, as well as trust in others (Barczak et al., 2010; Christie et al., 2015; Kafetsios & Zampetakis, 2008; Sy et al., 2005). Prior research has focused on investigating the influence of workers' emotional intelligence on their job satisfaction and commitment (Wong & Law, 2002). Despite a substantial number of studies about emotional intelligence in leadership, there is still little research in the area of the explicit influence of a manager's emotional intelligence on worker satisfaction (Zeidner et al., 2004). There has been surprisingly little research conducted on the relationship between emotional intelligence and job satisfaction (Stojanovic, 2018). Several studies have investigated the correlation between emotional intelligence and job satisfaction within large corporations as well as in the public sector, but fewer within SMEs in the private sector.

Some researchers view the relationship of 'intrinsic' and 'extrinsic' factors as a bi-dimensional construct (Herzberg et al., 1959; Weiss et al., 1967). In particular, Herzberg et al. (1959) put forward the opinion that there are two factors at play here. Firstly, the pain avoidance needs of the individual can be outlined as the extrinsic factors, which can cause dissatisfaction but do not contribute to satisfaction. On the other hand, the intrinsic factors refer to the psychological needs of the individual, including the social characteristics of work, personal autonomy and perceived value of work. These factors can increase satisfaction but do not cause dissatisfaction if they are not present. Significantly, both of these factors of are self-perceived; thus, it is entirely up to the respondent to consider whether the factor applies to their situation.

Taking this into account along with the individual's psychological and emotional attitudes towards their work, it can therefore be theorised that emotional intelligence can be linked to job satisfaction. A link between job satisfaction and personal characteristics (Huffcutt et al., 1996; Judge et al., 2002), stress, anxiety, depression and well-being (Newbury-Birch & Kamali, 2001) and overall satisfaction with life, has been sufficiently proven and these have also been found to be connected to emotional intelligence (Dawda & Hart, 2000; Petrides & Furnham, 2001). Contrary to the central role of job satisfaction in the workplace, understanding any role of emotions is an important step in understanding what effect emotional intelligence might have on workplace dynamics.

Modern organisations need to attain significant achievements regarding productivity and efficiency (Dharmanegara et al., 2016). Research has indicated that this necessitates substantial employee satisfaction, which similarly contributes to employees striving to maintain effective performance and achieve organisation goals. Hence, emotional intelligence, particularly of managers, plays a critical function in such efforts. The link between managers' emotional intelligence and job satisfaction has been well-researched because emotional intelligence plays a critical role in fostering employee job satisfaction. For example, Suleman et al.'s (2020) cross-sectional study pointed out the relationship between leaders' emotional intelligence and job satisfaction. Their findings indicated that the higher the emotional intelligence of the leaders, the higher the job satisfaction evidenced by employees. This is particularly harnessed by particular subdimensions of emotional intelligence and job satisfaction, which are self-motivation, self-awareness, empathy, relationship management, emotional stability, integrity, value orientation, self-development, commitment and altruistic behaviours (Suleman et al., 2020).

Similarly, Ngirande and Timothy (2014) focused on evaluating the relationship between managers' emotional intelligence and the job satisfaction of employees. Important findings were obtained which highlighted the existence of a positive significant correlation between managers' emotional intelligence and employee job satisfaction. These correlational analysis findings highlight those greater levels of emotional intelligence in managers contribute to increased job satisfaction. This is also supported by Lee and Chelladurai's (2018) finding that managers with a high level of emotional intelligence are more likely to make appropriate decisions in their workplace, which contributes to boosting employee job satisfaction.

In addition, Al-Bahrani (2017) demonstrates that managers' emotional intelligence is a critical personality-level predictor of the job satisfaction process. Additionally, many other studies have similarly highlighted the existence of strong relations between emotional intelligence and job satisfaction levels. Hence, managers should demonstrate a higher level of emotional intelligence to maintain employee job satisfaction levels. Hence, based on the provided research evidence, the following hypothesis was developed:

H3: Perceived emotional intelligence of managers is positively related to employee job satisfaction (see Table 3.2).

3.3.4 LMX and Turnover Intention

Graen et al. (1982) suggested a link between the role of leadership and employee turnover, hypothesising the relationship between LMX and employee turnover (Vecchio, 1985). Their research involved predicting employee turnover over a 1-year period from data that was gathered from LMX model. The study observed a sample of 48 IT professionals (developers and systems analysts) over three levels of hierarchy within an IT department of a public utility organisation. It concluded that LMX accounted for three times the variance than the average leadership style model and that LMX was better at predicting turnover. In addition, Mardanov et al. (2008) suggested that low-level LMX has a significant contribution to the decision of employees to leave the company. Other authors have declared that the least turnover happens when LMX quality is moderate and is higher when LMX quality is low or high (Morrow et al., 2005).

Additionally, Schyns and Wolfram (2008) noted that it is acceptable to study employee perception of LMX and its effect on their attitude. The fundamental feature of LMX research is the notion that positive LMX is linked to a positive influence on employees and these benefits enable managers to motivate employees and retain their motivation and commitment to the manager (Liden & Maslyn, 1998). Due to this positive influence on employees, team members who experience high LMX are less likely to leave the company (Bauer et al., 2006). Thus, high LMX can affect employee intention to leave and employee turnover negatively (Rosen et al., 2011). However, Vecchio (1985) concluded that LMX is a greater predictor for employee turnover for those at high-level jobs rather than those in low-level jobs. Another opinion was proposed by Gerstner and Day (1997) who said that the relationship between LMX and turnover is inconclusive. For example, they stated that 'there is not enough evidence at present to support strong correlations between LMX and the objective outcomes of performance and turnover'.

Despite Gestner and Day's statement above, other studies have found that not only does high-quality LMX reduces employee turnover, but it also provides employees other benefits such as additional resources to complete tasks, protection, career path, salary increase, role change, mentoring and affection (Graen & Scandura, 1987; Liden & Maslyn, 1998). As a result, team members who experience high-quality LMX are offered involvement in more advanced tasks and can reap more benefits (Tierney et al., 1999). High-quality LMX relationships contribute to a positive impact on the force that enhances attachment that employees have to their organisation and prevents them from leaving as long as the leadership remains (Ballinger et al., 2010). Consequently, research has highlighted that high-quality LMX is negatively correlated with turnover intention and that low-quality LMX is positively associated with turnover and turnover intention (Gerstner & Day, 1997; Kim et al., 2010).

As already discussed, there are many adverse implications of voluntary turnovers on organisations irrespective of their industry. According to Chahal and Poonam (2017), in the contemporary business environment, the retention of the most qualified employees is a major challenge encountered in most organisations. Lim et al. (2017) evidence that organisational predictors including work engagement, job satisfaction and organisational commitment are directly linked with employee turnover intention and actual turnover. Past research has generated mixed results regarding LMX quality and employee turnover intention. For example, Shaalan et al. (2019) noted that the relationship between LMX and turnover intention is ambiguous. The study evidenced on existence of a linear relationship with their managers evidenced an increased intent of quitting as opposed to employees having high-quality LMX relationships with their managers. Hence, in a case the managers develop high-quality relationships with their different employees, this directly reduced the employee’s propensity of quitting. Hence, it is the core role of managers in modern organisations to develop high-quality LMX relationships with employees to reduce employee turnover intention.

In a study by Harris et al. (2005), a curvilinear relationship was detected between LMX and turnover that indicated both very high- and low-quality LMX affect turnover. Interestingly, very high-quality LMX was associated with turnover due to employees being exposed to offers at other organisations since they were presented with more opportunities, had more aspirations or had the chance to receive a promotion. It is clear that high-quality LMX relationships could have a direct implication on expansion of the employee's fulfilment hence abating turnover intentions (Adil & Awais, 2016). Nevertheless, AlHashmi et al. (2019) note that the high-quality LMX has a negative effect on turnover intention and actual turnover. This is specifically evidenced in Ballinger et al. (2010) that individuals' attachment to others including managers have a direct implication for retention levels of skilled employees, hence reducing turnover intention. It is possible that employee characteristics, interpersonal relationship characteristics and contextual variables are all representative LMX antecedents.

As noted in Ozdevecioglu et al. (2015), LMX and turnover intention are identified as having a curvilinear relationship. This is evidenced by the fact that employees with either a very low quality of LMX or a very high quality of LMX may have increased turnover intent. This is affirmed by Kim et al. (2010) who highlight that it is likely to be a consequence of a feeling of being pushed out of, or pulled away from, an organisation. Nevertheless, this phenomenon only prevails at the extreme ends of the spectrum. Further, they find that employees with very low LMX quality are evidently less likely to have the intent to leave an organisation, due to lower alternative employment. This could be explained by the view that employees who are dissatisfied with their jobs could end up having negative attitudes towards them and a positive attitude towards quitting. To support this, Ozdevecioglu et al. (2015) noted that, when employees believe they have the resources and skills to quit and occupy a different job role, they will be more likely to foster turnover intentions. The behavioural intention to quit could, however, be evidenced as being a strong predictor of personnel turnover in different industries which is, in theory, viewed and believed to be a critical antecedent to turnover intentions.

Further, according to Waglay et al. (2020), the existence of positive exchange relations at work is a negative predictor of the intention of employees to leave an organisation. Similar to other models evaluated in the literature that demonstrate the turnover intention, LMX is similarly perceived as an appropriate motivator to reduce employees' intentions to leave. Additionally, according to Bhatti et al. (2015), in employees with high LMX, they are negatively associated with voluntary turnover, despite the relation being a nonlinear u-shaped curvilinear relationship. In some instances, managers' behaviours have been noted to be a predictor of individuals' turnover intention. Although there is a substantial amount of research on turnover, little research has been done on the role of LMX in current turnover models (Lee, 2000). Thus, this research aimed to address this issue by investigating the effects of LMX on employees' desire to leave in a non-Western context, namely that of Saudi Arabia. Based on the evaluated literature, the following hypothesis is proposed:

H4: Employee perception of LMX is negatively related to turnover intention of employees (see Table 3.2).

3.3.5 LMX and Job Satisfaction

The evolution of LMX depends on how much contact managers and employees have, the length of their working relationship, as well as how many resources and opportunities the manager can present to employees. As previously mentioned, empirical research has indicated that high-quality LMX is correlated with a variety of benefits for employees, for instance, job satisfaction, increased job performance, creativity and empowerment (Gerstner & Day, 1997; Liden et al., 1996). Several studies have demonstrated that the manager–employee relationship is vital in influencing employee's approaches to work and overall behaviour (e.g. Ilies et al., 2007). One of the fundamental aspects of having high-quality LMX is building interpersonal trust between employees and managers that extends past the formal setting of employment contracts (Dienesch & Liden, 1986). LMX theory assists leadership theory regarding aiding research and analysis of the relationship quality between managers and employees and its effect on performance, job satisfaction (Erdogan & Enders, 2007), and leadership effectiveness (Mardanov et al., 2008). Consequently, LMX can be used as point zero for both employee satisfaction with their manager and overall job satisfaction (Janssen & Van Yperen, 2004). LMX can be used to understand and explain the quality of individual relationships between managers and employees and its effect on organisation over a time period (Lussier & Achua, 2004), which consists of demands and rewards. These rewards are linked to job satisfaction in the form of information, support and career progression provided by the manager. It has been posited that satisfied workers construct more resources and demonstrate greater eagerness to seek out and engage in social occasions (Volmer et al., 2011).

Further, the link between LMX and job satisfaction can be seen in theories of empowerment and ability to undertake difficult tasks alone, with the trust of a manager (Dirks & Ferrin, 2001; Sparrow, 1994; Stringer, 2006). Schyns and Wolfram (2008) deducted that a significant relationship exists between employees' perception of LMX and job satisfaction, which would increase based on positive experiences. As a result, employees will feel more content with their current position within the company (Mardanov et al., 2007). Job satisfaction basically refers to a pleasurable feeling which emerges from appraisal of one's job or job experience. Therefore, it is no surprise that employees in high-quality LMX relationships have higher job satisfaction (Ariana, 2012).

On the other hand, Hesselgreaves (2007) found no relationship between LMX and job satisfaction, which challenged previous findings. This result opens the door to further investigation of the impact of the LMX on job satisfaction. Moreover, despite the topic of LMX being studied thoroughly by many researchers, there are a limited number of studies that have derived concrete and consistent results in terms of the impact that LMX has on employees and their job satisfaction (Mardanov et al., 2007), which is motivating to conduct more research to improve the understanding as to what extent high-quality LMX contributes to increasing job satisfaction.

According to Keskes et al. (2018) employees perceive that manager have varying behaviours when engaging with employees. In this case, the employees possessing a higher level of LMX are identified as having more substantial satisfaction and hence are in an appropriate position to perform better. As a result, they ultimately receive more attention from their managers because, as noted by Javed et al. (2018), the concept of job satisfaction is demonstrated as the pleasurable or positive emotional state established from the appraisal of an individual job or their experiences. Regarding the social exchange theory, Martin et al. (2018) found that there prevails an exchange relation between different parties. Moreover, employees holding higher quality LMX end up attracting the attention of their managers as a relevant exchange relation. Based on the assumption of this theory, this form of social exchange has a positive implication in enhancing the scope of job satisfaction among employees. Conversely, as noted in Malik et al. (2015) negative perceptions of employees on LMX are significantly linked with a low level of job satisfaction. This is also supported by the reviewed Locke theory of job satisfaction (Tietjen & Myers, 1998), which is founded on criticising the Herzberg’s motivation hygiene theory. The core assumption of Locke’s theory is that by embracing mind processing human discovers their needs and the psychological needs. This is evidenced by the fact that there are always multiple positive organisational outcomes that are evident from high-quality effective LMX and personalised job satisfaction for employees. In line with the reviewed literature, the following hypothesis was developed:

H5: Employee perception of LMX is positively related to job satisfaction of employees (see Table 3.2).

3.3.6 Mediating Role of LMX on Perceived Manager Emotional Intelligence, Turnover Intention and Job Satisfaction

According to Karim (2008) and Jordan and Troth (2011), managers' emotional intelligence is related to the quality of LMX relationships, which will in turn influence their job satisfaction and desire to leave. Thus, the LMX is expected to mediate the relationship between managers' emotional intelligence and turnover intention, and between managers' emotional intelligence and employee job satisfaction. Gerstner and Day (1997) discovered meaningful relationships between LMX and various other factors in their meta-analysis, including turnover intention (albeit not the actual level of turnover), employee competence, clarity in job roles, job commitment, employee satisfaction generally, including their satisfaction with the supervision they receive, and the employees work performance. Consequently, as the exchange increases, the relationship between the manager and employees becomes less formal and more productive which, in turn, leads to employees having improved employment experience and being more satisfied at work. That leads us to the hypothesis that LMX is a catalyst to improvement in the quality of the mutual relationship between managers and employees. Karim (2008) noted that, as high levels of emotional intelligence have a positive effect on LMX relationships, those employees who also have high level of emotional intelligence have a better chance of being among the manager's closest circle. Jordan and Troth (2011) also found that LMX fully mediated employees' emotional intelligence and their intent to quit and job satisfaction. However, there is a lack of research that has yet presented clear evidence that LMX mediates between managers' emotional intelligence and employees' attitudes in SME sector. On this basis, the present research suggests that managers with high levels of emotional intelligence can stimulate good quality relationships with employees, especially when they are pre-emptive and active in managing these relationships. This is further true when they are conscious of their own emotional currents and can manage those currents during their interactions with employees. When these qualities combine, managers will perceive that the quality of LMX is high. Studies have posited that LMX can be an indicator of better employee outcomes, impacting their behaviour in respect of desire to leave and job satisfaction (Duchon et al., 1986; Liden et al., 1993; Stringer, 2006).

As evidenced in Joseph (2011), managers with high emotional intelligence are characterised by the ability to perceive, understand and regulate their emotions. The scope of regulation of these emotions is evidenced by LMX, which identifies the relationship between the managers and employees. In such an arrangement, the formal relationship internally in the organisation defines the relevance of the employment contract. Similarly, Malik et al. (2015) highlight that LMX is a critical determinant of emotional intelligence and job satisfaction of employees. A case example is that LMX is used to identify individuals with high emotional intelligence and how these levels influence job satisfaction.

Emergence of conflict between the managers and employees would be an indicator of low emotional intelligence hence eventually leading to a reduced job satisfaction. In addition, the informal or extended relationship beyond an organisation is evidenced as group relationship. It is in this regard that Ansari and Effendi (2011) noted that the emotional intelligence evidences the existence of employees predicting LMX very strongly with emotional intelligence reported by the managers failing in this dimension. Further, little et al. (2016) highlight that LMX mediates the link between perceived manager emotional intelligence and job satisfaction. This is supported by the nature of LMX concept as survival and fitness of business operations mandated on maximising different organisations success by developing positive exchanges between the managers and their individual employees.

