

Влияние компенсационной политики на удержание персонала

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Аннотация

Удержание персонала рассматривается как один из базовых принципов, необходимых для успеха организации. Для международных организаций, функционирующих в условиях глобализации, удержание и привлечение перспективных сотрудников представляет серьёзную проблему. Во многих случаях даже уже привлечённые сотрудники оказываются неудовлетворёнными результатами деятельности организации, что может заставить их начать поиск другого места работы. Таким образом, в данной работе исследуются компенсационные факторы и стратегии, влияющие на удержание сотрудников, а также изучается их воздействие как на международные корпорации, так и на сотрудников. Авторы использовали первичные данные для целей данного исследования. В качестве метода исследования авторы применяли ex-post facto анализ. В выборку вошли сотрудники завода Гиннесс Интернейшнл, Лагос, Нигерия. Для определения объёма выборки применялась формула Ямане. Анализ данных проводился как вручную, так и с помощью электронных методов с использованием электронных методов с помощью таблицы для подготовки данных и статистического пакета для социальных наук (SPSS). Для проверки гипотезы применялся метод линейного регрессионного анализа с использованием ANOVA-анализа. Исследование показало, что политика оплаты труда влияет на гарантии занятости сотрудников, а также на удовлетворённость работой. Таким образом, исследование рекомендует международным корпорациям определить те льготы, которые оказывают большее влияние на удержание сотрудников. Кроме того, международным корпорациям необходимо пересмотреть существующий пакет льгот, чтобы выявить те льготы, которые не приносят пользы, и заменить их.

Introduction

The quest to take industry leadership has made competition to exist in International corporations based on human compensation and development (Pearce, 2010). Different International corporations want to be the best, have the highest customers and profit and sustain the company for a long term period. To achieve all this, the retainments of employees is an important strategy; but behind this strategy there are laid down foundations (Hewitt, 2005). Of all foundations, money is very important. Money is like the heart of employees; you break it when you don't pay them. Most workers put in their best because of the pay while others don't also because of it. Therefore, for International corporations to survive in a competitive world, it must ensure to possess the best brains who can take the company forward to where it really wants to be. The compensation of employees in organization today is a critical element for the survival, growth, sustainability and competitive advantage over other organization because employees are the driving force to achieving the development and accomplishment of the organization's goals and objectives (Kehr, 2004).

Compensation is also a driving or motivating force to employee's productivity. It also helps in attracting the best employee in the industry to work for a particular organization. Retention is a voluntary move by an organization to create an environment which engages employees for a long term (Boomer, 2009; Adekanbi, 2016; Gillet et al., 2022). According to Ejiofor (2010), the most important purpose of retention is to look for ways to prevent the capable workers from quitting the organization as this could have negative effect on productivity and profitability. The view that the main purpose of retention is primarily for organizational gains is similarly viewed by Ichniowski et al. (1997), who in describing the concept, place the focus of retention in terms of "some notion of adequacy or sufficiency of length of service...", which can be measured in terms of a return on the costs of investment associated with training and recruitment or the effects on patient care that are considered to be optimal. It is on the premise that employee compensation plays an important role in their retainment that this study wishes to investigate the impact of compensation on employee retainment with reference to Guinness Plc. Lagos Plant.

However, it has been discovered that in the Nigerian system employees are not only motivated to stay for a long time in the organization through monetary reward; there are other factors which ensures the retainment of employees. Compensation is considered as the most important factor for attracting and retaining the talents of an organization (Harisson & Liska, 2010; Bibi, Ahmad & Majid, 2018). Companies have objective to retain their valuable employees; performance pay is considered an important factor for it. Nevertheless, according to Redling (2005) money bring the workers in the organization but not necessary to keep them. Also, according to Armstrong (2008) money satisfies the employee but it is not sufficient to retain the employee means it is insufficient factor. Money is not considered as primary retention factor (Noe, 1999; De Sousa et al., 2018; Igbal et al., 2021b). Many organization implement very good employees retention strategy without offering high compensation or pay based retention strategy (Huselid, 1995; Igba et al., 2021c). In such circumstances, salary is not the only factor for job security. The human resource management can decide to layoff some employees due to economic recession and other factors. According to Hytter (2008) work environment is generally discussed as industrial perspective, focus on aspect i.e. noise, toxic substances exposure and heavy lifts etc. The interesting part of work environment is; work environment characteristics in services sector is differ from production sector, because services sector directly deal with consumer/ clients (Normann 1986; Ambrorsius, 2018; Islam, 2022). Nevertheless, it has been discover that additional bonuses given to employee will eventually increase the cash outflow of the organization. This will reduce the input of cash to creating a better work environment. However, in the Nigeria organization system if the compensation is not released to employee on time, workers would be demoralized and may put-in less effort into their job. In the long-run this can increase employee turnover. This study therefore intends to examine whether compensation policies affect employee retainment in International corporations.

