
THE RELATIONSHIP BETWEEN ORGANISATIONAL PAY AND EMPLOYEE RETENTION IN MANUFACTURING FIRMS IN SOUTH EAST, NIGERIA

¹MBAH PAULINUS CHIGOZIE

Business Administration Department
Faculty of Management Sciences
Enugu State University of Science and Technology,
Enugu, Nigeria.

²EKECHUKWU CHIJOKE

Banking and Finance Department,
Faculty of Management Sciences
Enugu State University of Science and Technology
Enugu, Nigeria.

ABSTRACT

The study was to investigate the relationship between organizational pay and employee retention in a manufacturing firm in South-East. The specific objectives included to: assess the relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria and determine the extent of the relationship between organizational retirement plan and employee retention. The study used the survey approach. The primary sources were a personal interview and the administration of a questionnaire to the management and staff of the studied firms. A population of 283 staff was sampled and used. The validity of the instrument was tested using content analysis, and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability coefficient of 0.84 which was also good. The data were analyzed using regression analysis. The result showed that there is significant positive relationship between employee salary and employee turnover in manufacturing firm in South East, Nigeria $f(n = 283) = 432.197$, $P < 0.05$ and there is a significant positive relationship between organizational retirement plan and employee retention to a great extent $f(n = 283) = 272.028$, $P < 0.05$. The study concluded that employee salary and retirement plan has a positive relationship with the employee retention and if mechanisms for distributing organizational profits are perceived to be equitable, more employees are likely to benefit and consequently experience job satisfaction, organizational commitment, and trust in management. The study recommended that Organizations should aim at addressing the various needs of employees especially the issue of salary to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

KEYWORDS: *organizational pay, employee, retention, manufacturing.*

1.0 INTRODUCTION

Organizational pay is a compensation, discharge or performance of an obligation, or reimbursement, by giving over something that is of adequate value to its recipient, such as money. An amount that is paid or payable. It can also be described as a system which offers financial awards to individuals who improve, achieve and exceed their performance on a specified quality, cost, and other benchmarks. Most of the available approaches usually adjust aggregate payments to physicians and hospitals based on their performance and various measures. These payments can be made at different stages such as an individual, institutional or group level. (All Best Essay, 2012). A pay (also known as a salary structure) is a system that determines how much an employee is to be paid as a wage or salary, based on one or more factors such as the employee's level, rank or status within the employer's organization, the length of time that the employee has been employed, and the challenges of specific work performed. Employee compensation refers to the benefits (cash, vacation, etc.) that an employee receives in exchange for the service they provide to their employer.

Employee retention refers to the different policies and practices which let the employees stick to an organization for a more extended period. Every organization invests time and money to groom a new join, make him a corporate-ready material and bring him at par with the existing employees. The organization is completely at a loss when the employees leave their job once they are fully trained. Employee retention takes into account the different measures taken so that an individual stays in an organization for the maximum period. Retention is a voluntary move by an organization to create an environment which engages employees for a long-term; an essential purpose of retention is to look for ways to prevent the capable workers from quitting the organization as this could hurt productivity and profitability. The primary goal of retention is primarily for organizational gains, some notion of adequacy or sufficiency of the length of service, which can be measured regarding a return on the costs of investment associated with training and recruitment or the effects on patient care that are considered to be optimal (Walsh,2016).

Manufacturing firm is a firm whose duty is to convert raw materials, components, or parts into finished products that meet a customer's expectations or specifications. Manufacturing firm commonly employs a man-machine setup with the division of labor in a large scale production. A commercial organization that operates on a for-profit basis and participates in selling goods or services to consumers. The management of a business firm will typically

develop a set of organizational goals and a strategy for meeting those goals to aid employees to understand where the company is headed and how it intends to get there. It is also referred to a range of human activity, from handicraft to high tech, but is most commonly applied to industrial production, in which raw materials are transformed into finished products on a large scale. Such finished goods may be sold to other manufacturers for the production of other, more complex products, such as aircraft, household appliances, furniture, sports equipment or automobiles, or sold to wholesalers, who in turn sell them to retailers, who then sell them to end users and consumers (Adam, 2013).