The available literature on LMX evidences that high-quality LMX has a direct influence on the level of job satisfaction (Saeed et al., 2014; Volmer et al., 2011; Yoon et al., 2017). As evidenced in Yoon et al. (2017) study, its evidence that a high quality of LMX both positively influence the job satisfaction in equal manner with outcomes of an organisation. This finding is in line with the previously identified concept in Herzberg motivation theory identifying job satisfaction and dissatisfaction factors in distinct working conditions influenced by varying factors (Malik et al., 2015). Additionally, Balouch and Hassan (2014) evidence that delegation and LMX are significant implications of employee performance and job satisfaction levels. This means that the LMX differentiation leads to an increase in the performance of low LMX members with no change on the individual performance of the high LMX members. Further, LMX positively affects group performance dependent on the scope of interdependence such as high interdependence higher performance levels and lower interdependence on performance.

There prevail immense benefits of high-quality relationships such as special treatment, differential distribution of formal and informal rewards and positive job-linked feedback (Collins, 2007). Conversely, the adopters of the low-quality LMX relationship practice the opposite. This is an evident of increased compensations for high-quality LMX employees as being defined by social exchange theory which has a possibility of leading to varying positive outcomes. Hence, in line with Malik et al. (2015) high-quality relationships are significantly linked with the employee’s satisfaction and performance levels.

Further, there are few longitudinal studies that have evaluated LMX as a predictor of job satisfaction. For instance, in an earlier study, Vecchio et al. (1986) identified LMX as positively predicting job satisfaction of hospital employees ($r = 0.35$). Similarly, in a study involving approximately 224 newcomers, Major et al. (1995) found that LMX is a substantial predictor of job satisfaction levels ($r = 0.48$). Additionally, Javed et al.'s (2018) study focusing on British SMEs evidenced that LMX is a major and significant predictor of job satisfaction levels. Therefore, the evaluated literature offers a range of explanations for the positive LMX-job satisfaction relationship. For example, one view is that existence of high-quality LMX relationships leads to employees leveraging immense privileges and resources, both intrinsic (i.e. empowerment, influencing decisions) and extrinsic (i.e. salary, progress and advancement) and positive socio-emotional experiences all relating to positive job satisfaction. Another view is that job satisfaction is a consequence of comparison between what is and what was expected Ruch et al. (2018). Hence, members possessing high-quality LMXs would contribute to the positive feelings of fellow members, leading to an increased job satisfaction.

In line with work design models, researchers similarly evidence that LMX leads to a prediction of job satisfaction. For instance, according to the job characteristics model (Raihan, 2019), five core job characteristics (i.e. task identity, task significance, autonomy, skill variety and task feedback) are all linked directly with job satisfaction. The job-demand job-control model (Asif et al., 2018) similarly posits that autonomy and social support levels significantly predict job satisfaction. Therefore, employees having high-level LMX relationships have an enriched job experience with overall optimal levels of job characteristics that positively influence job satisfaction levels. Soleimani and Einolahzadeh's (2017) also found evidence of a relationship between emotional intelligence and high-quality relationship with others, which can eventually influence employees' intention to leave an organisation.

Based on the previous identified theories, such as social exchange theory, Martin et al. (2018) found that employees' level of emotional intelligence can have a direct impact on the quality of their interaction with managers. Particularly, they found that members managing their relations proactively execute their roles are aware that their individual tensions need to be managed, especially while interacting with their managers. The outcome of this is the establishment of high-quality LMX. The resources of the most qualified employees play a critical role in the employees work and affect the employees' outlook regarding job satisfaction or dissatisfaction. According to AlHashmi et al. (2019), in the LMX relationship, the involved evidence that a manager is capable of creating relationships with employees in same groups. Along these lines, Soleimani and Einolahzadeh (2017) highlighted that the nature of LMX relationships is applicable in measuring the scope of employee intention to leave, as well as their job satisfaction levels. The study evidenced that when the values of managers or associations do not match those of employees, conflicts that have an effect on employee satisfaction and intention to leave are evidenced. Based on the reviewed literature, the following hypotheses were developed:

H6: LMX mediates the link between perceived emotional intelligence of managers and turnover intention of employees.

H7: LMX mediates the link between perceived emotional intelligence of managers and job satisfaction of employees (see Table 3.2).

3.4 The Conceptual Model and Study Hypotheses

The researcher relied on the literature review in building the study model and in developing the proposed hypotheses, as illustrated in Figure 3.2 and Table 3.2.

Figure 3.2: The Proposed Model of the Study

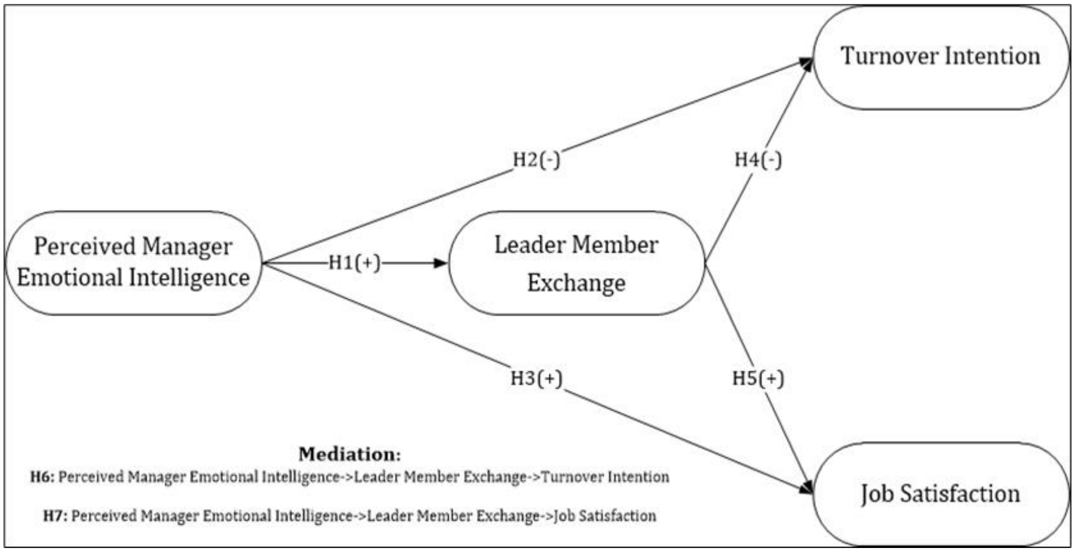


Table 3.2: Summary of Study Hypotheses

No.	The hypotheses
H1	Perceived emotional intelligence of managers is positively associated with perceived quality of LMX by employees
H2	Perceived emotional intelligence of managers is negatively related to turnover intention of employees
H3	Perceived emotional intelligence of managers is positively related to employee job satisfaction
H4	Employee perception of LMX is negatively related to turnover intention of employees
H5	Employee perception of LMX is positively related to job satisfaction of employees
H6	LMX mediates the link between perceived emotional intelligence of managers and turnover intention of employees
H7	LMX mediates the link between perceived emotional intelligence of managers and job satisfaction of employees

Chapter 4: Materials and Methods

4.1 Introduction

This chapter discusses the study methodology adopted. The study design and approach are presented followed by study paradigms. The population and sampling design are outlined, along with the data collection methods, questionnaire design, scale of measurement and relevant study domains. It concludes with the steps followed to prepare the collected data for analysis.

4.2 Research Philosophy

The focal aim of the study was to examine the effect of perceived emotional intelligence of managers on employee perceived LMX, job satisfaction and turnover intention among employees of Saudi SMEs. The study further delved into the investigation by examining the mediating role of employee perceived leader–member exchange on the association between perceived emotional intelligence of managers, job satisfaction and turnover intention. To achieve the study objectives, the literature was scrutinised for selection of appropriate measures, design and methodological philosophy. Research methods can be either quantitative or qualitative. Quantitative methods are generally numerical, objective and consider fact as evidence; qualitative methods are generally non-numerical, subjective and consider consciousness and experience as evidence (see Table 4.1).

Management researchers have long debated optimal research approaches considering two schools of thought, positivism and phenomenology (Hjørland, 2005), which differ in terms of several dimensional views and beliefs. These views did not only shape the perception and conceptualisation of research methods but also the operationalisation of abstract concepts. Phenomenology, which is a qualitative method, relies on inner consciousness and experience as the source and bases of knowledge acquisition (Kincaid, 1998). This perspective is advantageous when dealing with unknown facts, which makes it vital in determining behavioural meaning. More specifically, it can reveal meanings that appear ‘hidden’ or identify the impact of a phenomenon. However, the generalisability of results is limited because of, for example, limited sample sizes and the subjective nature of interpretation.

Positivism is a quantitative method, and positivist schools of thought consider that researchers should focus on value neutral ‘fact finding’ (Kincaid, 1998). This perspective considers the universe as mainly structured, ordered and objective. Thus, existing facts are independent of human observation and causality can be derived through discovery and prediction (Mayer, 1992). Persson (2010) argues that causal inference and prediction are the ‘life vest’ for positivism. In particular, positivism is useful when phenomena have been more fully understood.

In the present study, a quantitative method and positivist view was adopted because the study variables have been discovered, well scrutinised and operationalised in the literature. Further, precise procedures for collecting data allow a degree of certainty about relationships between variables (Creswell & Creswell, 2017). This type of correlational design is appropriate for the present study given that the aim of the research is to establish measurable relationships (Creswell, 2002). Indeed, the majority of recent studies in this area have used quantitative methodology.

Moreover, the nature of the society in Saudi Arabia, including cultural, social and religious factors, influenced the present selection of a quantitative research method. For example, cultural limitations preclude face-to-face qualitative interviews, such as participants needing to be segregated by gender and Saudi women requiring permission from their husbands or fathers to attend an event with unknown men. Interviewing only male participants would lead to bias and thus generate skewed and unreliable data. If focus groups were used, most participants would be reserved and hesitant to give their true opinion as people are rarely truthful under social pressure or are too afraid to differ from group norms in the conservative Saudi culture.

Specifically, in the present study, it was decided to undertake surveys. The surveys had structured, pre-defined questions. The aim was to reach a large representative sample and collect numerical data for statistical analysis to predict and confirm this study's hypotheses (see Table 4.1).

Table 4.1: Comparison of Quantitative and Qualitative Methods

Dimensions	Quantitative	Qualitative
Philosophical roots	Positivism	Phenomenology
Aims	Hypothesis testing, confirmation, prediction	Hypothesis generation, understanding, discovering and meaning finding
Instrument	Structured, pre-defined questions	Unstructured, flexible and evolving questions
Data collection	Surveys, statistical data	Interviews, ethnography, observations, documents
Sample	Representative samples, Large sample size, Random sampling	Non-representative sample, Purposeful sample, Small sample size Non-random sampling
Analyses and findings	Numerical and statistical	Non-numerical, interpretive and descriptive

4.3 Industrial Context

The Kingdom of Saudi Arabia is located in Western Asia and covers the bulk of the Arabian Peninsula. Its land mass is estimated to be 2,150,000 km^2 (830,000 sq mi), and it is mostly arid desert, lowland and mountains. It is the largest country in Western Asia and has been ranked number 18 in terms of land mass worldwide. It is bordered by the United Arab Emirates, Bahrain, Oman and Qatar to the east; Yemen to the south; and Jordan, Iraq and Kuwait to the north and northeast. The Gulf of Aqaba demarcates the country from Egypt and Palestine. It is the only country that has a coast on the Persian Gulf and the Red Sea. It has a young population (50% of the nation's 34 million population are aged less than 25) and large oil reserves. International bodies, such as the World Trade Organization, the World Bank, the United Nations and the European Union have widely acknowledged the importance of SMEs in economic development. The main factors distinguishing SMEs from other business entities are (i) staff headcount and (ii) turnover or balance sheet total. In Saudi Arabia, the classification of SMEs is based on the number of workers and the amount of invested capital (see Table 4.2).

Table 4.2: Classification of Saudi Arabia's SMEs

Industrial enterprise type	No. of employees	Capital (millions)
Microenterprises	1–5	Less than 3 m RS
Small enterprises	6–50	3–50 m RS
Medium enterprises	51–250	50–200 m RS

According to the official statistics released in February 2017, the percentage of contribution by SMEs to the economy and industrial establishment in Saudi Arabia is 98%. In addition, these SMEs employ approximately 2.6 million workers in Saudi Arabia (Oxford Business Group, 2018). Thus, SMEs are important for the economy in Saudi Arabia to grow, and to establish and sustain the workforce towards attainting improved quality of life, standard of living, reduced poverty and the general well-being of society. Official statistics shows that there are 115,433 SMEs operating in the country (see Table 4.3). Interestingly, most SMEs, that is, about 78%, are located in Riyadh, Makkah and East Provinces (see Table 4.4).

Table 4.3: Sector and industrial Distribution of SMEs in Saudi Arabia

Sector/Industry		Medium	Small
		50–249	6–49
1	Agriculture, forestry and fishing	100	3,307
2	Mining & quarrying	85	377
3	Manufacturing	1,771	14,559
4	Electricity, gas, steam and air conditioning supply	69	216
5	Water supply; sewerage, waste remediation	63	470
6	Construction	1,325	10,793
7	Wholesale and retail trade; repair of motor vehicles	1,148	32,960
8	Transportation & storage	468	4,456
9	Accommodation and food service activities	459	16,451
10	Information and communication	130	1,091
11	Financial and insurance	142	3,186
12	Real estate activities	92	1,750
13	Professional, scientific and technical activities	189	2,772
14	Administrative and support service activities	360	3,164
15	Education	622	5,198
16	Human health and social work activities	455	3,233
17	Arts, entertainment and recreation	41	642
18	Other service activities	89	3,200
Total		7,608	107,825
		115,433	

Source: Small and Medium Enterprises General Authority (also called Monshaat; 2017).

Table 4.4: SME Distribution Across Regions in Saudi Arabia

SMEs administrative and operational area		Medium	Small
		50–249	6–49
1	Riyadh	2,732	37,271
2	Makkah	1,829	25,157
3	Madinah	314	5,256
4	Qassim	312	5,300
5	Easte. Prov.	1,744	20,836
6	Asir	219	4,227
7	Tabuk	77	1,692
8	Hail	109	1,861
9	North Bord	36	716
10	Jazan	85	2,001
11	Najran	71	1,547
12	Al-Baha	41	944
13	Al-Jouf	39	1,017
Total		7,608	107,825
		115,433	

Source: (Small and Medium Enterprises General Authority also called Monshaat, 2017)

Notably, SMEs are small business entities and therefore differ in several dimensions from larger businesses, such as in human resource practices, managerial practices, qualities of managers, organisational culture and abuse (Burke & El-Kot, 2014; International Labour Organization, 2016). The present study aimed to unveil some of the key work practices and workplace relations in Saudi SMEs, including issues stemming from the large proportion of foreign workers in Saudi Arabian SMEs. Table 4.5 illustrates the distribution of SME workers based on nationality, that is, the distribution of Saudi and non-Saudi workers.

Table 4.5: Distribution of Employees Across Saudi SMEs Based on Nationality

Sector/industry		Medium	Small
		Saudi (non-Saudi)	Saudi (non-Saudi)
1	Agriculture, forestry and fishing	1,035 (13,028)	3,221 (46,966)
2	Mining & quarrying	2,001 (5,699)	1,128 (4,563)
3	Manufacturing	44,207 (151,584)	33,876 (174,627)
4	Electricity, gas, steam and air conditioning supply	6,885 (2,640)	2,785 (2,086)
5	Water supply; sewerage, waste remediation	1,671 (5,645)	2,042 (5,698)
6	Construction	23,710 (139,184)	34,781 (139,827)
7	Wholesale and retail trade; repair of motor vehicles	35,985 (99,782)	91,627 (318,282)
8	Transportation & storage	14,171 (39,997)	18,426 (48,819)
9	Accommodation and food service activities	10,387 (36,456)	32,331 (166,285)
10	Information and communication	7,380 (6,029)	8,903 (7,866)
11	Financial and insurance	10,472 (5,266)	35,644 (10,912)
12	Real estate activities	2,102 (7,614)	9,097 (13,154)
13	Professional, scientific and technical activities	4,556 (13,772)	12,193 (23,000)
14	Administrative and support service activities	16,166 (22,155)	17,478 (22,893)
15	Education	23,553 (29,351)	58,711 (45,639)
16	Human health and social work activities	12,357 (29,351)	21,040 (38,244)

17	Arts, entertainment and recreation	1,400 (4,564)	3,184 (11,655)
18	Other service	3,844 (5,398)	15,138 (18,862)

Source: Small and Medium Enterprises General Authority, also called Monshaat, 2017.

4.4 Procedure and Sampling Technique

Prior to collecting data, all research performed at Victoria university must meet the ethical standards. For this thesis, the ethics application has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)' by the Victoria University Human Research Ethics Committee (Application ID: HRE19-062).

To achieve the study objectives, scale items that have been validated and widely used in other studies were selected because limited studies have been conducted on the Arabian world the adopted scales were in English. The official language of Saudi Arabia is Arabic, and most local and foreign nationals widely speak and understand Arabic. The questionnaire was translated from English to Arabic and vice versa by two professional translators using the professional translation services approved by the university research office. Similarly, as the scales were developed for Western contexts, a series of modifications were made to align them with Arabic culture. To minimise linguistic and contextual errors, a professor in the field of management and an SME manager were asked to review and comment on the survey questions. Several valuable suggestions were offered that improved the final iteration of the questionnaire.

