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#### Abstract:

This research deals with the hidden costs in Saudi Corporations in terms of their presence and their impact on the performance. The first part of the research is a review of the literature related to hidden costs in general and the second part is an analysis of 100 questioners which were received from a sample of companies listed in the Tadawul stock market in Saudi Arabia. The Multiple regression method was used to analyze the questionnaires received from the companies. A set of results were reached: the hidden costs at all are existing in Saudi Corporations with a high average of both of Absence index (3.98), productivity index (3.81) and medium average for each of work turnover rate (3.66), poor quality (3.54) and work accidents index (3.52). A set of recommendations were suggested such as: applying the principle of penalties to reduce the phenomenon of absenteeism at work, giving material and moral rewards to disciplined workers who are not absent, improving working environment conditions, hiring qualified and trained workers from the beginning, respecting employees, being transparent and just in dealing with them, giving continuous training courses to them, , reducing overtime work hours and timing them to reduce injuries on the job, focusing on improving quality to increase the profits, considering hidden costs as one of the constituent elements of the comprehensive income statement, forming an allowance of estimated hidden costs doubtful in the financial statement position, standardizing the hidden costs and including them in the budgets of business organizations.

**Keywords:** Hidden costs; performance; Absence; Productivity; work turnover rate; poor quality; work accidents.

#### الملخص:

تناول هذا البحث التكاليف الخفية في الشركات المساهمة السعودية من حيث وجودها وأثرها على أداء هذه الشركات. وشكل الجزء الأول من البحث مراجعة للأدبيات المتعلقة بالتكاليف الخفية بشكل عام، بينما تناول الجزء الثاني تحليل 100 استبانة تم استلامها من عينة من الشركات المدرجة في سوق الأسهم السعودية (تداول). وتم استخدام أسلوب الانحدار المتعدد لتحليل الاستبيانات الواردة من الشركات. وتم التوصل إلى مجموعة من النتائج: التكاليف الخفية موجودة بشكل عام في الشركات السعودية بمتوسط مرتفع لكل من مؤشر الغياب (3.98) ومؤشر الإنتاجية (3.81) ومتوسط متوسط لكل من: معدل دوران العمل (3.66)، الجودة الرديئة (3.54) ومؤشر حوادث العمل (3.52). وقد تم اقتراح مجموعة من التوصيات منها: تطبيق مبدأ العقوبات للحد من ظاهرة التغيب عن العمل، وإعطاء مكافآت مادية ومعنوية للعاملين المنضبطين غير المتغيبين، وتحسين ظروف بيئة العمل، وتوظيف عاملين مؤهلين ومدربين منذ البداية، واحترام الموظفين والشفافية والعدالة في التعامل معهم، وإعطاء دورات تدريبية مستمرة لهم، وتقليل ساعات العمل الإضافي لتقليل الإصابات أثناء العمل، والتركيز على النوعية لأثرها الإيجابي على زيادة الأرباح، واعتبار التكلفة الخفية أحد العناصر المكونة لقائمة الدخل للشامل، وتكوين مخصص للتكاليف الخفية في قائمة المركز المالي، ومحاولة معايرة التكاليف الخفية وإدراجها في الموازنات التخطيطية لمنظمات الأعمال.

