

Compensation Packages And Employee Retention In Nigerian Breweries, Ilesha, Osun State, Nigeria

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Abstract

The study examined the influence of compensation packages on employee retention in International Breweries, Ilesha, Osun State. Specifically, the study's objectives were to investigate the influence of salary, bonus, allowances, and rewards on employee retention in International Breweries, Ilesha, Osun State. The sample selection method adopted for this study was the purposive sampling technique. Copies of questionnaire were used to gather data from a sample size of 200 employees. The data gathered were collated and analysed using descriptive and regression analysis. Findings revealed that there is a significant relationship between salary and employee retention, a significant relationship between bonuses and employee retention, a significant relationship between rewards and employee retention, and a significant relationship between allowances and employee retention. Thus, it was concluded that compensation packages play a crucial role in employee retention. Therefore, the study recommended that compensation packages based on realistic and reliable standards should be made available to employees. Additionally, the rules for achieving the standards and rewards should be communicated to all employees. Furthermore, the study recommended that the human resource department at International Breweries Ilesha in Osun State should consider developing clear policies and rules on how its workers will be paid.

Keywords: *compensation packages; salaries; rewards; allowances; bonuses; employee retention.*

INTRODUCTION

Employees are organisations' key resources, and the success or failure of organisations centers on the ability of the employers to attract, retain, and reward appropriately talented and competent employees (Armstrong, 2006). On the one hand, employee retention aids in enhancing organisational performance and competitiveness in businesses (Hanai & Pallangyo, 2020). On the other hand, compensation plays a significant role in attracting and retaining good employees, especially those who give an outstanding performance or unique skill, which is indispensable to the organisation (Lawler, 1990). Adil et al. (2020) explained that businesses must have a modern and competitive compensation system to satisfy workers to be profitable and recruit and retain competent employees. Thus, compensation is considered the most important factor for attracting and retaining talents (Willis, 2000). It is essential to mention that compensation packages used in this study include salaries, bonuses, rewards, and allowances.

The most difficult task in human resource management is attracting and retaining quality personnel due to competition for scarce skills (Terera & Ngirande, 2014). Thus, it is critical to address employee retention as it is closely linked to organisational performance (Hanai & Pallangyo, 2020). Employees' roles in a manufacturing organisation are very important in every aspect. According to Gering and Conner (2002), retaining good employees is crucial for any organisation. Employees unhappy with their employers are more likely to leave the company (Schuler & Jackson, 2006). According to research and best practices, when businesses treat their employees as valuable contributors, they are more likely to stay with the company (Frost, 2001).

Organisations must explore several appropriate approaches to reward employees for achieving the required goals to ensure optimal performance and retention (Osibanjo et al., 2014). Thus, there is a need to identify compensation packages that can help improve the job satisfaction of employees, which might cause employees to remain in their job. Hence, for these reasons, this study seeks to investigate to what extent compensation packages can influence employees' retention and the basic compensation packages that can influence employees' retention.

CONCEPTUAL REVIEW

Compensation Packages

Compensation in Hanai and Pallangyo (2020) was described as a monetary and non-monetary remuneration provided by the employer for services rendered (such as bonuses, benefits, vacations, wages and salaries). Compensation can be described as direct and indirect compensation received by employees in an organisation. Direct compensation includes wages, salaries, bonuses or commission based on performance, overtime work, holiday premium, while indirect compensation is paid as medical benefits, housing allowance, meal allowance, utility allowances, incentive bonuses, shift allowances, hospitalization expenses, out of station allowance, vehicle loan benefits, annual leave allowances, car basic allowances, etc.

At the organizational level, pay is essential for attracting, retaining, and motivating workers to keep making contributions to the success of the company (Omar, 2019). The main factor influencing people's decision to work for a company is also compensation. In addition to rewarding and recognizing employees' efforts and contributions, many firms use the compensation system as a motivational tool (Amoo et al., 2020) to increase workers' productivity by enhancing job satisfaction, reducing turnover, and improving job performance.

In the past, compensation plans have been made to entice and keep workers while also encouraging them to put up more effort and produce more in support of the organization's objectives (Mwangi, 2017). Furthermore, Uwimpuhwe et al. (2018) noted that one of the most significant expenses for running a business is also believed to be compensation. The most important thing to remember is that it has a big impact on hiring and retention decisions as well as serving as a powerful instrument to connect employee interests with business goals by creating and offering rewards for achieving set targets.

