

UNIVERSITY OF CAPE COAST

**COMPENSATION PRACTICES AND EMPLOYEES' INTENTION TO QUIT AT THE CAPE
COAST POLYTECHNIC**

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QUIT AT THE CAPE COAST POLYTECHNIC

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: Date.....

Candidate's Name: Elorm Akusika Cudjoe

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature..... Date:.....

Name: Dr. Daniel Agyapong

ABSTRACT

The rate at which employees in tertiary institutions in Ghana move from one institution to another is quite high and this could be as a result of compensation packages employed by different institutions to attract competent employees. The aim of this study was to examine the effect of compensation packages on employees' intention to quit in a tertiary institution in the Central Region, Ghana, precisely Cape Coast Polytechnic. Employing a descriptive survey design, data on the variables were collected using one hundred self-administered valid questionnaires which were completed by academic staff of Cape Coast Polytechnic. The study was censused to ensure a fair representative of the view of each respondent.

The collected data was carefully analyzed using simultaneous regression techniques, supported by structural equation modeling (SEM) to test the research questions and relationships that may exist among the variables under consideration. The results showed significant relationships between the compensation practices and employees' intention to quit.

The summary of key findings is that, there was a direct positive significant correlation between the tested dependent and independent variables (i.e., salary, incentives, allowance and fringe benefits). Recommendations were made to management and decision makers to endeavour to review compensation packages at various levels in order to earn employees' satisfaction to help prevent high labour turnover among members of staff.

KEY WORDS

Compensation practices

Intention to Quit

Wages and Salary

Allowance

Fringe benefit

Incentives

Bonus

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DEDICATION

To my parents, Mr. Charles Cudjoe and Ms. Benedicta Mawuse Danku.

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CHAPTER ONE

INTRODUCTION

Background to the Study

The increasing rate of academic staff turnover is a global one which affects both developing and industrialized countries and has attracted a lot of attention in academia. In the United States, for example, 7.7 percent of all full-time academic staff left their institutions for other places within one academic year (Armstrong, 2014). The source further indicates that while 29 percent were going on retirement, 71 percent left for a number of reasons. In Canada, one of the challenges that tertiary institutions expect to face over the next decade or so is academic staff recruitment and retention (Armstrong, 2014).

In Africa, most countries face a huge challenge in terms of skilled human resource capacity, which has a debilitating effect on its ability to make strides in the areas of socio-economic and political development. While various efforts have been made to address the problem, there seems to be little progress, due to a variety of reasons, particularly, the inadequate investment in education, compensation and other training programmes (Falola, Ibidunni & Olokundun, 2014).

Employees' willingness to stay on the job largely depends on compensation packages employees receive from employers (Saira, Madiha, Sumaira & Anam, 2014). Compensation is a key factor in attracting and retaining the best employees and ensuring that the organization has the competitive edge in an increasingly competitive world. In an attempt to ensure

employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola et al., 2014).

According to Oshagbemi (2000), organizations that have goals to achieve would require satisfied and happy staff in their workforce. It is crucial to note that organisations can take off and achieve strategic goals by depending on their capacity to attract, retain and maintain competent and satisfied staff into its employment.

The Polytechnic being an institution of higher learning that provides manpower needs to advance national development through both the public and private sectors must itself be capable of ensuring adequate manpower planning and development. She could therefore not afford to neglect the need and essentials of workforce satisfaction especially their compensation packages (Adeniji, 2012). This therefore serves as a threat to the efforts of tertiary institutions to retain the best brains in order to realize their objectives of becoming middle and high level manpower developers. (Osibanjo, Abiodun & Fadugba, 2014).

This research seeks to examine the impact of monetary compensation practices on the employees' intention to quit in Cape Coast Polytechnic. The purpose of this research is to describe the compensation system in Cape Coast Polytechnic and determine if the compensation systems contribute negatively or positively to the organization's ability to retain employees. The study also identifies the basic dimensions of compensation and summarises some of the key theories used to explain the consequences of different compensation decisions.

It further explores the exact compensation practices which strongly influence the decision of employees to stay in the Polytechnic. This is a five phase study which is organized into five chapters. Introduction, review of related literature, methodology, data analysis and summary, conclusion and recommendations were dealt with in chapters one, two, three, four and five respectively.

