

STAFF DEVELOPMENT: A MANAGEMENT TASK IN SAUDI RETAIL SMES

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Abstract

This study aimed to identify the effect of staff development on retail SMEs' performance in Saudi Arabia. By using a random sampling method, this study was conducted on a sample size of 386 subjects, working in various retail workshops in Yanbu, Saudi Arabia; the response rate was 86%. An 11-item scale was developed to measure the effect of staff development on retail SMEs' performance. It consists of three parts: *treating staff as individuals, staff delegation, and performance*. Structural equation modelling (SEM) was used to test the research hypotheses. This study found that staff development has a positive effect on retail SMEs' performance. This informs the managers that if they work closely with each employee and delegate responsibilities and tasks to their subordinates, the latter may feel satisfied, supported, and encouraged. Thus, the employees would produce more, be engaged in effective behaviour, be loyal to their employer, and avoid neglectful behaviour in the workplace. These implications will increase performance and ultimately assist retail SMEs to survive, especially after the first 5 years of trading.

Keywords: Organisational learning, staff development, staff delegation, SMEs, performance.

Introduction

The rapidly changing business world with new customer needs brings about a need to promptly implement improvements and a demand to hire and retain qualified employees to maintain customer satisfaction. This ever-changing business world requires organisations to continue to develop their employees' competencies to remain competitive. Staff development has been recognized to be a powerful managerial strategy to promote the learning process within organisations. Staff development is a learning process improvement framework that uses both delegation and employee treatment on an individual basis to promote the development of new knowledge and skills. Not only is it the backbone of organisations' development and organisational learning, but it also provides the organisation with an opportunity to develop its employees' knowledge and skills (Antony, Kumar, & Labib, 2008; Fallon & Rice, 2015; Matthews, MacCarthy, & Braziotis, 2017).

According to Carless, Wearing, and Mann (2000), staff development refers to treating staff on an individual basis and delegating tasks to them in order to offer challenging opportunities and ease the development of new knowledge, attitudes, and skills. Effective managers support and motivate the individual development of their employees. They identify the abilities and needs of each worker and encourage personal development on a one-to-one basis. They assign jobs based on the employees' competencies. They delegate tasks and responsibilities to employees to facilitate the development of new competencies and abilities. Not only does delegation facilitate the development of new skills, but it also provides challenging opportunities. Through delegation, managers boost confidence in the abilities of their employees to perform their jobs efficiently (Avolio, 2011; Caillier, 2014; Carless et al., 2000; Chrysoula, Georgios, Miltiadis, Stamatios, & Grigorios, 2018; Dabke, 2016; Lussier & Achua, 2015; Northouse, 2018; Paglis, 2014; Shulepov & Shulepova, 2016).

Staff development is related to the concept of organisational learning (OL) as an organisation can learn through its individuals and from its previous experiences. OL refers to the process of learning within organisations. OL only occurs in an organisation within its employees, and OL occurs once the collective group generates the outcomes that they actually desire. If organisations desire to progress, they ought to distribute the knowledge within the organisation. One approach to sharing the knowledge is through staff development (Argyris & Schön, 1974; Easterby-Smith & Lyles, 2011; Matthews et al., 2017; Ortenblad, 2018; Senge, 1990; Tsang, 1997; Watkins & Kim, 2018). Additionally, staff development is related to the concept of performance (Barroso, Villegas, & Casillas, 2008; Caillier, 2014; Fallon &

Rice, 2015; Hamstra, Van Peren, Wisse, & Sassenberg, 2014; Madar, 2016). Performance refers to the “degree of accomplishment of the tasks that make up an employee’s job” (Byars & Rue, 2011, p. 398).

