

## Influence of Compensation Management on Bank Employee Retention in United Bank of Africa, Osogbo, Osun State, Nigeria

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### ABSTRACT

This study examined the influence of compensation management on bank employees' emotional intelligence and retention in United Bank of Africa, Osogbo, Osun State. A total of 102 employees were selected. Questionnaire format was used to obtain the relevant data. The collected data were analyzed using T-test for independent measures with the applications of statistical package for social sciences (SPSS) version 21.0. The results showed that there was a significant influence of compensation management on emotional Intelligence among bank employees [ $t(98)=11.87, p<.01$ ]; there was a significant influence of compensation management on employee retention among bank employees [ $t(98) =8.35, p<.01$ ]; there was a significant influence of compensation management on work life balance (a dimension of Employee Retention) among bank employees [ $t(98) =7.17, p<.01$ ]; there was a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention among bank employees [ $t(98) =3.54, p<.01$ ]; there was a significant influence of compensation management on intention to stay (a dimension of employee retention) among bank employees [ $t(98) =3.27, p<.01$ ]. It was concluded that there was a significant influence of compensation management on emotional Intelligence among bank employees in United Bank of Africa, Osogbo, Osun State; there was a significant influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State, there was a significant influence of compensation management on work life balance (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State, there was a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State, here was a significant influence of compensation management on intention to stay (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State. It was recommended that organizations should take initiative to improve the emotional intelligence competencies of their employees.

**Keywords:** Compensation Management, Employee Retention, Emotional Intelligence, Work Life Balance, Appreciation and Stimulation and Intention to Stay.

### 1.0 Introduction

Employee's willingness to stay on the job largely is known to depend on compensation packages of the organisation (Armstrong, 2003). In attempt to ensure employee optimal satisfaction and retention, organisations are expected to consider a variety of appropriate ways to reward the employee to get the desired result (Falola, 2014). It has been argued that the degree to which employee are satisfied with their job and their readiness to remain in an organisation is a function of compensation packages (Osibanjo, 2012).

Mitala (2003) identified the preliminary retention strategies motive to include five major elements namely compensation (financial and non-financial incentives); environment (physical structure, surrounding and atmosphere of the workplace); growth (advancement prospect and development on the job vis-a vis organisation); relationship (mode of interactions existing between employer and employees, superior and subordinates, subordinates and subordinates, organisation and outside world) and support (assistance to needy employees). In their view, Gopinath and Becker (2000), effective communications improve employee identification with their agency, build openness, and trust culture.

Employee retention is also seen as an effort by a business to maintain a working environment which supports current staff in remaining with the company (Horwitz, 2010). Many employee retention policies are aimed at addressing the various needs of employees to enhance their job

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satisfaction and reduce the substantial costs involved in hiring and training new staff (Dessler, 2008). 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 (Falola, 2014). Retention Strategies helps organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives (Horwitz, 2010).

Based on the submission of Kreisman and Barbara (2002), the meaning of retention varies from the mechanical (reduce the employee turnover figure to an acceptable level) to the abstract (about the culture and value). Kreisman and Barbara (2002) went further to say that the meaning can be couched in curt, wholly objective phase or in a flowery, vague corporate language by seeing it as a distinct, controllable element of labour management or viewed as a cross functional, pervasive and seemingly all-encompassing set of values or methodologies which centres on how to treat people (Kreisman and Barbara, 2002).

Essentially, Mitala (2003) identified the preliminary retention strategies motive to include five major elements namely compensation (financial and non-financial incentives); environment (physical structure, surrounding and atmosphere of the workplace); growth (advancement prospect and development on the job vis-a vis organisation); relationship (mode of interactions existing between employer and employees, superior and subordinates, subordinates and subordinates, organizations and outside world) and support (assistance to needy employees) (Mitala, 2003). According to Gopinath and Becker (2000), effective communications improve employee identification with their agency, build openness, and trust culture. Increasingly, organizations provide information on values, mission, strategies, competitive performance, and changes that may affect employees' enthusiasm.