**الكلمات المفتاحية:** التكاليف الخفية؛ الأداء؛ الغياب؛ الإنتاجية؛ معدل دوران العمل؛ الجودة الرديئة؛ حوادث العمل.

## 1. Introduction

Most business organizations seek to achieve profitability, and this requires maximizing revenues and reducing costs while maintaining quality according to the strategy used by the management of the organization. There is no difficulty in identifying, standardizing, and controlling the direct and variable costs, but the problem lies in allocating indirect costs with the aim of fair distribution and accurate calculation for the unit cost of the product (good or service), the accompanying rationalization of production, sale and distribution decisions and the comparison between the available alternatives in order to reach the desired goals and maximize profits. Here in Al-Nafaa (2019), we notice the known indirect costs allocation methods, such as ABC (Activity Based Costing), time-Driven ABC, RCA (Resource Consumption Accounting) and other methods. Business organizations also seek to control costs through estimating and standardizing them, using the performance reports to discover undesirable deviations, and this includes non-added value costs, such as the costs of internal transportation, handling and adaptating to reduce them to the maximum degree because they do not add value to the product. But what contemporary accounting systems have neglected is the hidden costs which contribute in reducing profitability because they are not included in the accounting systems (financial accounting and cost accounting) and therefore are not estimated or standardized, which mainly revolves around: the cost of work and what is related to it, absenteeism of workers, work accidents, work turnover, non-quality defects, and worker productivity. The study of Ionescu et al. (2019) showed that business organizations focus on reducing costs and maximizing profits while facing hidden costs that negatively affect the performance of these organizations. Hidden costs arise from various factors such as: absenteeism of workers, work turnover, productivity and quality deviations, as well as work accidents.

The research will address the importance of the study, research objectives, research hypotheses, theoretical framework, statistical analysis of data, results, recommendations and references.

### 1.1. The Importance of the Research:

We consider that the importance of the research stems from the following things: the identification and reduction of hidden costs will lead to maximizing the profitability of business organization in the strategic term, enhancing the competitiveness of business organization in the long term through detection and work to reduce hidden costs, and developing the accounting theory by developing the current financial statements and giving researchers the opportunity to work on finding or developing methods of measuring and estimating hidden costs in business organizations.

### 1.2. The Objectives of the Research:

This research aims to shed light on these types of costs in an attempt to understand their nature and impact on the financial statements of business organizations, try to estimate and standardize them, and notice their presence in Saudi Corporations. The research will attempt to answer the following questions: What are the hidden costs in business Organizations? Are there hidden costs in Saudi Corporations? What is the impact of hidden costs on the performance of Saudi Corporations?

### 1.3. Research Hypotheses:

**H1:** There is a significant relationship between employee absence and companies' performance.

**H2:** There is a significant relationship between work accidents and companies' performance.

**H3:** There is a significant relationship between poor quality and companies' performance.

**H4:** There is a significant relationship between productivity and companies' performance.

**H5:** There is a significant relationship between turnover and companies' performance.

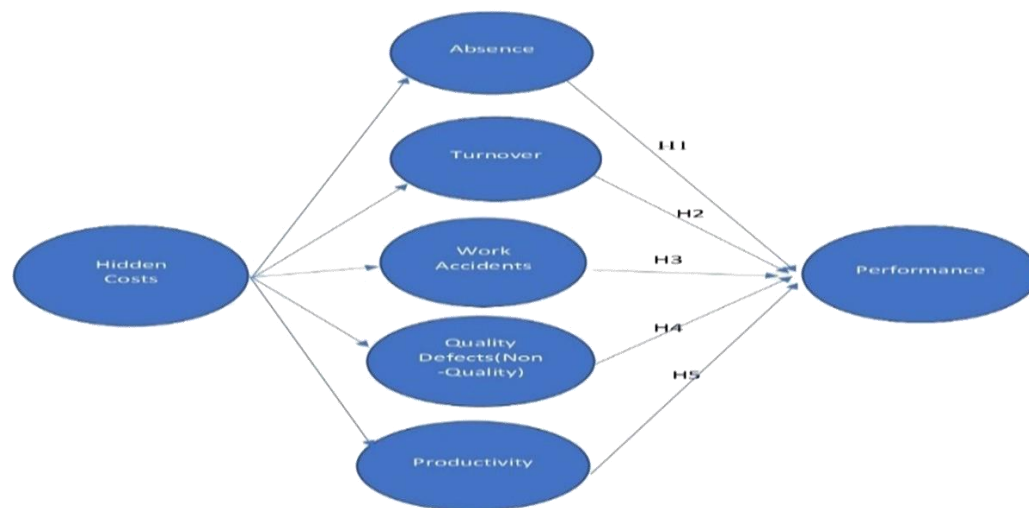


Figure (1): the relationship between the independent and dependent variables

## 2. Theoretical Framework of the Research

### 2.1. The Definition of Hidden Costs:

The credit for giving it this name is due to the French scientist (H. SAVALL), and it is possible to derive the following definitions of hidden costs:

It is the cost that does not appear in the accounting books, such as the cost of training new workers in the production chain. The slowness of the new worker in the production chain leads to a delay in every production batch, which leads to a high cost of the product unit.

