

Elements of Compensation Package Influencing Employee Retention: A Case of Non – Tithe Based Institutions of Seventh – Day Adventist Church – West Kenya Union Conference

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DOI: <https://dx.doi.org/10.47772/IJRISS.2024.8080107>

Received: 11 July 2024; Revised: 22 July 2024; Accepted: 26 July 2024; Published: 03 September 2024

ABSTRACT

In the modern business world, organizations are faced with a major challenge of retaining the best performing employees who are highly skilled and competent and capable of driving their productivity to higher levels. This study aimed at determining the elements of the compensation package that influences employee retention. The study adopted a descriptive research design. The target population for this study comprised of 289 regular employees. Data for the study was collected by means of a self-administered questionnaire. The data gathered was coded and analyzed using Statistical Package for Social Sciences (SPSS) version 23. Descriptive statistics such as frequencies, mean and standard deviations were used. The study adopted the use of Linear regression analysis as well as the use of Analysis of Variance (ANOVA). The study established that there is significant difference between levels of education on employee's perception of influence of compensation package on retention ($p=0.001$). There is also a significant difference between designations of employees with regard to employee bonuses ($p=0.002$). The regression model revealed a positive and significant influence of compensation policy employee retention (0.190, 0.020). The adjusted R Square of 0.343 of the regression model indicated that 34% of the variation in the employee retention variable is explained by the independent variables. The study concluded that the element with a significant influence on employee retention is the compensation policy. The study recommended that organizations should consider conducting regular assessments of their compensation policies to align them with employee expectations and industry standards.

Keywords: Compensation; Employee retention

INTRODUCTION

Collings, Wood and Szamosi (2018), assert that the success or failure of an organization is significantly dependent on the quality of human resource it has invested in and as such, the organisation should have necessary programs in place that will ensure that the employees are influenced to remain the longest in the organization. Pragalata, and Wibawa (2019), assert the importance of the human resources in an organization in ensuring organizational success and further assert that employees should therefore be considered as key players rather than objects in the process of achieving organizational goals. These arguments therefore bring into focus the significance of investing in recruiting and retaining highly skilled and competent employees. Aityan and Gupta (2012) observed that retaining high quality employees is fundamental in ensuring enhanced organizational productivity and performance particularly in a highly competitive business environment. However, Moghli (2019) and Hassan, Hassan Khan and Naseem, (2011) observed that organizations are facing a major challenge in retaining qualified employees and thus recommend that organizations should develop relevant programs and strategies that will enable long term employee retention.

Manogharan, Thiyaharan, and Rahman (2018) observed that the employee retention trends have become a serious concern to many organizations regardless of size while a number of researchers such as Johari, Yean, Adnan, Yahya, and Ahmad (2012), and Manogharan et al. (2018) have emphasized the dependence of organizational success on the caliber of employees the organization has at any given time. Additionally, Uitzinger, Chrysler-Fox, and Thomas (2016) posit that organizations can differentiate themselves in a highly

competitive environment by acquiring and retaining knowledgeable and skilled employees as their overall productivity and creation of sustainable competitive advantage is dependent on the expertise of their employees. Further to this, Ibidunni, Osibanjo, Adeniji, Salau, and Falola, (2016) observed that improving organizational performance and competitiveness is anchored on the organization's ability to retain their most valuable employees in the long term.

Raikes and Vernier (2004), posits that "attracting and retaining key talent is considered as a key strategy to achieve organizational financial success" with the impact of employee turnover widely considered to have direct and indirect costs on organizations, with the bill costing anywhere between 50 and 150% of an annual salary (Mercer, 2004).

Studies by various scholars have indicated that there are various factors that influence employees turnover rate including compensation that makes employees to be more enthusiastic at work. Lamba (2013), asserts that compensation affects employee turnover as it significantly impacts on the employee's affective commitment to the organization. Mmbusa (2019), in his study found out that compensation package plays a vital role in enhancing employee retention and preventing undesired exit of health of workers.

In Ghana, declined levels of employees' productivity and high rate of employees' turnover have been found to be influenced by employee's dissatisfaction with the employed remuneration systems and this has affected delivery of public services (Hanif, 2009). In Nigeria, lack of effective employee's remuneration systems has been blamed for the increased cases of industrial strikes amongst the public workers in health, education and mining sectors, these have resulted to increases rates of employees' turnover due to job dissatisfaction and employees' quest for better paying jobs in other countries (Oshagbemi, 2010).

In Botswana, good remuneration systems in terms of better employee's salaries and wages especially in health and education sector have attracted most skilled immigrants in the country; this has also played a key role in the performance of the country's public sector organisations. In South Africa, most organizations employees' remuneration systems are either basic pay or skilled based pay. Employees use basic pay to compare their job offers instead of using intrinsic rewards and other rewards not captured in the formal organizational framework up to including job security (Livingstone, 2009).

In East Africa, employee's remuneration systems have been a major challenge affecting the performance of public sector organisations. Findings from a study by Johnson (2010) revealed that majority of the employees in public sector organisations in Uganda, Kenya and Tanzania were not satisfied with their salaries and this lowered their work morale and productivity which in turn led to declined organisation performance. In Uganda and Kenya, lack of many job opportunities and increased rate of educated and qualified workers leads to increased labour supply and low labour demand which contributes to low salaries and wages.