According to Kreisman and Barbara, the meaning of retention varies from the mechanical (reduce the employee turnover figure to an acceptable level) to the abstract (about the culture and value). Kreisman and Barbara (2002) went further to say that the meaning can be couched in curt, wholly objective phase or in a flowery, vague corporate language by seeing it as a distinct, controllable element of labour management or

viewed as a cross functional, pervasive and seemingly all-encompassing set of values or methodologies which centers on how to treat people.

To this end, increasing employee retention has become a trend in the business organizations in countries (Tomal & Jones, 2015). Employees with outstanding skills and talents can significantly contribute to the organization's competitive advantage (Yamamoto, 2011). Hence, organizations should retain such talents particularly in this challenging and unpredictable environment where change is inevitable (Samuel, 2012). Employee retention is beneficial for the organization and the employees at the same time. Employees today have a lot of good opportunities in hand (Wisniewski, 2008). The moment they feel unhappy or dissatisfied with the existing employer or the job they are holding; they will always hop to another employment (Nair, 2009). It is solely the accountability of the employer to retain their best employees (Tomal & Jones, 2015). Failure of doing so may lead to the loss of talented employees. Good employers should realize what to be done to attract and retain their employees (Sandhya and Kumar, 2011).

Essentially, the role of compensation management on employee retention cannot be underestimated. In the age of global competition, it is very essential to identify and retain the efficient, competent and knowledgeable employees in organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter and Moazzam, 2016). Employees are known to be organization's key resource and the success or failure of organizations center on the ability of the employers to attract, retain, and reward appropriately talented and competent employees (Akter and Moazzam, 2016). Employees' willingness to stay on the job largely depends on compensation packages of the organization (Armstrong, 2003). In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola, Ibidunni & Olokundun 2014). It has been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the Organisation (Fadugba, 2012).

Adeniyi (2013) posits that the fundamental tasks in human resources management is compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed (Adeniyi, 2013). Compensation management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives (Adeniyi, 2013). This can be attributed to the fact that compensation management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever improving efficiency (Adeniyi, 2013). In other words, compensation management is a powerful means of focusing attention within an organization. They send clear messages to all employees of the, organization informing them about expected attitudes and behaviors (Schell and Solomon, 2007).

Milkovich and Newsman, (2002) argued that compensation management system can create and sustain a competitive advantage for organizations. In recent years, the inclusion of non-financial measures has gained some popularity in compensation management, while some schools demonstrate positive effects of incorporating non- financial measures in to the compensation management system empirically (Widmier, 2002). He further states that, human resources model of compensation generally assume that higher performance requires greater effort or that is in some other ways associated with disutility on the part of workers (Widmier, 2002). In other to provide incentives, these models predict the existence of reward systems that structure compensation so that a worker expected utility increase with' observed productivity (Resick, 2007).

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management is a powerful means of focusing attention within an organisation. They send clear messages to all employees of the, organisation informing them about expected attitudes and behaviours (Smith, 1992). For the workers, wage provides the means of satisfying their wants and needs (Self & Dewald, 2011). Compensation packages entails some basic features that tend to make employee satisfy on their job amongst which include salaries, bonuses, incentives etc and these have significant impact on employee retention (Idemobi, Onyeizugbe, and Akpunonu, 2011).

### **Statement of the Problem**

It is a fact that, retention of key employees is critical to the long-term health and success of any organization (Anisha, 2012). The performance of employees is often linked directly to quality work, customer satisfaction, and increased product sales and even to the image of a company (Self & Dewald, 2011). It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning (Onah & Anikwe, 2016). Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization (Onah & Anikwe, 2016).

### **Objectives of the Study**

The main objective of the study was to investigate the influence of compensation management on bank employees' emotional intelligence and retention using the United Bank of Africa, Osogbo, Osun State as a case study. The specific objectives are to:

- determine the influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State
- examine the influence of compensation management on work life balance (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State.
- determine the influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.

- determine the influence of compensation management on Intention to Stay (a Dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.