1.2 STATEMENT OF THE PROBLEM

Organizational pay is an instrument of motivation or 'driver' for the workforce to keep body and soul together and possibly make them a stakeholder in the organization. It is a common knowledge that when you are a stakeholder in an organization, such employee will always want the survival of such organization at all times. This is one of the challenges of motivation within organizations. Organizational pay is one of the greatest challenges facing managers across the globe because it influences workers' performance and thus the extent to which organizations can achieve their objectives and justify their existence, people respond to incentives.

The manufacturing firms in South-East have been faced with the challenges of employee pay and retention. The problems of employee salary, employee turnover, lack of organizational retirement plan, lack of training and development, lack of employee attainment to the organizational objectives, lack employee job security, etc. have retarded the success of manufacturing firms.

The consequence of non-organizational pay generates a negative emotional state (i.e., feelings of resentment) that, in turn, triggers various withdrawal reactions. Low productivity, lack of profit, lack of employee retention of the quality employees, achievement of the objectives set is not attainable. It is based on this that necessitated the study the relationship between organizational pay and employee retention in a manufacturing firm in South-East.

1.3 OBJECTIVES OF THE STUDY

The objective of the study was to evaluate the relationship between organizational pay and employee retention in a manufacturing firm in South-East.

The specific objectives included to:

- i. Evaluate the relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria.
- ii. Determine the extent of the relationship between organizational retirement plan and employee retention.

1.4 RESEARCH QUESTIONS

The following relationship guided the study

- i. What is the relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria?
- ii. To what extent is the relationship between organizational retirement plan and employee retention?

1.5 STATEMENT OF HYPOTHESES

- i. There is a significant positive relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria.
- ii. There is a significant positive relationship between organizational retirement plan and employee retention to a great extent.

2.0 LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

2.1.1 ORGANIZATIONAL PAY

Organizational pay refers to all of the monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Organizational salary is one of the four HRM policy areas in both HRM models developed. The reward system in a managerial context emphasizes a facet of the employment relationship, which constitutes an economic exchange. , the employees take a certain amount of works from employers and make a profit for them, in return, receiving payment and reward. These rewards can take various forms. Organizations can provide an intrinsic and extrinsic reward for employees. Intrinsic reward is a psychological satisfaction and personal fulfillment derived from undertaking his or her paid work, and satisfying 'higher-level' needs for personal esteem and self-development. For example, the intrinsic reward could be training and career development opportunities, gaining respect and recognition, job satisfaction, high quality of working life, flexible working time for employees, etc. Extrinsic reward refers to a monetary payment that satisfies the basic needs of employees for survival, security and recognition and non-monetary payment in the guise of wages or another benefit. Regarding

extrinsic reward, sometimes, called 'compensation' in America, it has the forms of pay, pension or other indirect paid benefit, such as health coverage, life insurance, and social welfare programs (John, 2013).

2.1.2 EMPLOYEE RETENTION

An effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. Employee retention refers to the multiple policies and practices which let the employees stick to an organization for a more extended period. Every organization invests time and money to groom a new joiner, make him a corporate-ready material and bring him at par with the existing employees. The organization is entirely at a loss when the employees quit their job once they are fully trained. Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period (Prachi, 2011).

2.1.3 EMPLOYEE SALARY

Employee salary means all emoluments which are earned by an employee while on duty or leave or holidays with wages in either case following the terms of the contract of employment and which are paid or payable in cash to him, but does not include- The cash value of any food concession; any dearness allowance that is to say, all cash payments by whatever name called paid to an employee on account of a rise in the cost of living, house-rent allowance, overtime allowance, bonus, commission or any other similar allowance payable to the employee in respect of his employment or of work done in such employment. Regular wages and benefits an employee receives from an employer. An employee's fees which are paid on a regular basis for performing their job. Compensation, payment," whether periodical, for routine service or a specific service (Basavaraj, 2012).