A pilot study was conducted to assess the reliability, suitability and clarity of the questionnaire. The results of the pilot study revealed that the questions were fully understood by the respondents, which meant the main survey could be conducted. The main survey was conducted online, with a cover page to brief participants on the objectives of the study. Participation was completely voluntary and participant anonymity and confidentiality were assured. Participation was anonymous partly for ethical reasons, and partly to mitigate social desirability bias and common method bias (Podsakoff et al., 2012).

In the social and natural sciences, a population is the sum of all subjects, objects and/or people that match a precise set of specifications (Polit & Beck, 2004). Resources are often scarce and access to vital resources often comes with several constraints. Moreover, it is almost impossible to study an entire population, given resource constraints such as accessibility, time and cost. To abate this, scholars generally rely on a small portion to represent the population, referred to as a sample. A sample represents all segments of the population. Saudi Arabia is one of the largest countries in the Middle East, which results in increased constraints (i.e. in terms of time, cost and reach) in collecting data from all the SMEs. The researcher adopted convenience sampling to select suitable SMEs. The sample for the present study included employees working in SMEs across cities in Saudi considering geographic distribution.

To select a sample of employees within each of the SMEs targeted, the present study adopted simple random sampling. Simple random sampling is a commonly used probabilistic sampling method in which elements and subjects are selected randomly, and which breaks complex population structures down to the simplest form. Moreover, this selection technique permits each element of the larger population the chance of being selected. In other words, the likelihood of an element being selected is by chance and all members or elements have an equal chance of being included in the sample. Simple random sampling transcends other sampling methods because it causes minimal bias, sampling error, margin error and estimation error.

4.5 Research Instruments

Emotional intelligence was operationalised with a 17-item scale developed by Law et al. (2004). The scale has been conceptualised with four dimensions, namely: self-emotional appraisal, emotional appraisal of others, use of emotion and regulation of emotion. The scale has been widely used in recent studies, and its reliability and internal consistency have been widely acknowledged in the literature (Aqqad et al., 2019; Darvishmotevali et al., 2018; Nightingale et al., 2018). An example of a sample item is, ‘My manager is sensitive to the feelings and emotions of others’ anchored on a 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree.

Leader–member exchange (LMX) was operationalised with a 7-item scale developed by Graen and Uhl-Bien (1995). The scale has been widely used in recent studies, and its reliability and internal consistency have been widely acknowledged in the literature (Hackett et al., 2018; Jin et al., 2020; Schuh et al., 2018). An example of a sample item is, ‘I feel that my manager understands my problem and needs’ anchored on a 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree.

Job satisfaction was operationalised with a 34-item scale developed by Spector (1994, 1997). The scale has been conceptualised with nine dimensions, namely: co-workers, pay, supervision, promotion, contingent rewards, fringe benefits, nature of work, operating conditions and communication. The scale has been widely used in recent studies, and its reliability and internal consistency have been widely acknowledged in the literature (Kianto et al., 2016; Valieiev et al., 2019). An example of a sample item is, ‘I feel a sense of pride in doing my job’ anchored on a 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree.

Turnover intention was operationalised with a 3-item scale developed by Bateman and Strasser (1984). The scale has been widely used in recent studies, the reliability and internal consistency has been widely acknowledged in the literature (Kang & Sung, 2019; Klein et al., 2019). An example of a sample item is, ‘I am thinking about quitting my job’ anchored on a 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree.

Demographic variables pertaining to the respondents were obtained. The aim was to generate descriptive statistics about the respondents, providing insight on the representativeness and composition of the sample. The captured demographic variables included age, gender, nationality, education and length of time working.

The questionnaire contained two parts. The first part determined relevant demographic characteristics of participants, which helped to define their background and position in the SME (i.e. gender, age, education level, occupational position and tenure). The second part measured the key variables of interest (i.e. employee perception of managers' emotional intelligence, LMX, employee job satisfaction and turnover intention).

4.6 Analytical Approach

A comprehensive understanding and the ability of researchers to distinguish constructs, conceptualisation and operationalisation ensures that measurement models are estimating accurately and errors arising from the method can be abated. Statistical analysis has been a vital tool for management scholars, which has been advanced by the advent of computer hardware and software. In this regard, univariate analysis considers one variable at a time and multivariate analyses consider multiple variables at a time. Multivariate analysis utilises first-generation statistical methods such as analysis of variance (ANOVA), logistic regression, multiple regression, linear modelling, exploratory factor analysis, confirmatory factor analysis and cluster analysis (Fornell, 1987). The aim of these statistical methods is to test theories and concepts and discover hidden patterns in the data, which comes with estimation and measurement error.

Over the past few decades, scholars have turned their attention to a second-generation statistical method popularly known as structural equation modelling (SEM). SEM permits scholars to measure unobservable variables by using indicators. SEM typifies a theory-based data analysis technique that assesses a presumptive hypothesis in a causal model (Hancock et al, 2010). SEM is not merely a statistical technique but rather 'an analytical process involving model conceptualisation, parameter identification and estimation, data-model fit assessment, and potential model re-specification' (Hancock et al, 2010, p. 1). This approach helps to gauge estimation and measurement error inherent in first-generation statistical methods. SEM is further divided into covariance-based SEM (CB-SEM) and partial least squares SEM (PLS-SEM). CB-SEM is designed for theory confirmation and rejection based on symmetric associations between several variables (Bollen, 1989; Jöreskog, 1978). PLS-SEM is designed to unveil the variance explained in dependent variables or sets of independent variables (Hair et al., 2016; Lohmöller, 1989).

CB-SEM and PLS-SEM are complementary techniques with common shared objectives, that is, to estimate the relationships between variables and proxy indicators. The techniques differ structurally based on statistical conceptions and the operationalisation of measurement models (Jöreskog & Wold, 1982). However, CB-SEM and PLS-SEM are different in three main ways. First, CB-SEM is useful for a common factor model estimation but obsolete for composite model estimation due to biases, whereas PLS-SEM subsumes no bias when estimating composite data (Sarstedt et al., 2016). Second, CB-SEM is based on the indeterminacy of factor scores (Rigdon et al., 2017) and so cannot fully represent the large number of 'minor common factors that influence measured variables and account in part for their intercorrelations' (MacCallum et al., 2007, p. 153). Conversely, PLS-SEM is based on fixed latent variable scores and compares the 'structural model's total effect on a predictor variable with the predictors' average latent variable scores' (Ringle & Sarstedt, 2016).

Third, in CB-SEM, variance is categorised into two distinct units, common variance, which is estimated from the variance shared with other indicators in the measurement model of a construct, and unique variance, which is further categorised as specific and error variance; specific variance is systematic and reliable and error variance is random and unreliable (i.e., measurement, sampling and specification error) (Bollen, 1989; Rigdon, 1998). However, CB-SEM modelling calculates and uses only common variance to derive solutions, in other words, it assumes that 'the variance of a set of indicators can be perfectly explained by the existence of one unobserved variable (the common factor) and individual random error' (Spearman, 1927; Thurstone, 1947). In contrast, PLS-SEM does not distinguish between common and unique variance, but rather, sums them up to form the total variance in the observed indicators. In estimating relationships in a measurement model, all of the variance (common, unique and error) that the exogenous variables have in common with the endogenous variables are considered (Sarstedt et al., 2016). This limits the tendency of common factor or variance omittance.

The present study developed, estimated and assessed the measurement model by deploying the PLS-SEM technique using SmartPLS 3 software (Lohmöller, 1989). PLS-SEM is a causal-predictive method of SEM that enables researchers to evaluate the predictive quality of the results (Sarstedt et al., 2017). This approach is beneficial if the research objective is to estimate a structural model that explains a key target construct of interest and/or optimise the endogenous construct of the prediction (Hair et al., 2019; Rigdon, 2012), as opposed to CB-SEM techniques, which focuses on model fit index generation (Rigdon et al., 2017). In the present study, the PLS-SEM technique was selected because the objective of the study was to test whether perceived emotional intelligence of managers and LMX predicts job satisfaction and turnover intention and not to test a theory per se.

Unlike CB-SEM, PLS-SEM technique has the capability to produce meaningful results even on small samples (Hair et al., 2020). This argument has received support from various fields, such as HRM; for instance, ‘PLS-SEM advantages include its ability to handle small sample sizes with the required level of care’ (Ringle et al., 2020, p.1618). In the tourism and hospitality management domains, PLS-SEM is seen as ‘a panacea for handling non-normal data and, especially, small sample sizes’ (Ali et al., 2018, p. 518). In management information systems, it was reported that ‘for small sample sizes, PLS-SEM has the highest statistical power, while if the sample size is large (e.g. more than 250 observations), CB-SEM has higher parameter accuracy and consistency than PLS-SEM’ (Rigdon et al., 2017, p. 6). Given that scholars have reached consensus on the grounds that PLS-SEM is suitable for studies with small sample size (Sarstedt et al., 2016), the present study built on extant theoretical and empirical evidence to analyse the obtained sample (n = 169) using a PLS-SEM algorithm.

Chapter 5: Data Analysis and Results

5.1 Introduction

This chapter illustrates the analytical design employed in this empirical work. It describes the procedures used, including SEM, model indices, collinearity assessment, construct, nomological, convergent and discriminant validity tests. Further, it presents the extent to which the reliability and validity of the instruments was achieved together with the criterion employed.

5.2 Demographic Profile

The first analytical evaluation in the present study is a frequency analysis (see Table 5.1). In total, 169 SME employees participated in the study. Of the 169 participants, 46.7% were male and 53.3% were female. Given that the study focused on LMX, the participants were also asked to state the gender of their managers: 56.2% of the participants had male managers and 43.8% had female managers. Regarding participant age, 21.3% were under 30 years old, 44.4% were between 31 and 40, 24.9% were between 41 and 50, and the remaining 9.5% were over 50 years old. The age distribution mirrored CIA reports that 50% of the Saudi population are between 25 and 54 years old. In terms of nationality, a significant majority of 69.8% were Saudi nationals, and minority of 30.2% were foreign. This outcome is close to UN reports that immigrants comprise about 38.3% of the total population of Saudi Arabia.

Frequency analysis denoted that the participants had high educational and intellectual capital. In particular, 72.8% had bachelor’s degrees, 14.2% had master’s degree and 2.3% had doctoral degrees. This high level of education reflects the importance attached to education in Saudi Arabia and corroborates assertions of a 95% literacy rate among Saudis. Further, regarding the length of organisational tenure, 27.8% of the participants had been working at the present company for fewer than 5 years, 20.7% between 6 and 10 years, 22.5% between 11 and 15 years and the remaining 29%, for more than 16 years. The distribution of the participants organisational tenure and work experience allows to assess and scrutinise the subject of interest adequately (see Table 5.1).

Table 5.1: Demographic Distribution of the Respondents

Demographic	Variable	Frequency	Proportion
Gender	Male	79	46.7%
	Female	90	53.3%
	Total	169	100.0%
Manager's gender	Male	95	56.2%
	Female	74	43.8%
	Total	169	100.0%
Age	Under 30 years old		21.3%
	31–40 years old	75	44.4%
	41–50 years old	42	24.9%
	51 years and above	16	9.5%
	Total	169	100.0%
Nationality	Saudi	118	69.8%
	Non-Saudi	51	30.2%
	Total	169	100.0%
Educational	Diploma	18	10.7%
	Bachelor's degree	123	71.8%
	Master's degree	24	14.2%
	Doctoral degree	4	2.4%
	Total	169	100.0%
Career	Under 5 years	47	27.8%
Career	Between 6 and 10 years	35	20.7%

Demographic	Variable	Frequency	Proportion
	Between 11 and 15 years	38	22.5%
	Over 16 years	49	29.0%
	Total	169	100.0%
Region	Riyadh	36	21.3%
	Makkah	4	2.4%
	Madinah	4	2.4%
	Aljouf	3	1.8%
	Tabuk	108	63.9%
	Northern border	1	0.6%
	Aseer	2	1.2%
	Jazan	2	1.2%
	Najran	1	0.6%
	Albaha	1	0.6%
	Eastern	7	4.1%
	Total	169	100.0%
Sector	Administration	6	3.6%
	Arts and recreation	1	0.6%
	Aviation	1	0.6%
	Community	2	1.2%
	Construction	33	19.5%
	Education	82	48.5%
	Electricity, gas	4	2.4%
	Finances	5	3.0%
	Health	11	6.5%
	Manufacturing	1	0.6%
	Media	4	2.4%
	Real estate	1	0.6%

Demographic	Variable	Frequency	Proportion
	Retail	4	2.4%
	Technical and vocational	6	3.6%
	Transportation and storage	1	0.6%
	Water	1	0.6%
	Trade, motor vehicle repair	6	3.6%
	Total	169	100.0%

In regard to region of residence, the majority of the participants (63.9%) lived in the Tabuk region, 21.3% in Riyadh, 4.1% in the Eastern region, 2.4% in Makkah and Madinah, 1.8% in Aljouf, 1.2% in Aseer and Jazan, and only 0.6% in the Northern Border, Najran and Albaha regions. In terms of operating sector, almost half of the participants (48.5%) were in the education sector, 19.5% were in construction, 6.5% in health and social work; 3.6% in administrative and support services, and less than 3.0% in other industries (see Table 5.1). In sum, frequency analysis showed that the study sample was representative based on age, education, nationality and organisational tenure.

5.3 Collinearity Assessment

Following the standard touchstone for analytical modelling, the present study evaluated the potential threats of multicollinearity, also known as collinearity problems. Multicollinearity symbolises a situation in which the independent variables or constructs under investigation are characterised as having 'high intercorrelations'. Such a state or situation tends to create disruption and thereby interfere with the ability of the independent variables to make accurate and reliable predictions (Allen, 1997). Technically, collinearity problem is one of the most vexing and intractable problems in statistical analyses. According to Blalock (1963), collinearity problems undermine the statistical relevance of predictor variables. For instance, collinearity problems increase standard error because one or two predictors have perfect linear association, thus, it is less likely for the beta coefficient to be statistically significant. There are several causes of multicollinearity including:

- *Insufficient data*—in some cases, collinearity problems emerge due to non-representative data or small sample sizes, so collecting more data can eliminate the problem.
- *Inclusion of identical concepts*—in some cases, collinearity problems emerge due to the inclusion of similar or nested concepts as predictors; for example, considering abusive supervision using manager incivility as a predictor of turnover intention.
- *Structural multicollinearity*—in some cases, collinearity problems emerge when the researcher engages in creating new predictor variables.
- *Data-based multicollinearity*—in some cases, collinearity problems emerge due to poor experimental design, such as inappropriate data collection methods.

Collinearity problems can be discerned by using variance inflation factor values. Variance inflation factor values greater than 10 denote the presence of multicollinearity (Allen, 1997; Blalock, 1963; Hair et al., 2016). In addition to this, the problem can be detected by observing the correlation coefficients (r) of all predictor variables. For example, if the r coefficient is exactly +1 or −1, this known as perfect multicollinearity; if r is close to or exactly −1 or +1, this known as extreme multicollinearity. In the present study, collinearity analysis was conducted to check the variance inflation factor values of the constructs under investigation to ensure an absence of collinearity. The variance inflation factor values of all constructs were below the threshold value of 10 (see Table 5.2).

Table 5.2: Test for Collinearity

Construct	Variance inflation factor
Emotional intelligence	4.297
Leader–member exchange	1.000
Turnover intention	4.297
Job satisfaction	4.297

5.4 Reliability and Convergent and Divergent Validity

Internal consistency reflects the extent to which items within an instrument 'measure various aspect of the same characteristic or construct' (Revicki, 2014, p. 1). In other words, internal consistency scrutinises the tendency of a survey to actually measure the intended concept. Internal consistency is a measure of reliability, in that recorded scores in any survey precludes true score, random error and systematic error (Nunnally & Bernstein, 1994). Henceforth, a survey measure or instrument is deemed reliable if it yields the same score each time it is administered, all other things being equal (Hays & Revicki, 2005; Revicki, 2014). In the present study, internal consistency will be gauge using the widely accepted indices Cronbach's alpha (α) and composite reliability index (CR).

Construct validity denotes the extent to which inferences can be made about the legitimacy of the construct measures in terms of operationalisation (Piedmont, 2014). In other words, does the constructs measures or taps the theoretical theme it is designed to and based on. In essence, it is a rational-empirical process to permit the identification of psychological features associated with a measure or scale (Piedmont, 2014). Construct validity is the approximate truth of the conclusion that your operationalisation accurately reflects its construct. In this view, construct validity mirrors an overarching measure or scale quality assessment in that other validity labels falls beneath it. According to Chin and Yao (2014), convergent and discriminant validity are two fundamental aspects of construct validity and can be viewed as subtypes of construct validity, which itself can be seen a parent for convergent and discriminant validity.