### Research Hypotheses

- There will be a significant influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State.
- There will be a significant influence of compensation management on work life balance (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State.
- There will be a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.
- There will be a significant influence of compensation management on Intention to Stay (a Dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.

## 2.0 LITERATURE REVIEW

### THEORETICAL FRAMEWORK

#### Theories of Compensation Management

#### Reinforcement Theory of Compensation Management

This theory is credited to the work of B.F Skinner (1953). This theory emerged as the earliest theories to shed some light on how pay influences employee behavior (Skinner, 1953). This theory, in management, can also be referred to as operant conditioning or the law of effect (Luthans, Fred; Stajkovic, Alexander, 1999).

This theory is based on the assumption that, the reward - earning behavior is likely to be repeated, i.e. an employee would do the same thing again for which he was acknowledged once (Milkovich, Newman and Gerhart, 2013). The reinforcement theory of compensation management states that a response followed by compensation is more likely to recur in the future (McCollum, 2001). By the same token, a high performance not followed by a reward will make its recurrence unlikely in future (McCollum, 2001). The theory emphasizes the importance of a person actually experiencing the reward (McCollum, 2001). The implication for compensation management is that high employee performance followed by a monetary reward will

make future high performance more likely (Okumbe, 1998).

Theories of reinforcement are centered not on need but on the relationship between behavior and its consequences (McCollum, 2001). In the work place, these theories can be applied to change on-the-job behavior through rewards and punishments (Skinner, 1953). Skinner, a professor at Harvard, was a highly contentious behavioral psychologist known for his work in operant conditioning and behavior modification (Luthans, Fred; Stajkovic, Alexander, 1999). His reinforcement theories take into consideration both motivation and the environment, focusing on stimulus and response relationships (McCollum, 2001). Through his research, he noted that a stimulus will initiate behavior; thus, the stimulus is an antecedent to behavior (Luthans, Fred; Stajkovic, Alexander, 1999). The behavior will generate result; therefore, results are consequences of behavior (McCollum, 2001).

According to McCoy (1992), "The quality of the results will be directly related to the quality and timeliness of the antecedent. The more specific the antecedent is and the closer in time it is to the behavior, the greater will be its effect on the behavior. The consequence provides feedback to the individual" (McCoy, 1992). If the outcomes are considered positive, then the behaviour is positively reinforced (McCoy, 1992). When the behaviour is positively reinforced, the individual is more likely to replicate the behavior. People tend to have an intrinsic need for optimistic reinforcement. When behavior is ignored, the behavior tends to go away or become extinct (McCoy, 1992).

#### Expectancy Theory of Compensation Management

Expectancy theory, initially put forward by Victor Vroom at the Yale School of Management, clearly suggests that behavior is motivated by anticipated results or consequences. Vroom proposed that a person decides to behave in a certain way based on the expected result of the chosen behavior (Vroom, 1964). Unlike reinforcement theory, expectancy theory (Vroom, 2014) centers on the connect amongst recompenses and deeds (instrumentally sensitivities), in spite of the fact that it highlights anticipated (rather than skilled) recompenses (i.e., enticements). Inspiration is moreover a work of other two variables: hope, the alleged interface between exertion and execution, and valence, the

anticipated esteem of results (e.g., recompenses) (Vroom, 1964).

Vroom's (1964) expectancy theory helped clarify how compensation influences future behavior. According to expectancy theory, three components determine motivation:

- 1) a judgment regarding the likelihood that an effort leads to a certain level of performance(expectancy);
- 2) a judgment regarding the likelihood that this level of performance leads to a certain outcome (instrumentality); and
- 3) the importance of the outcome to the individual (valence).

Similarly, in the case of Expectancy Theory, given by Vroom, the employee is motivated to do a particular thing for which he is sure or is expected that performance will be followed by a definite reward or an outcome (Vroom, 1964). Compensation frameworks vary concurring to their influence on these motivational mechanisms. In general, talking, pay frameworks vary furthest in their effect on instrumentally: the seen interface between behaviors and pay too alluded to in the pay writing as "line of prospect" (Meyer and Smith, 2007). Valence of reimbursement results ought to stay the same beneath distinctive pay frameworks (Meyer and Smith, 2007). Anticipation perceptions frequently have more to do with work plan and preparing than pay frameworks (Meyer and Smith, 2007).