Employee Retention

In literature, retention has been viewed as an obligation to continue to do business or exchange with a particular company on an ongoing basis (Zineldin, 2000). In Hanai and Pallangyo (2020), employee retention was described as a procedure in which employees are encouraged to stay with the company for as long as possible or until the project is completed. Chiekezie et al. (2017) explained that employee retention involves taking steps to encourage employees to stay with the company for the longest possible period of time. Employee retention is sometimes described as a procedure in which workers are strongly encouraged to stick with the company for a very long time (Amoo et al., 2020).

Employee retention, according to Sapovadia and Patel (2013), is the process by which businesses try to keep current employees from leaving their positions. According to Cutler (2001), maintaining the most vital and dynamic people resources' motivation and dedication is one of the most crucial demands on management today in any firm. The people who are retained by the company are what matter, not who the organization recruits (Mwangi et al., 2017). Studies have indicated that retention is driven by several key factors which ought to be managed congruently: organisational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems (Logan, 2000).

According to Das and Barua (2013), it is difficult for businesses to retain their talented personnel to avoid business instability. Amoo et al. (2020) asserted that while staff retention is vital, retaining highly valued talents is even more crucial. Okpara (2004) opined that paying both sexes comparable remuneration for equivalent job duties will improve performance and satisfaction while also assisting in retaining the most qualified workers. Similarly, Ghazanfar, Muhammad, and Mohsin (2011), opined that remuneration satisfaction can influence work motivation, which in turn motivates employees to remain with their company.

Salary

Salary is the amount of money paid to persons who are employed full-time and is paid on a weekly, monthly, or annual basis (Chiekezie et al., 2017). Adil et al. (2020) described salary as the amount of money paid for a job in an organisation. Salary acts as a basis for calculating bonuses and benefits (Adil et al., 2020). Salary is an agreed-upon payment made at regular intervals in exchange for completed task (Amoo et al., 2020). For any firm, the salary component contributes roughly 31.8% to employee retention (Iqbal et al., 2017). The pay practice, which deals with pay generally, wage, salary, and benefits, among other things, is one of the HRM practices and is crucial to implementation methods. High salary levels in comparison to other businesses in the market help recruit and keep top talent (Abou-Moghli, 2019). Yet, this can result in higher labor costs overall for the business. Compensation practices are a crucial component for businesses looking to acquire and keep top talent from the point of application (Uwimpuhwe et al., 2018). Employees, on the other hand, must work hard to maintain their high level of performance or risk losing their jobs.

Jean et al. (2017) suggests that, overall, better pay and more enticing benefits tend to result in greater satisfaction, which improves employee performance. Abou-Moghli (2019) agree, stating that low pay lowers employee performance and morale. Paying peanuts will bring you monkeys, according to Clegg and Birch (2002), who also claim that if you pay workers a fair rate, you're demonstrating your importance to them. According to Armstrong (2016), in order to prevent strikes and poor performance by employees, effective business practices call on employers to keep up with inflation by compensating employees with market-related salaries. Higher base pay is employed in a competitive market to attract and retain personnel with expertise who can enhance performance (Iqbal et al., 2017). Contravening this guideline in any other way has detrimental effects on the organization. Accordingly, the following hypothesis is proposed:

Ho1: There is no significant influence of salary on employee retention in International Breweries, Ilesha, Osun State.

Rewards

Baskar and Rajkumar (2013) described reward as a material or monetary expression of gratitude that is conditional on the achievement of certain goals. Similarly, Ndungu (2017) noted that recognition and reward is an effort by an organisation's management to appreciate employees or members for being a role model of for certain acts.

Regardless of whether it is blunt or not, every current organization has some sort of reward structure (Alhmod & Rjoub, 2019). Well-paid employees always feel appreciated by their employers because they understand that rewards are based on performance and can be either intrinsic or extrinsic (Armstrong, 2016). The latter type of reward, can be further expressed through both monetary and non-monetary rewards. The financial reward, which is often referred to as a monetary reward, is typically a variable pay that is paid apart from the normal salary and is given in recognition of exceptional performance or as a consolation (Amoo et al., 2020). It can be entirely individual-based, in which case the performer receives it, or group-based, in which case a team or group receives it (Jean et al, 2017).