Objectives of the Study

The general objective of the study is to determine the effect of compensation policies on employee retention in International corporations. The specific objectives of the Study are to:

1. To examine the effect of salary on employee security.
2. To determine the importance of allowance on employee satisfaction.

Literature Review

Conceptual Framework

Compensation Concept

Scorginns et al. (2006) posit that Compensation management can be defined as all the employers' available tools that may be used to attract, retain, motivates and satisfy employees. This encompasses every single investment that an organization makes in its people and everything its employees value in the employment relationship. Employee cannot sustain growth if they are not satisfied with their growth path and discouraged with the outcomes; unpaid and unmotivated that may cause a gap between employees' effort and their organizational effectiveness (Antonakis & House, 2014; Fletcher, Alfes & Robinson, 2018). Simplistically, the notion of compensation management just says that there is more' to rewarding people than throwing money at them, or as Mulis and Watson in Armstrong (2008) puts it, "the monetary value in the compensation package still matter but they are not the only factor".

Compensation Strategy

Compensation strategy defines what the organization intends to do in the longer term to develop and implement reward policies and process that will further the achievement of its business goals (Igbal, 2022; Gopalan et al., 2020). It establishes priorities for developing reward plan that can be aligned to' business and human resources strategies.

According to Brown in Armstrong (2008), compensation strategy is ultimately a way of thinking that you can apply to any reward Issue arising in your organization, to see how you can create value from it. To him, it is necessary to recognize that effective compensation strategies have three components:

1. They need clearly define goals and a well-defined link' to business objectives.
2. There need to be well designed pay and reward programs tailored to the needs of the organization and its people and consistent and integrated with one another.
3. Perhaps most important and most neglected, there need to be effective and supporting human resources and reward process in place.

Definition and Review of Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential

for an employer. But retention is even more important than hiring. This is true as many employers have underestimated costs associated with turnover of key staffs (Lawler, 1990; Gope, Elia & Passiante, 2018). Turnover costs can incurred with issues such as reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses (Redington, 2007; Alhamdan et al., 2017). Other invincible costs and hidden costs such as missed deadlines, loss of organizational knowledge, lower morale, and client's negative perception of company image may also take place. This is why retaining top talent has become a primary concern for many organizations today. Managers have to exert a lot of effort in ensuring the employee's turnover are always low, as they are gaining increasing awareness of which, Boomer (2009) opined that employees are critical to organization since their values to the organization are not easily replicated.

Many critical analyses are conducted to minimize the possible occurrence of shortage of highly-skilled employees who possess specific knowledge to perform at high levels, as such event will lead to unfavorable condition to many organizations who failed to retain these high performers. They would be left with an understaffed, less qualified workforce that will directly reduce their competitiveness in that particular industry. (Steel, Griffeth, & Ham, 2002; Covella et al., 2017). Piotrowski (2003) have attempted to answer the question of what determines people's intention to quit, unfortunately till date, there has been little consistency in findings. Therefore, there are several reasons why people quit their current job and switch for other organization. The extent of the job stress, low commitment in the organization; and job dissatisfaction usually result in resignation of employees, (Kehr 2004; Igbal et al., 2020). Previous studies have also certified the relation between satisfaction and behavioral intentions such as employee's retention and spread the word of mouth (Anderson and Sullivan, 1993; Fryne, Kang, Hue & Lee, 2020).