### **Theories of Employee Retention**

#### **Baby Boomers and the Y Generation Theory on Staff Retention**

The theory was developed by Ken Dychtwald (1946) but was made popular by Harry Dent (1964). The study by Hewlett (2009) explores the similarities between the baby boomers and the Y generation and confirmed that together they constitute the biggest number of employees in the workforce of companies today. Organizations whose employment offers are aligned best with the shared values of the baby boomers and the Y generation will enjoy a major talent advantage. According to Hewlett (2009) there are 5 elements that companies need to focus on:

**Modularity:** This can be defined as "chunking" of work that allows the baby boomers to scale back their working hours and breadth of control but still tackle the sophisticated tasks that their years of experience have equipped them to handle. This can be achieved by also delaying retirement or

calling people back from retirement to assist on key specialized projects that require particular skills and knowledge (Hewlett, 2009).

**Flexibility:** This can and should come in many forms. This could mean allowing people to work where and as they want. This should be supported by trust and clear goal-setting so that the people are held accountable for results, not the particular hours they keep at the office (Hewlett, 2009).

**Opportunities to Give Back:** Many companies support their people's favorite causes, whether with release time for volunteering or with matching funds for contributions, but it was hard to top the sense of satisfaction derived from using one's vocational strengths to make a difference to a worthy cause. The sense of giving back was an important one for people that want to make a difference in the lives of less fortunate people (Hewlett, 2009).

**Progressive Policies:** People are becoming more concerned about global climate changes. Many companies that have discovered this find that a progressive work environment was deeply appreciated by the workforce. This can also be achieved by designing the workspace to foster collaboration and innovation, for example having many open spaces that keep people circulating so that they can have the opportunity of getting together informally and, as a result, spark ideas (Hewlett, 2009).

**Intergenerational Mentoring:** Boomer-aged executives have been partnered with the younger generation of the workforce. Both groups are learning from the crosspollination: the older generation is imparting its experience from the working world to the younger generation and the newer generation was exposed the boomers to the new marketing technologies that were available in communities and cyber networks (Hewlett, 2009). The five elements put forward by Hewlett (2009) do not require an increase of capital but would require a shift in the mind-set of the individuals from a manager and human resource point of view to ensure staff retention in an organization.

#### **Equity Theory of Employee Retention**

Equity theory was first developed in 1963 by John S. Adams, who asserted that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive

from it against the perceived inputs and outcomes of others (Adams, 1965). It is very important to apply equity theory if one wants to retain employees because, in belief that people value fair treatment in relation to the amount of work that has been assigned to them and this causes them to be motivated in maintaining relationships with their co-workers and the organization, as the structure of equity in the workplace is based on the ratio of inputs to outcomes (Mitchell, 2001).

An individual will consider that he is treated fairly if he perceives the ratio of his inputs to his outcomes to be equivalent to those around him (Allen & Griffeth, 2001). The way people base their experience with satisfaction for their job is to make comparisons with themselves to people they work with (Allen & Griffeth, 2001). If an employee notices that another person is getting more recognition and rewards for their contributions, even when both have done the same amount and quality of work, it would persuade the employee to be dissatisfied (Allen & Griffeth, 2001). This dissatisfaction would result in the employee feeling underappreciated and perhaps worthless (Allen & Griffeth, 2001). This is in direct contrast with the idea of equity theory, the idea is to have the rewards (outcomes) be directly related with the quality and quantity of the employee's contributions (inputs). If both employees were perhaps rewarded the same, it would help the workforce realize that the organization is fair, observant, and appreciative (Allen & Griffeth, 2001). Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting inputs and/or outcomes in their own minds by directly altering inputs and/or outputs, or by leaving the organization (Carrell & Dittrich 1978).