Convergent validity reflects the ratio of closeness or similarity of construct items to one another of the same construct. Convergent validity can be established when item measures that should be related are actually related. Chin and Yao (2014, p. 2), defined convergent validity 'as measures of constructs that theoretically should be related to each other are, in fact, observed to be related to each other'. Simply, constructs items should correlate with related variables and items to establish convergent validity but should also not correlate with unrelated and dissimilar variables to establish discriminant validity (Cronbach & Meehl, 1955). In the present study, convergent validity will be gauge using the widely accepted indices standardised factor loadings and t-value of individual scale items, and construct average variance extracted (AVE).

Discriminant validity, sometimes referred to as divergent validity, denotes that 'measures of constructs that theoretically should not be related to each other are, in fact, observed to not be related to each other' (Hubley, 2014, p. 3). The researcher must show that measures that should be unrelated are in fact not related if discriminant validity is to be established and, if it is, any relationship that does exist between measures from the relevant constructs should be extremely low (Hubley, 2014). In the present study, discriminant validity will be gauge using the widely accepted approaches namely: the traditional Fornell and Larcker (1981) criterion and the newly introduced heterotrait–monotrait ratio of correlations.

A PLS-SEM technique with SmartPLS 3 software was utilised to assess the internal consistency, and convergent and discriminant validity, of the measures. Justifications on the choice of analytical approach have been clarified in the methodology section. The analytical strategy followed is threefold. One, for internal consistency and reliability, the alpha and CR of the measures was examined. As shown in Table 5.4, it appears that all the Cronbach's alpha (α) and CR values are above the widely accepted threshold of .70 (Cronbach & Meehl, 1955; Nunnally & Bernstein, 1994). In addition, the Rho value was assessed, which is also above .70. Cronbach's alpha of the study measures spans from .910 to .949; CR values span from .857 to .955, and Rho values span from .860 to .951. Drawing on these outcomes, it was concluded that internal consistency and reliability of the measures had been established.

Two, for convergent validity, the outer models' weight and significance level was examined. In other words, each item's standardised factor loadings and t-statistics were assessed. First, items with cross loadings and/or low standardised factors loadings (<.500) and insignificant t-statistics (<±1.960) were eliminated according to prior suggestions (Bagozzi & Heatherton, 1994; Bagozzi & Yi, 1988). As shown in Table 5.3, the standardised factors loadings span from .546 to .951 and t-values span from 6.810 to 116.266. In sum, it appears that the retained items standardised factors loadings were above the threshold of .500 and at a significance level above ±1.960 with p-value at .001 level. Additional assessment was conducted by observing the AVE of each measure/construct. In Table 5.4, the AVE values were above the .500 threshold, except for the job satisfaction measure, which stood at .467. However, Fornell and Larcker (1981) pointed out that discriminant validity can be established if AVE value is less than .500 and CR value is above .700. Moreover, several studies have utilised an AVE value that is less .500 (e.g. Karatepe et al., 2019; Sarisik et al., 2019). The measures' AVE value spans from .467 to .847. Drawing on these outcomes, it was concluded that convergent validity of the measures had been established.

Three, for discriminant validity, the measurement model based on the Fornell–Larcker criterion and heterotrait–monotrait ratio of correlations was examined. Following the guidelines, the square root of each construct of the AVE was assessed to ensure it is higher than the inter-construct correlations (Fornell & Larcker, 1981; see Table 5.5), using the heterotrait–monotrait ratio of indices for discriminant validity developed by Henseler et al. (2015), in that the threshold was set to be below .900. Table 5.6 shows that the intercorrelations coefficients were smaller than the threshold of .900. In sum, it appears that all the requirements and recommended thresholds were achieved. Drawing on these outcomes, it was concluded that discriminant validity of the measures had been established. Since reliability, and convergent and discriminant validity, had been established, the next step was to examine the structural model.

Table 5.3: Psychometric Properties of Scale Items

Scale item			SFL	t
	E1	'My manager has a good sense of why he/she has certain feelings most of the time'	.749	15.859
	E2	'My manager has a good understanding of his/her own emotions'	.765	19.347
	E3	'My manager really understands what he/she feels'	.749	18.486
	E4	'My manager always knows whether or not he/she is happy'	.641	11.813
	E5	'My manager always knows his/her friends' emotions from their behaviour'	.748	17.724
	E6	'My manager is a good observer of others' emotions'	.771	16.646
	E7	'My manager is sensitive to the feelings and emotions of others'	.797	27.573
Emotional intelligence	E8	'My manager has a good understanding of the emotions of people around him/her'	.852	36.046
	E9	'My manager always sets goals for himself/herself and then tries his/her best to achieve them'	.662	10.847
	E10	'My manager always tells himself/herself that he/she is a competent person'	#	
	E11	'My manager is a self-motivated person'	#	
	E12	'My manager always encourages himself/herself to try his/her best'	.754	18.346
	E13	'My manager is able to control his/her temper'	. 755	20.875
	E14	'My manager is able to handle difficulties rationally'	.843	34.326
	E15	'My manager is quite capable of controlling his/her own emotions'	.797	23.336

Scale item			SFL	t
	E16	‘My manager can always calm down quickly when he/she is angry’	.762	21.410
	E17	‘My manager has good control of his/her own emotions’	.765	22.599
Leader–member exchange	LMX1	‘I usually know how satisfied my manager is with what I do’	.801	23.766
	LMX2	‘I feel that my manager understands my problem and needs’	.889	50.166
	LMX3	‘My manager recognises my potential’	.837	27.985
	LMX4	‘My manager helps me solve problems in my work’	.844	28.744
	LMX5	‘Regardless of the amount of formal authority your manager has, what are the chances that he/she would bail you out at his/her expense?’	.763	24.891
	LMX6	‘I have enough confidence in my manager that I would defend and justify his/her decisions if he/she were not present to do so’	.860	34.908
	LMX7	‘My relationship with my manager is unique’	.833	31.043
Turnover intention	TI1	‘I am actively seeking an alternative job or role’	.951	116.266
	TI2	‘As soon as I can find a better job, I’ll leave my current company’	.904	47.743
	TI3	‘I am thinking about quitting my job’	.906	56.615
Job satisfaction	JS1	‘I feel I am being paid a fair amount for the work I do’	.547	6.810
Pay	JS10	‘Raises are too few and far between’ (R)		#
	JS19	‘I feel unappreciated by the organisation when I think about what they pay me’ (R)		#
	JS26	‘I feel satisfied with my chances for salary increases’		#
Promotion	JS2	‘There is really too little chance for promotion in my job’ (R)		#
	JS11	‘Those who do well on the job stand a fair chance of being promoted’		#

Scale item			SFL	t
	JS20	‘People get ahead as fast here as they do in other places’		#
	JS31	‘I am satisfied with my chances for promotion’		#
Supervision	JS3	‘My manager is quite competent in doing his/her job’	.789	32.369
	JS12	‘My manager is unfair to me’ (R)		#
	JS21	‘My manager shows too little interest in the feelings of employees’ (R)		#
	JS28	‘I like my manager’		
Fringe benefits	JS4	‘I am satisfied with the benefits I receive’ (R)		#
	JS13	‘The benefits we receive are as good as most other organisations offer’	.606	8.102
	JS27	‘There are benefits we do not have which we should have’ (R)		#
Contingent rewards	JS5	‘When I do a good job, I receive the recognition for it that I should receive’	.831	27.224
	JS14	‘I do feel that the work I do is appreciated’ (R)		#
	JS30	‘I don’t feel my efforts are rewarded the way they should be’ (R)		#
Operating conditions	JS6	‘Many of our rules and procedures make doing a good job difficult’ (R)		#
	JS15	‘My efforts to do a good job are seldom blocked by red tape’		#
	JS22	‘I have too much to do at work’ (R)		#
	JS29	‘I have too much paperwork’ (R)		#
Co-workers	JS7	‘I like the people I work with’	.604	8.010

Scale item			SFL	t
	JS16	‘I find I have to work harder at my job because of the incompetence of people I work with’ (R)		#
	JS23	‘I enjoy my co-workers’		#
Nature of work	JS8	‘I sometimes feel my job is meaningless’ (R)		#
	JS17	‘I like doing the things I do at work’		#
	JS25	‘I feel a sense of pride in doing my job’		#
	JS33	‘My job is enjoyable’	.663	10.320
Communication	JS9	‘Communications seem good within this organisation’	.695	12.276
	JS18	‘The goals of this organisation are not clear to me’ (R)		#
	JS24	‘I often feel that I do not know what is going on with the organisation’ (R)		#
	JS34	‘Work assignments are not fully explained’ (R)		#

Notes. (R) = reverse scored item, # = deleted items due to low factor/cross loading, SFL = standardised factor loading, t = item t-statistic.

Table 5.4: Internal Consistency and Reliability of the Measures

Instrument	α	Rho	CR	AVE
1. Emotional intelligence	.949	.951	.955	.584
2. Leader–member exchange	.926	.929	.941	.695
3. Job satisfaction	.811	.860	.857	.467
4. Turnover intention	.910	.913	.943	.847

Notes. α = Cronbach's alpha; CR = composite reliability index.

Table 5.5: Discriminant Validity Fornell–Larcker criterion

	Instruments	1	2	3	4
1	Emotional intelligence	**.764**			
2	Leader–member exchange	.876	**.833**		
3	Job satisfaction	.755	.796	**.683**	
4	Turnover intention	−.486	−.441	−.527	**.920**

Notes. Values in bold are the square root of AVE and beneath are the inter-construct correlations for the Fornell–Larcker criterion.

Table 5.6: Discriminant Validity: Heterotrait–Monotrait Ratio of Correlations

Instruments		1	2	3	4
1	Emotional intelligence	–			
2	Leader–member exchange	.828	–		
3	Job satisfaction	.784	.850	–	
4	Turnover intention	.522	.477	.612	–

Notes: Heterotrait-monotrait (HTMT) ratios are below the diagonal

5.5 Structural Modelling for the Measurement Model

After the establishment of reliability, convergent and discriminant validity, the structural model was run to assess the path coefficients and R^2 values as depicted in Figure 5.1. A bootstrapping method was utilised, with resampling (n = 5,000) with a 95% bias-corrected confidence interval to assess hypothesised path coefficients and significance level. The main benefit of bootstrapping is to enable researchers to assess the stability of parameter estimates and thus report the outcome with a higher degree of accuracy. Bootstrapping in SEM can be used to automatically refine standard asymptotic theories to apply to moderate sized samples (Yung & Bentler, 1996, p. 223; see Figure 5.2).

PLS-SEM analysis revealed that perceived manager emotional intelligence had a positive and significant effect on LMX ($\beta = .876$, $p = .000$) and explained 76.7% of the variance ($R^2_{\text{(leader–member exchange)}} = .767$). This outcome can be interpreted as follows: a 1 unit increase in perceived emotional intelligence of managers resulted in a .876 unit increase in LMX (see Table 5.7). **Based on this evidence, hypothesis 1 received empirical support.**

PLS-SEM analysis revealed that perceived manager emotional intelligence had a negative and significant effect on turnover intention ($\beta = -.427$, $p = .003$) and explains 23.7% of the variance ($R^2_{\text{(turnover intention)}} = .237$). This outcome can be interpreted as follows: a 1 unit increase in perceived emotional intelligence of managers resulted in a .427 unit decrease in turnover intention (see Table 5.7). **Based on this evidence, hypothesis 2 received empirical support.**

PLS-SEM analysis revealed that perceived emotional intelligence of managers had a positive and significant effect on job satisfaction ($\beta = .250$, $p = .001$). This outcome can be interpreted as follows: a 1 unit increase in perceived emotional intelligence of managers resulted in a .250 unit increase in job satisfaction (see Table 5.7). **Based on this evidence, hypothesis 3 received empirical support.**

PLS-SEM analysis revealed that employees' perception of LMX had a negative but insignificant effect on turnover intention ($\beta = -.067$, $p = .647$). This outcome denotes that employees' perception of LMX did not explain any variance in employee turnover intention (see Table 5.7). **Based on this evidence, hypothesis 4 did not received empirical support.**

PLS-SEM analysis revealed that employees' perception of LMX had a positive and significant effect on job satisfaction ($\beta = .576$, $p = .000$). This outcome can be interpreted as follows: a 1 unit increase in employees' perception of LMX resulted in a .576 unit increase in job satisfaction. Perceived emotional intelligence of managers and employees' perception of LMX collectively explained 64.8% of the variance ($R^2_{\text{(job satisfaction)}} = .648$; see Table 5.7). **Based on this evidence, hypothesis 5 received empirical support.**

5.6 Mediation Test (Indirect Effects)

Traditionally, indirect effects have been examined with the Baron and Kenny (1986) procedure, which requires the following conditions for a construct to function or be accepted as a mediator:

- The predictor variable should exert significant impact on the mediator variable.
- The predictor variable should exert significant impact on the criterion variable.
- The mediator variable should exert significant impact on the criterion variable.
- When the mediator is added to the equation/model the significant impact of the predictor variable on the criterion variable should disappear or reduce (Baron & Kenny, 1986, p. 1176).

To establish mediation, the above conditions must hold and then the SOBEL test is used to assess the significance of indirect effects. However, this approach has several flaws. For example, the SOBEL test has low power compared with the bootstrap test popularised by Preacher and Hayes (2004). SOBEL test sampling distribution is based on a non-normal dataset. Moreover, the classical statistical estimation of standard errors of parameters requires normal distribution of the data, which limits prediction power and increases marginal error. The advantage of bootstrapping is that 'the test for indirect effect is based on the product of two parameters and the sampling distribution of products' (Zhao et al., 2010, p. 202). Finally, the bootstrap test relies on 95% confidence intervals from the empirical distribution of the path (independent to mediator) and estimates (mediator to dependent). The 'lower bound of the 95% confidence interval is at the 2.5% point on this cumulative distribution, and the upper bound of the 95% confidence interval is at the 97.5% point' (Zhao et al., 2010, p. 202).

PLS-SEM analysis revealed that employees' perception of LMX did not mediate the relationship between perceived emotional intelligence of managers and turnover intention ($\beta = -.059$, $p = .647$) with a 95% bias-corrected confidence interval (bias = .002, 2.5% = −.319, 97.5% = .194; see Table 5.8). **Based on this evidence, hypothesis 6 did not receive empirical support.**

PLS-SEM analysis revealed that employees' perception of LMX mediated the relationship between perceived emotional intelligence of managers and job satisfaction ($\beta = .505$, $p = .000$) with a bias-corrected 95% confidence interval (bias = .003, 2.5% = .370, 97.5% = .644; see Table 5.8). **Based on this evidence, hypothesis 7 received empirical support.**