They are costs related to quality that do not appear in the official quality reports, and appear under other names such as re-engineering and production costs.

A critical translation of the activities of handling operating losses, and it is called hidden because it cannot be observed in the information systems of the institution.

Also, business organization may be unable to control some costs, which are mainly represented in the impact of the human resource, which is the only element whose behavior cannot be controlled, rather, it can be monitored and directed only, and this is a result of some behaviors that appear in the organization, such as absenteeism, work accidents, poor quality, or the so-called hidden costs that negatively affect the organization and its level.

The hidden costs elements are the additional wages (resulting from the absence of workers without an excuse), the additional time to address manufacturing defects due to the neglect of workers, the functional consumption of both available resources and work energy, and the opportunity cost resulting from not meeting the needs of customers and the return missing production, in other words, not adhering to quality standards.

We can notice the indicators of hidden costs are as follows:

### 2.2. Absence:

It is considered one of the most important indicators of hidden costs and is defined as the worker's failure to attend work despite being included in the workers' lists for personal reasons or beyond his control. In a study, researchers showed that obese workers cost the country about \$8.65 billion annually and miss more than workers of normal weight.

Stewart (2013) titled in: "Work Missing: Trends in Absenteeism in Canadian Organizations" deals with the fact that absenteeism is more than just a matter of human resources. It costs the Canadian economy billions of dollars every year. The researcher also explained that by looking at patterns of absenteeism and identifying the causes of absence, organizations can develop programs and policies to reduce absenteeism.

### 2.3. Work Turnover:

The hidden costs in the labor turnover rate are the costs associated with recruitment from administrative and contracting procedures, the costs associated with the initial training of new employees and the decrease in productivity, the costs of dismissal and termination of service and end-of-service benefits.

According to Al-Serafy (2006), work turnover is defined as the movement of new workers entering the institution or leaving them due to moving, promotion, retirement, dismissal or death within a specified period of time.

Bernard (2018) showed that industry leaders in the United States spent 11 billion dollars annually in advertising, recruitment and training expenditures related to the return on voluntary employee turnover, and using the theory of employee turnover as a conceptual framework.

In the study of Major (2016), the researcher showed that increasing the rate of work turnover is costly for business organizations by causing problems in workloads and work flow. And the annual average of work lessons in the United States of America reached 25%, which small-sized enterprises cannot afford. The researcher concluded the need for training, appropriate compensation for employees, a professional work environment and effective communication as the most important factors to reduce the voluntary turnover of employees. The owners of small projects also indicated that one of the factors that limit the voluntary turnover of employees is education and a positive, organized environment at work.

Justus (2017) showed that voluntary employee turnover destabilizes small retail companies and represents a costly business problem for owners of small retail companies. Some small retail companies witness a voluntary employee turnover rate of up to 50% annually to reduce voluntary employee turnover by increasing overall job satisfaction among employees. This study investigates positive social change by providing strategies for small business owners and human resource managers to reduce voluntary employee turnover, increase profits, and improve economic conditions in the communities in which they operate.

Carter (2018) indicated that the low rate of employee turnover among small companies is a problem because employee turnover is costly and negatively affects the ability of business owners to gain a competitive advantage. The study's implications for positive social change include the ability to help small business owners and leaders implement strategies to reduce employee turnover and increase revenue to maintain their competitive edge. Small, stable businesses can lead to social change by creating jobs to strengthen local communities and economies.

Morgan (2019) showed that the cost of replacing employees may reach 200% of the annual salary of this employee, and owners of small service enterprises are sensitive to this issue because of their limited resources. Strategies to reduce voluntary employee turnover create positive social change in local economies by helping to ensure stability in local trade and national economies by supporting the success of the small businesses that represent many businesses in the United States.