SMEs and Their Role in Saudi Arabia

Small and medium-sized enterprises (SMEs) generate the highest employment and play a vital role in their regions’ economic development. According to Monshaat (2019), an organisation is considered to be an SME if it employs fewer than 250 employees and its revenue is less than \$ 53 billion. The importance of SMEs to the Saudi economy cannot be overemphasized. SMEs comprise about 97% of the total Saudi businesses (Saudi Central Authority for Statistics, 2010). Although SMEs have made a significant contribution to job creation in any developed economy, most SMEs shut down within the first 5 years of trading. SMEs’ survival rates are extremely low after 5 years. A variety of factors cause their closure, including (a) low cash flow, (b) lack of strategic planning, (c) absence of business experience, (d) failure to manage innovation, and (e) high employee turnover rate (Antony et al., 2008; Cebula, Agrawal, Boylan, & Horner, 2016; El Kalak & Hudson, 2016; Gielnik, Zacher, & Schmitt, 2017; Jamali, Lund-Thomsen, & Jeppesen, 2017; Li & Rama, 2015; Millán, Congregado, & Roman, 2012).

Statement of the Problem

Staff development has been recognized as a managerial strategy to facilitate the development of employees’ competencies and abilities. Lack of staff development results in lack of employees’ knowledge and skills. Employees have some limitations in their skills. This absence of competencies leads to failure to manage innovation and a decline in productivity. Workers who do not feel encouraged and supported are rarely loyal to their employer. Not having a clear staff development strategy may prevent managers from being able to complete key business transactions because of the lack of delegation (Barroso et al., 2008; Cascio, 2018; Chrysoula et al., 2018; Effelsberg, Solga, & Gurt, 2014; Northouse, 2018). However, managers who promote staff development could achieve additional organisational benefits.

A variety of benefits have been assigned to staff development, including maintaining the employees’ competencies as well as enhancing the organisation’s competitiveness. Staff development plays an important role in enhancing employee satisfaction and loyalty, which in turn has a great impact on customer satisfaction. Strategies that promote staff development could result in a competitive advantage because the aforementioned benefits usually lead to boosted productivity. Employees who receive staff development are more likely

to remain committed to their employer and are less likely to become involved in careless behaviour in the workplace (Barroso et al., 2008; Caillier, 2014; Fallon & Rice, 2015; Hamstra et al., 2014; Madar, 2016). Facilitating staff development would improve employees' knowledge, attitudes, and skills.

However, there is a lack of literature on the application of staff development in retail SMEs' performance; especially in Saudi Arabia. The retail industry includes traditional store-based retailing and non-store retailing. Non-store retailing includes home shopping, online shopping, social media, mobile internet, and direct selling. In Saudi Arabia, this industry is worth \$106 billion and is predicted to reach \$119 billion by 2023 (Monshaat, 2019). In most Saudi retail SMEs, there is no specified training strategy due to budgetary limitations. Because retail SMEs are the basis of any developed economy, it is necessary for them to embrace organisational learning strategies like staff development that can have a significant effect on their performance.

Purpose and Significance of the Study

The purpose of this study was to identify the effect of staff development on retail SMEs' performance in Saudi Arabia. This research objective could be accomplished by analysing the outcome attained by posing the following research question: "What is the effect of staff development on SMEs' performance within the retail sector in Yanbu, Saudi Arabia?" The implications of the current study may enable the SMEs to survive after the critical 5 years of business. The findings may enable managers of SMEs to stay competitive in an uncertain worldwide economy. The results might provide the managers with some knowledge of the importance of organisational learning and staff development within SMEs. The outcomes may convince the managers of the significance of delegating and paying close attention to each employee in their organisation, bearing in mind the importance of staff development, and hence, retaining employees and remaining competitive.

Literature Review

Most employees do not possess the necessary knowledge and skills for how to do their job before training; therefore, it is essential that managers help their staff develop those competencies. Frederick Taylor, the developer of scientific management, advocated developing employees' knowledge, attitudes, and skills. One of the scientific management principles is to develop the workers' abilities to perform the job efficiently. In other words, organisations learn by improving their employees' competencies and abilities. If an organisation wants to improve, it should develop its staff (Khorasani &

Almasifard, 2017; Natemeyer & McMahon, 2001; Ortenblad, 2018; Su, 2017; Tikhomirov, 2017).