Ojaka, Olango, and Jarvis, (2014), observed that over the last decade, employees' turnover rate in Kenya has become a nationwide challenge and attributing this to poor governance, leadership, and management of human resource; poor pay; retrenchment; conflicts between employees and management; poor working conditions and lack of career growth. Additionally, Micheal, (2009), also observe that various studies indicates that retention of highly skilled employees is a major challenge for most organizations as they are being attracted by more than one organization at a time with various kinds of incentives.

In the modern business world, organizations are faced with a major challenge of retaining the best performing employees who are highly skilled and competent and capable of driving their productivity to higher levels and therefore, this imply that human resource management function has a significant role in ensuring that the organizations are able to retain these best performing employees in the organization. In 21st century retaining talented and qualified employees is becoming a serious challenge of every organization. According to Chiekezie, O.Emejulu, and Nwanneka (2017), organization in the private sectors have experienced a high rate of employee turnover as there has been constant movement of highly skilled employees from one organizations to another and from one sector to another. Ayodele, Chang-Richards and González (2020), also affirms that there has been a high labour turnover rate in the construction industry, which negatively impacts the productivity and performance of construction businesses.

Armstrong, (2008), asserts that an effective compensation system is one that effectively reward or compensate employees for their work and services rendered to an organization and as such compensation systems and packages should provide basic attraction to employees to intend to stay for longer durations with the organization while Erasmus, Sutton and Gong (2001), posit that a compensation package is a system designed to determine amount of pay given to an employee in return for their contribution to organization's productivity

Studies shows that in Africa, employees' compensation is ranked as one of the major challenges affecting the performance of both public and private sector organisations due to the resultant high employee turnover rates. Most organisations have been found to poorly remunerate employees and this has impacted negatively on the level of employee's job satisfaction, employee's relations leading to high employee turnover rates and reduced productivity which contributes to declined organisations performance especially in service delivery (Hedwiga, 2011). Ologunde, Asaolu and Elumilad (2011), further assert that lack of effective compensation systems leads to low basic pay and wages which leads to low employees' productivity, increased staff turnover rates and declined employee's morale which negatively affects the overall performance of many public sector organisations.

Bula (2012), observed that in many Kenyan organizations, compensation systems have continued to be a major challenge in addressing employee turnover and further observed that, compensation systems established have led to low level of employees' job satisfaction which demotivates most of the staff leading to poor performance, hence increased employee turnover rates which affects retention of the most experienced and skilled workforce, (Bula, 2012).

The main objective of this study was to investigate the elements of compensation that influences employee retention in the various Non title – based institutions of the Seventh – day Adventist Church – West Kenya Conference

THEORETICAL REVIEW

This study is anchored on two motivational theories that tries to explain the relationship between the compensation levels and the employee motivation to either stay in the job or eventually leave the job. These theories are the Maslow's hierarchy of needs theory, and the Adam's equity theory.

A. Maslow's Hierarchy of Needs Theory

This theory was developed by Abraham Maslow in 1943 and it basically asserts that the behaviours of human beings are basically influenced by various wants and desires and that while the unsatisfied needs influence their behaviour, the satisfied needs does not. These needs are arranged in order of importance, from the basic to the complex and that an individual only advances to the next level of needs upon minimal satisfaction of the lower-level needs, (Eugene, 2005). Failure to satisfy these needs over a long period of time will leave the individual with the desire to seek for the satisfaction in an alternative environment, thus a decision to leave a particular job for an alternative one that is capable of creating the desired level of satisfaction for the lower-level needs and drives the desire to fulfil the higher-level needs, (King-Hill, 2015). The Maslow's hierarchy of needs theories fits into this study due to its ability to relate the needs fulfilment to the level of compensation that an employee receives and thus the desire to either remain or leave the work organization. Additionally, as the employee satisfies the lower-level needs and moves to the higher-level needs, they must be able to meet also the financial expectations associated with the higher-level needs, thus compensation plays a critical role. Generally, as the needs moves up the hierarchy, so is the compensation expectations. An employee remains attracted to a particular job for as long as the compensation considerations matches the needs level.

B. Adam's Equity Theory

This theory was developed by John Stacey Adams in 1963. It basically focuses on both the reinforcement and expectations on certain behaviours. This theory fits into the study as it suggests that employee's decision to remain in or leave an organization is a factor of their perceptions regarding the relationship between their contribution to the organization and the levels of rewards in most cases being finances that they receive from the

same organization and how this is compared to others offering the same levels of services in other organizations (Chiekezie, et al., 2017) and as that, influences their behaviours as to whether or not they will remain in a particular organization. Should the employees perceive inequity, then they are expected to adopt behaviours that they consider will help restore equity. Employees become distressed and consider it unfair when they are being under-rewarded and thus will be pushed either to fight for equity or leave the organization in the long run.

