Global Journal of Finance and Business Review | *ISSN 1694-450X*
Published by AIR JOURNALS | *https://airjournal.org/gjfbr*
16/18 Avenue des Longaniers, Quatre Bornes, Mauritius
airjournals@gmail.com; enquiry@airjournal.org

RESEARCH ARTICLE

Compensation Systems and Employee Turnover in Lifebridge Diagnostic Centre Ltd, Abuja

[1]Frederick O. Eze, [2]Okechukwu, Elizabeth Uzoamaka PhD. and [3]Okey, Nneka Maureen
Enugu State University of Science and Technology, Enugu, Nigeria

Accepted: 15th July, 2022	Published: July 31st, 2022

Citations - APA

Eze, F. O., Okechukwu, E. U., & Okey, N. M. (2022). Compensation Systems and Employee Turnover in Lifebridge Diagnostic Centre Ltd, Abuja. *Global Journal of Finance and Business Review, 5(2), 13-27.*

ABSTRACT

The study examined the effect of compensation systems on employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja. The specific objectives include: examining the relationship between the direct financial compensation system (salaries, bonuses, and promotion), examining the relationship between the indirect financial compensation system (Medical insurance, Retirement plan, and Profit Sharing), and examine the relationship between the non-financial compensation system (Appreciation and recognition, Working conditions, and Job enrichment) and employee turnover in LifeBridge Diagnostic Centre Ltd Abuja. Structured questionnaires were used to derive the data and it was analyzed using non-parametric statistical tools. The result revealed that there was a significant relationship between the direct financial compensation system (salaries, bonuses, and promotion) on the employee turnover at (X2 = 25.00 at a 5% significant level), there was a significant relationship between the indirect financial compensation system on the employee turnover at (X2 = 17.42 at 5% significant levels and there was a significant relationship between the non-financial compensation system and employee turnover at (X2 = 12.82a at 5% significant level). The study concludes that direct financial compensation, indirect financial compensation, and non-financial compensation are the tools that management can use to motivate employees in order for them to remain with the company. We recommended that there is a need to resolve the issues about pay disparity, parity, and relativity in the remuneration of Nigerian healthcare workers that will encourage retention and help mitigate the brain drain of healthcare professionals.

Keywords: *Compensation Systems; Employee Turnover; Abuja*

1. Introduction

Employees are organizations' key resources and the success or failure of organizations centers on the ability of the employers to attract, retain, and reward appropriately talented and competent employees (Armstrong, 2003). Most times, when organizations make enormous efforts to attract handfuls of employees and sustain them in the organization, 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 organization (Lawler, 1990). Compensation is therefore considered the most important factor for attracting and retaining talented employees (Willis, 2000).

Compensation is the total reward that employees receive in exchange for a service performed in an organization. It can include direct pay (salaries and wages) and indirect pay (benefits programs). The types of compensation are base pay, commissions, overtime pay, bonuses, profit sharing, merit pay, stock options, travel/meal/house allowance, and benefits including dental, insurance, medical, vacations, retirement, and taxes. Compensation is the most crucial issue in attracting and keeping talent. Inadequate rewards and lack of recognition from managers, peers, and customers enhance labor turnover. Employees need to be given opportunities to participate and to influence actions and decisions.

Statement of the Problem

One of the biggest challenges for any organization is its ability to hire and retain staff. Both private and public sector organizations are experiencing this problem, but healthcare organizations are the worst affected. In sub-Sahara Africa, the constant emigration of trained medical personnel is on the rise as a result of dissatisfaction with their compensation. A major factor responsible for the poor health indices and disparities in the health outcomes in Low Middle-Income Countries (LMIC) is the mass emigration of healthcare workers to countries with better compensation systems. In 2021, Nigeria witnessed an unprecedented exodus of healthcare professionals of all categories out of the country to other climes for greener pastures. It was a matter of national embarrassment when it trended that Dubai and many other countries set up centers in hotels and many other undisclosed places in Abuja and Lagos to massively recruit Nigerian healthcare professionals for their home countries. Rather than address the root cause, the Nigerian Government resorted to clamping down on such centers. Even this January, young and vibrant Nigerian healthcare professionals, and the critical mass of the health workforce are still leaving the country in droves. Also, according to records from the Nursing and Midwifery Council of Nigeria, no fewer than 7000 Nigerian nurses have left the country in 2021 alone seeking greener pastures in other countries. The increased intention of healthcare workers to leave the health sector is one of the many negative impacts of job dissatisfaction among healthcare workers, which results in the shortage of health workers and increased work pressure on the remaining few leading to poor health care delivery, declining health indices, incessant strike actions, and impairment of the psychological health of the workers. This study, therefore, examined the relationship between compensation systems and turnover of employees in LifeBridge Diagnostic Centre Ltd, Abuja.