#### **2.4. Work accidents:**

The work accidents are defined by Shehata (2007) as: "everything that happens without being expected, resulting in harm to the individual or to others." Work accidents can be defined as: "An unexpected accident that may lead to damage or injury in every circumstance of working life, and most if not, most accidents may be due to material elements while part of them may be due to human effort." Work accidents affect the ability of individuals to produce in a unit of time by causing the loss of part of the work time, whether for damage to the worker or loss of property or both (Munira, 2010). It is also considered one of the most factors that increase production costs in proportion to the apparent and hidden costs.

Ionescu et al. (2019) showed that business organizations often seek to reduce costs and maximize profits, while facing hidden costs that negatively affect the results of business organizations. Hidden costs can arise from the following reasons: absenteeism, work turnover, productivity deviations and work accidents. Researchers confirm that scientific research can determine the value of these hidden costs through prediction using algorithm.

In the study of News (2019), it was shown that each employer bears his share of the cost of health care for his workers, for example, the cost of health care for workers in Starbucks annually represents more than the cost of coffee, and General Motors has more than the cost of Steel. Over the years, companies have reduced the risk of injuries and accidents in the workplace, but the stress inflicted on employees as a result of stressful working conditions has not received the same attention, which in turn leads to reduced productivity and thus increased hidden costs. Among the hidden costs resulting from work accidents (Munira, 2010): the cost of participating in social security for work accidents, and the administrative cost resulting from work accidents, which includes (the cost of the time spent by the administration in investigating the accident and the cost of lost time for the worker being investigated due to the accident and the cost of internal and external correspondence due to the accident), the cost of first aid for primary health care for the worker after the accident, the potential health monitoring after the worker undergoes treatment, and the cost of operating losses resulting from worker accidents, which includes (the cost of lost time resulting from the worker stopping work immediately after his injury). The wage that the worker receives despite the decrease in his productivity after the work accident, the cost of the workers present during the accident, either for leaving their jobs and following up on the accident or the disruption of the production line that the worker was working after being exposed to the accident, and the cost of additional wages due to compensating the shortfall in production as a result of the accident, the resulting cost for the absence of the injured worker, the cost of training and qualifying the new worker to replace the worker injured by the accident,

in addition to the cost of lost profits due to the shortage or damage in production due to the accident and the investment cost of preventing work accidents.

### 2.5. Quality defects (non-quality):

According to Okil (2005), Quality is defined as “the ability of the product to satisfy the desires of customers on the basis of its internal and external characteristics. Thus, the concept of lack of quality refers to the presence of defects or distortions that appear on the product and can be observed with the naked eye. Poor quality As for the poor quality, it is also defined by Munira (2010) as a bad definition of the need or bad listening to the customer, poor design, that is, the lack of accurate definition of the products and the lack of good translation of the needs, poor implementation, poor service delivery to the customer, and the reasons for the lack of quality are due to human factors, elements of design and work style, factors related to machines and equipment, and factors related to raw materials and components. The hidden costs related to non-quality include the costs incurred by the facility due to low quality, including prevention and evaluation costs and internal and external failure.

V, Rajasekar, Santhosh, Arunprasad, and Trehan, (2018) showed that defective parts in manufacturing are a serious problem faced by every manufacturer. Even after proper care in design, material selection and product manufacturing, there is a defective part. The purpose of this study was to explore the quality of manufacturing, and to find the use of effective quality tools to reduce the part defect rate in the electrical parts manufacturing unit, and thus reduce the cost of replacing defective parts.

In the study of Luca & Luca (2019), the researchers showed that the use of quality management tools plays a major role in improving the quality of products or services provided, helping to ensure internal efficiency and effectiveness of the organization as well as improving customer satisfaction and considering the advantages of using quality management tools. In the study of Cheah, Shahbudin, and Taib. (2011), it aimed to report the use of quality costing in one of the continuing industry facilities with a focus on hidden costs. As a result of the study, it was found that the costs of non-quality (poor quality) included an additional category of the traditional failure model, which is the lost opportunity costs. Keeping track of poor-quality costs is an important step in the quality management process.