Numerous studies showed how high employee's involvement can relate to the intention of leaving an organization (Roselward, 2004; Arachillage, 2017; Fu, He & Zhang, 2020; Argawal & Islam, 2015). Opportunities to learn and self-development in the workplace can be the key for employee dissatisfaction which leads to turnover. Other studies also indicated that employees will retain in their organization if he or she has a good relationship with the people he or she is working around with (Nweke, 2009). Organizations are therefore suggested to provide team building opportunities, where interaction and discussion can be carried out not only within but outside their working hours (Gomerz et al., 1995). This is why managers today must take care of their employee's personal feelings toward the job and satisfaction levels from their working conditions, superiors and peers, as these are the keys to ensure employee retention. The success and survivability of organizations is heavily dependent on customer evaluations (Delmestri & Walgenbach, 2009; Ahmad, Bibi & Majid, 2017), whereby the organization must put effort in satisfying their employees since the relationship between customer satisfaction and employee's satisfaction are significant.

Encouraging employees to remain in the organization for a long period of time can be termed as employee retention. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Berg (1973) stated “relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment... retention processes should be studied along with quitting processes”. Bridges (1991) has viewed retention as “an obligation to continue to do business or exchange with a particular company on an ongoing basis”. Steel, Griffet & Ham (2002) stated that employees who are happy and satisfied with their jobs are more dedicated towards their work and always put their effort to improve their organizational customer’s satisfaction. Stauss et al., (2001) has defined retention as “customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioural intentions”. Scorginns et al., (2001) emphasized that organizations today take great care in retaining its valuable employees and good employees as they are increasingly becoming more difficult to find. Debejar & Mikovick (1986) was of the view that managing and retaining promising employees’ is an important fundamental mean of achieving competitive advantage among the organizations. Bridges (1991) was of the view that one of the most important demands on management today in any organization is keeping the most vital and dynamic human resources motivated and dedicated. It is not important to see who the organization hires but what counts is that who are kept in the firm.

Steel, Griffeth, & Hom (2002) added to this view that “the fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave”. Researchers such as Pearce (2010) have found that if appropriate employee retention strategies are adopted and implemented by organizations employees will surely remain and work for the successful achievement of organisational goals. In the view of Ichniowski et al., (1997), the Human Resource Department plays an active role in retaining its employees. It make policies for employee betterment such that employee would be satisfied with the organization and stay with the firm for longer time. This shows that it is not just retention of employees but also retention of valued skills. This shows that it is not just retention of employees but also retention of valued skills.

Researchers such as Ejiofor (2010); Kehr (2004); Harrison & Liska (2010) have agreed that an organization’s inability to formulate and implement strategies capable of recruiting competent employees and retaining them to achieve organizational goals is one of the main challenge facing organizations in the area of performance. Boomer (2009) defined employee retention as “...a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.” According to Luminita (2001), it is becoming more essential to secure and manage competent human resource as the most valuable resource of any organization,

because of the need for effective and efficient delivery of goods and services by organizations, whether in public or private sector. Therefore, for an organization to realize its goals, appropriate strategies for employee recruitment and retention are sine-qua-non for enhanced performance. Researcher such as Rosenwald (2000) has confirmed that despite the fact that a company may try to bring all these factors into play to enhance employee retention, an employee can still choose to leave the workplace because of, for example, bad management Rosenwald (2000) pointed out that an organizations ability to retain its employees completely depends upon its ability to manage them. He found out four interlinked processes that can be utilized for an effective human resource management system: the motivational process; the interaction process; the visioning process; and the learning process. Berg (1973) noted on the fact that hiring new employees are far difficult as well as costlier than to keep the current employees in the organization. That is why the core issue in any organization is to give a continuous ongoing effort to identify and try to keep all the best performers irrespective of their age. Noe (1991) stated that employee retention strategies refer to the plans and means, and a set of decision-making behaviour put formulated by the organizations to retain their competent workforce for performance.