Figure 5.1: Partial Least Squares Path Model and Coefficients

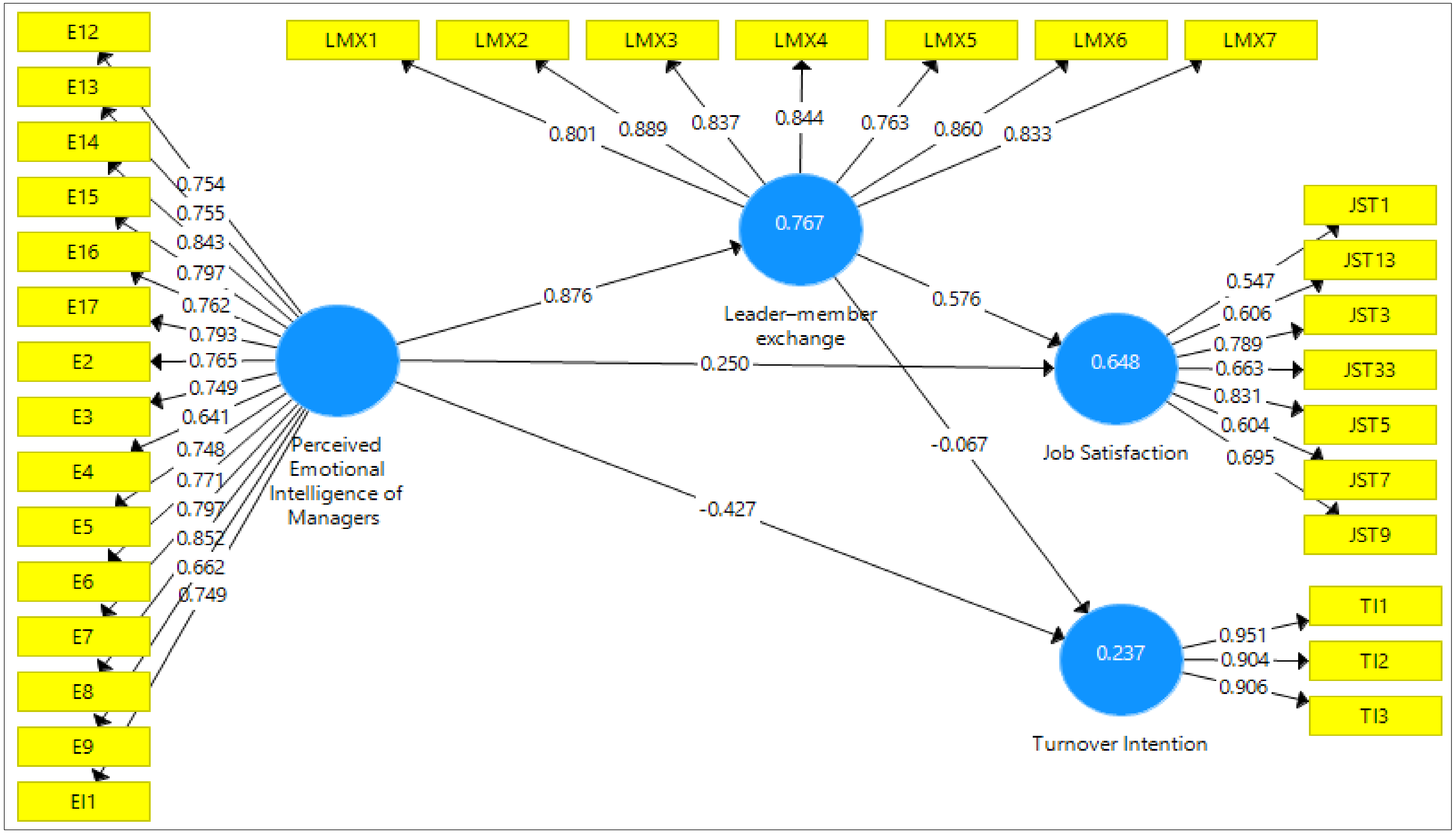


Figure 5.2: Partial Least Squares Path Model and Significance Level

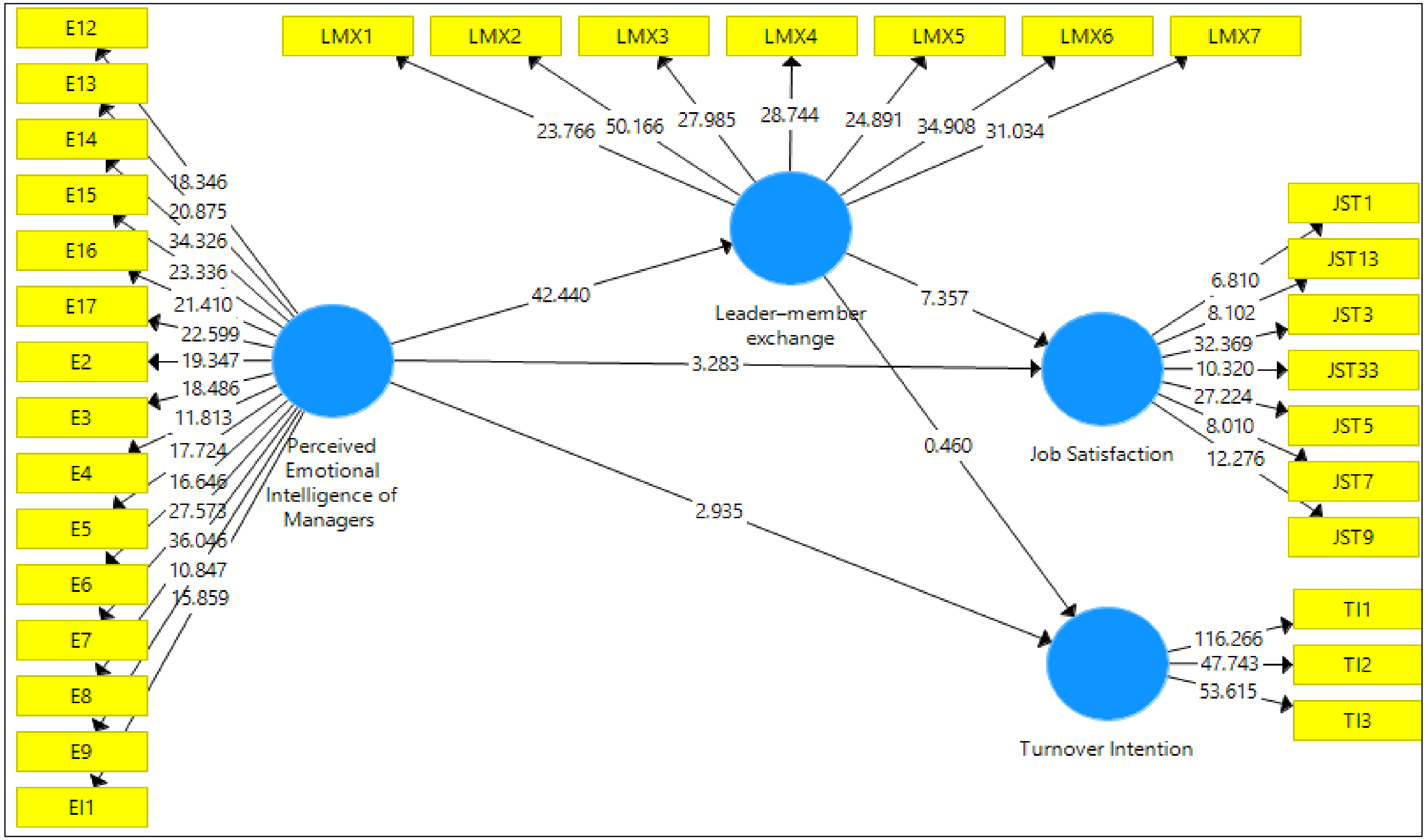


Table 5.7: Path Coefficients (Direct Effect)

Hypothesised relationships	O(β)	M(β)	SD	t-value	p-value
Emotional intelligence ≥ leader–member exchange	.876	.877	.021	42.440	.000
Emotional intelligence ≥ turnover intention	−.427	−.432	.146	2.935	.003
Emotional intelligence ≥ job satisfaction	.250	.253	.076	3.283	.001
Emotional intelligence ≥ turnover intention	−.067	−.065	.146	0.460	.646
Emotional intelligence ≥ job satisfaction	.576	.578	.078	7.357	.000

Notes: *O(β) = original sample beta; M(β) = resample beta; STDEV = standard deviation*

Table 5.8: Path Coefficients (Indirect Effect)

Hypothesised relationships	O(β)	M(β)	SD	t-value	p-value
Emotional intelligence ≥ leader–member exchange ≥ turnover intention	−.059	−.057	.129	.457	.647
Leader–member exchange ≥ turnover intention ≥ job satisfaction	.505	.507	.070	7.184	.000

Notes: STDEV, standard deviation, t= t-value; p = p-value

5.7 Structural Model Predictive Validity

The present study assessed the predictive validity of the model based on blindfolding and the PLS predict procedure. First, evaluation for blindfolding and evaluation of the outcomes in the measurement model subsumed assessment of effect sizes (f^2) and the predictive relevance (Q^2) statistic. The threshold for a small effect is 0.02, for a medium effect is 0.15 and for a large effect is 0.35 (Sarstedt et al., 2017). As shown in Table 5.9, perceived emotional intelligence of managers had a large effect size on LMX (f^2 = 0.297), a medium effect size on turnover intention (f^2 = .056) and a small effect size on job satisfaction (f^2 = .041). Thus, LMX had a medium effect on job satisfaction (f^2 = .219) and no effect on turnover intention (f^2 = .001). In sum, the model exhibits substantial effects on the criterion variables.

Table 5.9: Effect Sizes

Hypothesised relationships	f^2	Effect size
Emotional intelligence ≥ leader–member exchange	0.297	Large
Emotional intelligence ≥ turnover intention	0.056	Medium
Emotional intelligence ≥ job satisfaction	0.041	Small
Leader–member exchange ≥ turnover intention	0.001	None
Leader–member exchange ≥ job satisfaction	0.219	Medium

Notes. f^2 = Cohen’s effect size statistic.

The blindfolding procedure is a resampling and re-use approach that methodically eliminates data points and subsequently yields a prognosis that represents the original values. The present study used a pre-specified omission distance of 7 and maximum number of iterations of 300 to obtain cross-validated redundancy in order to generate the Q^2 statistic (Hair et al., 2017). The Q^2 statistics of LMX (.526), job satisfaction (.265) and turnover intention (.193) were all above zero, which established the predictive relevance of the measurement model (see Table 5.10).

Table 5.10: Blindfolding Analysis

	SSO	SSE	Q^2 (= 1-SSE/SSO)
Emotional intelligence	2,535.000	2,535.000	
Leader–member exchange	1,183.000	560.784	.526
Job satisfaction	1,183.000	870.001	.265
Turnover intention	507.000	409.377	.193

Notes. Q^2 (= 1-SSE/SSO) = predictive relevance.

A second evaluation was carried out with PLS predict as proposed by Shmueli et al. (2016). PLS predict is a method that uses the out-of-sample predictive quality of the model as indicators of the criterion variables. PLS predict relies on indicators such as the root mean squared error (RMSE), mean absolute error (MAE), mean absolute percentage error (MAPE) and $Q^2_{predict}$ coefficients. In addition, the procedure often compares PLS-SEM prediction to a linear regression. According to the prediction for PLS-SEM modelling, and it appears that all the indicators had a positive $Q^2_{predict}$ value as opposed to the linear model, which had negative values (see Table 5.11 and Table 5.12). Consequently, PLS-SEM exhibited a small prediction error, for example, PLS-SEM RMSE values were lower (see Table 5.11) than the linear modelling RMSE values (see Table 5.12). Based on the established guidelines by Shmueli et al. (2019), the study's measurement model indicated medium to high predictive power.

Table 5.11: (PLS-SEM) Prediction Summary

Items		RMSE	MAE	MAPE	Q^2_predict
Job satisfaction	JST1	1.269	1.064	56.069	0.046
	JST3	0.729	0.571	21.079	0.598
	JST5	0.903	0.702	31.001	0.407
	JST7	0.715	0.565	15.756	0.153
	JST9	0.943	0.729	28.539	0.204

	JST13	1.08	0.857	41.010	0.049
	JST33	0.959	0.768	29.167	0.158
Leader–member	LMX5	0.988	0.808	37.633	0.423
exchange	LMX	70.827	0.619	23.781	0.442
	LMX2	0.762	0.565	22.247	0.587
	LMX6	0.739	0.559	21.127	0.642
	LMX4	0.704	0.529	20.562	0.609
	LMX3	0.839	0.596	23.645	0.451
	LMX1	0.702	0.528	18.303	0.509
Turnover intention	TI3	1.183	1.012	47.904	0.211
	TI2	1.166	0.970	40.001	0.162
	TI1	1.203	1.003	45.825	0.193

Notes. RMSE = root mean squared error, MAE = mean absolute error, MAPE = mean absolute percentage error.

Table 5.12: Linear Model Prediction Summary

Items	RMSE	MAE	MAPE	Q^2_predict
Job satisfaction				
JST1	1.290	1.078	56.416	0.014
JST3	0.681	0.520	17.085	0.650
JST5	0.959	0.729	31.652	0.331
JST7	0.749	0.588	16.283	0.070
JST9	0.962	0.750	28.569	0.172
JST13	1.121	0.910	42.623	0.379
Leader-Member Exchange				
LMX5	0.997	0.807	36.842	0.413
LMX7	0.846	0.648	24.290	0.416
LMX2	0.735	0.538	19.881	0.615
LMX6	0.758	0.578	21.703	0.623
LMX4	0.688	0.503	18.026	0.627
LMX3	0.892	0.635	24.996	0.379
LMX1	0.745	0.564	19.008	0.447
Turnover intention				
TI3	1.271	1.070	49.685	0.089
TI2	1.227	1.012	41.471	0.072
TI1	1.267	1.042	46.627	0.105

Notes: root mean squared error (RMSE), the mean absolute error (MAE), and the mean absolute percentage error (MAPE)

Table 5.13 : Group statistics for independent sample test

Group statistics for independent sample test					
	Nationality	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Job Satisfaction	SA Citizen	118	3.5206	.75281	.06930
	Non-SA Citizen	51	3.7087	.72616	.10168
Turnover Intention	SA Citizen	118	3.4802	1.16170	.10694
	Non-SA Citizen	51	2.6928	1.13499	.15893
	Supervisor Gender	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Emotional Intelligence	Male	95	3.6484	.79683	.08175
	Female	74	3.8423	.84064	.09772
	Gender	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Job Satisfaction	Male	79	3.5570	.75786	.08527
	Female	90	3.5952	.74254	.07827
Turnover Intention	Male	79	3.3291	1.07483	.12093
	Female	90	3.1667	1.31186	.13828

Notes. N = sample size; SD = standard deviation; SEM = standard error mean

Table 5.14: Independent samples test results

Independent samples test results										
		Levene's Test for Equality of Variances		**t-test for Equality of Means**						
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
									Lower	**Upper**
Job satisfaction and nationality	Equal variances assumed	.262	.609	-1.507	167	.134	-.18810	.12483	-.43456	.05836
	Equal variances not assumed			-1.529	98.186	.130	-.18810	.12305	-.43229	.05609
Turnover intention and nationality	Equal variances assumed	.140	.708	**4.073**	167	**.000**	.78742	.19335	.40570	1.16913
	Equal variances not assumed			**4.111**	97.029	**.000**	.78742	.19156	.40722	1.16761
Emotional intelligence and supervisor gender	Equal variances assumed	.228	.634	-1.532	167	.127	-.19392	.12656	-.44379	.05594
	Equal variances not assumed			-1.522	152.810	.130	-.19392	.12741	-.44563	.05779
Job satisfaction and gender	Equal variances assumed	.022	.881	-.331	167	.741	-.03828	.11559	-.26648	.18993
	Equal variances not assumed			-.331	163.248	.741	-.03828	.11574	-.26682	.19027

Turnover intention and gender	Equal variances assumed	8.568	.004	.873	167	.384	.16245	.18608	-.20493	.52982
	Equal variances not assumed			.884	166.241	.378	.16245	.18370	-.20024	.52513

5.8 Post Hoc Analysis

Independent sample tests are statistical inferences that examine differences among groups in a given sample, or ‘significant variation between the mean score of two discrete groups’ (Brase & Brase, 2016, p. 466). As a supplementary analysis, independent sample tests were conducted in SPSS version 24 to explore the dataset considering the following questions:

- Was there variation in the level of turnover intention between Saudi and non-Saudi employees?
- Was there variation in the level of job satisfaction between Saudi and non-Saudi employees?
- Was there variation in the level of turnover intention between male and female employees?
- Was there variation in the level of job satisfaction between male and female employees?
- Was there variation in the level of perceived emotional intelligence between male and female managers?

5.8.1 Independent Sample Test Results

The results (see Table 5.13 and Table 5.14) illustrate that turnover intention was higher among Saudi nationals (mean = 3.480, standard deviation = 1.162) than non-Saudi nationals (mean = 2.693, standard deviation = 1.135; F = .140; p = .000). This implies that Saudi nationals working in SMEs are more likely to have turnover intention than foreign nationals.

No significant difference was observed in the level of job satisfaction among Saudi nationals (mean = 3.521, standard deviation = .753) and non-Saudi nationals (mean

= 3.709, standard deviation = .726; F = .262; p = .134). This implies that Saudi and non-Saudis working in SMEs had similar levels of job satisfaction.

No significant difference was observed in the level of turnover intention between male employees (mean = 3.329, standard deviation = 1.075) and female employees (mean = 3.167, standard deviation = 1.312; F = 8.568; p = .384). This implies that the level of turnover intention of employees is not influenced by gender in Saudi SMEs.

No significant difference was observed in the level of job satisfaction reported by male (mean = 3.557, standard deviation = .758) and female employees (mean = 3.595, standard deviation = .743; F = .022; p = .741). This implies that job satisfaction of employees in Saudi SMEs is not reliant on gender.

No significant difference was observed in the level of perceived emotional intelligence of male managers (mean = 3.648, standard deviation = .797) and female managers (mean = 3.842, standard deviation = .841; F = .228; p = .127). This implies that male and female managers are perceived to have similar levels of emotional intelligence. In other words, perceived emotional intelligence is attributed to a manager's qualities, which are distinct from gender (see Table 5.13 and Table 5.14).

Based on these results, the study hypotheses were tested to address the study questions. Table 5.15 summarises the results of hypotheses testing.

Table 5.15: summarises the results of hypotheses testing

No.	The hypothesis	Result
H1	Perceived emotional intelligence of managers is positively associated with higher perceived levels of quality LMX by employees	Supported
H2	Perceived manager emotional intelligence is negatively related to turnover intention	Supported

H3	Perceived manager emotional intelligence is positively related to job satisfaction	Supported
H4	Employees' perception of LMX is negatively related to turnover intention	Not supported
H5	Employees' perception of LMX is positively related to job satisfaction	Supported
H6	LMX mediates the link between perceived manager emotional intelligence and turnover intention	Not supported
H7	LMX mediates the link between perceived manager emotional intelligence and job satisfaction	Supported

Chapter 6: Discussion, Conclusions and Recommendations

6.1 Introduction

In this chapter, the results of the present study are discussed, and conclusions are made about the findings and implications of this study, which has investigated the effects of employees' perceptions of their manager's emotional intelligence on the turnover intention in SMEs. The next section provides a discussion of the findings, based on each of the seven hypotheses developed. In the section that follows, the conclusions are provided with both practical and theoretical recommendations. Finally, a holistic discussion is presented of the methodological and procedural limitations of the study, and future research directions.