The requirements for receiving this reward should be established in advance, and the performance should be measurable (Terera & Ngirande, 2014). There are several justifications for a reward system, but motivating employees to perform better is the main one (Hassan, 2022). As a result, some firms create a reward framework that is intended to promote increased employee performance as well as serve as a retention strategy for talented people. A reward system must meet certain requirements in order to be motivating and alluring: it must provide value to the recipient, be justifiable, and convenient (Hassan & Govindhasamy, 2020).

According to Hassan and Govindhasamy (2020), an organization's reward system has a crucial role in motivating employees. Several types of rewards are fundamental elements that highlight particular work aspects that contribute to the organization's worker performance (Masea, 2016). When it comes to how employees perceive the compensation structure at work, the reward system is crucial. Many perspectives on the effects of rewards have been voiced, including the notions that a variety of reward options promote employee performance and that both monetary and non-monetary rewards are necessary for excellent occupational performance (Iqbal et al., 2017). Similarly, Adil et al. (2020) posited that rewarding employees is a critical component of improving job satisfaction and performance. Accordingly, the following hypothesis is proposed:

H₀₃: There is no significant influence of reward on employee retention in International Breweries, Ilesha, Osun State.

Bonus

Adil et al. (2020) described a bonus as a monetary reward provided to employees for completing a specific goal set by management for a limited or specific length of time. Rewards and bonuses for personal effort are the most obvious ways of recognising an employee's effort (Chiekezie et al., 2017). Although bonus payments are not required for businesses, employees nonetheless anticipate receiving them (Othman et al., 2018). In most cases, when businesses

reach their specific objectives, they will thank their staff by giving them bonuses. One month's salary is a reasonable base bonus for employees below the executive level, and it should be paid out at the conclusion of the current fiscal year or in the first month of the following one (Amadi et al., 2021). Some businesses pay their employees more than one month's salary, and these bonuses are undoubtedly based on how well the businesses' finances are doing.

These bonuses have an impact on how employees act and view their work (Amoo et al., 2020). The employees will experience greater motivation and a sense of company loyalty as a result of receiving bonus from the organization (Abou-Moghil, 2019). But, if such bonuses are nothing more than a gimmick, they may have a negative impact on the businesses (Jean et al., 2017). Worst yet, employees may begin to doubt whether their efforts and hard work are truly being rewarded thus having the intention to leave. Similarly, Lawler and Worley (2006) noted that employees may not show up for work, stay at their jobs, or put in a lot of effort for their employers. But one strategy that can be used to encourage employees to support and fulfill the company's mission is the giving of bonuses (Orhaman et al., 2018). Workers need to be motivated to share and realize the company's goal. Employees would revolt in a way that has never been seen before if employers take away these bonuses (Amadi et al., 2021). Employees will thus feel demotivated, have less focus on their work, and feel distanced from it.

Employees that perform better than their coworkers are rewarded with larger bonuses or incentives (Othman et al., 2018). The built-in incentive for all employees or workers requires top performance from the company or organization. Gifts come in a variety of forms. Employees who do well for the company are given performance bonuses, while those who put in a lot of effort all year long and stayed with the company are given year-end bonuses. For their loyalty, they receive these perks. Organizations and enterprises can keep their staff by offering bonuses and other incentives. Gifts will make sure that workers and employees feel a connection to the business.

H₀₂: There is no significant influence of bonus on employee retention in International Breweries, Ilesha, Osun State.

Allowances

Employee allowances include sick pay, pensions, and other perks (Adil et al., 2020). Allowances is the sum of money given to an employee for a specific purpose. The term allowance refers to monetary incentives provided to employees in addition to their pay for a variety of purposes, such as employee relocation, financial support, and engagement allowances (kadir et al., 2019). The high allowance might persuade a person to continue working for the company, provide their all, and demonstrate their loyalty (Mudhofar, 2021). Based on their extensive experience, long-term employees develop their knowledge and expertise in performing their duties (Amoo et al., 2020). Perks are utilised to honour extraordinary performance, contributions, and devotion to organisation's principles and culture. Allowances are awards given to people who have put in the effort, thought and time to work hard and provide their all for the organisation (Parsa, 2017). Perks include tickets to events, trips sponsor and public recognition (Adil et al., 2020).