OL is defined as a learning process within organisations (Easterby-Smith & Lyles, 2011; Matthews et al., 2017; Ortenblad, 2018; Tsang, 1997). The OL process consists of a shared purpose, inquiry, and transparency, a respectful environment, and the freedom to explore (Argyris & Schön, 1974; Senge, 1990; Watkins & Kim, 2018). Senge (1990), who pioneered the concept of OL, emphasized that learning only occurs in an organisation within its employees and OL occurs once the collective group generates the outcomes that they actually desire. OL is “key if organisations are to survive, compete, and manage their surroundings” (Hatch & Cunliffe, 2006, p. 322). Thus, managers ought to strategically plan for OL to enable their organisations to survive and remain competitive (Andrews, 2017; Hatch & Cunliffe, 2006; Ortenblad, 2018). One approach to OL is through staff development.

According to Carless et al. (2000), staff development refers to treating staff members on an individual basis and delegating tasks to them in order to offer challenging opportunities and smooth the development of new knowledge, attitudes, and skills. Effective managers support and motivate the individual development of their employees. They identify the needs and abilities of each worker and encourage personal development on a one-to-one basis. They assign jobs based on the employees’ competencies. They delegate tasks and responsibilities to employees to facilitate the development of new competencies and abilities. Not only does delegation facilitate the development of new skills, but it also provides challenging opportunities. Through delegation, managers boost confidence in the abilities of their employees to perform their jobs efficiently (Avolio, 2011; Caillier, 2014; Carless et al., 2000; Chrysoula et al., 2018; Dabke, 2016; Lussier & Achua, 2015; Northouse, 2018; Paglis, 2014; Shulepov & Shulepova, 2016).

Staff Development and Transformational Leadership

Although Downton (1973) coined the term *transformational leadership*, it became an important approach to leadership after James McGregor Burns (1978) published his work on political leaders. Burns defined transformational leaders not as those who exchange rewards for the work but as those who offer promotions once the employees exceed expectations. Bernard Bass (1985) refined the work of Burns (1978) by focusing on subordinates rather than managers (Avolio, 2011; Lussier & Achua, 2015; Northouse, 2018). According to Northouse (2018), transformational leadership theory refers to a process that transforms staff to accomplish performance beyond expectation by supporting their development, satisfying their needs, and treating them as individuals. He

affirmed that transformational leadership fits the rapidly changing business world and inspires employees who desire to succeed in times of uncertainty (Northouse, 2018).

The vast majority of research has illustrated that staff development is an element common to transformational leadership theory. Generally, staff development is defined as diagnosing the needs and abilities of each staff member and delegating tasks and responsibilities to them. Nevertheless, one feature that differentiates transformational leadership from other leadership is the inclusion of staff development (Caillier, 2014; Carless et al., 2000; Dabke, 2016; Effelsberg et al., 2014; Hamstra et al., 2014; Van Knippenberg & Sitkin, 2013; Zhu & Akhtar, 2014). Staff development occurs when a manager pays attention to employees' individually and tries to satisfy their needs. Transformational managers exhibit more common staff development by responding to staff issues rapidly, being present when needed, and showing concern for the employees' needs. They assign jobs on the basis of individual competencies and abilities and promote self-development. They coach, mentor, and delegate tasks to facilitate the development of their staff (Caillier, 2014; Carless et al., 2000; Dabke, 2016; Effelsberg et al., 2014; Hamstra et al., 2014; Van Knippenberg & Sitkin, 2013; Zhu & Akhtar, 2014).

Staff Development and Treating Staff as Individuals

Treating staff as individuals refers to managing employees on a one-to-one basis (Carless et al., 2000). Employee treatment requires diagnosing the abilities and needs of each employee. Current literature has shown that to develop employees' competencies, managers must be available, provide support, and pay close attention to the staff members' needs. To develop staff, managers should treat their employees according to their individual needs and abilities. Managers should avoid treating employees as a group because the abilities of group members are varied. Effective managers advise, coach, mentor, and encourage individual development, usually by working closely with each staff member. They assign jobs based on employees' competencies and abilities in order to promote staff development. The literature has indicated that employees engage in productive behavior when their managers treat them on a one-to-one basis (Avolio, 2011; Carless et al., 2000; Chrysoula et al., 2018; Dabke, 2016; Lussier & Achua, 2015).