Theories on Compensation Management Practice

The Herzberg Two Factor Theory

In 1959, Frederick Herzberg introduced the two-factor theory which is also known as the motivation-hygiene theory. Herzberg's theory states that there are certain factors that are related to the content of the job and provides satisfying experiences for employees. These factors are called motivators or satisfiers and include achievement, recognition, the work itself, responsibility, advancement and growth. The theory positioned that there are non-job-related factors that can cause dissatisfying experiences for employees. These factors are known as hygiene factors or dis-satisfiers and include company policies, salary, co-worker relations, and style of supervision It must be noted that removing the causes of dissatisfaction (through hygiene factors) would not result in a state of satisfaction; instead, it would result in a neutral state (Herzberg, 1959). In spite of some criticism of Herzberg's two factor theory, it is one of the popular theories for managers worldwide.

Resource-Based View Theory

Resource-Based View (RBV) Theory claimed that a company must have valuable, rare, inimitable and non-substitutable resources to have a sustainable competitive advantage. Barney (1986) listed all of the assets, capabilities, organizational processes, firm attributes, information, knowledge, and so on, as resources. The application of this theory to compensation management and employee retention illustrates the role that people play in building a company's competitive advantage. Wright and McMahan (2001) referred to the following four features that people, as

resources, must have for the company to be competitive. (1) they must give value to the company's production processes, (2) the skills that the company looks for must be rare, (3) the combined human capital investments of a company's employees cannot be easily imitated, (4) a company's human resources must not be substituted or replaced by technological alternatives. Overall, the resource-based theory provides a useful basis for understanding the value that compensation management adds to the retention of employee in the organization (Rudner, 2016).

Theory on Employee Retention

March and Simon Theory

March and Simon (1958) published the first formal theory of voluntary turnover in their book “organizations”. Their theory of organizational equilibrium emphasized the importance of balancing employee and organization contributions and inducements. Their model linked turnover decisions to job satisfaction and suggested that individuals who were more satisfied with their current job would indicate an increased desire to remain with their organizations. Simply March and Simon's theory states that as long as an organization pays an individual monetary inducement that matches or exceeds the individual's input into the organization; the individual will remain a member of the organization. Thus, both the individual and the organization strive to maintain a balance or state of equilibrium between the inducements and how much work the individual is willing to provide.

Research Gaps

Following research gaps were identified after an extensive literature review in the field of employee turnover, specifically in the context of organizations: Most of the studies on employee turnover and retention have been undertaken in the context of business organizations (Boyatzis, Rochford & Cavanagh, 2017; Amankwaa et al., 2019; Gillet et al., 2022; Igba et al., 2021a; Colson & Satterfield, 2018). There is not much research work carried out in the context of non-profit organizations. Practitioners agree that there is a growing problem related to employee turnover and retention in the non-profit sector and therefore this area merits serious research attention. Over past decades, staff turnover has become a major concern for humanitarian agencies, yet only a few researchers have attempted an in-depth study offering detailed consideration of causes and consequences of employee turnover in the humanitarian sector (Pearce, 2010), indicating this as a research gap. Furthermore, most of the existing studies on employee retention in the profit base sector have been carried out in the Western context. The researcher did not come across any Nigeria study, barring a few studies discussed in the above section, which comprehensively investigates the issue of employee turnover and retention in the context of organizations in Nigeria.

Research Method

For the purpose of this study primary data was used. Primary data was gather using questionnaire structured on the basis of the research hypothesis,

which will be present to respondents to express their views and opinions, Ejiiofor (2010). The ex-post facto method which involved the use of secondary data from the internet, journals, articles, and so on was also used. For this research project, the quantitative research design was used. a cross-sectional design was adopt as well. The aim and objective of the study is to know the impact of compensation policies on employee retainment. The population consists of the members of staff of Guinness PLC Plant, Lagos Nigeria. For this study, it is determined using Yarmane formula. This formula is concerned with applying a normal approximation with a confidence level of 95% and a limit of tolerance level (error level) of 5%.

To this extent the sample size is determined by $n = [N]; 1 + Ne^2$

Where: n = the sample size

N = population = the limit of tolerance

$$\text{Therefore, } n = \frac{280}{1+280(0.05)^2} = \frac{280}{1+280(0.0025)} = \frac{280}{1+0.7} = \frac{280}{1.7} = 165$$

n = 165 respondents.