Allowance is an additional benefit from the organization to the employees as a consequence of their responsibility. According to Simanjorang and Tumbuan (2016), the organization provides the allowance as a kind of

employee welfare. Mudhofar (2021) demonstrates how the allowance affects the employees' ability to complete their work. In other words, the bigger the allowance, the higher the employees' work's quality (Simanjourang & Tumbuan, 2016). Allowances are a benefit for workers that will increase their take-home pay each month. According to Lestari and Riyanto (2020), one of the purposes of providing an allowance is to ensure that workers are encouraged to do a good job, with the goal of raising worker productivity. Lestari and Riyanto (2020) claim that allowances might be seen as gifts (awards for services) given to employees. Accordingly, the following hypothesis is proposed:

H₀₄: There is no significant relationship between allowances and employee retention in International Breweries, Ilesha, Osun State.

THEORETICAL FRAMEWORK

Two-factor Theory

Herzberg contends that each employee has two sets of needs (motivational and hygiene needs). In this regard, he argues that workers will remain at their jobs as long as their requirements are met and they are motivated. If their requirements weren't met, they would naturally leave, which results in staff turnover. Factors connected to the content of the work affect people's job satisfaction. Achievement, recognition, intriguing job, responsibility, promotion, and growth are among these intrinsic motivators. Dissatisfiers or hygiene factors are things that make people unhappy at their jobs. Herzberg discovered that the following factors contributed to employee dissatisfaction: business policy, management, working conditions, interpersonal connections, salary, status, and security. They differ from motivators in that they relate to the context of the job rather than the content of the labor (Amoo et al., 2020).

Employees leave jobs due to the presence of hygiene factors (unfair company policies and poor supervision) as well as the absence of motivators (a sense of accomplishment and recognition of accomplishment). Hence, it is crucial that businesses develop strategies to encourage workers to stick with the company in order to retain staff (Flegley, 2006). The attractiveness of an organization comes from its ability to offer high benefits to its employees, who in turn support increased production to gain greater flexibility and competitive advantage while being cost-effective and competitive (Bauer, 2004). According to Othaman et al. (2018), if businesses want to boost commitment and motivation as essential components of great performance, they would be better served to increase their focus on intrinsic satisfaction rather than extrinsic rewards. This entails restructuring jobs to provide workers a sense of purpose, learning potential, and fulfillment. Jean et al. (2017) added that rewards need to be evaluated in terms of what employees accept as compensation for their efforts or performances if they are to encourage workers.

EMPIRICAL REVIEW

Terera and Ngirande (2014) explored the impact of rewards on job satisfaction and employee retention among nurses. The study utilised a quantitative research design and 180 nurses were randomly selected as research participants. Self-

administered questionnaires were administered to participants/respondents. The data was analysed using Statistical Package for the Social Sciences (SPSS), version 20.0. Hypotheses were formulated to test the relationships between the independent variable and the dependent variable. The study revealed that employee rewards lead to employee retention but however, they do not result in job satisfaction.

Quresh, et al. (2013) conducted a study on the direct relationship between extrinsic rewards, intrinsic rewards and the employees' performance and retention among cement companies in Pakistan. The study collected data using formulated questionnaires from over 100 employees. The data was analysed by the use of SPSS. The analysis method was based on regression and descriptive statistics. The study found out that recognition techniques used in cement factories are good for employee performance in the cement factories in Pakistan. Furthermore, the study revealed that a direct relationship exists between extrinsic rewards, intrinsic rewards and employees' performance and retention in cement companies in Pakistan.

Masea (2016) studied remuneration practices in Kenya's regulated SACCO sector and their effects on employee retention in Nairobi County. The investigation was primarily descriptive in nature. The 33 SASRA SACCOs in Nairobi City County were the target group. Questionnaires were used to obtain the information. According to the report, to increase employee retention, regulated SACCOs implemented variable compensation programs, such as allowances and bonuses, insurance plans for health, dental, life, disability, and vision, and retirement benefits.