Staff Development and Delegation

Delegation refers to the assignment of tasks and responsibilities from a manager to a subordinate to perform specific activities (Paglis, 2014). Some scholars have demonstrated that to develop employees' skills and knowledge,

the employees must be provided with new challenges. Delegation enables managers to assess their employees' ability and, in turn, increases the workers' input into the business. It makes employees feel self-confident and motivated for excellence in performance. Most employees are able to make quick decisions themselves; however, effective delegation could increase their understanding of the details concerned. Not only does delegation develop staff, but it also enables managers to get the job done. Effective managers delegate unpleasant routine tasks and responsibilities to different employees on a rotating basis. The literature has indicated that staff delegation would lead to a competitive advantage because it usually results in increased productivity (Graham, Harvey, & Puri, 2015; Kayl, Zudina, Epinina, Bakhracheva, & Velikanov, 2017; Mullins & Schoar, 2016; Paglis, 2014; Shulepov & Shulepova, 2016).

Staff Development and SMEs

In SMEs, employees are responsible for various aspects of the business. In other words, there are limited departmental interfaces and levels of management. Highlighting this, the working relationship is characterized as informal with an absence of standardization; hence, managers are often people oriented. As such, in most SMEs, management is frequently visible. Management visibility is critical to building employee competencies, productivity, and loyalty. Those strengths enable managers to rapidly implement improvements and obtain quick benefits. However, in most SMEs, there is no specified training strategy due to budgetary limitations. The extent of structured formal learning programs is limited, and the learning process generally occurs via informal unstructured methods. In addition to absence of incentive and reward programs, the dictatorial nature of SMEs' owners can damage their business. In addition to these weaknesses, SMEs experience a high employee turnover rate and face challenges to retain talented, qualified employees. To illustrate, most SMEs shut down within the first 5 years of trading (Antony et al., 2008; Cebula et al., 2016; El Kalak & Hudson, 2016; Gielnik et al., 2017; Jamali et al., 2017; Li & Rama, 2015; Millán et al., 2012).

Effects of Staff Development on Key Organisational Outcomes

On one hand, employees whose managers emphasize staff development are more likely to be satisfied. Research has concluded that employees are satisfied with a manager who supports and encourages their development. The literature has indicated that employees feel safer, engage in productive

behaviour, are less likely to quit their job, and are more satisfied with their job when their managers demonstrate staff development behaviour. On the other hand, a lack of staff development reduces satisfaction and increases stress symptoms among employees. The literature has shown the positive association between staff development and job satisfaction, job performance, and organisational commitment (Barroso et al., 2008; Cascio, 2018; Chrysoula et al., 2018; Effelsberg et al., 2014; Northouse, 2018).

Staff development maintains the competencies and abilities of the employees as well as enhancing the thrift of the organisation. Effective staff development plays a significant role in building employee satisfaction, loyalty, and productivity. These key organisational outcomes, in turn, serve as valuable factors of customer satisfaction. Strategies that deliver staff development and continuous employee learning would lead to a competitive advantage because these policies usually result in increased productivity. Employees who receive staff development are more likely to continue being committed to their organisations and are less likely to be involved in careless behaviour in the workplace (Barroso et al., 2008; Caillier, 2014; Fallon & Rice, 2015; Hamstra et al., 2014; Madar, 2016).

Methodology

The current study utilised survey research design to collect the data (Cooper & Schindler, 2013; Locke, Silverman, & Spirduso, 2010). For the purpose of this study, an organisation is considered to be a retail SME if it employs fewer than 250 employees in retail industry (Monshaat, 2019).

Research Hypotheses

The hypotheses are primarily structured around the concept of staff development and include two factors that combine staff development: *treating staff as individuals* and *staff delegation*. These two factors combine the two hypotheses, which are illustrated in the conceptual model (see Figure 1). In order to achieve the research objective, and based on the previous literature review, this study investigated the following hypotheses.