Objectives of the Study

The general objective of the study was to examine compensation systems and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja. The specific objectives include:

i. To examine the relationship between the direct financial compensation system (salaries, bonuses, and promotion) on employee turnover in LifeBridge Diagnostic Centre Ltd Abuja
ii. To examine the relationship between the indirect financial compensation system (Medical insurance, Retirement plan, and Profit Sharing) on employee turnover in LifeBridge Diagnostic Centre Ltd Abuja
iii. To examine the relationship between the non-financial compensation system (Appreciation and recognition, Working conditions, and Job enrichment) and employee turnover in LifeBridge Diagnostic Centre Ltd Abuja.

Statement of Hypotheses

From the objectives and research questions, the following objectives were postulated

i. There is no significant relationship between the direct financial compensation system (salaries, bonuses, and promotion) and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja.
ii. There is no significant relationship between the indirect financial compensation system (Medical insurance, Retirement plan, and Profit Sharing) and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja
iii. There is no significant relationship between the non-financial compensation system (Appreciation and recognition, Working conditions, and Job enrichment) and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja.

2. Literature Review

2.1 Conceptual Review

2.1.1 Compensation and Compensation System

Compensation is the total reward that employees receive in exchange for a service performed in an organization. It can include direct pay (salaries and wages) and indirect pay(benefits programs). The types of compensation are base pay, commissions, overtime pay, bonuses, profit sharing, merit pay, stock options, travel/meal/house allowance, and benefits including dental, insurance, medical, vacations, retirement, and taxes (Khan 2011). Compensation is the human resource management function that deals with every type of reward individuals receive in exchange for performing organizational tasks. Money and benefits received may be in different forms-based compensation in money form and various benefits, which may be associated with employees service to the employer like provident fund, gratuity, and insurance scheme, besides any other payment which the employees receives or benefits he enjoys instead of such payment (Saiyadain, 2003). According to Nazim-ud-Din (2013) employee compensation refers to all the returns that accrue to employees arising from their employment.

Types of Compensation

To create incentives for employees to achieve the organization’s goal, different types of compensation systems are used. By definition, compensation can be understood as the total amount of the monetary and non-monetary reimbursement provided to an individual in return for labor. According to Ermiyas (2017), there are three general varieties of compensation direct, indirect, and non-financial.

Direct Financial Compensation
Is the most widely known and recognized form of compensation. Most sought after by workers, direct compensation is the money that is paid directly to employees in exchange for their labor. This includes salaries and wages, bonuses, tips, promotions, and commissions. Compensation includes issues regarding wage and salary programs, structures and job descriptions, incentives, bonus-based programs, commission-based programs, and benefits usually refers to retirement pension, health insurance, disability insurance, vacation, and employee stock ownership among others (Mc Nadimara, 2006).

Indirect Financial Compensation
It is a benefit given to an employee that has financial value but is not a direct monetary payment. It is often referred to as a non-cash benefit. In certain circumstances, these non-cash benefits may be more valuable to an employee than a high salary or wage. Include group medical insurance coverage, retirement plan stock option, and profit sharing. Some types of indirect composition offered by today’s organizations include social security, workers’ compensation, retirement plans, paid holidays and paid vacation, etc.

Non-Financial Compensation
Non-Financial compensation doesn't have any monetary value; instead, it involves the satisfaction that an employee receives from his work environment. Non-financial compensation includes the satisfaction that an employee gets from the job itself or from the psychological and/or physical environment in which the employee works (Gebremedhin,2013) This satisfaction can be emotional and psychological. Includes:

Status: An employee is motivated by better status and designation. Organizations should offer job titles that convey the importance of the position.
Appreciation and recognition: Employees must be appreciated and reasonably compensated for all their achievements and contributions.

Work-life balance: Employees should be in a position to balance the two important segments of their life—work and life. This balance makes them ensures the quality of work and life.
Delegation: Delegation of authority promotes dedication and commitment among employees. Employees are satisfied that their employer has faith in them and this motivates them to perform better.
Working conditions: Healthy working conditions such as proper ventilation, proper lighting, and proper sanitation improve the work performance of employees.
Job enrichment: This provides employees with more challenging tasks and responsibilities. The job of the employee becomes more meaningful and satisfying.