The theories further fit into the study as it considers that employee's satisfaction is significantly affected by the extent of perceived inequality on compensation as it considers that there is a positive and significant association between employee compensation and job satisfaction. Given that employees, in comparing themselves with others from outside the organization offering the same level of services, they can judge themselves whether or not they feel satisfied or dissatisfied and thus will adopt the appropriate behaviour.

C. The Concept of Employee Retention

According to World Health Organization, (2019), employee turnover is the frequency in which employee leaves an organization voluntarily or by being sacked and as such Sharma, Sharma and Agarwal, (2016), assert that employee retention is a critical aspect in the operations and survival of the organization and thus making it a critical factor to be considered by the organizational management that should then develop organizational policies, guidelines and other strategic plans to enhance employee retention and minimized employee turnover in their bid to realizing their set goals and targets. Sharma, et al., (2016), while addressing the concept of employee retention, identified that the most common types of employee turnover are voluntary, involuntary, retirement, internal transfers, avoidable and unavoidable or natural calamities. Sharma et al., (2016), further explained that voluntary turnover involves employee deciding to leave a job while involuntary turnover entails the organization having to lay off employees due to various reasons. Sharma, et al., (2016), assert that internal transfers entail moving an employee from one department to another within the same organization while Turnea (2018), posit that avoidable turnover is one that can be avoided by hiring, evaluating and motivating employees more effectively and unavoidable turnover relates to where an employee has to stop working due to sickness and becomes incapable of continuing to perform their tasks in the organization or when an employee dies (Turnea, 2018).

Iverson and Pullman (2009), opined that employee turnover can be classified as intentional when it results from personal or professional reasons such as resignation or unintentional such as dismissal. Further, Iverson and Pullman, (2009), assert that organizations that commit resources and invest measures to check on employee turnover are able to develop policies and programs that will enhance their employee retention efforts and programs.

D. The Concept of Compensation Package

Hedwiga (2011) while assessing the performance of public sector organizations in Africa observed that employees' remuneration has been ranked as major challenge affecting the performance of public sector organizations with most public sector organizations found to remunerate their employees poorly which in turn negatively impacting employee's job satisfaction, employee's relations and productivity which contributes to declined organizations performance especially in delivery of public services. Chiekezie, et al., (2017), in their study on compensation management and employee retention of Selected Commercial Banks in Anambra State, Nigeria in which they examined the influence of compensation management on employee retention by adopting a descriptive research design and using primary source of data collected through survey questionnaires, established a positive weak relationship between salary and employee satisfaction and concluded that if management fail to formulate, administer and implement some good compensation policies that would allow them retain their talented employee; these employees might leave their job if they find a better offer elsewhere.

Chege, (2016), conducted a study on the influence of employee benefits on retention at Safaricom Limited, aimed at determining the influence of employee benefits on retention at Safaricom Limited- head office, and targeting a population of 4,839 staff, adopting a descriptive survey and using primary data, and concluded that stock option ownership, health/medical insurance, retirement benefits/pension, leave and discounted staff loans influences employee retention. Additionally, Terera and Ngirande, (2014), in their research titled, "Impact

of rewards on job satisfaction and employee retention” and aimed at exploring the impact of rewards on job satisfaction and employee retention among nurses, with objectives being to determine the impact of rewards on employee retention, to establish whether there is a relationship between rewards and job satisfaction, and to establish the relationship between job satisfaction and employee retention and by adopting quantitative research design, established that employee rewards lead to employee retention among nurses.

Mensah, (2012), conducted a study aimed at finding out the impact of indirect compensation on employee productivity in Central University College (CUC) of Ghana by adopting a descriptive research design established that though the management of the organization were able to implement some indirect compensation packages to the employees, other benefits are not satisfactorily implemented and this has contributed to a lack of zeal towards work by the employees. Consequently, the study recommended that the management of CUC should focus and invest majorly on the elements of indirect compensation packages in order to boost employee the morale.

Sanjeevkumar and Wei, (2012), in a case study on determinants of human resource practices influencing retention of employees in Kedah State Development Corporation, Malaysia observed compensation as the most significant positive factor enhancing employee retention in the organization while Zin, Othman, and Pangil (2012), established that skilled IT employees can be retained when managers focus more on the monetary rewards, leadership and organizational support and Chew and Chan (2008), observed that, among others, wages and salaries to be critical in employee commitment and intention to stay for a longer period with the organization. Martin (2009), while investigating the determinants of labour turnover using establishment level survey data for the UK, established the existence of an inverse relationship between relative wages and turnover whereby those establishments with higher relative pay reported lower employee turnover.

Griffeth, Hom and Gaertner (2000), while conducting a study on the relationship between pay, a person’s performance and turnover, observed that pay and pay-related variables have a modest effect on the turnover and thus concluded that when high performers are insufficiently rewarded, they leave and corroborated this to the findings of Milkovich and Newman (2005), that observed that there are higher turnover among top performers in organizations where collective reward programs replace individual incentives.