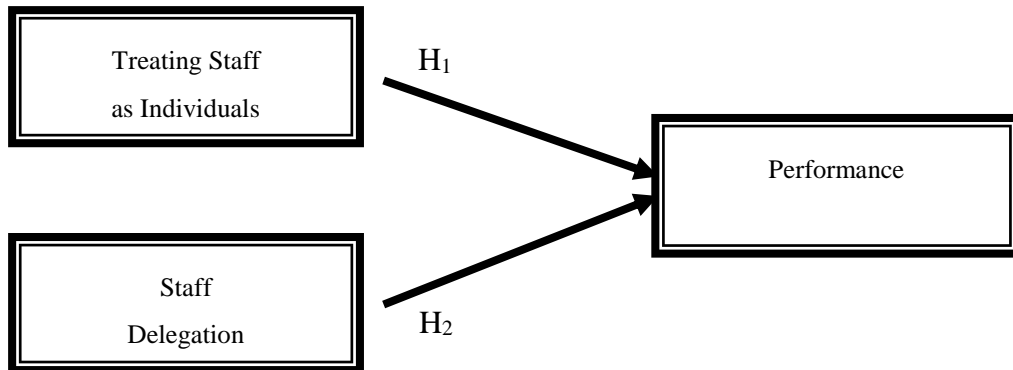


Figure 1. Conceptual model with hypotheses.

Treating staff as individuals. Treating staff as individuals refers to managing employees on a one-to-one basis (Carless et al., 2000). Employee treatment requires diagnosing the abilities and needs of each employee. Current literature has shown that to develop employees’ competencies, managers must be available, provide support, and pay close attention to the staff members’ needs. To develop staff, managers should treat their employees according to their individual needs and abilities. Effective managers advise, coach, mentor, and encourage individual development, usually by working closely with each staff member. The literature has indicated that employees engage in productive behavior and are more satisfied with their job when their managers treat them on a one-to-one basis (Avolio, 2011; Carless et al., 2000; Chrysoula et al., 2018; Dabke, 2016; Lussier & Achua, 2015).

H₁. There is a positive effect of treating staff as individuals on retail SMEs’ performance.

Staff delegation. Delegation refers to the assignment of tasks and responsibilities from a manager to a subordinate to perform specific activities (Paglis, 2014). Some scholars have demonstrated that to develop employees’ skills and knowledge, the employees must be provided with new challenges. Delegation enables managers to assess their employees’ ability and, in turn, increases the workers’ input into the business. It makes employees feel self-confident and motivated for excellence in performance. Most employees are able to make quick decisions themselves; however, effective delegation could increase their understanding of the details concerned. The literature has indicated that staff delegation would lead to a competitive advantage because it usually results in increased productivity (Graham et al., 2015; Kayl et al., 2017; Mullins & Schoar, 2016; Paglis, 2014; Shulepov & Shulepova, 2016).

H₂. There is a positive effect of staff delegation on retail SMEs' performance.

Sampling Method and Measuring Instrument

In 2018, there were about 450 individuals, working in various retail workshops in Yanbu, Saudi Arabia (M. E. Aljohani, personal communication, January 6, 2018). By using a random sampling method, 386 participants received a questionnaire and a total of 332 individuals responded to the survey; with a response rate of 86%. Twenty-eight percent of those who responded were female whereas 72% were male. An 11-item scale was developed to measure the effect of staff development on retail SMEs' performance. It consists of three parts: treating staff as individuals, staff delegation and performance (see Table 1). This research used a 5-point Likert scale ranging from *strongly agree* to *strongly disagree*. For the purpose of expert's judgment, professors in the management program at the University of Taibah reviewed this 11-item scale for validation and improvement of the questions (Cooper & Schindler, 2013; Locke et al., 2010). They provided suggestions on how to improve the questions and for wording clarity. Besides demographic questions, the questionnaire was introduced by a short explanation indicating the goals of this study and soliciting participants' completion of the questionnaire. Participants were assured that confidentiality would be firmly maintained and that they had the right to withdraw from this study by simply not completing the questionnaire.