Similarly, the study of Sarmad et al. (2016) investigated the impact of compensation and motivation on employees' retention in the public sector Oil and Gas selling organisation. Data collected through copies of questionnaires from 112 employees were analysed using multiple regression and statistical technique. The findings suggest that a significant increase in motivation and practical compensation management could lead to an improvement in employee retention. Thus, the study recommended that compensation should be given significant consideration in periodic evaluations, and practical actions should be taken to update it, keeping in mind the rising cost of living for workers.

Mwangi (2017) investigated the impact of compensation strategies on employee retention at Jubilee Insurance Company Limited in Kenya. The study employed a descriptive survey research design. All permanent workers of Jubilee Insurance Company Limited in Kenya made up the study's target population. Primary data from the respondents was gathered by questionnaires. Furthermore, frequency distribution tables, percentages, means, and standard deviation (SD) were utilized to illustrate the data, which were then analyzed using descriptive statistics and inferential statistics. The study found that factors such as salary, wages, incentives, and employee privileges, bonuses, commissions, and benefits affect employee retention.

Uwimpuhwe et al. (2018) investigated the impact of the compensation system on employee attraction and retention. Researchers used questionnaires as method of data collection and research instrument. The population sample size of 32 employees of the cited institutions was determined using a random sampling technique. According

to study results, the compensation system has a moderate impact on the attraction and retention of employees. The study recommended that salaries of employees should be revised on a regular basis to retain existing workforce as well as to recruit qualified and talented workers from other firms. In addition, the study recommended that companies revise their benefit packages by identifying those that have a greater impact on employee retention and removing those that are no longer necessary.

Amoo et al. (2020) investigated the relationship between compensation strategy and employee retention in their study. The study used a quantitative research design, and 126 employees of selected Deposit Money banks in the Ilorin Metropolis were chosen at random to participate in the study. Participants were given access to a well-structured questionnaire. The results showed that both financial and non-financial compensation strategies are clear predictors of good working conditions, which support staff retention in banks. The study came to the conclusion that the most desirable banks to work for were those that gave their staff members the freedom to be creative, offered flexible working environments, and used other related compensation strategies.

In the study of Hanai and Pallangyo (2020), which aim was to explore the influence of compensation on employee retention in banking institutions in Tanzania, it was revealed that compensation is significantly influencing employee retention. The study recommended to bank executives to establish and implement retention plans that take into account fair salaries, as it is a highly appreciated compensation attribute. Other attributes of compensation (incentives, allowances, merit-pay and pay increase) were found to be insignificantly related to bank employee retention in Tanzania (Hanai & Pallangyo, 2020).

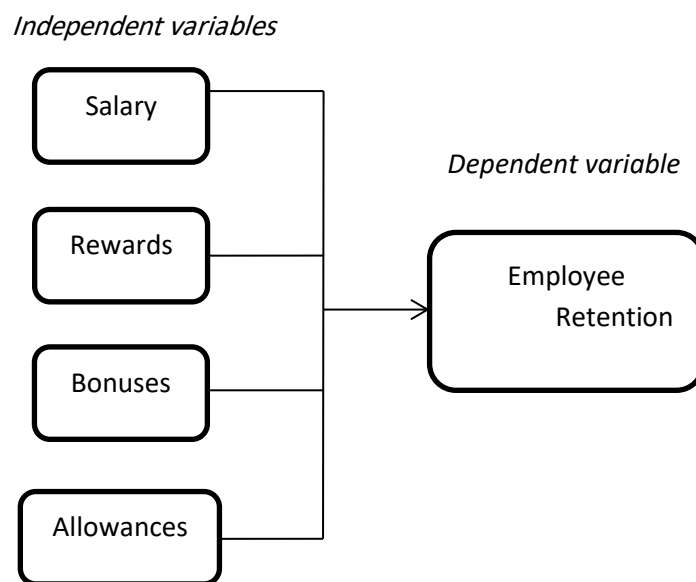


Figure 1: Conceptual Framework showing the relationship between independent variables and the dependent variable.

METHODOLOGY

The population of this study consisted of employees at the Nigerian Breweries Plc, Ilesha. The study adopted the survey research design method. The sample size which was obtained through Taro Yamane's formula was two hundred (200) employees. The purposive sampling technique was used as the sampling technique in this study. Furthermore, a well-structured questionnaire was used as the main research instrument to obtain relevant information for this study. Data collected through copies of the questionnaire was collated and analysed using Regression Analysis with the aid of the SPSS software.