Job security: This promotes employee involvement and better performance. An employee should not be kept temporarily for a long period. According to Uwimpuhwe, Mushabe, & Kajugiro (2018), compensation packages can be explained in terms of financial and non-financial compensation

Financial Compensation
Financial compensation/reward is one of the basic types of extrinsic monetary rewards which cover the basic needs of income to survive (to pay bills), a feeling of stability and consistency (the job is secure), and recognition (my workplace values my skills). According to Smith (2001), money brings the workers into the organization, and companies having the objective to retain their valuable employee performance pay is considered an important factor for it. Fair wages are the foundation element of the implied and contractual bond between employers and employees, the underlying supposition being that money can persuade behavior.

Organizations often offer high pay packages i.e., stock options, special pay, retention pay, gain share pay, performance-based pay, bonus, etc. to attract and retention of talented employees of the market. Wages are the key factor influencing employee attraction and retention, and play important role in the recruitment process. In today's economic times, financial reward such as money is still the primary incentive that causes an employee to do better work. The fundamental hypothesis is that money influences employee behavior by shaping their attitudes. Therefore, wages influence the attraction and retention of the workforce (Parker & Wright, 2001). However, most experts agree that money is not the long-term answer for hiring, especially for keeping high skilled employees.

Non-Financial Compensation

Non-financial compensation is also known as non-profits rewards. Nowadays, a lot of employees do not seek financial compensation alone. They also prefer non-financial compensation, for example, training opportunities, job challenges, opportunities to be promoted, recognition, and a conducive working environment (Son, 2015). According to Ryan and Deci (2000), non-monetary types of compensation can be very meaningful to employees and very motivating for performance improvement and the creative use of personalized non-monetary rewards reinforces positive behaviors and improves employee retention and performance.
Companies must consider the non-financial benefits that can be rewarded to their employees. Employees will therefore continuously serve the company if the company pays attention to their needs and welfare. Hence, providing compensation that includes financial and non-financial rewards is one way to retain employees in the organization. Most researchers agree that non-financial compensation can retain employees even though it may not be the main reason for the employees to stay.

Employee Turnover

Employee turnover is the movement of employees in and out of an organization. It is commonly used to refer to the number of employees leaving an organization. It is also defined as the ratio between the number of employees that leave to the total number of employees over a given period usually a calendar year. Turnover means termination of membership of an organization by an employer or employee of the organization (Morell, Clarke & Wilkinson, 2001). This means turnover can be voluntary or involuntary. Voluntary turnover is initiated by employees whereas involuntary one is initiated by the employer. Employee turnover is a ratio comparison of the number of employees a company must replace in a given period to the average number of total employees (Agnes, 1999). Turnover refers to the amount of movement of employees in and out of an organization, normally present in terms of the turnover rate (Chruden & Sherman, 1972). The turnover rate can be briefly described as how fast employers recruit and lose employees (Chikwe, 2009).

Types of Employee Turnover

Employee turnover is the rotation of workers around the labor market, between firms, jobs, and occupations, and between the states of employment and unemployment (Abassi & Hollman, 2000).

Involuntary Turnover

Involuntary employee turnover is when the company asks an employee to leave. Reasons can range from poor performance or behavioral issues to budget cuts or structural reorganization. Involuntary turnover is the one in which an employee has no choice in the termination as it might be due to long-term sickness, death, moving overseas, or employee-initiated termination. (Heneman, 1998).

Voluntary Turnover

Voluntary turnover occurs when an employee chooses to leave his/her organization for whatever reason at their own will (Dess & Shaw, 2001). voluntary turnover data help employers understand why an employee left, what they could have done about it, what lies ahead for the existing employees, and the impact his or her loss will have on the organization. Organizational pay directly influences employee voluntary turnover employee to compare to the pay available in other organizations. Voluntary turnover refers to termination initiated by employees (Heneman, 1998).

Relationship between Compensation System and Employee Turnover Intentions

Retention is critical for employers as it influences expenses on two levels: directly, through staff turnover expenses (for example recruitment costs, low productivity, training and development, and lost opportunity costs) and indirectly, through aspects such as engagement (Corporate Leadership Council 2004). Allen, Shore, and Griffeth (2003) reported that employers have to differentiate themselves from others through their compensation strategy to attract and retain quality employees. Therefore, an organization's compensation strategy should be able to attract the right quality of employees, retain suitable employees and also maintain feelings of equity among the employees. An organization can retain the workforce by offering a good compensation package

Lockwood and Walton (2008) argue that organizations can succeed in their retention strategy only if they offer competitive, market-related pay and benefits because this is what motivates employees' commitment to the organization. A study conducted by Pillay (2009) revealed that monetary and non-monetary rewards are important to raise employee retention. Monetary rewards reported to increase employee retention significantly included performance bonuses, reasonable salaries, and remuneration for scarce skills. Non-monetary rewards included promotions, child-care facilities, extended leave, and recreational facilities.