Wright, (2009), while conducting research into the factors influencing Labour turnover in Australia, identified that the first important indicator of Labour turnover is employees’ dissatisfaction with the organizational remuneration system and observed that employees who are not satisfied with the organization remuneration systems are likely to leave the organization. A study by Locke (2008) on employees’ remuneration and turnover rates in USA firms revealed that employee’s remuneration systems as a key determinant of the high rate of employees’ turnover rates. Hanif (2009), also in the study of employees voluntarily leaving both public and private organization in United States, found remuneration systems to be a key factor in enhancing employee retention while a study by Linda (2012), also indicated that the compensation system is critical in enhancing employee retention levels in many organizations in South Africa.

A study by Boyens (2007), found out that compensation packages significantly determine employees’ retention rate globally and further found out that when the retention is low then it affects the organizational performance. Additionally, a study by Johnson (2010), revealed that in UK, highly paid employees were less likely to leave their jobs while the low paid employees had higher chances of leaving their jobs in search of better paying jobs and a study by Oshagbemi (2010), observed that amongst United Kingdom academics, there exist a statistically significant relationship between pay, job satisfaction and employees’ retention. A study by Boyens (2007), found out that compensation packages significantly determine employees’ retention rate globally and further found out that when the retention is low then it affects the organizational performance. Additionally, a study by Johnson (2010), revealed that in UK, highly paid employees were less likely to leave their jobs while the low paid employees had higher chances of leaving their jobs in search of better paying jobs and a study by Oshagbemi (2010), observed that amongst United Kingdom academics, there exist a statistically significant relationship between pay, job satisfaction and employees’ retention.

However, a study conducted by Yo Liu & Norcio (2008) in the public sector in China failed to find any significant relationship between pay, turnover and satisfaction. Similarly, results from a survey conducted by

Hausknecht (2009) amongst postdoctoral scientific researchers found pay and benefits to be weakly associated with employees’ turnover and organizational performance.

Summary of the Gaps

Much of the existing literature and studies in the area of compensation package or remuneration systems and employee retention or turnover have their focus the hospitality, health, manufacturing (Bula, 2012) and banking sectors. Additionally, there is evidence of some studies having been done in the humanitarian sectors of the economy. However, there is little evidence of such studies having been conducted within the faith – based sector of the economy, this is despite the fact that the sector is a major player in both the national (Kenyan) and global economy. In Kenya, the faith – based sector has invested heavily in hospitality, education, media and health sectors and contributes substantially to the employment market.

The descriptive research design was adopted while population consisted of all the 289 regular employees of the participating institutions with a sample of 168 determined using the formula by Zuelueta and Clostales (2003). The researcher collected data using a self – constructed questionnaire administered to the respondents electronically and the response rate was 74%. The data was analysed using SPSS program

SUMMARY OF FINDINGS

Analysis of respondents’ views regarding the Current State of Compensation Packages

The study aimed at establishing the respondents’ views on the current state of the compensation package within their organization and considered selected elements namely, the compensation policy, employee benefits, bonuses and commissions.

On a 5 – point Likert Scale with 1 being strongly disagree and 5 being strongly agree, the respondents were required to indicate the extent to which they agreed with a set of statements reflecting their views on the organization’s compensation policy and the findings presented in table 1.

Table 1: Respondents’ views on the current state of compensation package in the organization – Compensation policy

Descriptive Statistics		
	Mean	Std. Deviation
I receive an adequate basic salary	3.25	.973
I receive a salary that is commensurate with experience and qualifications	2.95	1.021
I receive a salary that is comparable with other agencies	2.46	.970
I receive a risk allowance salary that is adequate	1.94	.901
I receive an adequate health insurance allowance	3.28	1.310
I receive an adequate life insurance allowance	2.93	1.347
My salary is commensurate to the tasks I perform in the organization	2.58	1.032
My organization has an effective employee compensation management system in place	3.11	1.165
My compensation is above the market rate for those doing similar tasks to mine in other organizations	2.18	.808

My compensation is commensurate to my qualifications and training level	2.57	.911
My compensation takes into consideration any additional task performed above the ordinary tasks assigned to me	2.08	.871
My compensation takes into consideration extra time in put into accomplishing my tasks	2.02	.880
My organization always ensure timely salary payments	4.00	1.053
Non-strained wage payments to contracted staff	2.88	1.026
Commission's payments	2.01	.899
Terminal benefits to leaving staff	3.46	.986
Timely payments to medical executives	3.74	1.106
Full pension compensation	3.54	1.193
Unbiased annual increment	2.89	1.065
Compensation Policy	2.835	1.132

Table 1 reveals that the respondents tend to disagree that they receive a risk allowance salary that is adequate with a mean of 1.94. Respondents also tend to disagree with a mean of 2.01 that they receive commission payments as part of their compensation packages. They also tend to disagree that their compensation takes into consideration extra time in put into accomplishing my tasks with a mean of 2.02. The respondents further disagree that their compensation takes into consideration any additional task performed above the ordinary tasks assigned to them with a mean of 2.08. Additionally, the respondents tend to disagree with respective means of 2.18 and 2.46 that their compensation is above the market rate for those doing similar tasks to mine in other organizations and that they receive a salary that is comparable with other agencies respectively.