Reliability and Validity

To determine the reliability and validity of the research-measuring instrument, this study used exploratory factor analysis (EFA), Cronbach's alpha, and a factor analytic method (see Table 1). The construct reliability was assessed by a two-step method: employing EFA to assess scale uni-dimensionality, and then Cronbach's alpha to assess scale reliability (Narasimhan & Jayaram, 1998). The EFA results revealed that all the items had strong loadings on the construct that they were intended to measure. The reliability analysis yielded the values of Cronbach's alpha ranged from .79 to .85, which are higher than the generally agreed-upon lower limit of .70 (Huck, 2000; Nunnally, 1978). The convergent validity was assessed by a factor analytic method. A factor loading of .60 was determined to be the lowest acceptable loading, although loadings of .30 or higher are acceptable (Nunnally, 1978). It was found that both the total variance explained (VE) and factor loading for each item was large enough to indicate that all the items are valid.

Table 1
Reliability and Validity of the Research-Measuring Instrument

Variable	Statement		Factor Loading (FL)	AVE	α
Treating staff as individuals "TSI"	TSI1	My supervisor is available and provides support	.92	.68	.82
	TSI2	My supervisor respects me	.85		
	TSI3	My supervisor treats me based on my needs and abilities	.68		
	TSI4	My supervisor advises, coaches, and mentors me	.62		
	TSI5	My supervisor assigns tasks based on my competencies and abilities	.82		
Staff delegation "SDL"	SDL1	My supervisor delegates tasks to employees on a rotating basis	.85	.72	.79
	SDL2	Delegation makes me feel self-confident and motivated	.72		
	SDL3	Delegation increases my understanding of the details concerning my tasks	.81		
Performance "PERF"	PERF1	I make significant contributions to the overall performance of my organisation	.72	.75	.85
	PERF2	I always complete my tasks on time	.73		
	PERF3	I always meet the expectations of my supervisor	.67		

Results

By applying LISREL 8.8, the current study used structural equation modelling (SEM) to test the hypotheses. The following diagram was developed (see Figure 2). The result, at a level of significance equal to .01 or .0001 and $R^2 = .59$, indicates that the coefficient of determination was of relevant value to display that the relationship between the factors was significant. The diagram also shows that treating staff as individuals and staff delegation had impacts on the performance of retail SMEs.

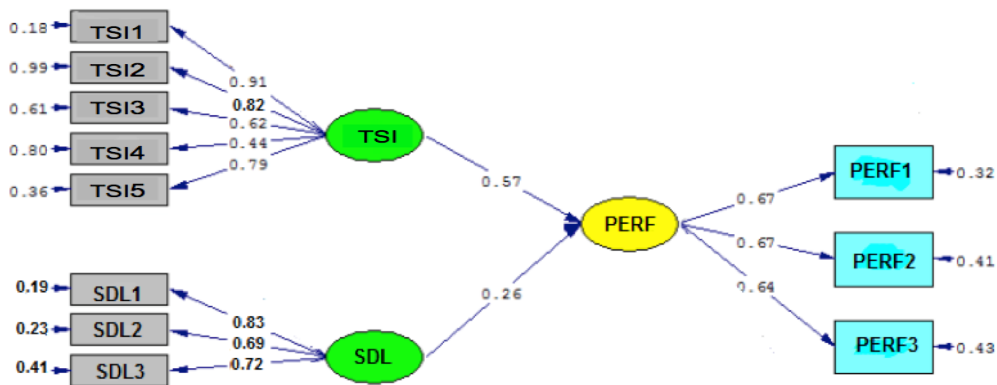


Figure 2. Conceptual model results; $R^2 = .59$

Table 2 shows the model fit index. The observed values, compared to the reference ranges were large enough to indicate that the model was a good fit. For example, the result of CFI is .99, RMSEA is .045, and RMR is .028, which indicates a good fit in the index. The analyses also suggested that treating staff as individuals and staff delegation both had an impact on the performance of retail SMEs.