The result from this study is intended to assist in the development of an effective compensation system to help prevent employee turnover in organizations and also to make policy recommendations of monetary compensation to management of Polytechnics in Ghana.

Statement of the problem

Despite the importance of academic staff retention, there is little understanding of how monetary compensation practices interact to explain academic staff intentions to leave at a national level.

The rate at which employees' turnover is increasing in Ghanaian institutions, particularly Cape Coast Polytechnic, has become a thing of concern and it is obvious that the steps taken by the managements and stakeholders have not solved this problem. The evolving competition in the higher education environment in Ghana coupled with the increasing number of new tertiary institutions has called for good formulation, administration and implementation of good compensation policies that would allow these institutions to retain their competent workers. Though, university is universal, meaning lecturers are also mobile managers who must move to create employment for younger ones, yet, efforts should be made to encourage senior lecturers to reproduce themselves for national development (Adeniji, 2012).

According to a survey conducted in 2009 on labour turnover in the Cape Coast Polytechnic by the Planning Unit, many senior members are leaving the Polytechnic to the universities for greener pastures. For example twenty three (23) staff members have left the Polytechnic between 2008 and 2011 (Personnel Unit of Cape Coast Polytechnic, 2011). These therefore put a threat to the Polytechnic's vision of becoming the best middle level manpower training institution in West Africa and Ghana in particular, as well as their vision of being converted into a Technical University.

It had been established that some of these employees hardly stay for long in the institutions before moving again (Osibanjo et al, 2014). This mobility has been tagged as "brain drain". Therefore, one of the reasons that informed this study has to do with the unique importance of compensation practices in relation to the employees' intention to quit among academic staff in the Polytechnics which affect the realization of these institutions' vision. There is the need therefore to examine the relationship between an organizations compensation practices and its ability to retain its workers among academics. It is necessary to identify how best to retain faculty members in the Cape Coast Polytechnic and prevent constant mobility.

To date, there has been little consistency in findings to the causes of these, which is partly due to the diversity of methods employed by researchers and lack of consistency in their findings (Kalliath & Back, 2001). Similarly, the ever-increasing number of tertiary institutions in Ghana also makes academic staff very fluid thereby leading to a possibility of high demand for them.

According to Osibanjo et al (2014), the majority of studies on compensation and employee turnover has focused on the banking industry while very little has been done in the educational sector.

Purpose of the study

The purpose of this research is to examine the effect of compensation practices on employees' intention to quit at the Cape Coast polytechnic.

Research objectives

The general objective of this study is to examine the impact of monetary compensation practices on employees' intention to quit in Cape Coast Polytechnic. Specifically, the study sought to:

1. Examine how salary influences employees' intention to quit.
2. Assess the effect of allowance on employees' intention to quit
3. Examine the effect of incentive packages on the employees' intention to quit.
4. Assess the impact of fringe benefit on employees' intention to quit.
5. Assess the effect of bonus on employees' intention to quit

Research questions

The study was guided by the following questions:

1. How does salary influence employees' intention to quit?
2. How does an incentive package affect employee intention to quit?
3. What is the influence of allowance on employees' intention to quit?
4. What is the impact of fringe benefit on employees' intention to quit?
5. What is the effect of bonus on employees' intention to quit?

Significance of the study

The success of every institution depends on the satisfaction and commitment of its human resources. In order to remain competitive, an organization has to compensate its members to ensure retention and quality services delivery. The study helps to fill a critical gap in knowledge regarding the compensation practices and intention to quit among employees in the tertiary institutions in Ghana.

The study also adds to literature on studies related to employee compensation and intention to quit and provide areas for future research. It also provides information to policy makers including the Ministry of Education, the Ghana Education service and other stakeholders in the Polytechnics on how best they can reduce employees' intention to quit through compensation practices.

Delimitations of the study

This study focused solely on interactions between compensation practices on employees' intention to quit in Cape Coast Polytechnic. The influences of other variables on the intention to quit of employees such as performance, organisational climate, were excluded. The study should therefore be viewed in this light to avoid any misinterpretation of its outcomes.