6.2 Findings and the Discussion.

This section comprises a critical discussion of the study findings supported by the literature that was reviewed in Chapters 2 and 3. The present research aimed to determine the extent to which perceived emotional intelligence of Saudi SME managers directly or indirectly affects employee turnover and job satisfaction through the mediating variable of LMX. How the emotional intelligence of organisational managers affects employees is an important and fascinating topic that will likely become more central in this field (Ruestow, 2008). Moreover, while most studies about the role of emotional intelligence in organisations focus on large corporations, the present research differs in that it focuses its attention small and medium businesses. The importance of focusing on SMEs is evidenced by Reukauf (2018), who highlighted that high turnover can be very costly for organisations, particularly smaller organisations, since it costs, on average, one and a half times the entire annual compensation package, based on the employee's qualification level.

Emotional intelligence as highlighted in the literature, contributes to the concept of leadership-making, and is connected with LMX model. As the discussion unfolds, suggestions about emotional intelligence theory are presented and discussed. Then, light is shed on the mediating effect of LMX on the relationship between emotional intelligence and job satisfaction and turnover intention. The research presented in this thesis addressed several theoretical issues and examined the application of several constructs from hybrid disciplines and related it to research of the SME sector. First and foremost, the application of Mayer and Salovey's (1997) implicit theory of emotional intelligence was examined, including how the emotional intelligence of manager contributes to employee satisfaction and turnover intention in the SME sector. The results of the present study demonstrated that managers' emotional intelligence influences employee job satisfaction and contributes to reducing the desire to leave. Moreover, LMX was found to be positively related to job satisfaction but not to turnover intention. The research findings revealed a complex interplay between emotional intelligence and employee outcomes and how this influences the relationship between managers and employees in the SME sector. The following sections discuss the key findings of this research.

6.2.1 The Role of Managers' Perceived Emotional Intelligence in LMX at Work (H1)

The results of the data analysis supported the notion of a direct relationship between employees' perception of managers' emotional intelligence and the quality of LMX, as proposed in research hypothesis H1. Thus, employee perception of managers' emotional intelligence appears to be associated with their perception of LMX, reflecting the role of manager emotional intelligence in enhancing the quality of LMX. This means that emotionally intelligent managers are more capable of creating relationships with employees characterised by greater attention, support and sensitivity. Indeed, high LMX has been previously shown to improve work quality, employee independence and provision of opportunities (Liden & Graen, 1980). Similarly, this finding is consistent with previous research that found that emotional intelligence is a predictor of LMX (Chen et al., 2012; Huang et al., 2010; Jordan & Troth, 2011). This is a view supported by Ordun and Beyhan (2014), who identify that emotional intelligence directly affects LMX quality. The rationale behind this result is that identifying LMX depends on a certain level of emotional interchange. This is in line with Jordan and Troth's (2011) study, which noted the presence of relevant relationships among followers' perceptions of various leaders and the scope of displaying their emotions and emerging leadership.

While most previous studies examine the role of employee's emotional intelligence in LMX (Soleimani & Einolahzadeh, 2017; Jordan & Troth, 2011) or the joint influence of manager–employee emotional intelligence on LMX (Hesselgreaves, 2007; Murdoch, 2015; Sears & Holmvall, 2010), the present research focused on how perceived emotional intelligence of managers contributes to their relationship with employees. For instance, regarding this relationship, it can be argued that managers with higher emotional intelligence can effectively recognise frustration and stress-related emotions. In such managers, they are able to realise their professional needs and control them to guarantee success in increasing employee job satisfaction.

However, few studies have examined the effect of managers' emotional intelligence on LMX quality as rated by employees (Murdoch, 2015). Wong and Law (2002) aimed to establish a theory of the link between emotional intelligence and actual outcomes within organisations. Their model suggests that emotionally intelligent employees can improve their perception of the work atmosphere. Further, it is thought that individuals within an organisation with a high level of emotional intelligence can enhance their emotive functions and strengthen their relationships with other organisation members, including those they lead (Joseph, 2011). Hence, being able to provoke positive emotions and prevent negative emotions, in other words, being able to regulate emotions, was hypothesised to be vital for establishing and assuring the continuation of high-quality LMX.

One of the major findings in the present study is that there is a direct relationship between employees' perception of managers' emotional intelligence and their perception of LMX. This highlights the important role of the managers' emotional intelligence in enhancing the quality of LMX. The results of the study confirmed and supported the findings of other studies that show how emotional intelligence could make key contributions to the leadership-making process, which is thought to be pivotal in fostering a good quality LMX (e.g. Dasborough, 2006; Graen & Uhl-Bien, 1995; Joseph, 2011; Sears & Holmvall, 2010). This result was not surprising as Hesselgreaves (2007) found that emotional intelligence is considered vital in developing both obligation and trust, and therefore key to developing partnerships.

Consistent with Pescosolido (2002), who argued that managers who have emotional intelligence can be considered 'emotional managers' and can increase a positive 'affective tone', the findings of the present study indicate that emotional intelligence, as a skillset, can positively influence and help to foster relationships, improve communication and create positive affective events between managers and employees. Therefore, given that the research has found increased performance levels in such 'emotional managers' in their different functions, it is relevant that the emotional intelligence of the managers represents a significant source of leveraging on competitive advantage in an organisation. For SMEs, this outcome may be achieved by increasing employee performance levels. Hence, this finding affirms the relevance of emotional intelligence in various organisation operations in the business environment.

6.2.2 The Role of Managers' Perceived Emotional Intelligence in Turnover Intention and Job Satisfaction (H2–H3)

Although a manager can negatively impact employee satisfaction, it may not necessarily affect their perception of the whole organisation, as job satisfaction tends to relate more to working conditions. Thus, job satisfaction may decline as a result of the manager but would not necessarily lead to an employee wanting to leave the organisation (Petrides & Furnham, 2006). However, as previously mentioned in the literature, while emotional intelligence was argued to be central to the style of leadership (Al Reshidi, 2019) and can be the most accurate predictor of employee satisfaction (Coetzee & Pauw, 2013), there is a body of research that challenges this view, proposing that there is no clear link (e.g. Cherniss, 2010; Stamps & Piedmonte, 1986). Thus, these conflicting views reveal the inconsistency in the body of literature about the relationship between managers' emotional intelligence and employee satisfaction. This research sought to empirically examine the relationship between managers' emotional intelligence and both turnover intention and job satisfaction within SME. The rationale behind this was that the span of control in SME is lower and manager-employee relationship is closer which will provide an in-depth analysis given that the available research had not explicitly evaluated the extent to which emotional intelligence and LMX influence job satisfaction and turnover intention. Integration of these factors directly influenced the impact of turnover intention and the scope of reduction of the overall turnover rate.

The findings of this study reveal a negative relationship between perceived manager's emotional intelligence and turnover intention in SMEs. This indicates that the desire of SME employees to leave decreases, whereas their organisational attachment escalates, if their manager is emotionally intelligent. This is an important finding of this study as it clarifies the conflicting views in the literature and contributes to previous studies that found that emotional intelligence contributes to reducing turnover intention (Falkenburg & Schyns, 2007; Goleman, 1998; Imron,2021; Karatepe & Karatepe, 2009; Kooker et al., 2007; Lee & Liu, 2007; Mir, 2018; Ogungbamila et al., 2014; Siddiqui & Hassan, 2013; Wong & Law, 2002),

However, as highlighted in chapters 2 and 3, there is a lack of studies that address the role of managers' emotional intelligence in employees' intention to leave the organisation within the SME sector let alone with Saudi Arabia. Among the few studies that have attempted to focus on this area is the empirical study of Rizwan and Serbaya (2019), who evaluated the implication of the managers' emotional intelligence on employees' stress and motivation in SMEs. In the present study, the author attempted to evaluate the effects of the emotional intelligence of the managers on the stress and motivation levels of the employees in Saudi SMEs. This is particularly relevant to the Saudization concept or the Saudi Nationalisation Scheme, which entails replacing expatriate management with nationals.

This result supports other studies that link managers' characteristics and turnover intention among employees. For instance, Hosain (2018) emphasised the vital nature of organisational leadership and found that employees may be inclined to leave their job due to poor leadership of managers. Similarly, Muaaz and Khurram (2020) labelled such bad leadership as 'toxic leadership', which is characterised as leadership that makes employees feel less embedded within their organisations. They used the embeddedness model of turnover intention theory, which identifies a lack of embeddedness in an organisation as having a negative impact on employee's commitment and therefore influences their intentions of quitting their organisation. This is similarly affirmed by the Wong–Law Emotional Intelligence Scale model (Pacheco et al., 2019).

The present research findings establish strong links between perceived managers' emotional intelligence and employees' job satisfaction in SMEs. Hence, it can be affirmed that emotionally intelligent managers contribute to boosting employees' job satisfaction levels and decreasing turnover intention within the SME sector in Saudi Arabia. These findings are supported by Rizwan and Serbaya (2019), who focused on the emotional intelligence of managers in SMEs and highlighted a negative correlation between managers' emotional intelligence and workers' levels of stress. Therefore, from a general point of view, in SMEs in Saudi Arabia where managers have a high level of emotional intelligence, employees may be expected to have increased motivation. Thus, this has a positive implication on harnessing the scope of productivity and efficiencies in such organisations.

In a similar dimension, some authors (Holtom et al., 2008; Nolan, 2015) noted that increased emotional labour, in particular job functions, leads to a significant negative relationship between emotional intelligence and overall turnover intentions. This negative relationship between perceived emotional intelligence of managers and turnover intention is crucial because high levels of voluntary turnover are likely to adversely affect organisations' performance (e.g. Batt et al., 2002; Bhalerao & Kumar, 2016; Ghazanfar et al., 2012; Heavey et al., 2013). For example, higher employee retention rates often lead to increased profits (Trevor & Nyberg, 2008).

Moreover, unwelcome additional and unforeseen costs are often associated with staff leaving an organisation, which is particularly problematic in business environments in which financial efficiency is imperative (Bartock, 2013). It is worth noting that turnover intention in the SME sector could be more harmful than in larger organisations because SME enterprises are financially smaller, and their resources are generally scarcer. Most problematically, in the SME sector, employee turnover costs are high, causing much suffering in this area (Chang et al., 2013) as, in SMEs, a high level of turnover is associated with delayed customer projects, reduced productivity levels, additional costs of re-hiring and onboarding a replacement, which can harm morale within a company and increase stress levels. This eventually leads to legal and human resource issues, which can seriously impact such organisations' sustainable operations.

The positive relationship revealed in the present study between perceived manager emotional intelligence and job satisfaction added more evidence to the previous studies that linked emotional intelligence with job satisfaction and turnover intention and contradicted the studies that attempted to undermine this relationship (e.g. Cherniss, 2010; Stamps & Piedmonte, 1986). The finding also supports Coetzee and Pauw (2013) study. They found that the emotional intelligence of organisational managers is the most accurate predictor of employees' satisfaction, followed by pay and ability to develop their career. Moreover, Hoppock (cited in Liu & Liu, 2013) and other researchers found that managers played a vital role in employees' job satisfaction and suggested that relationships with direct managers have a strong influence on satisfaction and retention (e.g. Goman, 1991; Graen & Uhl-Bien, 1995; Miao et al., 2016). Hence, employees exhibit more elevated signs of satisfaction when they engage and interact positively with their managers. Further, to link this concept with emotional intelligence, Azim et al. (2020) noted that when the managers possess a high emotional intelligence level, there is a significantly lower likelihood of employees leaving because of their job roles. In contrast, when managers have a significantly reduced emotional intelligence, there is a high likelihood of employees leaving their organisations, which is associated with their limited commitment to the organisation. This is similar to the phenomenon in which managers' emotional intelligence passes on to employees.

6.2.3 The Role of LMX in Turnover Intention and Job Satisfaction (H4–H5)

Although many in-depth research studies have been conducted to investigate the role of LMX, there is a lack of decisive evidence regarding its role in job satisfaction and turnover (Mardanov, et al., 2007). This was identified in Ozdevecioglu et al. (2015), in which LMX and turnover intention were observed as having a curvilinear relationship, thus, LMX contributes to increased turnover intention while job satisfaction is influenced by LMX.

While previous studies revealed a negative relationship between LMX and turnover intention (e.g. Elanain, 2014; Gerstner & Day, 1997; Jordan & Troth, 2011; Kim et al., 2010; Soleimani & Einolahzadeh, 2017), other studies found that the relationship between LMX and turnover is not linear, but rather tends to be S-shaped or U-shaped (Morrow et al., 2005). Further, it has been revealed that the LMX–turnover relationship is weak and lacks stability (Schyns et al., 2007; Vecchio & Norris, 1996). The findings from this study does not support a hypothesised relationship between LMX and turnover intention. Intriguingly, this result is inconsistent with the body of research that discusses the existence of a relationship between both factors. This may indicate that a new conceptualisation of LMX is needed for the SME sector.

One of the possible interpretations for such inconsistent and indecisive results is that the role of the manager in the decision of an employee to leave is complex (Morrow et al., 2005). Alternatively, it may suggest that the impact of good LMX on employee turnover intention may be negligible. It is appropriate to explore whether other factors might interact with LMX to contribute to turnover intention. This result also raises more questions about the differences between the SME sector and larger companies regarding the impact of LMX on employee turnover. The LMX theory emphasises the interaction between leaders and those who follow them. However, the nature of the relationship between LMX and employee turnover may vary across workgroups and for each individual, especially from the employees' perspectives (Graen, 2003). It has also been noted that performance has less impact on the LMX than how each member feels about their work environment and circumstances (Schyns & Wolfram, 2008).

Another possible explanation for this finding is that LMX theory may predict employee turnover for employees near the top echelons of a large organisation better than for those at the lower levels of employment (Vecchio, 1985). Vecchio's research sample was low-level operatives (bank tellers), who perform similar types of functions as those working in the SME sector, and therefore the relationship between managers and employees is more similar. It is important to note that SMEs are small business entities and differ greatly from corporations in, for example, human resource practices, managerial practices, qualities of managers and organisational culture, and abuse (Burke & El-Kot, 2014; International Labour Organization, 2016). In SMEs, structures tend to be simpler, more horizontal and less impeded by bureaucracy than in larger firms. Additionally, SMEs are more variable from a structural perspective and are shaped by the particulars of their business model, market and overall situation (Loan-Clarke et al., 1999; Wagar, 1998). Thus, fixed models may not be ideal for considering SMEs as they are not easily generalised (Baron & Kreps, 1999; Reid & Adams, 2001).

The findings of this study, where the absence of a relationship between LMX and turnover intention may also be because the participants in the present study were Saudi workers (about 70%), who may feel a general lack of job security and may already be searching for alternative employment options. Further, the country's SME sector is less enticing than the public sector because of its worse working conditions, lower wages and longer working hours compared with the public sector. Therefore, most Saudi employees prefer to work in the public sector, viewing SMEs as being less professional enterprises, in terms of business practices as well as attitudes toward employees and employment conditions. This view contrasts with perceptions about the public sector, which are regarded as providing better compensation, working hours and conditions than the private sector. In other words, Saudi workers consider working for the government to be more prestigious than working for a private company.

Another factor that illustrates the preference of Saudis for working in the public sector is that public sector work hours are often 40 hours per week over five days. In contrast, private sector working hours are often around 50 hours per week over six days. Coupled with the higher work security and personal development opportunities through training or mentoring, the public sector is more appealing in Saudi Arabia (Ministry of Labour and Social Development, 2016). Hence, it is perhaps unsurprising that the present study's findings are at odds with studies conducted on large companies.

In line with the findings of many other research studies (e.g. Bhal & Ansari, 2007; Golden & Veiga, 2008; Graen & Uhl-Bien, 1995; Liu & Liu, 2013; Pillai et al., 1999), this study provided further evidence that LMX is directly correlated with job satisfaction. Thus, high LMX contributes to job satisfaction. As expected, good relationships between employees and their managers leads to employees receiving increased levels of support and fosters positive attitudes among them towards their work environment, which leads to enhanced job satisfaction. Similarly, leaders can cultivate job satisfaction through the way they interact with each employee. As a consequence of job satisfaction, employees may also have enhanced commitment to the organisation.

6.2.4 The Mediating Role of LMX on Emotional Intelligence, Job Satisfaction and Employee Turnover (H6–H7)

While previous studies have tended to focus on the role of LMX in mediating the behaviour and emotional intelligence of employees (e.g. Jordan & Troth, 2011; Soleimani

& Einolahzadeh, 2017), this study focused on the role that perceived emotional intelligence of managers plays in LMX. This alternative viewpoint represents a novel contribution to the literature. This is since the managers who have a high level of emotional intelligence are significantly defined by their capacity of perceiving, understanding and regulating their real emotions. The level of emotion regulation is noted in the LMX by identifying the relationships between the leaders and their subordinates. In this form of arrangement, the formal relations are internal to an organisation, defining the importance of the employment contract noted with group relations.