DATA ANALYSIS AND INTERPRETATION

Variables		Frequency	Percentage %
Gender	Male	108	60
	Female	72	40
Age	25-30 years	52	28.9
	31-40 years	99	55.0
	41-50 years	25	13.9
	51 years and above	4	2.2
Marital status	Single	54	30.0
	Married	101	56.1
	Others	25	13.9
Educational Qualification	Advanced Diploma	96	53.3
	Bachelor	50	27.8
	Masters	18	10.0
	Ph.D.	16	8.9
Length of Service	Between 3-5 years	30	16.7
	Between 5-10 years	126	70.0
	10 years and above	24	13.3
	Total'	180	100

Source: Field Survey, 2021

In the Gender section, 108 (60%) of the respondents were male while 72 (40%) were female. This indicated that majority of the respondents were male. Furthermore, the age section in table 1 revealed that 52 (28.9%) of the respondents were within age bracket 25-30 years; 99 (55.0%) were within age bracket 31-40 years; 25 (13.9%) were within age bracket 41-50 years; 4 (2.2%) were within age bracket 51 years and above. This indicated that majority of the respondents were within the age bracket of 31-40years. The result under the marital section revealed that 54 (30.0%) of the respondents were single; 101 (56.1%) of the respondents were married; 25 (13.9%) of the respondents were neither married nor single. This indicated that majority of the respondents are married.

In addition, the result under the educational qualification revealed that 96 (53.3%) were holders of Advanced Diploma; 50 (27.8%) were holders of Bachelor; 18 (10.0%) were holders of Masters; 16 (18.9%) were holders of PhD. This indicated that majority of the respondents were holders of Advanced Diploma. Lastly, result in the section showing respondent's length of service revealed that 30 (16.7%) of the respondents work of experience have been between 3-

5 years; 126 (70.0%) of the respondents work of experience have been between 5-10 years; 24 (13.3%) of the respondents work of experience have been between 10 years and above, this indicated that majority of the respondents' length of service have been between 5-10years.

Test of Research Hypotheses

Research Hypothesis 1: *There is no significant influence of salary on employee retention in International Breweries, Ilesha, Osun State.*

2: A summary table of correlation analysis showing the relationship between salary on employee retention

	Salary	Employee Retention
Correlation	1	.845**
(2-tailed)		.000
N	180	180
Correlation	.845**	1
(2-tailed)	.000	
N	180	180

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

Table 2 shows that there is a strong positive linear relationship between the dependent and independent variables used in the study. This is revealed by a correlation (R) coefficient of $[r(180)=.84.5^{**}, p<.01]$. Thus, it is concluded that there is a significant relationship between salary and employee retention. The analysis indicated that there is a positive, direct and significant relationship between salary and employee retention which means that when employees salary are being paid on time, it ensures that employees stay longer in organisation for a longer period of time.

Research Hypothesis 2: *There is no significant influence of bonuses on employee retention in International Breweries, Ilesha, Osun State.*

Table 3: A summary table of correlation analysis showing the relationship between bonus on employee retention

	Bonuses	Employee Retention
Correlation	1	.534**
(2-tailed)		.000
N	180	180
Correlation	.534**	1
(2-tailed)	.000	
N	180	180

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

Table 3 shows that there is a strong positive linear relationship between the dependent and independent variables used in the study. This is revealed by a correlation (R) coefficient of $[r=.53.4^{**}, p<.01]$. Thus, it is concluded that there is a significant relationship between bonuses and employee retention. This analysis indicated there is a significant, direct and positive relationship between bonuses and employee retention in manufacturing organisations which means that when organisation pay bonuses to their employees, employees sees reasons to stay for longer of period of time in the organisation.

Research Hypothesis 3: There is no significant influence of reward on employee retention in International Breweries, Ilesha, Osun State.

Table 4: A summary table of correlation analysis showing the relationship between rewards on employee retention.