For purposes of this study, the indicators of compensation practices comprised of five dimensions, namely, salary and wages, allowance, incentives packages, fringe benefits and bonus. Other dimensions of compensation practices were excluded solely for purposes of this study. The

population was restricted to academic staff of Cape Coast polytechnic in 2015/2016 academic year.

Limitations of the study

Despite being depicted in the literature review and conceptual framework of the study, the effect of bonus on employees' intention to quit was not examined. Also, the confinement of the population to only employees of Cape Coast Polytechnic renders the findings, conclusions and recommendations applicable mainly to Polytechnics but not all tertiary institutions. Furthermore, the reliance on Academic Staff as the sole respondents raises questions bordering on possible bias, particularly with the assessment of salary and wages as well as allowances. Finally, the use of close ended as well as questions restricts the amount of information obtainable from respondents with particular regards to the main variables of the study.

Definition of Terms

This section clearly defines the meaning of the variables in this study and determines how the variables were measured.

Compensation practices: Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required.

Retention: This study defines retention as the ability of an organization to retain its employees.

Turnover: The ability of employees to move away from their present organization to another.

Intention to quit: This is defined as an ‘individual’s own estimated probability (subjective) that they are permanently leaving the organization at some point in the near future.

Measurement of variables

Compensation practices: This was measured using packages such as salaries, bonus, incentives, fringe benefits and performance allowances. All these directly or indirectly affect employees’ satisfaction and intention to stay in an organization yet they are not being addressed.

Employee turnover intentions: Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members. In some cases low salary, lack of growth prospects and motivation compel an employee to look for a change. It was measured with a decision process, where by the employees initiates the process by evaluating his or her current situation, followed by several stages (for example, evaluating the usefulness of the job search; evaluating the cost of quitting; intending to and searching for alternatives, and then evaluating alternatives compared to the present job) until a firm intention to quit decision is reached.

Organization of the study

The study is organized into five chapters. Chapter one focused on the background of the study, statement of the problem, the research objectives and questions, the relevance and organization of the study. Chapter Two dealt with the literature review which situated the work in the context of other studies. Chapter Three discussed the research methodology. Chapter four dealt with

the research results and discussion. Chapter Five focused on the summary, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This section discusses the theoretical, empirical and conceptual frameworks that set this study into perspective. The theoretical framework looks at the theories that best explain the relationship between compensation practices and employees' intention to quit. The empirical framework, on the other hand, discusses what other scholars have done with regard to this subject matter while the conceptual framework displays the pictorial relationship between these variables.

Theoretical framework

The major sociological theory used to explain compensation practices and employee intention to quit is Herzberg two –factor theory. This theory was chosen because it is appropriate for discussing the relationship between compensation practices and intention to quit. The section that follows looks at the theory's general arguments, assumptions and how they relate to compensation practices and employee intention to quit.

Herzberg two-factor theory

Herzberg's motivation-hygiene theory draws the distinction between motivational and maintenance factors in job situations. The theory attempts to explain satisfaction and motivation in organisations by stating that satisfaction and dissatisfaction are driven by different factors (that is motivation and hygiene factors) respectively. The theory further states that, there are certain factors in the workplace that cause job satisfaction, while a separate set of

factors cause dissatisfaction. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. This appears to parallel Maslow's theory of needs hierarchy.

However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker satisfaction at work, while another and separate set of job characteristics leads to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in unpleasable dissatisfaction.

On the basis of this research, two job factors were identified, namely, motivators or satisfiers and hygiene or maintenance factors. Motivators are those aspects of the job that make people want to perform and inform their decision to stay or quit an organisation. These motivators are considered intrinsic to the content of the job and include variables such as achievement, recognition, advancement, work itself, possibility of growth and responsibility.

Conversely, dissatisfying experiences, called "hygiene" factors, largely results from extrinsic, non-job related factors such as company policies and

administration, salary, technical supervisory style, interpersonal relationship with supervisors, interpersonal relationship with peers and interpersonal relationship with subordinates. The rest are salary, job security, personal life, working conditions and status.