The study further indicate that the respondents tend to be neutral as to whether their compensation is commensurate to my qualifications and training level with a mean of 2.57. The respondents are neutral on the aspect of their salary is commensurate to the tasks I perform in the organization with a mean of 2.58. The respondents are widely neutral with a mean of 2.88 that their organizations provide non-strained wage payments to contracted staff. However, they are neutral with a mean of 2.89 that their organizations have unbiased annual salary increment. The respondents are further neutral that they receive an adequate life insurance allowance with a mean of 2.93.

The respondents are also neutral that they receive a salary that is commensurate with experience and qualifications with a mean of 2.95. They are further neutral that their organization has an effective employee compensation management system in place with a mean of 3.11 and that they receive an adequate basic salary with a mean of 3.25 and that they receive an adequate health insurance allowance with a mean of 3.28. The respondents tend to be neutral that their organizations provide terminal benefits to leaving staff with a mean of 3.46. Finally, the respondents agree that their respective institutions provide full pension compensation with a mean of 3.54 and that there is timely payments to medical executives with a mean of 3.74. The respondents also agree that their respective organizations organization always ensure timely salary payments with a mean of 4.00.

These findings are in agreement with observations made by Namasivayam, et al., (2006) that most compensation packages comprise of both financial and non – financial aspects as well as both direct and indirect compensation. The findings further are consistent with the argument by Atchison et al., (2010) that a compensation package comprise of base pay, extra time pay, rewards, benefit sharing, commissions, merit pay, investment opportunities, lodging recompense, protection, benefits including dental, travel and meals, therapeutic, excursion, leaves, retirement, and impose flexibility. These findings are also in agreement with the findings by Cascio, (2003), who established that compensation package such as severance pay, vacations, and holidays are

legitimately ordered to be delighted in by workers.

On a 5 – point Likert Scale with 1 being strongly disagree and 5 being strongly agree, the respondents were required to indicate the extent to which they agreed with a set of statements reflecting their views on their willingness to continue offering their services to the organization based on the employees’ benefits and the findings presented in table 2.

Table 2: Respondents’ views on the current state of compensation package in the organization – Employee benefits

Descriptive Statistics		
	Mean	Std. Dev
My organization has an incidental pay policy in place	2.85	.955
The organization’s incidental pay policy is sufficient	2.70	.890
My organization has a satisfactory medical policy facility	3.67	1.269
My organization has a satisfactory insurance policy for all cadres of employees	3.04	1.361
My organization has a satisfactory vacation/ leave allowance policy	3.56	1.105
My organization pays for my club membership and services	2.14	1.143
My organization has a satisfactory travel allowance policy	3.35	1.243
My organization has a satisfactory education subsidy/ allowance policy	3.62	1.324
Employee Benefits	3.116	1.161

Table 2 reveals that the respondents disagree that they are willing to offer their services to the organization since their organization pays for their club membership and services. However, the respondents tend to be undecided if they are willing to offer their services to the organization since their organization’s incidental pay policy is sufficient and that their organization has an incidental pay policy in place with a mean of 2.85. The respondents further are neutral that they are willing to offer their services to the organization since their organization has a satisfactory insurance policy for all cadres of employees with a mean of 3.04. The respondents are also neutral they are willing to offer their service since their organization has a satisfactory travel allowance policy with a mean of 3.35. Finally, the respondents tend to agree that they are willing to offer their services since their organization has a satisfactory vacation/ leave allowance policy with a mean of 3.56 and that their organisation has a satisfactory education subsidy/ allowance policy with a mean of 3.62 and that their organization has a satisfactory medical policy facility with a mean of 3.67.

These findings are in agreement with the findings by Mensah, (2012), who in his study aimed at finding out the impact of indirect compensation on employee productivity in Central University College (CUC) of Ghana and by adopting a descriptive research design established that though the management of the organization were able to implement some indirect compensation packages to the employees, other benefits are not satisfactorily implemented and this has contributed to a lack of zeal towards work by the employees. This could ultimately lead to employee turnover.

On a 5 – point Likert Scale with 1 being strongly disagree and 5 being strongly agree, the respondents were required to indicate the extent to which they agreed with a set of statements reflecting their views on their

willingness to continue offering their services to the organization based on bonuses by their organizations and the findings presented in table 3.

Table 3: Respondent’s views on the current state of compensation package in the organization – Bonuses

Descriptive Statistics		
	Mean	Std. Dev
The compensation policy of the organization provides for bonuses for achieving goals set by the organization	2.04	1.111
The compensation policy of the organization provides for bonuses for continued dedication to the organization	1.87	.915
My monthly bonuses make me receive over and above my basic salary	1.72	.855
The organization compensation policy allows for individual bonuses based on my personal achievements	1.78	.846
The organization compensation policy allows for group bonuses based on group achievements	1.71	.799
My organization’s bonus policy is the most effective and attracting financial incentive compared to similar organizations in the labour market	1.76	.862
Employee Bonuses	1.813	0.893

Table 3 reveals that the respondents tend to disagree that they are willing to offer their services to the organization since the organization compensation policy allows for group bonuses based on group achievements with a mean of 1.71. The respondents further tend to disagree that they are willing to offer their services to the organisation since their monthly bonuses make then receive over and above their basic salary with a mean of 1.72 and that their organization’s bonus policy is the most effective and attracting financial incentive compared to similar organizations in the labour market with a mean of 1.76. The respondents also disagree they are willing to offer their services since the organization compensation policy allows for individual bonuses based on personal achievements with a mean of 1.78. The respondents also tend to disagree that they are willing to offer their services to the organization since the compensation policy of the organization provides for bonuses for continued dedication to the organization with a mean of 1.87. However, the respondents disagree that they are willing to offer their services to the organization since the compensation policy of the organization provides for bonuses for achieving goals set by the organization with a mean of 2.04.