### 2.6. Productivity:

Productivity is defined as the ratio of the final product to the elements contributing of its formation (Issawi, 2015), that is, the ratio of the quantity or value of products to the resources used in them, such as human forces, machinery, equipment or raw materials. As known by Babiker (2007), it is the amount produced by a unit of production factors, and here we distinguish between two types of productivity: partial productivity which means the amount produced by one of the factors of production, and total productivity which means the amount produced by the total factors of production.

In the study of Sullivan, Edgar and McAndrew (2019), it was shown that alcohol use affects workplace productivity in terms of absenteeism and decreased performance by employees. The objectives of this study were to estimate the cost of lost productivity associated with alcohol use in New Zealand and to describe and evaluate the impact on employers. The estimated average annual cost of lost productivity due to alcohol use per employee was NZ\$1097.71.

In the study of Bedel (2019), the aim was to assess the cost of moving employees by surveying a wide range of member companies in a variety of sectors and the varying size of the workforce. The researchers found that costs depend largely on the amount of training required to move the new employee to a relatively high level of productivity (say 80 to 85 percent of full productivity).

Mahmood, Shahrukh and Ishaque (2013) indicated that the costs of poor quality will not be spent if the required work is done correctly from the first time; some researchers claim that poor quality costs ranging from 22 to 32% of total revenues.

Souza, Marques-Poiani-da-Silva, Gomes-Ramos, Silva-Porto and Gask-de-Souza (2019) showed that measuring hidden costs becomes an essential tool for increasing the competitiveness of business enterprises taking into account market conditions. It was found that hidden costs significantly affect the productivity of the cooperative, which indicates the importance of their identification with the aim of improving operational results.

## 3. Research Methodology

The research is based on the inductive and deductive approaches, where it will review what is stated in the accounting thought in general and in the field of hidden costs in particular, with the aim to arrive a theoretical framework of research, on the basis of which a field study is conducted on a sample of Saudi corporations in various sectors, to identify the extent of the existence of hidden costs and their impact on the performance of Saudi corporations.

### 3.1. Sampling:

A simple random sample of public and private sector employees was selected, the research sample was 100 individuals, and table 1 shows the distribution of sample individuals to demographic characteristics.

**Table (1):** Demographics of the research sample

Demographic variables	Categories	Frequency	Percent
<b>Sector</b>	Public sector	48	48.0
	Private sector	52	52.0
<b>Occupation</b>	Financial Manager	20	20.0
	Senior Accountant	12	12.0
	Trainee accountant	4	4.0
	Other	64	64.0
<b>Qualification</b>	PhD	36	36.0
	Master	16	16.0
	Bachelor	48	48.0
<b>Experience</b>	Less than 3 years	32	32.0
	3 to less than 6 years	8	8.0
	6 to less than 9 years	8	8.0
	9 to less than 12 years	4	4.0
	12 years and above	48	48.0

### 3.2. Instruments:

A questionnaire was developed to measure independent and dependent variables. The questionnaire included two parts: the first: related to general information as (sector, occupation, qualification, and experience). second part measures the variables of the research, which consists of 28 items including: four items that measure each of absence and turnover, five items that measure each of work accidents, poor quality and productivity, and six items that measure performance. The Likert scale was used, the response of which ranged from strongly agree = 5 points to strongly disagree = 1 point.

### 3.3. Validity and reliability:

Validity indicates that the scale measures what is designed to measure it, and reliability indicates the internal consistency of individuals' responses to the scale. Reliability analysis is conducted for the scales using Cronbach's alpha ( $\alpha > 0.70$ ). Validity has been verified through standardized factor loadings (SFL  $> 0.70$ ) which is preferred to a test of construct validity, composite reliability is a preferred to a test of convergent validity (CR  $> 0.70$ ), and average variance extracted (AVE  $> 0.50$ ) is used as a test of both divergent and convergent validity (Chin, 1998; Abdur Rouf & Akhtaruddin, 2018; Al-Tit, 2016). Table 2 shows that the instrument items enjoyed acceptable validity and reliability after dropping four items in which SFL were less than 0.70 (AB5, AC1, PE1 and PR3).