Some job conditions operate primarily to dissatisfy employees when the conditions are absent, but their presence does not motivate employees in a strong way. Management traditionally perceives many of these factors as motivators but these are really more potent as dissatisfiers. The dissatisfiers bring motivation up to zero state. The opposite of dissatisfaction is not satisfaction but simply, no-dissatisfaction. To motivate workers to give of their best, managers must give proper attention to the motivators or growth factors. Herzberg emphasizes that hygiene factors are not a “second-class citizen system”. They are as important as motivators, but for different reasons. Hygiene factors are necessary to avoid unpleasantness at work and to deny unfair treatment. Management should never deny people proper treatment at work. The motivators relate to what people are allowed to do at work. They are the variables which actually motive people.

Herzberg’s theory suggests that if management is to provide positive motivation then attention must be given not only to hygiene factors, but also to the motivating factors (in this case, the non-monetary aspects of compensation). The work of Herzberg indicates that it is more likely good performance leads to job satisfaction rather than the reverse. In linking Herzberg’s theory to the work situation, management should ensure that they implement their compensation system by providing opportunities for further allowances, pay, fringe benefits etc. since these motivate workers, leads to

higher performance and productivity and helps in reducing intention to quit. However, if employees do not experience these compensation practices, there is the likelihood that they will become dissatisfied and might have the intention to quit.

Herzberg argues that eliminating the causes of dissatisfaction (through hygiene factors) would not result in a state of satisfaction; instead, it would result in a neutral state. Satisfaction (and motivation) would occur only as a result of the use of intrinsic motivational variables. Compensation being considered as motivator (intrinsic) can substantially promote an organisation's success and satisfy employee career objectives. It has been emphasised that, compensation must also be designed properly as if not careful because, during design and implementation, compensation systems can unintentionally fail to motivate the desired behaviour there by leading to dissatisfaction.

Empirical Review

The section looks at the works of scholars on the concepts of compensation and intention to quit, and attempts to establish the relationship between these variables using some indicators of compensation practices. Research works on compensation practice and its influence on intention to quit are discussed from an international to the African perspective. Upon review of literature, there is no scholarly work in Ghana specifically establishing a relationship between the two variables; the majority of studies focus on other African countries except Ghana. The section that follows takes this up for discussion.

Compensation practices and Employee intention to quit

It is important to note that, many different terms and definitions have been used to describe the concept of compensation because it encompasses more than just monetary payment for work. Compensation is the human resource management function that deals with every type of reward individuals receive in exchange for performing organizational tasks, with a desired outcome of an employee who is attracted to the work, satisfied, and motivated to do a good job for the employer (Ivancevich, 2004). The American Compensation Association (ACA) defines compensation as the cash and non-cash remuneration provided by an employer for services rendered. It could be financial rewards which refer to any monetary rewards that go above and beyond basic pay. These rewards are separate but not limited to basic salary.

According to Mondy (2008), rewards entail a combination of four core elements which are, pay, benefits, financial incentives, and non-financial compensation. In addition, Adeniji and Osibanjo (2012) described compensation as direct and indirect and stressed that as employees receive compensation in an organization, it serves to enhance satisfaction, reduce intention to quit and improve performance. Direct compensation includes wages, salaries, bonuses or commission. Indirect compensation includes incentives, medical benefits, housing allowance, annual leave allowances and training opportunities.

An improvement in these indicators of compensation impacts everyone in the organization to an extent and can prove to be a very valuable and powerful tool - either intentionally or unintentionally (Adeniji & Osibanjo,

2012). As such, designing compensation program is significant in personnel management since it has direct influence on employees' satisfaction, performance and the intention to quit an organisation.

Among the underlying foundations of compensation theory is that compensation influences behaviour. The basic premise originated from the work of behaviour psychologists such as B.F. Skinner, who believed in operant conditioning (Kohn, 1996). In summary, if you reward an organism for certain behaviour, that organism will be more likely to repeat that behaviour. Translated into organizational terms, if you reward an employee for exhibiting behaviours of producing results, that employee will be more likely to repeat those same actions. It is important to note that there is small fraction of individuals that do not buy into these principles (Kohn, 1996).