2.1.4 EMPLOYEE TURNOVER

Employee turnover refers to the number or percentage of workers who quit an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reasons for a turnover or estimate the cost-to-hire for budget purposes. Turnover is the act of replacing an employee with a new employee. Partings between organizations and employees may consist of termination, retirement, loss of life, interagency transfers, and resignations. An organization's turnover is measured as a

percentage rate, which is referred to as its turnover rate. Turnover rate is the percentage of employees in a workforce that opt-out during a specified period. Organizations and industries as a whole measure their turnover rate during a fiscal or calendar year. If an employer is said to have a high turnover rate relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. High turnover may be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novices. Companies will often track turnover internally across departments, divisions, or other demographic groups, such as turnover of women versus men. Most companies allow managers to terminate employees at any time, for any reason, or for no reason at all, even if the employee is in right standing (Ruth, 2013).

2.1.5 RETIREMENT PLAN

A retirement plan is a financial arrangement designed to replace employment income upon retirement. These plans may be created by employers, insurance companies, trade unions, the government, or other institutions. Congress has expressed a desire to encourage responsible retirement planning by granting favorable tax treatment to a wide variety of plans. A retirement plan is a financial arrangement designed to replace employment income upon retirement. These plans may be set up by employers, insurance companies, trade unions, the government, or other institutions. A savings and investment plan that provides income during retirement. Companies or the government often create it for employees. A defined benefit plan and a defined contribution plan are both types of retirement plans.

2.2 THEORETICAL REVIEW

2.2.1 SOCIAL EXCHANGE THEORY

This theory was developed by Blau (1964). Blau viewed exchange as comprising of economic or social relationships. Economic exchange is an organized contract in which both parties specify in advance exactly what will be exchanged and when the transactions will occur. This type of exchange relationship is not based on trust because the appropriate authorities can enforce the performance of the contractual obligations. Social exchange refers to exchange relationships marked by the mutual exchange of benefits by the trust. There are no agreement or contract on what, when, where and how the transactions will take place. Characteristically, it is initiated by one party spontaneously offering something of value to another party who in turn feels obligated to reciprocate or return the gesture. The consistency

of reciprocation and the value of reward will likely increase the rate of interaction between the parties concerned. The employment relationship is primarily contractual, characterized by a binding agreement between employers and their employees involving the exchange of employee's time, effort and skills for organizations monetary rewards and benefits. However, social exchange develops in the course of employee's interaction with co-workers, customers, supervisors and other managers. According to the law of reciprocity, when employees perceive that the organization have not only kept its part of the agreement but have also extended added benefits to them, they feel an obligation to repay the goodwill.

2.3 EMPIRICAL REVIEW

The relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria

Muogbo, (2013) conducted a study on the Impact of Employee Motivation On Organisational Performance (A Study Of Some Selected Firms In Anambra State Nigeria). The study investigates the Impact of Employee Motivation on Organizational Performance of selected manufacturing companies in Anambra State. 103 respondents selected from 17 manufacturing firms across the three senatorial zones of Anambra State. The Population of the study was 120 workers of manufacturing selected firms in Anambra State. The study used descriptive statistics (frequencies, mean, and percentages) to answer three research questions created for the study. The Spearman Rank Correlation Coefficient was used to test the three hypotheses that guided the study. The findings obtained from the analysis showed that there existed a relationship between employee motivation and organizational performance. The study indicated that extrinsic motivation given to workers in an organization has a significant influence on the worker's performance. This is in line with equity theory which stressed that fairness in the reward package tends to produce a higher return from workers. The study recommended that all firms should adopt extrinsic rewards in their various firms to enhance productivity. On the bases of these findings, employers are continually challenging to develop pay policies and procedures that will enable them to attract, motivate, retain and satisfy their workers. The study, therefore, suggest that more research should be conducted on the relationship and influence of rewards on workers performance using many private and public organizations which will be a handy tool that could be used to provide solutions to individual conflict that has resulted from the poor reward system.

Oluyinka, Zohreh, Noor, and Musibau (2012) conducted a study the Employee Motivation and Organizational Performance in Multinational Companies: A Study of Cadbury Nigeria Plc. This investigation, however, tries to look into the effectiveness of employee motivation for enhanced organizational performance in multinational companies in Nigeria, especially the manufacturing sector. A survey of personnel of Cadbury Nig Plc was undertaken. A total of 100 self-administered questionnaires were distributed while 87 of them were returned. The data gathered and analyzed using simple percentages and Pearson's Product Moment Correlation. The findings show the provision of adequate motivation by Cadbury Nigeria Plc and improvement in employee productivity and, a positive correlation between employee productivity. Senior managers are however advised to adopt continuous improvement in motivational programmes as a core ingredient for enhanced employee productivity.