**Table (2):** The results of validity and reliability

Constructs	Items	Factor Loadings*	Factor Loadings	Cronbach's alpha	Composite Reliability	Average Variance Extracted (AVE)
<b>Absence</b>	AB1	0.749	0.748	0.831	0.883	0.655
	AB2	0.711	0.720			
	AB3	0.865	0.861			
	AB4	0.895	0.895			
	AB5	0.311**	-			
<b>Accidents</b>	AC1	0.689**	-	0.935	0.941	0.795
	AC2	0.805	0.801			
	AC3	0.841	0.838			
	AC4	0.959	0.960			
	AC5	0.935	0.939			
	AC6	0.908	0.909			
<b>Performance</b>	PE1	0.377**	-	0.903	0.921	0.660
	PE2	0.887	0.876			
	PE3	0.848	0.865			
	PE4	0.752	0.758			
	PE5	0.808	0.807			
	PE6	0.763	0.778			

<b>Poor Quality</b>	PE7	0.772	0.782			
	PO1	0.714	0.725	0.882	0.907	0.665
	PO2	0.742	0.727			
	PO3	0.765	0.749			
	PO4	0.928	0.928			
	PO5	0.918	0.921			
<b>Productivity</b>	PR1	0.941	0.943	0.906	0.936	0.786
	PR2	0.723	0.740			
	PR3	0.550**	-			
	PR4	0.936	0.935			
	PR5	0.919	0.912			
<b>Turnover</b>	TU1	0.952	0.953	0.924	0.945	0.811
	TU2	0.917	0.916			
	TU3	0.864	0.862			
	TU4	0.866	0.866			

\* Before items deleted  
 \*\* SFL < 0.70

The results shown in Table 3 verify the discriminant validity of research constructs, where the investigated can be verified by the square root of the AVE of each construct that should be much higher than the correlation of the construct with all other constructs (Al-Tit, 2020).

**Table (3):** Discriminant validity and descriptive variables

Constructs	Absence	Accidents	Performance	Poor Quality	Productivity	Turnover	Mean	Std. Dev.
<b>Absence</b>	0.809						3.98	.772
<b>Accidents</b>	0.698	0.891					3.52	.968
<b>Performance</b>	0.485	0.560	0.812				3.91	.687
<b>Poor Quality</b>	0.670	0.810	0.364	0.825			3.54	.907
<b>Productivity</b>	0.756	0.867	0.591	0.814	0.887		3.81	.908
<b>Turnover</b>	0.751	0.609	0.299	0.571	0.708	0.900	3.66	.873

### 3.4. Test of hypotheses:

Table 4 shows the results of hypotheses testing. The results indicated that there is not a significant relationship between employee absence and companies' performance, the H1 was not supported. The results also refer to that there is a significant relationship between work accidents and companies' performance ( $\beta = 0.537$ ). The H2 was supported, and there is a significant relationship between productivity and companies' performance ( $\beta = 0.697$ ). The H4 was supported. On the other hand, the findings show that there is a negative significant relationship between poor quality and companies' performance ( $\beta = -0.678$ ). The H3 was supported. There is a negative significant relationship between turnover and companies' performance ( $\beta = -0.373$ ). The H5 was supported. Figure 1 explains these relationships. Finally, the results indicate that the value of  $R^2$  Adjusted (0.483) which shows the predictor of independent variables in the independent variable; this value is moderate according to (Chin,1998). He suggested that the values of  $R^2$  that above 0.67 is considered high, 0.33 - 0.67 are moderate, 0.19 - 0.33 are weak and less than 0.19 are unacceptable.