The fraction argues that human behaviour is much too complex to be controlled and manipulated through reward programs. Their argument emphasizes the real need to fully understand the role of compensation as a tool for achieving employee satisfaction and retention. It is extremely critical for an organization to comprehend the impact of its compensation system (Noe, Hollenbeck, Gerhart & Wright, 2003).

Intention to quit has been extensively researched in various organisational sectors. However, early research by Mobley (2007) viewed intention to quit as the culmination of a decision process, whereby the employee initiates the process by evaluating his or her current situation, followed by several stages (for example, evaluating the usefulness of the job search; evaluating the cost of quitting; intending to and searching for

alternatives, and then evaluating alternatives compared to the present job) until a firm intention to quit decision is reached.

Carmeli and Weisberg (2006), turnover intentions refer to three particular elements in the withdrawal cognition process, namely having thoughts of quitting the job, having the intention to search for a different job, and then having the intention to quit. Likewise, Nazim (2008) viewed intention to quit as the desire of employee to leave an organization voluntarily. For the purpose of this study, intention to quit is defined as a process whereby employees evaluate their current position and have thoughts of quitting their position. A number of studies have linked employee intention to quit with the level of compensation they receive from the organisation.

There are a number of factors that influence an employees' decision to quit an organisation. Among these factors include compensation practices such as pay, allowance, incentives, bonuses and fringe benefits.

Pay / salary and intention to quit

One of the commonest reasons why the rate for employee intention to quit is high is the salary scale. Basically, employees are usually in search of jobs that pay well and those who are desperate for a job may take the first one that comes along to carry them through while searching for better paying employment. Also, employees plan to leave a company because of low pay and this might adversely affect his or her performance (Rampur, 2009). Unequal or substandard wage structures fall under this category as well especially when two or more employees perform similar work and have similar responsibilities, differences in pay rate can drive lower paid employees

to quit. In a similar vein, if you pay less than other employers for similar work, employees are likely to jump ship for higher pay, if other factors are relatively equal (Handelsman, 2009).

De Cieri and Kramar (2008) state that a high level of pay relative to that of competitors can ensure that a company attracts and retains high-quality employees. Pay may be one way workers measure whether the time they spend and the effort they put into working are worthwhile (Ryan & Sagas, 2009). According to Chelladurai (2006), workers' satisfaction is a function of what they perceive their contributions and job requirements are and what they should receive in return. One standard that an employee may use is what other workers within an organisation receive. Employees will feel satisfied with their pay if what they are receiving equates to the time, energy, and effort they contribute, with relation to what other workers receive. If they feel that their efforts and contributions exceed the rewards from the organisation and job, especially in pay, dissatisfaction may occur and might develop the intention of quitting (Ryan & Sagas, 2009).

Fringe benefits and intention to quit

Fringe benefits, which are supplementary in nature, not worked for, and are usually given to all employees of an organization, irrespective of their different performances such as annual leave allowances, salary advance and educational assistance (Adeniji & Osibanjo, 2012). Another reason that employees plan to leave is because of the lack of benefits available to them in the company in which they work. High employee intention to leave could also be associated to no potential opportunity for advancements or promotions.

Employees prefer other companies which may provide them with higher prospects and increased compensation packages (Rampur, 2009).

Rampur (2009) further stressed that lack of opportunity for advancement or growth can be a reason for intention to leave any organization. If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee. The job should be described precisely, without raising false hopes for growth and advancement in the position. Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works.

In the United Kingdom, the Higher Education Academy and Centre for Excellence in Teaching and Learning (2009) found widespread dissatisfaction with promotion prospects amongst university academics, with two-thirds of respondents in a survey of teaching staff disagreeing with the statement “I have satisfaction with promotion prospects at my current institution”.

Walsh and Taylor (2007) stated that employees in hospitality industry leave their organization within a year or two due to the lack of clear career ladder in sight. They also found that, employees are lacking in the intrinsic aspects of their job such as challenging jobs and learning-oriented work relationship than the extrinsic aspects such as rewards. A study by Bagri, Babu and Kukreti (2010), on human resource practices in hotels in India, states that lack of training and career growth opportunities in the hotels make the employees develop the intention to quit their job. In 2002, a study conducted by University Council for Educational Administration in Nigerian among higher educational institutions found that the second highest most influential factor on voluntary turnover was the opportunity for promotion. Thus, survey

revealed that poor promotion opportunities in academia were mentioned as a reason for staff leaving institutions.