	Rewards	Employee Retention
s	1	. 612**
		.000
ee Retention	180	180
	. 612**	1
	.000	
	180	180

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

Table 4 shows that there is a strong positive linear relationship between the dependent and independent variables used in the study. This is revealed by a correlation (R) coefficient of $[r=.61.2^{**}, p<.01]$. Thus, it is concluded that there is a significant relationship between rewards and employee retention. The analysis revealed that there was a positive, direct and statistically significant relationship between reward and employee retention. This means that reward is an important part of the organisation that must be duly put into consideration. Organisations should always reward their employees in order as it helps in ensuring that employees stays in the organisation for a longer period of time.

Research Hypothesis 4: There is no significant influence of allowances on employee retention in International Breweries, Ilesha, Osun State.

5: A summary table of correlation analysis showing the relationship between allowances on employee retention

	Allowances	Employee Retention
nces	1	. 732**
n Correlation		

	-tailed)		.000
		180	180
	n Correlation	.732**	1
Employee Retention	-tailed)	.000	
		180	180

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

Table 5 shows that there is a strong positive linear relationship between the dependent and independent variables used in the study. This is revealed by a correlation (R) coefficient of $[r=.73.2^{**}, p<.01]$. Thus, it is concluded that there is a significant relationship between allowances and employee retention. The result of this finding indicated that allowances have a positive, direct and statistically significant relationship on employees' retention. This means that allowances play a significant role in ensuring that employees stay in the organisation for longer period of time.

DISCUSSION OF FINDINGS

The study examines the influence of compensation packages on employee retention on employees of manufacturing organisations whose line of production falls within production of beer and maltex. The hypothesis one stated that there is no significant influence of salary on employee retention in manufacturing organisations. This finding was supported by Quresh et al. (2013) where it was revealed that a direct relationship existed between extrinsic rewards, intrinsic rewards and the employees' performance and retention among cement companies in Pakistan. Also, Yousaf et al. (2014) explained that salary is a form of monetary incentives and can be seen as an extrinsic motivator which is perfect for employee retention in the organisation. In contrast, it was revealed in the study of Adeoye and Fields (2014) that salary has a weak influence on employee retention.

The hypothesis two was rejected by the result of the study. The findings revealed that bonuses have a significant influence on employee retention in manufacturing organisations. Sarmad et al. (2016) supported this finding by revealing that motivation and compensation has a significant impact on employee retention in Oil and gas sector in Pakistan. The findings also corroborate with the findings of Osibanjo et al (2014), where it was revealed that there is a strong correlation between bonus and retention.

The third hypothesis was also rejected by the result of the study. The findings revealed that there was a significant influence of reward on employee retention. The findings of this study corroborate the findings of Terera and Ngirande (2014) where it was revealed that employee rewards significantly influence both employee job satisfaction and employee retention. Also, Khawaja et al. (2012) in their study concluded that the degree of rewards, motivation and job satisfaction of employees has a strong relationship in the retention of employees in the banking sector of Saudi Arabia.

The last hypothesis was as well rejected by the result of the study. It was revealed that there is a significant relationship between allowances and employee retention. In contrast, Hanai and Pallangyo (2020) discovered that

allowances have a little impact on bank staff retention in Dar-Es-Salaam, Tanzania. Moreso, it was noted that low level employees who were mainly casual workers at the International Breweries, Ilesha, Osun State, perceived differences in salary, facilities, and allowances as demotivating factors that could result to leaving the organisation.

CONCLUSION

Compensation packages play a crucial role in employee retention. Making compensation packages available to employees helps in ensuring that they stay in the organisation for longer period of time. This study investigated the effect of compensation packages on employee's retention. From the findings, the study concludes that the compensation packages used in this study (salary, bonuses, rewards and allowances) all have a significant influence on employees' retention.

RECOMMENDATIONS

Compensation packages are valuable to employees and should be based on realistic and reliable standards. Thus, on the basis of the conclusion, it was recommended that the compensation exercised at International Breweries Ilesha, Osun State must be clearly identified and should have some meaning for the employees so that they can simply determine personal cost benefits for different level of effort they put. Also, human resource department at International Breweries Ilesha, Osun State should consider developing clear policies and rules pertaining to how workers will be paid and the rules for achieving the standards and rewards should be well communicated to all employees. Further, organisations that want to ensure the retention of its competent employees should ensure that the company's compensation system must include policies, procedures and rules that provide clear and unambiguous determination and administration of workers compensation.

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