Adesola, Oyeniyi, and Adeyemi, (2013) conducted a study on the empirical study of the relationship between staff training and job satisfaction among Nigerian Banks Employees. The research work examined the relationship between staff training and job satisfaction among Nigerian banks employees with particular reference to the selected banks in Osogbo metropolis. A structured questionnaire was used to collect data from eighty (80) respondents through simple random sampling method. Pearson product moment correlation coefficient was employed to know the relationship between staff training and job satisfaction, while many regressions were used to determine the effect. The result showed that staff training has a significant positive correlation with job satisfaction. The study also indicated that the combined influence of age, working experience, and qualification have a strong association with job satisfaction of Nigerian banks' employees. Subsequently, recommendations were made that Management should increase the budget for staff training, and also staff training must be in the same level with organizational objectives.

Ahmad, Mohamad, Mohd, Ahamad and Abang (2012) investigated the relationship between job satisfaction and turnover intention in Malaysia. The objective of the study was to determine the effect of job satisfaction on turnover intentions among the employees in XYZ Sdn. Bhd, Malaysia. Approach: A total of 32 set of complete questionnaires collected from executives and non-executives of a local printing company were involved in the study and 32 completed the surveys. Using structured questionnaires in a controlled environment, the results manage to extract both intrinsic and extrinsic job satisfaction that influences the turnover intention. The statistical results obtained in this study indicate that both forms of job

satisfaction (intrinsic and extrinsic satisfaction) have an inverse relationship on employees' turnover intentions. Even though Intrinsic Job Satisfaction has a stronger influence on Turnover Intention. The existence of Extrinsic Job Satisfaction also must be considered in measuring the intention.

The relationship between organizational retirement plan and employee retention

Rusli, Eileen and Sopian, (2013) conducted a study on the relationship between types of Benefit (leave, loan and retirement plan) and employees' retention in Malaysia. The aim of the study was to determine the relationship between the types of benefit (leave, loan, and retirement plan) and employees' retention. A total of 70 respondents are selected from one public university in East Malaysia and become the respondent for this study. Questionnaire method was used for data collection. The parametric test was conducted for checking the goodness of the data. The hypotheses test showed that there was a positive relationship between leave, loan and retirement plan with employees' retention. Also, leave was the dominant types of benefit in retaining the employees among the public university employees. The implication of this research indicates that the combination of non-monetary and monetary types of benefit do affect the employees' retention. In a future study, the researcher should expand the types of benefit such as allowances, insurances which aimed to retain the employees.

Ngaira and Oyagi, (2016) conducted a study on the analysis of employee retention strategies on organizational performance of Hospitals in Mombasa County. The purpose of the study was to analyze employee retention strategies on the organizational performance of hospitals in Mombasa County. The following objectives guided the study; to investigate the relationship between recruitment strategies and organizational performance, to examine the extent to which supervision strategies affect organization performance. The study employed a descriptive correlational research design. Target populations of 102 respondents, the study had a sample size of 102 respondents all drawn from senior staff in the County's ministry of the health department. Sampling procedure will be a census. Semi-structured Questionnaire will be used; Likert five-point scale questionnaire will be used, factoring Strongly Agree to Disagree Strongly. Cronbach's alpha coefficient was used to measure the reliability of the questionnaire. Data were analyzed using descriptive statistics, and regression analysis was used to measure the relationship between variables. Data was presented in cumulative frequency tables. The finding the study were the relationship between recruitment strategies

and organization performance of public hospitals in Mombasa County was found to be positive and significant in that its R was 0.485 and had a p-value less than 0.05 ($\epsilon = 0.006$). The regression results revealed that supervision strategies effect on performance was statistically significant (overall p-value = 0.036). The study concluded that all the employee retention strategies need to be improved because they have been found to have a positive and significant effect on organizational performance. The study recommended that the management of public hospitals in Mombasa County should improve on employee retention strategies because they have been found by this study to have a positive effect on the organizational performance.