On a 5 – point Likert Scale with 1 being strongly disagree and 5 being strongly agree, the respondents were required to indicate the extent to which they agreed with a set of statements reflecting their views on their willingness to continue offering their services to the organization based on commissions by their organizations and the findings presented in table 4.

Table 4: Respondents’ views on the current state of compensation package in the organization – Commissions

Descriptive Statistics		
	Mean	Std. Dev
My organization has a competitive commission percentages and policy compared to similar organizations in the labour market	2.01	.977

My organizations compensation systems allow one to receive commission based on percentage of sales	1.94	.947
My organizations compensation systems allow one to receive commission based on percentage of annual profits	1.89	.990
The organizations' commission policy is well documented and shared with all concerned employees	2.01	1.053
The process of commission payment by the organization is clearly documented and communicated to all concerned employees	1.97	1.000
My organization has a clear policy on how and when commissions are earned by concerned employees	1.94	1.068
Commissions	1.96	1.006

The study as revealed in table 4 has established that the respondents disagree that they are willing to continue offering their services to the organization since their organization's compensation systems allow one to receive commission based on percentage of annual profits with a mean of 1.89 and that their organization's compensation systems allow one to receive commission based on percentage of sales with a mean of 1.94. The respondents further disagree that they are willing to continue offering their services to the organization since their organization has a clear policy on how and when commissions are earned by concerned employees with a mean of 1.94. The respondents disagree that they are willing to continue offering their services to the organization since the process of commission payment by the organization is clearly documented and communicated to all concerned employees with a mean of 1.97 and that that they are willing to continue offering their services to the organization since the organizations' commission policy is well documented and shared with all concerned employees with a mean of 2.01. The respondents disagree that their organization has a competitive commission percentages and policy compared to similar organizations in the labour market with a mean of 2.01.

Generally, these findings are in agreement with the findings by Chiekezie, et al., (2017), who in their study on compensation management and employee retention of selected Commercial Banks in Anambra State, Nigeria and also adopting the descriptive research design, established a positive weak relationship between salary and employee satisfaction as an element of employee retention and concluded that if management fail to formulate, administer and implement some good compensation policies that would allow them retain their talented employee; these employees might leave their job if they find a better offer elsewhere though they will still be offering their services in the meantime.

Analysis of respondents' views regarding the Elements of Employee Retention

The study aimed at establishing the views of the employees regarding the existing employee turnover trends. This information sought to establish the extent to which the employees considered that there exist some notable employee turnover trends within their organizations on a Likert scale of 1 – 5 with 1 being not at all and 5 being greater extent. The information is presented in table 5.

Table 5: Respondents' views on the employees' retention elements – Employee turnover trends

Descriptive Statistics		
	Mean	Std. Deviation
Over the last two years my organization has experienced an increase in the cases of voluntary job termination	2.56	1.036

Over the last two years my organization has experienced an increase in the cases of involuntary job termination	2.28	.953
Over the last two years my organization has experienced cases of rehiring retired staff	2.34	1.034
Over the last two years my organization has experienced low internal job transfer	2.61	1.005
My organization has frequent training and hiring qualified staff	2.81	1.153
My organization has recorded few deaths of staff due to natural calamities.	2.68	1.188
Employee Turnover Trends	2.547	1.0615

The study as indicated in table 5 reveals that the respondents are of the view that over the last two years their organization has experienced an increase in the cases of involuntary job termination with a mean of 2.28 and also that over the last two years their organizations have experienced cases of rehiring retired staff to a small extent with a mean of 2.34 to a small extent. However, the respondents are of the view that over the last two years their organizations have experienced an increase in the cases of voluntary job termination to an average extent with a mean of 2.56. The respondents are also of the view that over the last two years their organization has experienced low internal job transfer to an average extent with a mean of 2.61 as is also the case with their organization having recorded few deaths of staff due to natural calamities with a mean of 2.68. Finally, the respondents consider heterogeneously that their organization has frequent training and hiring qualified staff with a mean of 2.81.

These findings are consistent with the observation by Ojaka, et al., (2014) who observed that over the last decade, employees’ turnover rate in Kenya has become a nationwide challenge. They are also in agreement with the observation made by Micheal, (2009), who observed that various studies indicate that retention of highly skilled employees is a major challenge for most organizations as they are being attracted by more than one organization at a time with various kinds of incentives. Further, the findings are consistent with the findings made by Kamundi (2021) who established that teacher retention was a major challenge in the East Kenya Union Conference of the Seventh – day Adventist Church, a sister organization to the West Kenya Union Conference. He further opined that there is lack of empirical evidence on the teacher retention within the church.