### 3.0: METHODOLOGY

#### Research Design

The study was a survey, which employed Ex-Post Facto design. The independent variable was Compensation Management. The dependent variables was Employee Retention. However, employee retention was further categorized into; (i) Work Life Balance (ii) Appreciation and Simulation and (iii) Intention to Stay.

#### Population of the Study

The population of a study is the total of objects being studied and to which the conclusions or generalizations of our result will apply. The study population comprised of the employees of United

Bank of Africa, Osogbo, Osun State. The total population of employees in United Bank of Africa, Osogbo, Osun State were 138.

#### Sample Size and Sampling Techniques

The sample size was calculated using Taro Yamane's formula (Yamane, 1973) with 95% confidence level.

The calculation formula of Taro Yamane is presented as follows:

$$n = N / (1 + N(e)^2)$$

Where:

n= the sample size

N= the population of the study

e= the margin error in the calculation

$$138 / (1 + 138(0.05)^2)$$

$$138 / (1 + 138(0.0025))$$

$$138 / (1.35)$$

$$= 102.22$$

$$= 102$$

After calculating the sample size by substituting the numbers into the Yamane formula, the numbers of sample were 138 employees. In order to obtain reliable of data, the sample size is 102.

#### Research Instrument

For the purpose of this research a well-structured questionnaire was used to collect data for the study. The questionnaire shall be made up of four (4) sections namely.

#### SECTION A: Socio-Demographic Measures:

This section contained the socio demographic information of the respondents, which include: Name of business enterprise, age, gender, marital status, educational qualification, working experience (in years), position held, etc.

#### Section B: Compensation Management:

Under this section, the comprehensive model and measure of compensation management developed by Holly, Lucy, Larry and Shawn (2008) was used. Compensation Management measurement scale covered all dimensions of compensation management. The scale is a 15 items scale which include 16 of the 18 items from the PSQ (two pay raise satisfaction items were replaced by similar items included in the RPSQ) and a total of 7 items from the RPSQ. The questionnaire was measured on the response format to be used was from 1 (very dissatisfied) to 5 (very satisfied).

#### Section C: Emotional Intelligence:

Under this section, the Development and validation of a measure of emotional intelligence developed by

Schutte, Malouff, Hall, Haggerty, Cooper, Golden, & Dornheim, L. (1998) shall be used. The scale is based on Peter Salovey and John Mayer's model of emotional intelligence, the scale items are designed to assess (1) the appraisal and expression of emotion in self and others, (2) the regulation of emotion in self and others, and (3) the utilization of emotion in solving problems. The questionnaire shall be measured on a 5- point Likert Scale, namely Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D) and Strongly Disagree (SD). The obtained reliability coefficient of the entire scale was .92.

Section C: Employee Retention: Under this section, the employee retention scale developed by Praveen Kumar Sharma & Rajnish Kumar Misra, (2015) was used. The scale identified four factors for measuring the employee retention. Employee retention construct was measured by Appreciation and stimulation, Career opportunities within organization, Work life balance and Intention to stay. The questionnaire was measured on a 5 point Likert Scale, namely Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D) and Strongly Disagree (SD). The obtained reliability coefficient of the entire scale was .93.

**Procedure for Administration of Instrument**

The researcher obtained an authority letter from the Head of Department (HOD), Department of Human Resource Development, Osun State University and present in the United Bank of Africa, Osogbo, Osun State and administer the questionnaires thereafter. The researcher explained all aspects of the questionnaire to the respondents and guaranteed confidentiality of the information to be supplied. One hundred and two (102) copies of questionnaire were administered to the respondents while one hundred (100) were fully and correctly filled and returned which took a duration of two weeks.

**Method of Data Analysis**

The obtained data in this study was subjected to descriptive and inferential statistics. The descriptive statistics was used to obtain summary information from collected data such as mean, frequency distribution, standard deviation etc. The inferential statistics was used to test the hypotheses. Specifically, T-test for independent measures was used to test the stated hypotheses. However, the Statistical Package for Social Sciences (SPSS) Version 21.0 was used.