Tizazu, (2015) conducted a study on employee motivation and its effect on employee retention in Ambo Mineral Water Factory. The study is focusing at investigating employee motivation and its effect on employee retention in Ambo mineral water factory. The sample size of the study was 237. Primary and secondary data are used to achieve the determined objectives. Primary data is collected through a questionnaire. The collected data is analyzed using descriptive, correlation and regression analysis. According to the descriptive analysis of this study, employees are highly motivated with reward motivational factors and employees are less motivated with exciting work and training and development and working environment motivational factors of the Ambp mineral water factory. Furthermore, the result of the correlation analysis revealed that unlike exciting work all others motivational factors have a positive and significant relationship with employee retention. Finally, the regression analysis also indicated that unlike exciting work all others motivational factors have a positive and significant influence on employee retention.

3.0 METHODOLOGY

The study was based on evaluating the relationship between organizational pay and employee retention in a manufacturing firm in South-East. The researcher obtained data through the use of a questionnaire and personal interviews. The study used the survey approach. The primary sources were a personal interview and the administration of an inquiry to the management and staff of the studied firms. A population of 283 staff was sampled and used. The validity of the instrument was tested using content analysis, and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability coefficient of 0.84 which was also good. The data were analyzed using regression analysis.

4.0 DATA PRESENTATION AND ANALYSIS

Table 4.1 Response on the statement there is a relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	133	47.0	47.0	47.0
Agree	83	29.3	29.3	76.3
Neutral	16	5.7	5.7	82.0
Valid Disagree	11	3.9	3.9	85.9
Strongly disagree	40	14.1	14.1	100.0
Total	283	100.0	100.0	

From table 4.1, 133 of respondent out of 283 representing 47.0 percent strongly agree, 83 respondents of 29.3 percent that there is relationship between employee salary and employee turnover in manufacturing firm in South East, Nigeria., 16 respondents of 5.7 neutral while 11 respondents representing 3.9 percent disagree while 40 respondents of 14.1 strongly disagree that there is relationship between employee salary and employee turnover in manufacturing firm in South East, Nigeria.

Table 4.2 Response to the statement on the extent of the relationship between an organizational retirement plan and employee retention

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	161	56.9	56.9	56.9
Agree	55	19.4	19.4	76.3
Neutral	16	5.7	5.7	82.0
Valid Disagree	17	6.0	6.0	88.0
Strongly disagree	34	12.0	12.0	100.0
Total	283	100.0	100.0	

From the table 4.2, 161 of respondent out of 283 representing 56.9 percent strongly agree, 55 respondents of 19.4 percent that there is extent of relationship between organizational retirement plan and employee retention, 16 respondents of 5.7 neutral while 34 respondents representing 6.0 percent disagree while 34 respondents of 12.0 strongly disagree that there is extent of relationship between organizational retirement plan and employee retention.

Test of hypotheses

Hypothesis One: There is a significant positive relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.779 ^a	.776	.774	.05502

a. Predictors: (Constant), MOHA,TFIR,TERI,MRHG,

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	523.309	4	130.827	432.197	.000 ^b
	Residual	.842	278	.003		
	Total	524.150	282			

a. Dependent Variable: TRES

b. Predictors: (Constant), MOHA,TFIR,TERI,MRHG

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.005	.012		.425	.671
	MOHA	.218	.013	.224	17.155	.000
	TFIR	.450	.013	.461	35.405	.000
	TERI	.267	.013	.266	20.346	.000
	MRHG	.062	.012	.058	5.063	.000

a. Dependent Variable: TRES

Where

TRES = The relationship between employee salary and employee turnover in manufacturing firms in South-East, Nigeria

MOHA = My organization has a pay policy that retains workers,

TFIR = The fairness in remuneration package in my workplace attracts employee

TERI = The extrinsic rewards in my company motivates the employee to work harder

MRHG = My organization has proper policy procedures that satisfy the employees to perform better

Statistical Criteria {First Order Test}

The coefficient of Multiple Determinants {R²}

The R² {R-Squared} which measures the overall goodness of fit of the complete regression, shows the value as .776 and adjusted to .774. This means that R² suggests that organizational pay variables accounted for 77.6 percent approximately 78 percent of the variation of the employee retention in manufacturing firms. This indicated that the independent variables explained about 84 percent of the variation in the dependent variable. It showed the goodness of fit.