A sample size of one hundred and sixty-five (165) employees out of the two hundred and eighty (280) employee population of Guinness PLC Plant, Lagos Nigeria. All members of the population had equal chances to be chosen as part of the sample because one hundred and sixty-five (165) questionnaires were administered randomly to the entire employee population. The questionnaires employed for this study comprises two (2) sections. A and B. Section A has to do with the demographic analysis of respondents and it contains 7 questions, while section B, has to do with questions relating to the research topic and this contain (32) questions. The likert-scale was used to measure opinions, where for positive questions (Strongly Agree = 5, Agree = 4, Undecided = 3, Disagree = 2, Strongly Disagree = 1), and for negative questions (Strongly Agree = 1, Agree = 2, Undecided = 3, Disagree = 4, Strongly Disagree = 5). The instrument used for this research work is questionnaire and it valid because it is designed in such a way to deduce information in the variables of the research problems. The instrument also passes the following test of validity. These are: content test, criterion related test, construct test and discriminate validity by reducing bias, errors that might result from personal characteristics of respondents and from variability in their skill. The data was analyzed using manual and electronic based methods through the data preparation grid and statistical package for the social sciences, (SPSS). The utilization of structured grids allows specific responses to be located with relative ease and facilitate the identification of emerging patterns (Munn and Drever, 1990). In this research work, linear regression analysis method which also makes use of ANOVA was employed to test the hypothesis. Other methods of data analysis which was also used in this study include parametric and non-parametric measurement such as trend analysis.

Data Presentation and Analysis of Result

Table 1

Distribution of respondents and response rate

Respondents Occupation	Questionnaire administered (sampled)	Percentage of total response, %
Top Level	31	22.1
Middle Level	80	57.1
Level Lower	29	20.8
Total	140	100.0
Gender/Category	Questionnaire administered (sampled)	Percentage of total response, %
Male	67	47.9
Female	73	52.1
No of Returned	140	84.8
No of Not Returned	25	15.2
Total no of Questionnaires	165	100

Source: Field Survey 2022.

Data analysis and Hypothesis Testing

Table 2

The Descriptive statistics of Compensation Policies and Employees Retainment in Foreign Market

Responses	Total (N)	Mean
Salary Scheme and Job Security.		
Salary level determine employee security	140	4.36
Salary offered is in equity with competitive firm	140	3.88
The salary offered provide security for you and your family	140	3.79
Exiting job occurs due to the irregularity in salary scheme	140	3.89
Better offer by competitive firm may causes you to leave your organization	140	3.67
Allowance and Job Satisfaction		
Allowance offered in the organization influence the morale of the employees	140	3.89
Additional allowance is given base on additional performance	140	3.99
Employee gets appreciation and allowance if the desired works are accomplished	140	3.78
Employee feel encouraged to come up with new and better ways of doing things organization	140	3.84
Resources needed to do the job efficiently is being provided by the organization	140	3.72
Organization recognize and acknowledge employee effort	140	3.85

Source: Field Survey 2022.

Test of Hypotheses and Discussion of Results

Regression analysis was used to measure the effect of the independent variable to the dependent variable of hypothesis 1, 2 and hypothesis 3 and proper interpretation and analysis techniques was used to explain the hypotheses testing.

Hypothesis 1

H₀₁: There is no significant effect of salary scheme on job security.

H_{a1}: There is significant effect of salary scheme on job security.

Table 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.105 ^a	.011	.004	.64385

a. Predictors: (Constant), SALARY.

Source: Author's Compilation 2022.

Table 4

ANOVA (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	.641	1	.641	1.547	.216 ^a
	Residual	57.207	138	.415		
	Total	57.848	139			

a. Predictors: (Constant), SALARY.

b. Dependent Variable: JOBSECURITY.

Source: Author's Compilation 2022.

Interpretation of Results

The results from the model summary table above revealed that the extent to which the variance in job security can be explained by salary is 1.1% i.e (R square = 0.011). The ANOVA table shows the F_{cal} 1.547 at 0.0001 significance level. There is significant effect of salary scheme on job security.