Table 2
Model Fit

Indicator	χ^2	df	χ^2/df	NFI	CFI	RFI	GFI	RMSEA	RMR
Value	329.45	164	2	.98	.99	.98	.93	.045	.028
Reference range			3 or less	.90 or more	.90 or more	.90 or more	.90 or more	.08 or less	.04 or less

Note: χ^2 , chi-square; df, degrees of freedom; NFI, normed fit index; CFI, comparative fit index; RFI, relative fit indices; GFI, goodness-of-fit index; RMSEA, root-mean-square error of approximation; RMR, root mean square residual

The results of testing the hypotheses are displayed in Table 3 and suggest that there is a positive effect of staff development on performance. The hypothesis (H₁) was that there is a positive effect of treating staff as individuals on retail SMEs' performance. Testing for significance at the .0001 level, and a calculated *t*-test value of 9.15, the null hypothesis was rejected. The hypothesis (H₂) was that there is a positive effect of staff delegation on retail SMEs' performance. Testing for significance at the .01 level, and a calculated *t*-test value of 4.53, the null hypothesis was rejected.

Table 3
Results of the Hypotheses Test

Hypotheses	Path	<i>B</i>	<i>t</i>	<i>p</i> -value	Reject or accept	<i>R</i> ²
H ₁	Treating staff as individuals to performance	.57	9.15	.0001	Accept	.59
H ₂	Staff delegation to performance	.26	4.53	.01	Accept	

Discussion

The purpose of this study was to identify the effect of staff development on retail SMEs' performance in Saudi Arabia. This study found that treating staff as individuals has a positive effect on retail SMEs' performance ($t = 9.15$, $p < .0001$). This finding corresponds with what the literature reflected about employee treatment on an individual basis and its impact on performance. Research has concluded that employees produce more with a manager who supports and encourages their development. The literature has indicated that employees feel safer, engage in productive behaviour, are less likely to quit their job, and are more satisfied with their job when their managers treat them as individuals (Avolio, 2011; Carless et al., 2000; Chrysoula et al., 2018; Dabke, 2016; Lussier & Achua, 2015).

Additionally, this study found that staff delegation has a positive effect on retail SMEs' performance ($t = 4.53$, $p < .01$). The results of this study are in line with what the literature concluded about staff delegation and its impact on performance. To develop employees' skills and knowledge, the employees must be provided with new challenges. Effective managers delegate tasks and responsibilities to assess their employees' ability, which, in turn, increases workers' input into the business. The literature also has indicated that staff delegation would lead to a competitive advantage because it usually results in increased productivity (Graham et al., 2015; Kayl et al., 2017; Mullins &

Schoar, 2016; Paglis, 2014; Shulepov & Shulepova, 2016). Furthermore, it found that the effect of treating staff as individuals is more than the effect of staff delegation on retail SMEs' performance ($[t = 9.15, p < .0001] > [t = 4.53, p < .01]; \beta_1 > \beta_2$). This finding implies that working closely with each employee may promote the performance more than delegating tasks and responsibilities does.

Based on the above discussion and based on rejecting the null hypotheses, this study concluded that staff development has a positive effect on retail SMEs' performance. This study's finding is similar to what the literature concluded about staff development and its impact on performance. The literature has shown the positive association between staff development and performance (Barroso et al., 2008; Cascio, 2018; Chrysoula et al., 2018; Effelsberg et al., 2014; Northouse, 2018). A variety of benefits have been assigned to staff development, including maintaining employees' competencies as well as enhancing the organisation's competitiveness. Strategies that promote staff development could result in a competitive advantage because the aforementioned benefits usually lead to boosted productivity. Employees who receive staff development are more likely to remain committed to their employer and are less likely to become involved in careless behaviour in the workplace (Barroso et al., 2008; Caillier, 2014; Fallon & Rice 2015; Hamstra et al., 2014; Madar, 2016).

To conclude, the results of the current study indicate that the managers may possess leadership attitudes, behaviours, and skills, expressly transformational leadership behaviour. The managers might want to develop the employees' knowledge, attitudes, and skills. They may want their employees to perform their job to the best of their ability and exceed their expectations. They may believe the employees are the greater assets of the retail SMEs and may desire to create a better future for their organisations. The results also imply that the employees may be satisfied with their job, manager, and organisation. The employees may believe that they are valued and appreciated because their managers care about their development. This indicates that the managers and their subordinates may work in a healthy and successful working environment. This informs the managers that if they work closely with each employee, the latter may feel supported, encouraged, and produce more. Finally, this indicates that staff development might increase performance.