The findings of this study revealed that LMX mediates the relationship between perceived manager emotional intelligence and job satisfaction. Thus, LMX fully mediated the influence of a manager's ability to manage employees' emotions and foster job satisfaction. In other words, managers who can manage and regulate employees' emotions are more likely to increase employees' level of satisfaction if high-quality LMX exists. Joseph (2011) asserts that there is a relationship between the ability of managers to manage employees' emotions and the job satisfaction of employees. However, this depends on the quality of the relationship between managers and employees. Further, as LMX is characteristically relational, emotions are vital in revealing the contributions of both managers and employees in high-quality LMX.

Surprisingly, the findings from this study revealed that LMX did not mediate the relationship between perceived manager emotional intelligence and turnover intention. This finding is inconsistent with previous studies (e.g. Jordan & Troth, 2011; Soleimani & Einolahzadeh, 2017). One of the possible interpretations may be that perceptions about the emotional intelligence of managers caused most of the variation in employee turnover intention, excluding the need for LMX to play a role as mediator. Another explanation would be that no relationship was established between LMX and turnover intention in the present study, and therefore, the mediating role of LMX was also absent. In this regard, there may be other significant indirect implications of the relationship between LMX and turnover intention with different factors. The LMX concept is a direct contributor to the roles of stress and turnover intention in the employees' decision to stay or leave their organisations (Hesselgreaves, 2007).

6.3 Conclusions

The overreaching goal of this thesis was to address the main question "To what extent does employee' perception of managers' emotional intelligence affect employee turnover and job satisfaction directly and indirectly via LMX in the context of Saudi Arabian SMEs?" In spite of an extensive literature search on the issue of EI in leadership, there is still little research in the area of the explicit influence of leader EI on turnover and job satisfaction in SME sector and in Saudi Arabia context generally. To fulfil the first study objective, the research sought to understand the relationship between perceived manager emotional intelligence and perceived quality of LMX by employees, and the role of manager EI in employee's satisfaction and their desire to leave. as emotional intelligence has been found to be a critical factor in leadership development. In line with the study findings, the key conclusions regarding this objective can be drawn. First, the study concludes that a manager who is perceived to have high levels of emotional intelligence and creates quality LMX is more able to establish and develop positive relationships with employees. These findings are similarly supported by several other research studies (Dasborough, 2006; Jordan & Troth, 2004, 2011; Joseph, 2011; Sears & Holmvall, 2010) that found that perceptions of increased emotional intelligence are directly linked with increased perceived quality of LMX by employees. Hence, it is appropriate for employees to possess varying perceptions regarding their managers' emotional characteristics, which has an impact on the quality of the LMXs.

Second, this study concluded that the perceived emotional intelligence of managers has a negative relationship with the turnover intention of the employees in Saudi SMEs. Moreover, the findings revealed that employee turnover has a significant impact on SMEs in Saudi Arabia, which could lead to negative outcomes, such as costs being incurred to replace the leaving employees, reduced productivity levels and reduced morale for the remaining employees. These findings are also confirmed in the reviewed literature. For example, Reukauf (2018) noted that employee turnover leads to the organisation incurring considerable costs in order to fill the resulting vacancies and that the employees' intention to leave is associated with the overall quality of the services provided to them. Interestingly, the findings showed that the gender of an employee has little influence on their commitment to organisational operations, or their likelihood of leaving their organisation. Nevertheless, managers can strive to increase their emotional intelligence by improving their overall social and emotional functioning. The research findings have identified that this contributes to creating increasingly positive cultures where people feel a sense of belonging within the organisation and, hence, are less likely to leave. Therefore, it is important for leaders to ensure that they appreciate an employee's individual, social and emotional function. In the context of Saudi SMEs, this would have a direct implication in decreasing employee turnover.

Third, in this case of Saudi SMEs, the findings showed that perceived emotional intelligence of managers directly influenced job satisfaction. Consequently, when employees are optimally satisfied, they are likely to exhibit increased levels of productivity in their assigned job roles, which is also supported by the reviewed literature. For instance, Ngirande and Timothy (2014) highlighted a direct link between the perceived emotional intelligence of leaders and the overall job satisfaction of employees. Based on the findings, it can be concluded that when the manager's emotional intelligence is high, the overall employee job satisfaction is more likely to increase. This is a view that was affirmed by Lee and Chelladurai (2018) who evidenced that managers who possess high emotional intelligence tend to make better decisions in their active workplace operations which leads to increased job satisfaction among employees.

Fourth, surprisingly, the findings of the current research indicated that there is no direct relationship between LMX and turnover in the Saudi SME sector. The overall behaviour intentions that are a characteristic of most employees can nevertheless be noted to be the strongest predictor of high employee turnover levels in distinct industries. This is the primarily view in the available theory and is believed to be an important antecedent of turnover intentions. If the views of the managers, or their relationships, and those of the employees are mismatched, employees may decide to leave the organisation. owing to low job satisfaction. In this case, these study results have not detected a direct relationship between LMX and turnover.

Based on these findings, it can be highlighted that if managers, or their relationships do not directly match those of employees, there will be conflicts based on the scope of the employee's satisfaction and intention of leaving the organisation.

Finally, the current research added to more evidence that LMX is linked to job satisfaction. As a result, having a high LMX contributes to job satisfaction. As expected, solid relationships between employees and their managers lead to improved support levels and positive views toward their work environment, resulting in increased job satisfaction.

6.4 Recommendations for Future Research

This research has offered valuable insights that have implications for current mainstream research on emotional intelligence, LMX, job satisfaction, framing and employee turnover. Although substantial research has been devoted to SMEs and emotional intelligence as separate constructs, limited attention has been devoted to the link between emotional intelligence and employee turnover in SMEs, specifically in Middle Eastern contexts. The present research adds to this body of research by empirically examining the relationship between perceived manager emotional intelligence and employee outcomes in the context of the SME sector in Saudi Arabia. The majority of emotional intelligence and LMX research revolves around large Western organisations, cultures and contexts (Elanain, 2014; Rajendran et al., 2007), and there is an absence of research directed towards emotional intelligence and LMX in the Eastern business world, especially Arab countries.

This research has contributed to the body of knowledge by identifying the role of emotional intelligence and LMX in the SME sector in the Middle East. The results show the importance of emotional intelligence skills for SME managers, as it was found to contribute significantly to increasing employee satisfaction and reducing their intention to leave. In contrast, the role of LMX on employee turnover within an SME context needs further investigation. Given that this study focused on Saudi SMEs, it would be instructive and useful for future research to use a larger sample of these enterprises and to cover more organisations from other countries, possibly from within a collectivist culture. The resultant findings would provide a strong benchmark for a second study to compare findings from research done in individualistic cultures.

Further the study findings revealed that the existence of a high level of emotional intelligence means that managers are more able to understand emotional currents, within themselves and, hence, within others, which is very useful for informing managerial practices. In that sense, it improves their ability to communicate with employees and their conflict resolution abilities and means that they are able to more clearly understand the effects of work pressures on others. For example, those related to workload, which would improve their ability to assess what is an appropriate amount of work for their staff. The result would be increased employee satisfaction and higher employee retention. Therefore, managers should carefully consider their interactions and reactions, especially avoiding being too quick to react, which may bring short-term benefits but may cause employees to want to leave and search for an alternative job in the long run.

It is strongly recommended that future studies conduct data collection using a mixed-methods approach, for three reasons. First, the intersection between employee turnover and other social factors, such as culture, religion, communication patterns and social class brings complexity to understanding how the turnover of employees is shaped in this context, and this understanding cannot be achieved by simply utilising either a qualitative or quantitative methodology. Second, it is necessary to conduct studies to gain a more profound understanding of the natural relationship between employee turnover and culture and to use this relationship to develop the concept of employee turnover in SMEs in the Middle Eastern context, given the limited number of studies that have considered this issue in this context. Third, a major benefit of using a mixed-methods approach is that it enables researchers to find answers to more penetrating research questions that single method studies cannot be reasonably expected to do (Tashakkori & Teddlie, 2003).

Moreover, although previous studies have shed light on the relationship between emotional intelligence and employee job satisfaction and turnover intention, several questions remain unanswered. For example, how do emotionally intelligent managers influence employees compared with managers who have low levels of emotional intelligence, and what are the implications for organisations from a performance perspective? Is it possible that emotional intelligence affects how a manager views decision-making at work, and in turn influences the behaviour of employees? Last, there is extensive controversy surrounding whether there are any differences in the levels and perceptions of emotional intelligence in managers from different backgrounds and cultures (Gunkel et al., 2014; Schulze & Roberts, 2005) and, in addition, to what extent emotional intelligence can be affected by these factors? Do Saudi managers display attitudes similar to those of their Western peers? These are some of the questions that this thesis has raised and that require further investigation.

6.5 Theoretical and Industry Implications

6.5.1 Academic Implications

The economic importance of SMEs should not be overlooked (Chin et al., 2011). It is well recognised that SMEs play an important role in the strategic and sustainable development of human, social and economic sectors. As enterprises of this type have begun to emerge in Saudi Arabia, they provide an excellent environment for entrepreneurs to succeed. In today's competitive and international business environment, the SME sector makes a prominent contribution to the economy by creating employment opportunities and fostering innovation and entrepreneurship. In this regard, harsh economic conditions, such as recession, may require SMEs to acquire special capabilities, internal resources or behaviours such as innovativeness, flexibility or adaptability. There is a lack of research that focuses on SMEs, compared with research on large organisations, especially in Saudi Arabia and the Middle East (Burke & El-Kot, 2014). In the available studies that have focused on applying the identified concepts to SMEs, none have adopted the EI concept used in the present study. Hence, the present study has added to the available academic literature by investigating the extent to which EI concept could be applicable to SME sector.

The present study makes significant contributions from different dimensions, firstly, to the field of employee turnover, emotional intelligence and job satisfaction, specifically in relation to SMEs in Saudi Arabia. It has drawn connections between the emotional intelligence of managers and employee turnover, by investigating job satisfaction. To date, there very few studies that have investigated this in depth, especially within the context of Saudi SMEs. Thus, this study has opened new avenues for research into the relationships between employees and managers within this context. Secondly, Research into SMEs and emotional intelligence as separate entities has been given much attention in the literature, most of which has been conducted in Western countries (Rajendran, et al., 2007; Whiteoak & Manning, 2012). Very few studies have explored emotional intelligence, let alone the link between turnover in SMEs and emotional intelligence, in the Middle East. Further, the literature review found numerous studies on how emotional intelligence benefits managers of large corporations. However, this study has highlighted the extent to which issues surrounding emotional intelligence are important within smaller organisations.

Thirdly, a vast array of management research has been undertaken on leadership, decision-making or managing human resources and LMX as separate entities (Johnson, 2013; Karim, 2011; Sears & Holmvall, 2010), very few studies have investigated the relationships that exist between emotional intelligence and LMX in depth within SEMs. Only few studies have been able to robustly link job satisfaction (Mardanov et al. 2007), turnover and employment outcomes (Harris et al., 2005) and LMX. Thus, this study has contributed towards filling these gaps in the literature. However, while acknowledging more research is needed to provide a fuller understanding of how high-quality LMX influences job satisfaction, intention to leave and turnover.

Fourthly, the present study is significant in that it adopted a unique methodology—it explored the views of employees regarding their managers' emotional intelligence, rather than asking managers to self-rate, which has been found to lead to them exaggerating their own emotional intelligence skills and characteristics (Choi & Kluemper, 2012; Law et al., 2004; Zammuner et al., 2013). This method has not been in widespread use among researchers of managerial emotional intelligence, despite the clear benefit of doing so in ascertaining how the emotional intelligence of managers is perceived. One potential avenue for future research would incorporate a comparison between the managers' perceptions of their own emotional intelligence and the perceptions of the employees of the managers' emotional intelligence and use that to assess a number of factors, such as how any gaps between these perceptions affect turnover.

Finally, A further contribution of the present study is to the literature on SMEs in that it has investigated how manager's emotional intelligence and LMX impact on employee's job satisfaction and their intention to leave the organisation. Although SMEs have grown rapidly on the international stage, the researcher has not found a significant amount of literature on LMX within the SME setting, and it could be argued that it is more important in smaller organisations, given the greater impact of employee turnover on SMEs compare to large organisations, both financially and in terms of knowledge loss. Moreover, this will be the first study to relate these to the SMEs sector in Arabian culture. Poor leadership and change bureaucracy plague this sector within Saudi Arabia, which creates an idiosyncratic context with distinctive capability for research

6.5.2 Industry Implications

The study has offered valuable insights that may have practical implications for industry. In recent years, Saudi Arabia has begun to implement Vision 2030, a medium-term reform project to ensure the economy is able to grow and reduce the country's dependence on oil. This vision is largely dependent on the development of the SME sector to achieve its goals. The present study attempts to contribute to this development and inform managers by examining the dynamics and consequences of the manager–employee relationship in Saudi SMEs. It is hoped that this will lead to managers having a better understanding of the conditions that lead to employee job satisfaction and low employee turnover intention. The study results and implications may help improve and enforce the work environment and increase the efficiency and performance of organisations as the effectiveness of management has been found to be dependent on managers' overall emotional intelligence.

Also, in terms of managerial implications, managers should possess an appropriate awareness of the core association between job satisfaction and overall turnover. Managers need to possess an appropriate awareness of the need for maximising LMX relationships with employees. This can be appropriately achieved by offering employees sufficient support and opportunity by acknowledging them and providing them with opportunities to take part in active decision-making, delegating critical job roles, and talking and listening to them about concerns and expectations. This may be particularly important in Saudi Arabian SMEs that have, to date, not attracted in-depth research that evaluates the extent to which the LMX in such organisations could contribute to employees' satisfaction, and hence reduce their overall intention of leaving.

Further, this study offers relevant recommendations to various types of managers on the need to establish appropriate, sustainable relationships with all subordinates. This means that they must make efforts to explain the scope in which their relationships affect the organisational outcomes over time. Overall, the LMX relationship could significantly affect the success of the individual and the organisation. The rationale is that human capital plays an instrumental role in establishing a sustainable competitive advantage for organisations in the modern business environment. According to the findings of the present study, strong relationships between managers and employees appears to positively contribute to increasing overall job satisfaction in SMEs in Saudi Arabia. This result is relevant, given that high employee satisfaction is linked with enhanced performance, both for individuals and organisations.

6.6 Study Limitations

There were several procedural problems and difficulties faced while undertaking this research, which may have limited the quality of the findings. Reflection on the process suggests that, firstly, the present study investigated only one type of turnover, voluntary turnover, and did not take into consideration involuntary turnover. Secondly, most of the lower-position employees had limited knowledge of management theory, and thus had some difficulty understanding the concepts and terms used in the survey. Unfortunately, this difficulty was not identified during the pilot study, as it represented an important limitation, which may have affected the responses of some employees. Further, it may have affected the validity and/or reliability of the survey instrument.

The third and most significant limitation was the challenges created by the COVID-19 pandemic during the investigation. The pandemic has had a profound effect on all aspects of life around the world, causing paralysis in many human activities as a result of lockdown measures imposed in most countries. During the data collection process for the present research, a lockdown occurred. This caused considerable difficulty in administrating the questionnaire, which limited the sample size and added extra time pressure on the researcher to complete the research and keep the progression of the research on track. The final limitation regarded data collection. As the study questionnaire was based on self-reporting to collect data, there is the possibility of common method bias. Moreover, since this study only examined the mediating role of the LMX and the employees' overall job satisfaction and turnover intentions, future studies can focus on other variables and their association, such as overall organisational commitment and citizenship behaviour.

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Appendices

Appendix A

Consent Form for Participants Involved in Research

Information to Participants:

Dear Sir/ Madam

I am a PhD student at Victoria University in Melbourne Australia. I am conducting my study on the Small to Medium Size organisations in Saudi Arabia.

The study aims to investigate the effects of Employee Perceptions Regarding Managers' Emotional Intelligence on their Turnover Intention: The Case of Small and Medium Enterprises in Saudi Arabia.

This project is being conducted by Abdulmajeed Saad Albalawi as part of a PhD study at Victoria University in Australia under the supervision of Dr Shahnaz Naughton from the School of Business. The research project seeks to investigate whether perceived emotional intelligence of managers impacts on job satisfaction and employee turnover. For the purpose of this research project, a survey has been developed to help ascertain the interactions among these important organisational variables.

All information provided will be strictly confidential and used for the purpose of the present study only. The data will be summarised and only the summarised data, with no identifying features, will be reported in the thesis and any subsequent publications. Thus, your anonymity is guaranteed.

Abdulmajeed Albalawi

Ethical approval

earch mail

1 of 10,338

to Shahnaz.Naughton, abdulmajeed.albalawi, selvi.kannan

Dear ASPR SHAHNAZ NAUGHTON,

Your ethics application has been formally reviewed and finalised.

» Application ID: HRE19-062
» Chief Investigator: ASPR SHAHNAZ NAUGHTON
» Other Investigators: MR Abdulmajeed Albalawi, DR SELVI KANNAN
» Application Title: An investigation of employee perception of manager's emotional intelligence on their turnover intention.
» Form Version: 13-07

The application has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)' by the Victoria University Human Research Ethics Committee. Approval has been granted for two (2) years from the approval date; 29/07/2019.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date or upon the completion of the project (if earlier). A report proforma may be downloaded from the Office for Research website at: http://research.vu.edu.au/hrec.php.