Table 5

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.323	.193		12.031	.000
	SALARY	.096	.077	.105	1.244	.216

a. Dependent Variable: JOBSECURITY.

Source: Author's Compilation 2022.

The coefficient table above shows the simple model that expresses how salary affects employee job security. The model is shown mathematically as follows; $Y = a + bx$ where y is salary and x is job security, a is a constant factor and b is the value of coefficient. From this table therefore, Job Security

(Job Security) = 2.323 + 0.096Salary. This means that for every 100% change in salary, job security contributed 9.6%

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that salary in compensation policy have effect on employee job security. Thus, the decision would be to reject the null hypothesis (H₀), and accept the alternative hypothesis (H₁).

Hypothesis 2

H₀₂: There is no significant effect of allowance on job satisfaction.

H_{a2}: There is significant effect of allowance on job satisfaction.

Table 6

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.379 ^a	.144	.137	.59087

Predictors: (Constant), ALLOWANCE.

Source: Author’s Compilation 2022.

Table 7

ANOVA (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	8.080	1	8.080	23.142	.000 ^a
	Residual	48.179	138	.349		
	Total	56.258	139			

a. Predictors: (Constant), ALLOWANCE.

b. Dependent Variable: JOBSATISFACTION.

Source: Author’s Compilation 2022.

Interpretation of Results

The results from the model summary table above revealed that the extent to which allowance has an effect on job satisfaction is 14.4% i.e (R square = 0.144). The ANOVA table shows the Fcal to be 23.142 at 0.0001 significance level. The implication is that allowance significantly affects job satisfaction of an employee.

Table 8

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.411	.170		8.277	.000
	ALLOWANCE	.331	.069	.379	4.811	.000

a. Dependent Variable: JOBSATISFACTION.

Source: Author’s Compilation 2022.

The coefficient table above shows the simple model that expresses the effect of allowance on job satisfaction. The model is shown mathematically as follows; $Y = a + bx$ where y is job satisfaction and x is allowance, 'a' is a constant factor and b is the value of coefficient. From this table therefore, Job Satisfaction (Job Satisfaction) = $1.411 + 0.331$ Allowance. This means that for every 100% change in Allowance, Job satisfaction is responsible for 33.1% of the change.

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that Allowance affect job satisfaction. Thus, the decision would be to reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

Conclusion

The main concern of any organization is its capacity to attract, engage, and retain the right employee. Certain factors are crucial in influencing the employees' decision to either leave or remain in an organization. Nonetheless, the importance of other factors should not be miscalculated when formulating a retention policy. International Corporations should provide with a number of strategies to increase employee retention such as: design an interesting employee value proposition; develop a total reward system that contains more than compensation; give constructive point of view on employee performance on regular basis; implement flexibility programs in terms of work- life balance; build a culture of engagement, develop and refine management skills to be effective, as it engages employees while driving improved performance at the same time (Scorgion et al., 2019). Also, employers should focus on issues and on the personal relationships they have with the employee to perform each function. This research sought to identify factors that affect employee retention and predict ways that the organization can improve on current practices. The main aim of any organization is to earn profit. But to attain the maximum profit, International Corporations should concentrate more on employees and the ways to retain them for their long run. From the study it is identified that different compensation policies that has been employed by International Corporations have a significant effect in determine if employee will leave or stay in an organization.

Recommendations

Based on the findings of the study, the following recommendations can be summarized;

1. International Corporations needs to further improve its culture as it has the potential to retain employees, which will help it to retain its valuable assets (employees).

2. International Corporations should identify those benefits which have more influence on employee retention. Furthermore, Organizations need to revisit their present benefits package to identify those benefits which are not useful in order to replace them.

3. The salary of employee need to be increased, which will not only retain the present employees but will attract employees of other organization as well.

Suggestions for Further Studies

This research work focused on the effects of compensation policies on employee retainment. The researcher therefore suggests that further studies in this research topic be carried out on a larger population including the consideration of other manufacturing firm in Nigeria. The researcher also suggests that further studies can be carried out on related topics like the ‘the impact of compensation strategy on employee performance’.

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