The study also aimed at establishing the views of the employees regarding the employee turnover. This information sought to establish the extent to which the employees considered that there is employee turnover within their organizations on a Likert scale of 1 – 5 with 1 being not at all and 5 being greater extent. The information is presented in table 6.

Table 6: Respondents’ views on the employees’ retention elements – Employee turnover

Descriptive Statistics		
	Mean	Std. Dev
Some staff leave the organization voluntarily	3.15	1.140
Many staff leave the organization involuntarily	2.42	.839
Staff redundancy takes place every year in the organization	2.35	1.063
Employee Turnover	2.64	1.014

As indicated in table 6, the study shows that the respondents are of the view that staff redundancy takes place every year in the organization to a small extent with a mean of 2.35. They also are of the view that many staff leave the organization involuntarily to a small extent with a mean of 2.42. Finally, the respondents are of the

view that some staff leave the organization voluntarily to an average extent with a mean of 3.15.

The study also aimed at establishing the views of the employees regarding the employee loyalty as influenced by the existing compensation packages offered by the organization. This information sought to establish the extent to which the employees considered that their loyalty to the organization is influenced by selected aspects of the organizations’ compensation package on a Likert scale of 1 – 5 with 1 being not at all and 5 being greater extent. The information is presented in table 7.

Table 7: Respondents’ views on the employees’ retention elements – Employee loyalty

Descriptive Statistics		
	Mean	Std. Dev
I feel a strong loyalty and long-term commitment to the organization	3.26	1.360
I always find it very difficult to leave the services of this organization	3.30	1.311
I feel that all employees should remain loyal and committed to the organization	3.66	1.031
I feel that am a member of this organization family	3.68	1.113
I don’t feel like leaving this organization soon as I have a duty towards its course	3.57	1.137
I feel my organization deserves my full interest and loyalty	3.83	1.078
Employee Loyalty	3.55	1.172

Table 7 reveals that as a result of a satisfactory compensation package offered by their organization, the respondents feel a strong loyalty and long-term commitment to the organization to an average extent with a mean of 3.26 as well as that as a result of a satisfactory compensation package offered by their organization, they always find it very difficult to leave the services of this organization with a mean of 3.30. The respondents are of the view that to a large extent they don’t feel like leaving the organization soon as they have a duty towards its course with a mean of 3.57. The study further shows that the respondents are of the view that as a result of a satisfactory compensation package offered by their organization, the respondents feel that all employees should remain loyal and committed to the organization with a mean of 3.66 and that they feel that they are members of the organization family to a large extent with a mean of 3.68. Finally, the respondents are of the view that as a result of a satisfactory compensation package offered by their organization, they feel their organization deserves their full interest and loyalty to a large extent with a mean of 3.83. These findings are consistent with the observation by Chege, (2016), who investigated the influence of employee benefits on retention at Safaricom Limited and adopting a descriptive survey and using primary data, observed that critical elements that enhances employee retention included that stock option ownership, health/medical insurance, retirement benefits/pension, leave and discounted staff loans influences employee retention. They are also in agreement with the findings by Terera and Ngirande, (2014) who in their study on the impact of rewards on job satisfaction and employee retention” established that employee rewards lead to employee retention among nurses.

Relationship between Elements of the Compensation Package and Employee Retention

Table 8: Relationship between compensation package and employee retention

Correlations		CPa	CPo	EBe	EBo	C	ER
CPa	Pearson Correlation	1	.547**	.545**	.248*	.085	.353**

	Sig.(2-tailed)		.000	.000	.010	.384	.000
	N	110	102	107	107	108	105
CPo	Pearson Correlation	.547**	1	.818**	.346**	.414**	.578**
	Sig.(2-tailed)	.000		.000	.000	.000	.000
	N	102	103	101	101	102	100
EBe	Pearson Correlation	.545**	.818**	1	.344**	.318**	.591**
	Sig.(2-tailed)	.000	.000		.000	.001	.000
	N	107	101	109	106	108	105
EBo	Pearson Correlation	.248*	.346**	.344**	1	.762**	.249**
	Sig.(2-tailed)	.010	.000	.000		.000	.010
	N	107	101	106	109	108	105
C	Pearson Correlation	.085	.414**	.318**	.762**	1	.325**
	Sig.(2-tailed)	.384	.000	.001	.000		.001
	N	108	102	108	108	110	106
ER	Pearson Correlation	.353**	.578**	.591**	.249*	.325**	1
	Sig.(2-tailed)	.000	.000	.000	.010	.001	
	N	105	100	105	105	106	107

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 8 indicate that there is a positive significant relationship between the various elements of the compensation package and employee retention based on the Pearson Correlation analysis with the correlation being significant at the 0.001 level (2 - tailed).