2.2 Theoretical Review

This study is anchored on Equity theory and Social Exchange Theory (SET)

Social Exchange Theory (SET)

Social Exchange Theory (SET) is used in the current study, which was developed originally by Thibaut and Kelley in 1959, as it has been utilized increasingly as a theoretical base of turnover and retention research to comprehend the employer and employee relationship. SET postulated that good acts and performances must be reciprocated. SET suggests that a person who feels that he/she gets benefits from someone will feel obligated to repay or compensate through positive behaviors, attitudes, efforts, and devotion. Furthermore, SET described that employees perform better when they are supported and valued by the organization (Eisenberger et al., 2001).

Equity Theory

Equity theory was propounded by Stacey J. Adams. The theory suggests that employee perceptions of what they contribute to the organization, what they get in return, and how their return-contribution ratio compares to others inside and outside the organization,' determine how fair they perceive their employment relationship to be (Adams, 1963). Perceptions of inequity are expected to cause employees to take action to restore equity. According to this theory, employees who see themselves as being under-rewarded will experience distress. The theory, primarily, focuses on ensuring that the distribution of compensation and benefits is fair to all members. The theory is disposed to the present study in the sense that Pay inequality affects employee actions such as turnover or turnover intentions.

2.3 Empirical Review

Akhtar, Aamir, Khurshid, Abro, and Hussain (2015) examined Total Rewards and Retention: Case Study of Higher Education Institutions in Pakistan. The study investigates the relationship between total reward and retention of faculty members in higher education institutions in Pakistan. The data was collected from the faculty members of 10 universities located in the twin cities of Islamabad and Rawalpindi, Pakistan. Analysis was done on SPSS version 21. The results indicate a strong and positive relationship and influence of total reward on retention. The study is significant for the top management of the universities that are facing retention problems. The results could provide them with guidelines regarding total reward strategies and how they can be used for retaining talented faculty members.

Ermiyas (2017) assesses compensation practice and turnover intention of employees in selected private commercial banks in Ethiopia. The study also tries to determine different types of compensation in practice in banks under study and analyze the type of compensation that attract employees more. In conducting the study both quantitative and qualitative methods were used to gather information through questionnaires and interviews as the primary source data. Descriptive statistics data analysis method was applied to analyze quantitative data using SPSS version 20 and the qualitative analysis method. The result of this study indicates that there is no equity in the Pay system, the reward system does not take into account the qualification and experience of employees, there is no stock option and profit sharing program and there is no carrier advancement.

Osibanjo, Adeniji, Hezekiah Olubusayo Falola, & Heirsmac, (2014) examined Compensation packages: a strategic tool for employees' performance and retention. The study aimed to examine the effect of compensation packages on employees' job performance and retention in a selected private University in Ogun State, South-West Nigeria. A model was developed and tested using one hundred and eleven valid questionnaires which were completed by academics and non-academic staff of the university. The collected data were carefully analyzed using simple percentages supported by structural equation modeling the hypotheses and relationships that may exist among the variables under consideration. The results showed a strong relationship between compensation packages and employees' performance and retention. The summary of the findings indicates that there is a strong correlation between the tested dependent and independent variables (salary, bonus, incentives, allowances, and fringe benefits).

Chepchumba, & Kimutai, (2017) examined the Relationship between Employee Compensation and Employee Turnover in Small Businesses among Safaricom Dealers in Eldoret Municipality, Kenya. The main purpose of the study was to establish the relationship between employee compensation and employee turnover in small businesses, the case of Safaricom dealers in Eldoret Municipality, Kenya. A descriptive research design was employed and a census of the employees in the dealer shops was used because of the small population. A semi-structured closed-ended questionnaire was used to collect data. The completed questionnaire was verified, coded, and summarized using frequencies, tables, and graphs. Chi-squire was applied to establish relationships between employee compensation and employee turnover. Significant variables were included in the logistic regression model to establish the strength of the relationship. The findings were; that majority of employees in small businesses were between the age of 20-25 and had a tertiary level of education.