**4.0: RESULTS**

**Socio-Demographic Characteristics of the Respondents**

It was revealed that 47 (47%) of the respondents were male while 53(53%) were female. It was revealed that revealed that 9 (9%) of the respondents were within age bracket 20-24yrs; 18 (18%) of the respondents were within age bracket 25-29yrs; 22 (22%) of the respondents were within age bracket 30-34yrs;15 (15%) of the respondents were within age bracket 35-39yrs; 16 (16) of the respondents were within age bracket 40-44yrs while 20 (20%) of the respondents were within age bracket 45yrs and above. Also, it was revealed that 23 (23%) of the respondents were single; 65(65%) were married;4 (4%) of the respondents were divorced; 7 (7%) of the respondents were separated while only 1 (1%) of the respondents was a widow/widower. The result also revealed that 28(28%) of the respondents were holders Ordinary National Diploma; 47(47%) of the respondents were holders of First Degree/Higher National Diploma; It 14 (14%) of the respondents were holders of Postgraduate Diploma while 11(11%) of the respondents were holders of Master's Degree. revealed that 50 (50%) of the respondents were Christians; 41 (41%) of the respondents practiced Islam while only 9 (9%) of the respondents were of other religions

**Hypothesis One**

This stated that there will be a significant influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State. The hypothesis was tested by T-Test for Independence Measures. The result is shown in table 2 below:

**Table 1: A Summary Table of T-Test for Independence Showing the Influence of Compensation Management on Employee Retention among Bank Employees in United Bank for] Africa in Osogbo**

Compensation Management	N	$\bar{X}$	SD	df	t	P
Higher	43	41.72	16..65	98	8.35	<.01
Lower	57	30.58	13.72			

Source: Authors' Fieldwork, 2021

The result in table 1 above revealed that there was a significant influence of compensation management on employee retention among bank employees [t (98) =8.35, p<.01]

Therefore, the hypothesis two was supported by the result of the study.

**Hypothesis Two**

This stated that there will be a significant influence of compensation management on work life balance (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The hypothesis was tested by T-Test for Independence Measures. The result is shown in table 3 below:

**Table 2: A Summary Table of T-Test for Independence Showing the Influence of Compensation Management of Work Life Balance (a Dimension of Employee Retention) in United Bank for Africa**

Compensation Management	N	$\bar{X}$	SD	df	t	P
Higher	43	7.16	3.45	98	7.17	<.01
Lower	57	5.42	2.89			

Source: Authors' Fieldwork, 2021

The result in table 2 above revealed that there was a significant influence of compensation management on work life balance (a dimension of Employee Retention) among bank employees [t (98) =7.17, p<.01]

Therefore, the hypothesis three was supported by the result of the study.

**Hypothesis Three**

This stated that there will be a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The hypothesis was tested by T-Test for Independence Measures. The result is shown in table 4 below:

**Table 3: A Summary Table of T-Test for Independence Showing the Influence of Compensation Management on Appreciation and Stimulation (a Dimension of Employee Retention) among Bank Employees in United Bank for Africa in Osogbo**

Compensation management	N	$\bar{X}$	SD	df	t	P
Higher	43	4.66	1.89	98	3.54	<.01
Lower	57	2.14	0.56			

Source: Authors' Fieldwork, 2021

The result in table 3 above revealed that there was a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees [t (98) =3.54, p<.01]

Therefore, the hypothesis four was supported by the result of the study.

**Hypothesis Four**

This stated that there will be a significant influence of compensation management on Intention to Stay (a Dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The hypothesis was tested by T-Test for Independence Measures. The result is shown in table 4 below:

**Table 4: A Summary Table of T-Test for Independence Showing the Influence of Compensation Management on Intention to Stay (a dimension under Employee Retention) among Bank Employees in United Bank for] Africa, Osogbo**

Compensation Management	N	$\bar{X}$	SD	df	t	P
Higher	43	5.54	1.97	98	3.27	<.01
Lower	57	2.23	0.86			

Source: Authors' Fieldwork, 2021

The result in table 5 above revealed that there was a significant influence of compensation management on intention to stay (a dimension of employee retention) among bank employees [t (98) =3.27, p<.01]

Therefore, the hypothesis five was supported by the result of the study.