Analysis of relationship between the Employee Retention and Elements of the Compensation Package using Linear Regression Model

The study further analyzed the relationship between employee retention and the various elements of compensation package by use of a linear regression model that includes the significant compensation-related factors as independent variables to predict employee retention. The model is expressed as follows:

$$ER = \beta_0 + \beta_1CPa + \beta_2CPo + \beta_3EBe + \beta_4EBo + \beta_5C + \varepsilon$$

Where:

ER = Employee Retention

CPa = Compensation Package

CPO = Compensation Policy

EBe = Employee Benefits

EBo = Employee Bonuses

C = Commissions

ϵ = Error

Table 9: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 ^a	.378	.343	4.45752

a. Predictors: (Constant), Commissions, Compensation P, Employee Benefits, Employee Bonuses, Compensation Policy

The model summary table as shown in table 9 shows the R and R^2 values. The R value represents the simple correlation and is 0.615. This is an indication of a high degree of correlation. The R^2 value is an indication of the total variation in the dependent variable (employee retention) that can be explained by the independent variables (compensation package, compensation policy, employee benefits, employee bonuses and commissions). In this case, 34.3% of the dependent variable can be explained by the independent variables, which is small.

Table 10 the ANOVA table used to test if the regression equation fits the data. In other words, the ANOVA table test if the independent variables predict the dependent variable.

Table 10: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1097.232	5	219.446	11.044	.000 ^b
	Residual	1808.127	91	19.870		
	Total	2905.359	96			

Dependent Variable: Employee retention

Predictors: (Constant), Commissions, Compensation P, Employee Benefits, Employee Bonuses, Compensation Policy

The ANOVA table, table 10 indicates that the regression model predicts the dependent variable significantly well. This is determined by statistical significance of the regression model. Given that Here, $p < 0.05$, it is an indication that, overall, the regression model statistically significantly predicts the outcome variable therefore it is a good fit for the data.

Table 11, the **coefficients** table gives the necessary information to predict employee retention from compensation package, compensation policy, employee benefits, employee bonuses and commissions, as well as determining

whether they contribute statistically and significantly to the model.

Table 11: Table of Coefficients

Coefficients ^a					
Model	Standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	3.517	2.357		1.492	.139
CPa	-.008	.170	-.006	-.049	.961
CPo	.190	.080	.405	2.374	.020
EBe	.189	.138	.198	1.362	.176
EBo	.074	.174	.055	.428	.670
C	.034	.159	.030	.213	.832

a. Dependent Variable: Employee Retention

The values in column B can be used to present the regression model as:

$$ER = 3.517 - .008(CPa) + .190(CPo) + .189 (EBe) + .074(EBo) + .034(C) + E (0.05)$$

Positive coefficients β_2 , β_3 , β_4 and β_5 suggest that an increase in the corresponding compensation elements is associated with an increase in Employee retention while the negative coefficient for Compensation package (β_1) indicate a negative relationship.

The results suggest that organizations with more favourable Compensation Packages, Compensation Policies, Employee Benefits, Employee Bonuses, and Commissions tend to have higher levels of Employee Loyalty. Therefore, organizations should consider investing in these aspects of compensation to potentially enhance employee retention and loyalty. However, considering the levels of significance, the study can conclude that the most significant elements that influences employee retention is the compensation policy and thus the suitable regression model will be:

$$ER = 3.517 + .190(CPo) + E (0.05)$$

The study thus partly accepts the hypothesis that the selected elements of compensation package namely compensation policy, compensation package, employee benefits, employee bonuses and commission have a significant influence on employee retention.

CONCLUSION

Based on the findings and the analysis conducted on the data, the study makes the following conclusions:

With regard to the compensation policy by the SDA Non – titre – based institutions, most of the elements considered in the study are lacking in the compensation packages and thus could be considered not to be playing a major role in influencing the employee’s retention intentions. With regard to employee benefits, the study concludes that not all the tested elements of employee benefits are part of the compensation package by the organization and thus may not play a critical role in influencing the employee retention by the organization. With regard to bonus, the study concludes that not all the tested elements relating to bonuses by the organization are part of the compensation package by the organization and thus may not play a critical role in influencing the

employee retention by the organization. With regard to commissions, the study concludes that not all the tested elements relating to the provision of commissions by the organization are part of the compensation package by the organization and thus may not play a critical role in influencing the employee retention by the organization.

With regard to the elements of employee retention and specifically regarding employee turnover trends, the study concludes that employee turnover trends have been observed and thus, employees have been leaving the organization for some reasons. With regard to employee turnover, the study concludes that the institutions have been experiencing certain level of employee turnover, both voluntarily and non -voluntarily. The results suggest that organizations with more favourable Compensation Packages, Compensation Policies, Employee Benefits, Employee Bonuses, and Commissions tend to have higher levels of Employee retention. However, the significant element of the compensation package is the compensation policy.

RECOMMENDATIONS

From the findings of the study the study made the following recommendations:

The SDA Non – titre-based institutions, should where appropriate and necessary, introduce some elements of bonus and commission pays as part of their compensation package. With regard to the compensation policy by the SDA Non – titre – based institutions, the institutions should consider enhancing their compensation package by including the missing elements as identified by the study. With regard to employee benefits, the institutions should consider enhancing their compensation package by including the missing elements as identified by the study. With regard to bonus, the institutions should consider enhancing their compensation package by including the missing elements as identified by the study. With regard to commissions, the institutions should consider enhancing their compensation package by including the missing elements as identified by the study

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