Anyango (2014) examined the Manager's Perception of the Influence of Rewards on Employee Retention at South Nyanza Sugar Company Limited. The purpose of this study was to determine the managers' perception of the influence of rewards on employee retention at South Nyanza Sugar Company Limited Kenya. Descriptive research was used. For this study, the target population was ten (10) heads of departments who are employees of the organization which is a state corporation. To achieve the research objectives, both primary and secondary data were used. Primary data was collected through a questionnaire. Secondary data was obtained through documents review specifically exit interviews and workplace satisfaction surveys. Quantitative data were analyzed using descriptive statistics. The study found that there is an employee reward policy at Sony Sugar Company Limited and that employees do not leave the organization because of dissatisfaction with employee rewards.

Chiekezie, Emejulu, & Nwanneka (2017) examined Compensation Management and Employee Retention of Selected Commercial Banks in Anambra State, Nigeria. This study was necessitated due to the rate of employee turnover, which is increasing in the Nigerian banking system; a situation whereby employees continuously move from one bank to another in a short period. This paper seeks to examine the influence of compensation management on employee retention. It specifically set out to examine the relationship between Salary and Employee satisfaction in selected Commercial banks in Awka. The study employed a descriptive research design. The primary source of data was the major instrument used for this study. 60 copies of the questionnaire were administered to employees of selected commercial banks (First Bank, Fidelity, and Sterling bank); 56 were retrieved and they were all useful. Pearson's Product Moment Correlation was used for the analyses. The findings revealed that there is a positive weak relationship between salary and employee satisfaction. This shows that employees were not satisfied despite their seemingly attractive salary.

3. Methodology

This research employs the survey research design which is a systematic method of data collection using a structured questionnaire. It is an effective and efficient method of gathering information about the population, as it describes the characteristics of the subject's opinions and attitudes. To provide some level of originality to this study, the research will depend strongly on the Primary Source of data as well as the Secondary source of data. The population of the study comprises all 70 staff of LifeBridge Diagnostic Centre Ltd, Abuja comprising of Radiologists, Radiographers and Nurses, and experts from Histopathy, Pathology, Phlebotomy, and Microbiology. In constructing the questionnaires, the researcher used structured questions. The questionnaire was divided into two sections. Section 1 contains the personal data of the respondents, such as age, marital status, educational background, gender, and length of service. Section 2 questions were designed to elicit information on the research objectives and are constructed on a five-point scale of Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. In this study, ensuring the validity of the data collection instrument involved going through the questionnaire about the set objectives and making sure that it contains all the information that can enable answer these objectives. Reliability measures the degree to which a research instrument yields consistent results or data after repeated trials. To ensure reliability, the questionnaire was pre-tested on 20 respondents. In this study, a reliability coefficient (Alpha value) of more than 0.7 was assumed to reflect acceptable reliability. Two methods of analysis were adopted for the data analysis. One method consists of the use of simple descriptive analytical tools such as simple percentages. The second method shall be the test of the hypothesis using the X^2 (chi-square) non-parametric statistical tool given by the statistic:

$$X^2 = \frac{\sum fo - \sum fe}{\sum fe}$$

Where

fo = observed frequency

fe = expected frequency

Decision Rule: = 1f X^2 calculated is $\geq X^2$ table reading, then reject Ho and Accept H_A.

Decision Rule:

If X^2 cal. is $\geq X^2$ critical at the 5% level, (that is, 95% confidence interval), Reject the null hypotheses. Do not reject Ho if the reverse is the case.

4. Data Presentation and Analysis

Questionnaire Return Rate

The questionnaire was distributed to 70 respondents, out of which 50 returned, representing a response rate of 84%. The response rate table is given below.

Table 1: Questionnaire Response Rate

Respondents	*Distributed*	*Returned*	*% Returned*	*Not Returned*	*% Not Returned*
	70	50	71	20	29

Source: Field Survey, 2022

Analyses of Biographic Data

Table 2: Demographic distribution of respondents

Description	*Respondents*	*Percentage*
Gender		
Male	30	60
Female	20	40
Total	50	100
Age (Years)		
20-29	10	20
30-39	20	40
40-49	10	20
50-59	5	10
60 and above	5	10
Total	50	100
Table 2 Continued *Marital status*		
Single	15	30
Married	35	70
Divorced	-	-
Total	50	100
Highest Level of Education		
Primary	-	-
Secondary	5	10
Tertiary	45	90
Total	50	100
Working Experience		
Less than 5 years	10	20
6-10	25	50
11-15	10	20
16 and above	5	10
Total	50	100