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment. It should also be noted that it is the Chief Investigators' responsibility to ensure the

Survey Instrument Questionnaire ‘English Version’

Part One: Demographic Variables

Part (1): User Characteristics

Gender	☐ Male	☐ Female	
Supervisor Gender	☐ Male	☐ Female	
Age:	☐ Less than 30 years old	☐31-40 years old	
	☐ 41-50 years old	☐ 51 years and above	
Nationality	☐ Saudi	☐ Non-Saudi	
Educational Level:	☐ Diploma	☐ Bachelor’s	
	☐ Master’s	☐ Doctoral	
Career (organisational tenure)	☐ Less than 5 years	☐ Between 6 and 10 years	
	☐ Between 11 and 15 years	☐ More than 16 years	
City of Residence			
☐ Riyadh Region	☐ Makkah Region	☐ Madinah Region	☐ Aljouf Region
☐ Tabuk Region	☐ Northern Border Region	☐ Aseer Region	☐ Jazan Region
☐ Najran Region	☐ Albaha Region	☐ Eastern Region	
Sector of Operation			
☐ Administrative & support service activities	☐ Arts, entertainment & recreation	☐ Aviation	☐ Community services

☐ Construction	☐ Education	☐ Electricity, gas, steam & air conditioning supply	☐ Financial & insurance
☐ Human health & social work activities	☐ Manufacturing	☐ Media Services	☐ Real estate activities
☐ Retails	☐ Technical & Vocational	☐ Transportation & Storage	☐ Water section
☐ Wholesale & retail trade; repair of motor vehicles			

Part (2): For the following questions, please ✓which best describes your opinion.

N	Item	Scale				
	Emotional Intelligence	Strongly	Agree	Neutral	Disagree	Strongly
1	My manager has a good sense of why he/she has certain feelings most of the time.	☐	☐	☐	☐	☐
2	My manager has good understanding of his/her own emotions.	☐	☐	☐	☐	☐
3	My manager really understands what he/she feels.	☐	☐	☐	☐	☐
4	My manager always knows whether or not he/she is happy.	☐	☐	☐	☐	☐
5	My manager always knows his/her friends' emotions from their behaviour.	☐	☐	☐	☐	☐
6	My manager is a good observer of others' emotions.	☐	☐	☐	☐	☐
7	My manager is sensitive to the feelings and emotions of others.	☐	☐	☐	☐	☐
8	My manager has good understanding of the emotions of people around him/her.	☐	☐	☐	☐	☐

9	My manager always sets goals for himself/herself and then tries his/her best to achieve them.	☐	☐	☐	☐	☐
10	My manager always tells himself/herself he/she is a competent person.	☐	☐	☐	☐	☐
11	My manager is a self-motivated person.	☐	☐	☐	☐	☐
12	My manager he/she would always encourage himself/herself to try his/her best.	☐	☐	☐	☐	☐
13	My manager is able to control his/her temper.	☐	☐	☐	☐	☐
14	My manager is able to handle difficulties rationally.	☐	☐	☐	☐	☐
15	My manager is quite capable of controlling his/her own emotions.	☐	☐	☐	☐	☐
16	My manager he/she can always calm down quickly when he/she is very angry.	☐	☐	☐	☐	☐
17	My manager has good control of his/her own emotions.	☐	☐	☐	☐	☐
N	Item	Scale				
	Leader–Member Exchange	Strongly	Agree	Neutral	Disagree	Strongly
1	I usually know how satisfied supervisor is with what I do.	☐	☐	☐	☐	☐
2	I feel that my supervisor understands my problem and needs.	☐	☐	☐	☐	☐
3	My supervisor recognises my potential.	☐	☐	☐	☐	☐
4	My supervisor would help me solve problems in my work.	☐	☐	☐	☐	☐
5	Regardless of the amount of the formal authority your supervisor has, what are the chances that he /she would bail you out at his or her expense?	☐	☐	☐	☐	☐
6	I have enough confidence in my supervisor that I would defend and justify his /her decisions if he / she were not present to do so.	☐	☐	☐	☐	☐

7	My relationship with my supervisor is unique.					
Job Satisfaction		Strongly	Agree	Neutral	Disagree	Strongly
1	I feel I am being paid a fair amount for the work I do.					
2	Raises are too few and far between.					
3	I feel unappreciated by the organisation when I think about what they pay me.					
4	I feel satisfied with my chances for salary increases.					
5	There is really too little chance for promotion on my job.					
6	Those who do well on the job stand a fair chance of being promoted.					
7	People get ahead as fast here as they do in other places.					
8	I am satisfied with my chances for promotion.					
9	My supervisor is quite competent in doing his/her job.					
10	My supervisor is unfair to me.					
11	My supervisor shows too little interest in the feelings of subordinates.					
12	I like my supervisor.					
13	I am satisfied with the benefits I receive.					
14	The benefits we receive are as good as most other organisations offer.					
15	There are benefits we do not have which we should have.					

16	When I do a good job, I receive the recognition for it that I should receive.	☐	☐	☐	☐	☐
17	I do feel that the work I do is appreciated.	☐	☐	☐	☐	☐
18	I don't feel my efforts are rewarded the way they should be.	☐	☐	☐	☐	☐
19	Many of our rules and procedures make doing a good job difficult.	☐	☐	☐	☐	☐
20	My efforts to do a good job are seldom blocked by red tape.	☐	☐	☐	☐	☐
21	I have too much to do at work.	☐	☐	☐	☐	☐
22	I have too much paperwork.	☐	☐	☐	☐	☐
23	I like the people I work with.	☐	☐	☐	☐	☐
24	I find I have to work harder at my job because of the incompetence of people I work with_* of people I work with.	☐	☐	☐	☐	☐
25	I enjoy my co-workers.	☐	☐	☐	☐	☐
26	There is too much bickering and fighting at work.	☐	☐	☐	☐	☐
27	I sometimes feel my job is meaningless.	☐	☐	☐	☐	☐
28	I like doing the things I do at work.	☐	☐	☐	☐	☐
29	I feel a sense of pride in doing my job.	☐	☐	☐	☐	☐
30	My job is enjoyable.	☐	☐	☐	☐	☐
31	Communications seem good within this organisation.	☐	☐	☐	☐	☐
32	The goals of this organisation are not clear to me.	☐	☐	☐	☐	☐
33	I often feel that I do not know what is going on with the organisation.	☐	☐	☐	☐	☐

34	Work assignments are not fully explained.					
Turnover Intention		Strongly	Agree	Neutral	Disagree	Strongly
1	I am actively seeking an alternative job or role (an activity other than my present job).					
2	As soon as I can find a better job, I'll leave my current company.					
3	I am thinking about quitting my job.					

'Thank you for your participation'

Appendix B

Survey Instrument Questionnaire ‘Arabic Version’

معلومات للمشاركين في البحث

يقوم بهذه الدراسة الطالب عبدالمجيد سعد البلوي كجزء من متطلبات برنامج الدكتوراه في ادارة الاعمال في جامعة فكتوريا في استراليا تحت اشراف الدكتوره شاهناز ناوكتن من كلية الادارة في جامعة فكتوريا.

هدف الدارسة

نسعى في هذه الدراسة لمعرفة مدى تأثير الذكاء العاطفي لدى المدراء في المنشات السعودية المتوسطة والصغيرة على تسرب الموظفين، وتحديد تاثير الرضا الوظيفي وتبادل القائد – العضو، ولتحقيق هذا الهدف ، تم تصميم استبانة للمساعدة في التحقق من التفاعلات بين هذه المتغيرات التنظيمية الهامة.

كيف ستسخدم البيانات التي ساقدمها ؟

ان كل البيانات التي تقدمها ستبقى قيد السرية التامة وستخدم فقط لاغراض متعلقة بهذه الدراسة فقط.

وفي حالة وجود أي تساؤل يمكنك الاتصال بمنسق السلامة البيولوجية وأخلاقيات البحث في لجنة أخلاقيات البحث الانساني جامعة فكتوريا على العنوان التالي :

2. جنس المدير	ذكر □	انثى □
3. العمر	30 سنة فأقل □	31 – 40 سنة □
	41 - 50 سنة. □	51 فأكثر. □
4. الجنسية	سعودي □	غير سعودي □
5. المؤهل العلمي	دبلوم □	بكالوريوس □
	ماجستير □	دكتوراه □
6. الخبرة المهنية	5 سنة فأقل □	6 - 10 سنة. □
	11 - 15 سنة. □	16 فأكثر. □
7.	8. مدينة الاقامة	

الرياض☐	مكة ☐	المدينة ☐
الجوف☐	تبوك☐	الحدود الشمالية☐
عسير☐	جازان☐	نجران☐
ابها☐	الشرقية☐	

9. 10.قطاع العمل

أنشطة ☐ الخدمات والدعم الإداري	الفنون والترفيه ☐ والاستجمام	الطيران☐
الخدمات ☐ المجتمعية	البناء والتشييد☐	التعليم☐
توريد ☐ الكهرباء والغاز	المالية والتامين☐	صحة الإنسان ☐ والعمل الاجتماعي
الصناعة☐	الخدمات ☐ الاعلامية	الانشطة ☐ العقارية
تجار التجزئة☐	التقنية والمهنية☐	النقل والتخزين☐
المياه☐	تجارة الجملة ☐ والتجزئة؛ إصلاح السيارات	

الجزء الثاني: الرجاء وضع إشارة (✓) في المربع الذي يعبر (من وجهة نظرك) عن مدى موافقتك على كل عامل من هذه العوامل.

	العبـــــارات	التقييم				
	الذكاء العاطفي					
	مديري لديه أدراك جيد لماذا يمتلك مشاعر معينه في معظم الأحيان	وافق	وافق	حايد	ير	غ ير موافق
	مديري لديه فهم جيد لمشاعره	وافق	وافق	حايد	ير	غ ير موافق
	مديري فعلا يدرك ما يحس	وافق	وافق	حايد	ير	غ ير موافق
	دايما مديري يعرف ما اذا كان هو / هي سعيد	وافق بشدة □	وافق □	حايد □	ير موافق □	غ ير موافق بشدة □
	مديري يعرف مشاعر أصدقائه من سلوكهم	وافق	وافق	حايد	ير	غ ير موافق
	يعتبر مديري مراقب جيد لمشاعر الاخرين	وافق	وافق	حايد	ير	غ ير موافق
	يعتبر مديري حساس في ما يتعلق بأحاسيس و مشاعر الاخرين	وافق	وافق	حايد	ير	غ ير موافق
	يتمتع مديري بأدراك جيد لمشاعر الاشخاص المحيطين به / بها	وافق	وافق	حايد	ير	غ ير موافق
	يقوم مديري دائما بتحديد الاهداف لنفسه ومن ثم يحاول جاهدا من ادجل تحقيقها	وافق	وافق	حايد	ير	غ ير موافق
0	مديري دائما يحدث نفسه بانه / انها شخص مؤهل	وافق	وافق	حايد	ير	غ ير موافق
1	يعتبر مديري شخص محفز لنفسه	وافق	وافق	حايد	ير	غ ير موافق
2	يشجع مديري نفسه دائما لبذل افضل ما لديه	وافق	وافق	حايد	ير	غ ير موافق

3	مديري قادر على التحكم في انفعاله	وافق	وافق	حايد	ير	غ ير موافق
4	مديري قادر على معالجة الصعوبات بعقلانيه	وافق	وافق	حايد	ير	غ ير موافق
5	مديري قادرعلى التحكم في مشاعره /مشاعرها	وافق	وافق	حايد	ير	غ ير موافق
6	عندما يكون مديري غاضبا جدا يستطيع ان يهدأ بسرعه	وافق	وافق	حايد	ير	غ ير موافق
7	يتمتع مديري بالسيطره الجيده على مشاعره / مشاعرها	وافق	وافق	حايد	ير	غ ير موافق
	تبادل القائد-العضو					
	ادرك عادة رضى مديري عما افعل	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	اشعر دائما ان مديري يتفهم مشكلاتي واحتياجاتي	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	يدرك مديري قدراتي	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	يوجد احتماليه ان يساعدني مديري في حل				غ	غ
	مديري على استعداد لمساعدتي في حل				غ	غ
	اثق في مديري لدرجة انني على استعداد ان [illegible]				غ	غ
	امتلك علاقه خاصة ومتميزه مع مديري	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	الرضا الوظيفي					
	اشعر بانني اتقاضى اجرا مناسبا للعمل الذي اقوم فيه	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	العلاوات قليلة ومتباعدة	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	ما اتقاضاه من راتب لا يتناسب مع ما اقوم به من عمل	وافق	وافق	حايد	غ ير موافق	غ ير موافق

	اشعر بالرضا عن فرصتي في زيادة الرواتب	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	فرصتي في الترقية ضئيلة جدا	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	اولئك الذين يقومون بعمل جيد في هذا المنصب يتمتعون بفرصة عادلة للترقية	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	مواكبة المؤسسة التي اعمل يها مع ما يحصل من تطور	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	انا راضي عن فرصتي في الترقية	وافق	وافق	حايد	غ ير موافق	غ ير موافق
	مديري موهل للقيام بعمله	وافق	وافق	حايد	غ ير موافق	غ ير موافق
0	مديري غير عادل بالنسبة لي	وافق	وافق	حايد	غ ير موافق	غ ير موافق
1	مديري قليل الاهتمام بمشاعر المرؤوسين	وافق	وافق	حايد	غ ير موافق	غ ير موافق
2	انا احب مديري	وافق	وافق	حايد	غ ير موافق	غ ير موافق
3	المميزات التي احصل عليها مرضية	وافق	وافق	حايد	غ ير موافق	غ ير موافق
4	الفوائد التي نتلقاها جيدة مقارنة في ما تقدمه معظم المؤسسات	وافق	وافق	حايد	غ ير موافق	غ ير موافق
5	هنالك بعض الامتيازات غير متوفرة في الموسسة	وافق	وافق	حايد	غ ير موافق	غ ير موافق
6	اتلقى التقدير المناسب لما اقوم به من عمل	وافق	وافق	حايد	غ ير موافق	غ ير موافق
7	أشعر أن العمل الذي أقوم به موضع تقدير.	وافق	وافق	حايد	غ ير موافق	غ ير موافق
8	اشعر بان جهودي يتم مكافئتها بالطريقة التي يجب ان تكون	وافق	وافق	حايد	غ ير موافق	غ ير موافق

9	كثرة الاجراءات والقوانين تعيق عملي	وافق	وافق	حايد	غ ير موافق	غ ير موافق
0	نادرا ما يتم حجب جهودي عن القيام بعمل جيد	وافق	وافق	حايد	غ ير موافق	غ ير موافق
1	اعباء العمل اكثر مما يجب	وافق	وافق	حايد	غ ير موافق	غ ير موافق
2	لدي الكثير من الاعمال الورقية	وافق	وافق	حايد	غ ير موافق	غ ير موافق
3	انا احب الاشخاص الذين اعمل معهم	وافق	وافق	حايد	غ ير موافق	غ ير موافق
4	اعمل بجدية اكثر في وظيفتي بسبب عدم كفاءة الاشخاص الذين اعمل معهم	وافق	وافق	حايد	غ ير موافق	غ ير موافق
5	استمتع مع زملائي في العمل	وافق	وافق	حايد	غ ير موافق	غ ير موافق
6	هناك الكثير من المشاحانات والمشاجرات في العمل	وافق	وافق	حايد	غ ير موافق	غ ير موافق
7	احيانا اشعر ان وظيفتي لا تناسبني	وافق	وافق	حايد	غ ير موافق	غ ير موافق
8	احب القيام بالامور التي امارسها في العمل	وافق	وافق	حايد	غ ير موافق	غ ير موافق
9	انجاز عملي يشعرني بالفخر	وافق	وافق	حايد	غ ير موافق	غ ير موافق
0	الدور الذي اقوم به في العمل ممتع	وافق	وافق	حايد	غ ير موافق	غ ير موافق
1	التواصل داخل الموسسة يبدو جيدا	وافق	وافق	حايد	غ ير موافق	غ ير موافق
2	عدم وضوح اهداف المؤسسة بالنسبة لي	وافق	وافق	حايد	غ ير موافق	غ ير موافق
3	غالبا لا اعلم ما يجري في الموسسة	وافق	وافق	حايد	غ ير موافق	غ ير موافق

4	المهام الوظيفية يتم شرحها بشكل وافي	وافق	م وافق	حايد	غ ير موافق	غ ير موافق
	التسرب الوظيفي					
	انا ابحث بشكل فعلي عن وظيفة خارج شركتي الحاليه	وافق	م وافق	حايد	غ ير موافق	غ ير موافق
	انا افكر بحديه في ترك العمل	وافق	م وافق	حايد	غ ير موافق	غ ير موافق
	لحظة الحصول على وظيفه أفضل, سوف أترك شركتي الحاليه	وافق	م وافق	حايد	غ ير موافق	غ ير موافق

شكرا جزيلا لتعاونكم معنا