Limitations and Further Studies

The main limitation of the current study was that it only applied to retail SMEs, not to industrial or service SMEs in Saudi Arabia. Therefore, further

research is recommended to determine whether or not similar results would be found for SMEs in other types of industries. The results have shown that 28% of those who responded were female. This indicates that the Saudi market is open for the female workforce now (10 years ago, employment was limited for women); therefore, further research is suggested to compare the perception of staff development based on gender in Saudi Arabia. Another limitation of the current study was that the questionnaire did not capture whether or not the managers treat staff as individuals and delegate tasks and responsibilities to subordinates because they work in SMEs; and hence, they have to do that to get the job done or because they possess transformational leadership behaviour and really desire to develop their staff. Therefore, a last recommendation for a study would be to conduct research identifying why SME managers promote staff development.

Conclusion

Because SMEs are the basis of any developed economy, there is a need to embrace organisational learning strategies like staff development that can have a significant effect on their performance and survival in the competitive business world. This study is among the few studies conducted in Saudi retail SMEs. This research investigated the effect of the staff development on retail SMEs' performance in Saudi Arabia and showed that staff development has a positive effect on retail SMEs' performance. This informs the managers that if they work closely with each employee and delegate responsibilities and tasks to their subordinates, the latter may feel satisfied, supported, and encouraged. Thus, the employees would produce more, be engaged in effective behaviour, be loyal to their employer, and avoid neglectful behaviour in the workplace. These implications will increase job performance and ultimately assist retail SMEs to survive, especially after the first 5 years of trading.

Moreover, the results may indicate that managers of retail SMEs could facilitate staff development on a daily basis as they delegate responsibilities and tasks to their subordinates merely to get the job done because they handle many responsibilities and tasks. They may delegate tasks and responsibilities and treat staff on a one-to-one basis because they have no other choice. Therefore, staff development will be promoted naturally and unintentionally in retail SMEs. In addition to staff development and its impact on retail SMEs' performance, this research adds depth to the body of knowledge concerning the organisational learning in SMEs. Since the staff is limited and management handles several aspects of business in small organisations, the managers delegate responsibilities and tasks to their subordinates merely to get the job done and, in turn, obviously develop the staffs' competencies and abilities. As most small

organisations have no specified training strategy, managers may have to facilitate informal unstructured methods of organisational learning, such as staff development, in order to fill the gap of training programmes.

Managerial Implications

It is imperative that managers strategically plan for organisational learning at their organisations to compete and manage their surroundings. The managers should develop their employees' knowledge, attitudes, and skills to enable the latter to perform their job efficiently and engage in productive behaviour. One approach that enables them to accomplish this strategic goal is staff development. Managers ought to treat workers on a one-to-one basis. They must recognize the needs and abilities of each subordinate and assign jobs based on the employees' competencies. It is essential that the managers be available, provide support, and pay close attention to each employee's needs. They must advise, coach, and mentor.

It is important that the managers provide their employees with new challenges and opportunities via delegation. They must delegate tasks and responsibilities to employees to expand the latter's input to the business. They should delegate unpleasant routine tasks to different subordinates on a rotating basis to perform the job in a timely manner and to facilitate staff development. Not only does delegation develop staff members' knowledge and skills, but it also enables managers to get the job done. They ought to delegate responsibilities to the employees to promote the latter's understanding of the details of the job. Not only does promoting delegation strategies facilitate employees' development, but it also empowers employees, provides them with challenging opportunities, and makes their job more interesting.

The managers should consider staff development as a management task of their daily managerial role. If the managers want to retain labourers, increase job satisfaction, thrive in the uncertain economy, and remain competitive, they must facilitate their staff development on a daily basis. It is significant that the managers be people oriented and visible to promote employee competencies, productivity, and loyalty, which ultimately increase performance. Since most small organisations have limited training programs, the managers must support and encourage staff development by treating employees as individuals and delegating tasks and responsibilities.

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