Source: Field Survey, 2022

4.2 Analysis Based on the Research Questions

Table 3: Distribution of respondent's response on relationship between the direct financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd Abuja

Items	*SA (%)*	*A (%)*	*D (%)*	*SD (%)*
I want to continue working for this company because I am happy with the salary I receive	10(20)	20 (40)	15 (30)	5 (10)
Salaries received by employees of this company are high. compared to that paid to employees in similar organizations and so I don't want to leave the organization	30(60)	20(40)	0(0)	0 (0)
Employees receive Cash bonuses and salary raises when they the reach target set by management and this has kept many people working for the organization	20 (40)	20 (40)	10 (20)	0 (0)

Source: Field Survey, 2022

Table 4 Distribution of respondent's responses on relationship between indirect financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd Abuja

Items	*SA (%)*	*A (%)*	*D (%)*	*SD (%)*
This company has put in place such policies as medical insurance and pension plan for its employees that motivate to stay with the organization	20 (40)	20 (40)	5 (10)	5 (10)
The organization share part of its profit with the employee and this has contributed to their loyalty and commitment to the company	20(40)	15(30)	10(20)	5 (10)
I enjoy job security in this company and so it will take a major change in my circumstance to leave this organization	30 (60)	20(30)	0 (0)	0 (0)

Source: Field Survey, 2022

Table 5: Distribution of respondent's responses on the relationship between non-financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd Abuja

Items	*SA (%)*	*A (%)*	*D (%)*	*SD (%)*
The management has put in place good working conditions such as proper ventilation, proper lighting, and other physical safety measures good and so employees are happy working here and do not d to find work elsewhere	20 (40)	20 (40)	5 (10)	5 (10)
Employees enjoy challenging tasks, meaningful and satisfying work, and responsibilities	15(30)	15(30)	15(30)	5 (10)
The company provides an opportunity for employees to participate in training programs for the acquisition of knowledge and enhancement of skills and abilities is very high and as such, I am ready to stay with the company	25 (50)	20(40)	5 (10)	0 (0)

Source: Field Survey, 2022

Test of Hypotheses

Hypothesis 1

Ho_1: There is no significant relationship between the direct financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja.

Table 6: Summary of Responses for Ho_1

USING TABLE 3

	Responses FOR HO1	*AGREE*	*DISAGREE*	*TOTAL*
(a)	Questions 1	30	20	50
	Questions 2	50	0	50
	Questions 3	40	10	50
	Total	**120**	**30**	**150**

Table 7: Calculation of Cell Values for Ho_1

S/N	Calculations for Agreement		Calculations for Disagreement	
1	$\frac{120 \times 50}{150}$	40	$\frac{30 \times 50}{150}$	10
2	$\frac{120 \times 50}{150}$	40	$\frac{30 \times 50}{150}$	10
3	$\frac{120 \times 50}{150}$	40	$\frac{30 \times 50}{150}$	10

Table 8: Table of Contingence for Ho_1

	Observed F (O)	*Expected F (E)*	*O-E*	*$(O-E)^2$*	*$\frac{(O-E)^2}{E}$*
1	30	40	-10	100	2.5
2	50	40	10	100	2.5
3	40	40	0	0	0
4	20	10	10	100	10
5	0	10	-10	100	10
6	10	10	0	0	0
X^2 Calculated					**25.00**

Df = 6 – 1 = 5

Decision Rule:

If X^2 calculated at a 5% critical level is $\geq$ X^2 tabulated, reject Ho (that is, accept H_1) and conclude that the variable in question has a significant impact on the phenomenon studied. Accept Ho and conclude otherwise if the reverse is the case.

Note: For this test, the 5% critical level under a normal distribution and degree of freedom of 5 is 1.15. This is the maximum tolerable limit of error for the study. Therefore, empirical results higher than this will lead to rejection of the null hypothesis.