Another study by Berger and Berger (2004) mentioned that employment benefits include items such as retirement, health insurance, life insurance, disability insurance, paid leave, paid holidays, flexible scheduling, and educational assistance to name a few. The authors further argued that these benefits have been shown to bond an employee to the employing organization and result in a strong correlation between benefits and intention to quit. Thus, benefits that allows an employee to manage work and as such increasingly enhance responsibilities such as caring for children, or allowing for involvement in personal activities tend to improve commitment and reduce intention to quit (Berger & Berger, 2004). Commitments to family pressures, community issues and other non-work related factors can influence the employees' likelihood of staying with an organization (Mitchell, Holtom, Lee, & Graske, 2001). It is important to consider work/life balance programs for employees, as this is one of the major needs expressed by the emergent worker (Spherion, 2010).

Incentive packages and employee intention to quit

Incentives are awards given for the accomplishment of pre-determined goals and are directly related to performance and has a positive influence on the employees' objectives and organizational success. Incentives are used to motivate employees towards a greater performance, and it rewards the differences in performances that employee will perform in certain manner in expectancy of a given outcome. According to Noe, Hollenbeck, Gerhart and

Wright (2003), incentives are rewards offered in addition to the base wage or salary and are usually directly related to performance. They are given to encourage or reimburse some particular employee for effort beyond normal performance expectations. They stimulate employees' contributions above and beyond the normal standard of expectation.

Perceived organisational incentive packages and support is an individual's perception of organizational treatment, regardless of whether any particular kind of treatment is explicitly or implicitly promised (Shapiro & Conway, 2005). Chew (2004) describes perceived incentive packages as the extent to which employees believe that the organisation values their contribution and cares about their wellbeing, and postulates that employees and the organisation are involved in an exchange relationship. According to Rhoades and Eisenberger (2002), perceived incentive packages and support refers to a general belief that one's organisation values your contribution and cares about your well-being. High levels of incentive packages and support from the organisation create feelings of obligation to the employer and make employees feel they have to return the employers' commitment by engaging in behaviours that support organizational goals (Ahmad & Yekta, 2010).

Perceived organisation support and incentive packages can have a direct influence on an employee's intention to quit (Bishop, 2002). This imply that, if the employee feels there will be no incentive packages and support from the organisation, his or her intention to quit might increase. Research conducted by Firth (2004) affirms the argument by Bishop (2002) that social support and provision of incentive packages from supervisors indirectly reduces burnout, which in turn reduces the intention to quit among employees.

Employees remain with an organisation because of the positive features associated with their jobs.

Therefore, employees are committed to an organisation and stay if they are satisfied with their positions and are supported by their managers, and leave if they are not (Taplin & Winterton, 2007). In a similar vein, Allen, Shore and Griffeth (2003) were in agreement with previous research and reported that incentive packages and support are negatively related to intention to quit. The relationships, however, are mediated by commitment and job satisfaction. This means that, if employees experience high levels of perceived organizational incentive and support they are less prone to experiencing turnover intent.

Allowance and bonus and intention to quit

Bonuses are offered to employee when they achieve certain standards and quotas to complete a certain project (Saira, Madiha, Sumaira & Anam, 2014). The authors further argued that financial rewards like bonuses and allowances are instrumental in fulfilling the basic necessities of life and needs of belongings and authority. It is a symbol of triumph and accomplishment. An inequitable bonus and allowance is a source of appreciating the employees for their services and efforts and as such might reduce the possibility of quitting an organisation.

Whenever employees felt there were insufficient allowances and bonuses from employers, they sometimes begin to formulate reasons for leaving their jobs (Janas, 2009). Rosser (2004) argues that perceptions of work-life, including bonuses, have a direct impact on job satisfaction and

intentions to leave. Giles (2004) suggests that managers should aim to understand employee motivation and the role of recognition in order to retain their key employees. Thus, when employees realize that their efforts are not rewarded with bonuses and allowances, they do not feel appreciated and a priority to their organisation, it might contribute to intention to leave. In order for an organisation to implement a successful allowance and bonuses policy, it is important to determine from their employees what they value, and to align the policy in order to be sound, fair and competitive.