The t-test

The test is carried out, to check for the special significance of the variables. Statistically, the t-statistics of the variables under consideration was interpreted based on the following statement of hypothesis;

H₀: The individual parameters are not significant.

H₁: The individual parameters are significant.

Decision Rule

If t-calculated > t-tabulated, we reject the null hypothesis {H₀} and accept the alternative hypothesis {H₁}, and if otherwise, we select the null hypothesis {H₀} and reject the alternative hypothesis {H₁}.

$$\text{Level of significance} = \alpha \text{ at } 5\% = \frac{0.05}{2} = 0.025$$

Degree of freedom: n-k

Where n: sample size.

K: Number of the parameters.

$$383 - 4 = 279 = 2.326$$

The t-test is summarized in the table below

Table 4.4.20: The calculated value for t-test

Variables	t-cal	t-tab	Remark
(Constant)	.425	± 2.326	Significant
MOHA	17.155	± 2.326	Significant
TFIR	35.405	± 2.326	Significant
TERI	20.346	± 2.326	Significant
MRHG	5.063	± 2.326	Significant.

The t-statistics are used to test for special significance of the estimated parameters. From the table above, we can infer that three parameters were statistically significant; we also agreed that My organization has a pay policies that retain workers, there is fairness in remuneration package in my workplace that attracts employee, the extrinsic rewards in my company motivates the employee to work harder and my organization has proper policy procedures that satisfy the employees to perform better.

F-Statistics (ANOVA)

The f-statistics is used to test for simultaneous significance of all the estimated parameters.

The hypothesis is stated;

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4$$

$$H_1: \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4$$

Level of significance: α at 5%

$$\text{Degree of freedom: } \frac{K-1}{N-K} = \frac{5-1}{283-5} = (279, 4) = 3.8046$$

Decision Rule

If the f-calculated is greater than the f-tabulated {f-cal,> f-tab} reject the null hypothesis {H0} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Decision

From the result, f-calculated {432.197} is greater than the f-tabulated {3.805}, that is, f-cal > f-tab. Hence, we rejected the null hypothesis {H0} and accepted Alternative hypothesis which showed that the overall estimate had a good fit which also implies that our independent variables were simultaneously significant. We then concluded from the analysis that there is a significant positive relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria.

Hypothesis Two: There is a significant positive relationship between organizational retirement plan and employee retention to a great extent.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.749 ^a	.746	.746	.06670

a. Predictors: (Constant),MRAT, TIRB,TRAB,THIP

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	484.074	4	121.018	272.028	.000 ^b
Residual	1.237	278	.004		
Total	485.311	282			

a. Dependent Variable: TRPR

b. Predictors: (Constant), MRAT, TIRB, TRAB, THIP.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.031	.015		2.081	.038
1 MRAT	.076	.022	.079	3.531	.000
TIRB	.405	.014	.382	29.551	.000
TRAB	.257	.019	.275	13.401	.000
THIP	.255	.016	.274	16.166	.000

a. Dependent Variable: TRPR,

Where:

TRPR = The relationship between an organizational retirement plan and employee retention.

MRAT = My organization is attached to the pension insurance scheme

TIRB = There is a retirement benefit like mortgage housing scheme in my working place,

TRAB = The retirees are being paid to sustain them to live better

THIP = There is the provision of National health insurance scheme (NHIS) for the employees

Statistical Criteria {First Order Test}

The coefficient of Multiple Determinants {R²}

The R² {R-Squared} which measures the overall goodness of fit of the complete regression, shows the value as .746 and adjusted to .746. This means that R² suggests that organizational retirement plan variables accounted for 74.6 percent approximately 75 percent of the variation of the growth of Nigeria Brewery. This indicated that the independent variables explained about 84 percent of the variation in the dependent variable. It showed the goodness of fit.