Decision

Since our empirical X^2 calculated at 5% critical level 25.00 which is $\geq X^2$ tabulated (1.15), we reject Ho (that is, accept H_1) and conclude that there is a significant relationship between the direct financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja

Ho_2: There is no significant relationship between the indirect financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja

Table 9: Summary of Responses for Ho_2

USING TABLE 4

	Responses FOR HO2	*AGREE*	*DISAGREE*	*TOTAL*
(a)	Questions 4	40	10	50
	Questions 5	35	15	50
	Questions 6	50	0	50
	Total	**125**	**25**	**150**

Table 10: Calculation of Cell Values for Ho_2

S/N	Calculations for Agreement		Calculations for Disagreement	
1	$\frac{125 \times 50}{150}$	42	$\frac{25 \times 50}{150}$	8
2	$\frac{125 \times 50}{150}$	42	$\frac{25 \times 50}{150}$	8
3	$\frac{125 \times 50}{150}$	42	$\frac{25 \times 50}{150}$	8

Table 11: Table of Contingence for Ho_2

	Observed F (O)	*Expected F (E)*	*O-E*	*$(O-E)^2$*	*$\frac{(O-E)^2}{E}$*
1	40	42	-2	4	0.10
2	35	42	7	49	1.17
3	50	42	8	64	1.52
4	10	8	2	4	0.5
5	15	8	7	49	6.13
6	0	8	-8	64	8.00
X^2 Calculated					**17.42**

Df = 6 – 1 = 5

Decision

Since our empirical X^2 calculated at a 5% critical level is 17.42 which is $\geq X^2$ tabulated (1.15), we reject Ho (that is, accept H_1) and conclude that there is a relationship between indirect financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja

Ho_3: There is no significant relationship between the non-financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja

Table 12: Summary of Responses for Ho_3

USING TABLE 5

	Responses FOR HO3	*AGREE*	*DISAGREE*	*TOTAL*
(a)	Questions 7	40	10	50
	Questions 8	30	20	50
	Questions 9	45	5	50
	Total	**115**	**35**	**150**

Table 13: Calculation of Cell Values for Ho_3

S/N	Calculations for Agreement		Calculations for Disagreement	
1	115 x 50 150	38	35 x 50 150	12
2	115 x 50 150	38	35 x 50 150	12
3	115 x 50 150	38	35 x 50 150	12

Table 14: Table of Contingence for Ho_3

	Observed F (O)	*Expected F (E)*	*O-E*	*$(O-E)^2$*	*$\frac{(O-E)^2}{E}$*
1	40	38	2	4	0.11
2	30	38	-8	64	1.68
3	45	38	7	49	1.29
4	10	12	-2	4	0.33
5	20	12	8	64	5.33
6	5	12	-7	49	4.08
X^2 Calculated					**12.82**

Df = 6 – 1 = 5

Decision

Since our empirical X^2 calculated at a 5% critical level is 12.82 which is > X^2 tabulated (1.15), we reject Ho (that is, accept H_1) and conclude that there is a significant relationship between financial the compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja

Summary of Findings

From the analyses, the following findings were made:

1. There was a significant relationship between the direct financial compensation system (salaries, bonuses, and promotion) and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja (X^2 = 25.00 at a 5% significant level)
2. There was a significant relationship between the indirect financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja (X^2 = 17.42 at 5% significant levels

3. There was a significant relationship between the non-financial compensation system and employee turnover in LifeBridge Diagnostic Centre Ltd, Abuja (X^2 = 12.82a at 5% significant level).

5. Conclusion

The study concludes that direct financial compensation, indirect financial compensation, and non-financial compensation are the tools that management can use to motivate employees in order for them to remain with the company. From this study, it can be easily inferred that workers' compensation package matters a lot and they place great value on it. Hence, when these compensations are not given, workers tend to express displeasure by leaving the organization.

6. Recommendations

Based on the findings and conclusion, the following recommendations were made:

1. There is a need to resolve the issues about pay disparity, parity, and relativity in the remuneration of Nigerian healthcare workers that will encourage retention and help mitigate the brain drain of healthcare professionals
2. Government must urgently put measures in place to mitigate the ugly mass exodus of healthcare professionals occasioning brain drain by reviewing the compensation of healthcare professionals
3. Government must mitigate medical tourism by improving funding, improving compensation of healthcare workers, and tracking its investment to ensure value for money and curb corruption

References

Abassi SM, Hollman KW (2000). Turnover: The Real Bottom Line. *Public Personnel Management,* 29 (3), 21 - 28

Adams, J.S. (1963). Toward an understanding of inequity. *Journal of Abnormal Psychology*, 67, 422-436.

Agnes, M. (1999). *Webster's New World College Dictionary* (4th Edition).New York, NY: Macmillian USA.

Akhtar, C. S, Aamir, A., Khurshid, M. A., Abro, M. Q. and Hussain, J. (2015). Total Rewards and Retention: Case Study of Higher Education Institutions in Pakistan. *Procedia – Social and Behavioral Sciences*, 210, 251 – 259

Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The role of perceived organizational support and supportive human resource practices in the turnover process. *Journal of Management*, 29(1), 99-118.