**Table (4):** Path Coefficient of the Research Hypotheses

Hype	Relationships	Std. Beta	Std. Error	T Values	P Values	Decision
<b>H1</b>	Absence -> Performance	0.318	0.181	1.757	0.080	Not Supported
<b>H2</b>	Accidents -> Performance	0.537	0.247	2.176	0.030	Supported*
<b>H3</b>	Poor Quality -> Performance	-0.678	0.228	2.969	0.003	Supported**
<b>H4</b>	Productivity -> Performance	0.697	0.203	3.434	0.001	Supported**
<b>H5</b>	Turnover -> Performance	-0.373	0.177	2.103	0.036	Supported*

Significant at  $p^{**} \leq 0.01$ ,  $p^* \leq 0.05$   
 R Square Adjusted 0.483

The finding of effect size, as shown in Table 4, indicated that the poor quality is the strongest independent variable affecting the companies' performance ( $f^2 = -0.213$ ). This value is medium effect according to Chin (1988). He suggested that the values of  $f^2$  and  $f^2$  are 0.02-0.15, 0.15-0.35 respectively, and above 0.35 indicating small, medium, and large respectively.

Table (5): The Effect Size of the Exogenous Constructs

Constructs	Effect Size- $f^2$	Results
<b>Absence</b>	0.067	Small
<b>Accidents</b>	0.089	Small
<b>Poor Quality</b>	0.213	Medium
<b>Productivity</b>	0.154	Medium
<b>Turnover</b>	0.109	Small



Figure (2): Research Model

## 4. Findings and Recommendations

### 4.1. Findings:

According to the researchers, this is the first study dealing with hidden costs in Saudi corporations in terms of their presence and their impact on the performance of these companies. The researchers reached the following results: the Hidden costs are present in Saudi Corporations in different proportions, as they were high for each of: the absenteeism index with an average of (3.98), and the productivity index with an average of (3.81), and it was medium for each of: the work turnover rate with an average of (3.66) and poor-quality indexes (3.54). There is no statistically significant relationship between employee absence and the performance of Saudi Corporations ( $\beta = 0.318$ ) while there is a statistically significant relationship between work accidents and the performance of Saudi Corporations ( $\beta = 0.537$ ), there is a statistically significant relationship between productivity and performance of

Saudi Corporations ( $\beta = 0.697$ .) and there is a negative statistically significant relationship between poor quality and the performance of Saudi Corporations ( $\beta = -0.687$ ).

#### 4.2. Recommendations:

- Apply the principle of penalties to reduce the phenomenon of absenteeism at work.
- Give material and moral rewards to disciplined workers who are not absent.
- Improve working environment conditions.
- Hire qualified, trained workers from the beginning.
- Respect employees, and be transparent and just in dealing with them.
- Give continuous training courses to employees.
- Provide industrial safety means for workers, such as clothes, shoes, and glasses, from radiation, and increase the rules of occupational safety
- Reduce overtime work hours and time them to reduce injuries in the job.
- Suggest that the hidden costs component to be one of the expenses components within the comprehensive income statement in Saudi Corporations.
- Propose the formation of an allowance of hidden costs doubtful in the financial statement position in Saudi Corporations which appears as one of the elements of current liabilities.
- Focus on business management to improve quality because of its positive impact on increasing profitability and improving the financial position of Saudi Corporations.
- Budgeting in Saudi Corporations` estimated hidden costs (standardized) is based on the experience of previous years and setting a standard for them.
- The need of (SOCPA) the Saudi Organization for Certified Public Accountants to set a standard of hidden costs in business organization in general, and in Saudi Corporations in particular.
- The necessity of including the topics of hidden costs within the qualification exam for the accounting fellowship conducted by SOCPA the Saudi Organization for Certified Public Accountants.
- The necessity of business colleges to organize scientific seminars dealing with hidden costs, in which will lecture professionals from major accounting firms with a global reputation.
- The necessity of business colleges and training centers in Saudi universities to design and implement a set of training courses for students who are graduated and did not obtain sufficient knowledge about the hidden costs to qualify them for the current labor market.
- The need of mutual cooperation between companies operating in the Kingdom of Saudi Arabia and business colleges in Saudi universities to develop a theoretical and practical framework to address hidden costs and their negative impact on the performance of business organizations.
- The need of direct researches conducted by faculty members to address areas of hidden costs and encourage the collective synthesis of accounting in general and hidden costs in particular.

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