The t-test

The test is carried out, to check for the particular significance of the variables. Statistically, the t-statistics of the variables under consideration was interpreted based on the following statement of hypothesis;

H₀: The individual parameters are not significant.

H₁: The individual parameters are significant.

Decision Rule

If t-calculated > t-tabulated, we reject the null hypothesis {H₀} and accept the alternative hypothesis {H₁}, and if otherwise, we select the null hypothesis {H₀} and reject the alternative hypothesis {H₁}.

$$\text{Level of significance} = \alpha \text{ at } 5\% = \frac{0.05}{2} = 0.025$$

Degree of freedom: n-k

Where n: sample size.

K: Number of the parameter.

$$283 - 4 = 279 = 2.326$$

The t-test is summarized in the table below

Table 4.4.20: The calculated value for t-test

Variables	t-cal	t-tab	Remark
(Constant)	2.081	± 2.326	Significant
MRAT	3.531	± 2.326	Significant
TIRB	29.551	± 2.326	Significant
TRAB	13.401	± 2.326	Significant
THIP	16.166	± 2.326	Significant.

The t-statistics are used to test for particular significance of the estimated parameters. From the table above, we can infer that three parameters were statistically significant; we also agreed that the relationship between organizational retirement plan and employee retention, my organization is attached to the pension insurance scheme, there is a retirement benefit like mortgage housing scheme in my working place, the retirees are being paid to sustain them to live better and there is provision of National health insurance scheme (NHIS) for the employees.

F-Statistics (ANOVA)

The f-statistics is used to test for simultaneous significance of all the estimated parameters.

The hypothesis is stated;

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4$$

$$H_1: \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4$$

Level of significance: α at 5%

$$\text{Degree of freedom: } \frac{K-1}{N-K} = \frac{5-1}{283-5} = (279, 4) = 3.8046$$

Decision Rule

If the f-calculated is greater than the f-tabulated {f-cal, > f-tab} reject the null hypothesis {H₀} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Decision

From the result, f-calculated {272.028} is greater than the f-tabulated {3.805}, that is, f-cal > f-tab. Hence, we rejected the null hypothesis {H₀} and accepted Alternative hypothesis which showed that the overall estimate had a good fit which also implies that our independent variables were simultaneously significant. We then concluded from the analysis that there is a significant positive relationship between organizational retirement plan and employee retention to a great extent.

Discussion of findings

From the result of hypothesis one, f-calculated {432.197} is greater than the f-tabulated {3.805}, that is, f-cal > f-tab. Hence, we rejected the null hypothesis {H₀} and accepted Alternative hypothesis which showed that the overall estimate had a good fit which also implies that our independent variables were simultaneously significant. We then concluded from the analysis that there is a significant positive relationship between employee salary and employee turnover in a manufacturing firm in South East, Nigeria. The result was supported by Ahmad, Mohamad, Mohd, Ahamad and Abang (2012) that both forms of job satisfaction (intrinsic and extrinsic satisfaction) have an inverse relationship on employees' turnover intentions. Even though Intrinsic Job Satisfaction has a stronger influence on Turnover Intention. The existence of Extrinsic Job Satisfaction also must be considered in measuring the plan.

In the literature review, Rusli, Eileen and Sopian,(2013) observed that there was a positive relationship between leave, loan and retirement plan with employees' retention. Also, leave was the dominant types of benefit in retaining the employees among the public university employees. The implication of this research indicates that the combination of non-monetary

and monetary types of benefit do affect the employees' retention. This was supported From the result of hypothesis two, f -calculated {272.028} is greater than the f -tabulated {3.805}, that is, f -cal > f -tab. We then concluded from the analysis that there is a significant positive relationship between organizational retirement plan and employee retention to a great extent.

CONCLUSION

The study concluded that employee salary and retirement plan has a positive relationship with the employee retention and if mechanisms for distributing organizational profits are perceived to be equitable, more employees are likely to benefit and consequently experience job satisfaction, organizational commitment, and trust in management. Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period. Retention is a voluntary move by an organization to create an environment which engages employees for a long-term; the most critical purpose of retention is to look for ways to prevent the capable workers from quitting the organization as this could hurt productivity and profitability.