Anyango, A. E. (2014). Managers Perception of the Influence of Rewards on Employee Retention at South Nyanza Sugar Company Limited. A Research Project Submitted in Partial Fulfillment for the Degree of Master of Business Administration, At the University of Nairobi, School of Business

Armstrong, M. (2003). *Strategic human resources management: A guide to action*. UK: Kogan-Page.

Chepchumba, T. R. & Kimutai, B. K. (2017). The Relationship between Employee Compensation and Employee Turnover in Small Businesses among Safaricom Dealers in Eldoret Municipality, Kenya. International *Journal of Economics, Commerce and Management, United Kingdom*, 5 (2), 490 – 501.

Chiekezie, O. M., Emejulu, G. & Nwanneka, A. (2017). Compensation Management and Employee Retention Of Selected Commercial Banks In Anambra State, Nigeria. *Archives of Business Research*, 5 (3), 115-127

Chikwe, A.C. (2009). The impact of employee turnover: The case of leisure, tourism and hospitality industry. *Consortium Journal of Hospitality & Tourism,* 14(1), 43-56.

Chruden, HJ & Sherman, A. W. (1972). Personal management, South-Western, Philippine.

Corporate Leadership Council (2004). The Effort Dividend – Driving Employee Performance and Retention through Engagement. Washington DC: Corporate Executive Board

Dess, G. D., & Shaw, J. D. (2001). Voluntary turnover, social capital and organizational performance. *Academy of Management Review*, 26 (3), 446- 456.

Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch, P. D., & Rhoades, L. (2001). Reciprocation of perceived organizational support. *Journal of Applied Psychology*, 86(1), 42-51.

Ermiyas K. B. (2017). Assessment of Compensation Practice and Employee Turnover Intention in Selected Private Commercial Banks in Ethiopia. A Thesis Submitted to St. Mary's University, School of Graduate Studies in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (General MBA)

Gebremedihin, W. (2013). Compensation Practice and Teachers Turnover Intention in Tigray. *International Journal of Science and Research (IJSR),* 5 (9), 67 – 74

Lawler, E. (1990). *Compensation management; Strategic planning; Pay-for- knowledge systems*. San Francisco:Jossey-Bass Publishers.

Lockwood, T. & Walton, T. (2008). *Building Design Strategy: Using Design to Achieve Key Business Objectives.* New York: Allworth Press.

Morell, K., Loan-clarke, J., & Wilkinson, A. (2001). Unweaving leaving: the use of models in the management of employee turnover. *International Journal of Management Revies,* 3, 219-244

Nazim-ud-Din M (2013). HR Practices in Insurance Companies: A case study of Bangladesh. *Abasyn Journal of Social Sciences*, 6(2): 77-90.

Osibanjo, O. A., Adeniji, A. A., Falola, H. O. & Heirsmac, P. T. (2014). Compensation packages: a strategic tool for employees' performance and retention. *Leonardo Journal of Sciences*, 25, 65-84

Parker, O. & Wright, L. (2001). Pay and employee commitment: the missing link. *In Ivey Business Journal*, 65 (3), 70-79

Pillay, R. (2009). Retention strategies for professional nurses in South Africa. *Leadership in Health Services*. 22(1):39-57

Ryan, R. M. & Deci, E. L. (2000). Self Determination Theory and the Facilitation of Intrinsic self- motivation, Social Development and Well-being. *American Psychologist*, 55:68- 78.

Saiyadain. Mirza S., (2003). Human Resource Management. Third Edition, New Delhi, P.330-331

Smith, P.C. (1992). In Pursuit of Happiness: Why Study General Job Satisfaction? in C.J Cranny, P.C. Smith & E. F. Stone (eds.), *Job Satisfaction* 5-19, New York: Lexington Books.

Sons, J. W. (2015). The World at Work Handbook of Compensation, Benefits, and Total Rewards: A Comprehensive Guide for HR Professionals. UK: World at Work.

Thibaut, J. W., & Kelley, H. H. (1959). *The social psychology of groups*. New York: John Wiley& Sons.

Uwimpuhwe, D., Mushabe, D., & Kajugiro, S. B. (2018). The Influence of Compensation System on Employee Attraction and Retention**.** International *Journal of Advanced Academic Research | Social and Management Sciences*, 4 (11), 91 – 110

Willis, C. (2000). Go for your goals. *Working woman*, 6-7