**5.0: DISCUSSION, CONCLUSSION AND RECOMMENDATIONS**

**Discussion of Findings**

The study examined the influence of compensation management on bank employee retention using the United Bank of Africa, Osogbo, Osun State as a case study.

The hypothesis one which stated that there will be a significant influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State was fully supported by the findings of the study. The finding indicated that there was a significant influence of compensation management on employee retention among bank employees This indicated that employees who reported favourable compensation management experienced more employee retention than employees who reported unfavourable compensation management. This finding was supported by Chiekiezie, Emejulu and Nwanneka

(2017) who considered compensation management and employee retention of selected commercial banks in Anambra State, Nigeria. It was reported that dimensions of compensation management significantly influenced employee retention of selected commercial banks in Anambra State, Nigeria. Also, Pragalata and Wibawa (2019) supports this finding by revealing that compensation through job satisfaction has an effect positive and significant on employee's retention.

The hypothesis two stated that there will be a significant influence of compensation management on work- life balance (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The finding indicated that there was a significant influence of compensation management on work life balance (a dimension of employee retention) among bank employees This indicated that employees who reported favourable compensation management experienced more work life balance (a dimension of employee retention) than employees who reported unfavourable work- life balance. This finding was supported by Hejratullah, Kannaji, Mohammad and Aminullah (2020) where it was revealed that compensation management has a significant influence on employee retention strategy.

The hypothesis three stated that there will be a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The finding indicated that there was a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees This indicated that employees who reported favourable compensation management experienced unfavourable appreciation and stimulation (a dimension of Employee Retention) than employees who reported unfavourable compensation management. This finding was supported by Kalpana & Noopur (2013) who revealed that appreciation and satisfaction is important to employees and therefore should be the ultimate goal of the any organization.

The hypothesis four stated that there will be a significant influence of compensation management on Intention to Stay (a Dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State. The

finding indicated that there was a significant influence of compensation management on compensation management on Intention to Stay (a Dimension of Employee Retention) among bank employees This indicated that employees who reported more compensation management experienced more compensation management on Intention to Stay (a Dimension of Employee Retention) than employees who reported low compensation management on Intention to Stay (a Dimension of Employee Retention). This finding was supported by Chepchumba and Kimutai (2017) who concluded that there was a significant relationship between employee compensation and employee turnover in small businesses among Safaricom dealers in Eldoret Municipality, Kenya.

## CONCLUSION

The study investigated the influence of compensation management on bank employee retention using the United Bank of Africa, Osogbo, Osun State. Based on findings, it was concluded that:

- i. There was a significant influence of compensation management on emotional Intelligence among bank employees in United Bank of Africa, Osogbo, Osun State.
- ii. There was a significant influence of compensation management on employee retention among bank employees in United Bank of Africa, Osogbo, Osun State.
- iii. There was a significant influence of compensation management on work life balance (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.
- iv. There was a significant influence of compensation management on appreciation and stimulation (a dimension of Employee Retention) among bank employees in United Bank of Africa, Osogbo, Osun State.
- v. There was a significant influence of compensation management on intention to stay (a dimension of employee retention) among bank employees in United Bank of Africa, Osogbo, Osun State.

## Recommendations

Based on recommendations, the following recommendations were made:

- Organizations should take initiative to improve the emotional intelligence competencies of their employees as it plays a significant role in the kind of work an employee produces, and the relationship he

or she enjoys in the organization and improve individual and organizational performance.

- Appreciating the potential and talent that the employees bring in and ensuring the expression of difference the employees bring to the work place and value them to make it an ingredient of the organizational success.
- Organizations that want to ensure an enhance employee retention should ensure that the company's compensation system must include policies, procedures and rules that provide clear and unambiguous determination and administration of worker's compensation.
- Management creates good and friendly working conditions that will aid employee's performance.
- Organizations should ensure the provision of good welfare packages that will encourage and promote employees' performance.

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