RECOMMENDATION

Organizations should aim at addressing the various needs of employees especially the issue of salary to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

The management of organizations and firms are encouraged to put in their policies the retirement plan to attract quality workers and increase productivity.

REFERENCES

- Adam.S. (2013). *What is a firm? Definition and meaning*. Retrieved from <https://marketbusinessnews.com/financial-glossary/firm-definition-meaning/>
- Adesola, E., Oyeniyi, R. and Adeyemi, T. (2013). Empirical Study of the Relationship between Staff Training and Job Satisfaction among Nigerian Banks Employees. *International Journal of Academic Research in Economics and Management Sciences*. 2(6).
- Ahmad.S.M, MohamadZ.M.Z, Mohd R.M.N., Ahamad.A.S, and Abang.S.A.N., (2012). The Relationship Between Job Satisfaction and Turnover Intention in Malaysia. *American Journal of Applied Sciences* 9(9), 1518-1526.
- AllBestEssay, (2012). *Meaning of Pay for Performance*. Retrieved from <https://www.allbestessays.com/Business/Meaning-of-Pay-for-Performance/33133.html>
- Basavaraj.T. (2012). *New meaning of "Salary" for calculation of employee's provident fund (EPF)*. Retrieved from <https://www.basunivesh.com/2012/12/13/new-meaning-of-salary-for-calculation-of-employees-provident-fund-epf/>
- Edoardo. D.T and Matteo.P. (2014). *Internal and external equity in compensation systems, organizational absenteeism and the role of explained inequalities*. Retrieved from https://www.researchgate.net/publication/263414957_Internal_and_external_equity_in

_compensation_systems_organizational_absenteeism_and_the_role_of_explained_in_equalities

- Jean.M. (2016). *What is my legal obligation to pay employees?* Retrieved from <https://www.thebalancesmb.com/what-is-my-legal-obligation-to-pay-employees-397929>
- John B. (2013). *Organizational approaches to design of pay and reward systems.* Retrieved from <https://www.ukessays.com/essays/business/organizational-approaches-to-design-of-pay-and-reward-systems-business-essay.php>
- Kimberlee, L. (2012). *Consequences of no employee motivation.* Retrieved from <https://smallbusiness.chron.com/consequences-employee-motivation-41238.html>
- Muogbo, U. (2013). The impact of employee motivation on organisational performance (a study of some selected firms in Anambra State Nigeria). *The International Journal of Engineering and Science (IJES)* 2(7).
- Ngaira.P and Oyagi.B. (2016). Analysis of Employee Retention Strategies on Organizational Performance of Hospitals in Mombasa County. *International Journal of Business and Management Invention.* 5(6), 40-45.
- Ogbonnaya.C. (2016). *Research: How Incentive Pay Affects Employee Engagement, Satisfaction, and Trust.* Retrieved from <https://hbr.org/research-how-incentive-pay-affects-employee-engagement-satisfaction-and-trust>
- Oluoyinka.S, Zohreh. B.T.M. Noor.H.H, and Musibau.A.A, (2012) Employee Motivation and Organizational Performance in Multinational Companies: A Study of Cadbury Nigeria Plc. IRACST- *International Journal of Research in Management & Technology (IJRMT)*, ISSN: 2 (3).
- Prachi, U. (2011). *Employee retention.* Retrieved from <https://www.managementstudyguide.com/employee-retention.htm>.
- Rusli.A, Eileen.T.P.Y, and Sopian.B., (2013). Relationship between types of benefit (leave, loan and retirement plan) and employees' retention in Malaysia. *International Journal of Education and Research.* 1(8).
- Ruth.M. (2013). *Employee turnover definitions & calculations.* Retrieved from <https://smallbusiness.chron.com/employee-turnover-definitions-calculations-11611.html>
- Tizazu.K,(2015). Employee motivation and its effect on employee retention in Ambo Mineral Water Factory. *International Journal of Advance Research.*3(3).
- Walsh, R.(2016). *A definition of employee retention.* Retrieved from <https://www.ukessays.com/essays/management/a-definition-of-employee-retention-management-essay.php>