Receiving allowances from employers is an important feature of human resource management. As De Cieri and Kramar (2008) state, the allowance system has an important role in implementing strategies. The way people are given allowance, aside their pay, affects the quality of their work, their attitude towards customers and the organisation, and their willingness to be flexible and learn new skills.

Phonsanam (2010) determined total compensation practices and their relationship to hospitality employee intention to quit at Choice Hotel in the United States. The study found that owners and companies must understand that there is a direct link between equitable, competitive compensation and increased revenues. The study recommended that it is more cost effective to pay a good employee to stay and to be productive, than to incur turnover costs when they leave.

Selden and Moynihan (2000) find a significant negative relationship between high bonuses and allowances and voluntary turnover in 33 state governments, although a study by Lewis (1991) fails to confirm the

importance of allowances and bonuses in reducing voluntary turnover rates among federal employees. Seldon and Moynihan (2000) further stressed that well-designed employee bonuses and allowances are effective tools for attracting, motivating, and retaining government employees.

Saira, Madiha, Sumaira and Anam (2014) conducted a study on the impact of financial and non financial rewards on employee motivation in Pakistan. They found that there are different factors that affect the motivation of employees which can be classified into two categories; financial and non financial rewards. Although financial rewards are important for employee motivation in third world countries like Pakistan, where the inflation rate is so high that people are struggling hard to retain their social status but the importance of non financial rewards cannot be under-estimated. The researchers compel the management of studied organizations to pay their attention to the problems of employee motivation for the overall benefits of organizations.

Prihati, Oetomo and Utomo (2009) examined the effect of compensation variable, organizational climate, and career development on the intention to quit with the affective organizational commitment as intervening variables in Surabaya area in Indonesia. The population for their study included 66 employees. Results of analysis showed that the compensation, organizational climate, and career development has significant negative effect on intention to quit. The analysis also points to the results that the organization's commitment was a factor that has the greatest influence on intention to quit.

In another study, Osibanjo, Adeniji, Falola and Heirsmac (2014) stressed on compensation packages as a tool for employees' performance and intention to quit in Nigeria. The aim of this study was to examine the effect of compensation packages on employees' job performance and retention in a selected private University in Ogun State, South-West Nigeria. Data were collected 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 percentage supported by structural equation modelling to test the hypotheses and relationships that may exist among the variables under consideration. The results showed strong relationship between compensation packages and employees' performance and intention to quit. The findings indicate that there is strong correlation between the tested dependent and independent variables (salary, bonus, incentives, allowances, and fringe benefits). However, management and decision makers should endeavour to review compensation packages at various levels in order to earn employees' satisfaction and prevention of high labour turnover among the members of staff.

Jonathan, Thibeli and Casius (2013) also indicated some predictors of intention to leave of public secondary school teachers by exploring the impact of demographic factors, intrinsic and extrinsic satisfaction in Tanzania. Results of the study indicated moderate general satisfaction, intrinsic satisfaction and extrinsic satisfaction meanwhile it showed high intention to leave in teachers. Results also revealed intrinsic and extrinsic satisfaction had significant negative relationship with intention to leave and intrinsic satisfaction indicated stronger prediction of teachers' intention to leave.

Malvern, Michael and Crispen (2010) examined employee retention strategy in a private organisation in Zimbabwe. The result of the research showed that labour turnover intention is higher amongst non-managerial employees. Similarly, majority of the employees would soon quit the organisation and lastly, the high rate of employee turnover in the organisation is largely attributed to poor reward system administration.

In Ghana, Danquah (2012) explored the determinants of career choice, job satisfaction and intention to quit of academic staff in three private universities. The study showed that most academic staff in private universities chose their career due to their passion for the job as well as good working environment and their need to be autonomous. The study further revealed that although the lecturers are satisfied about their jobs and their working environments, the larger proportion are unhappy with their salaries. The greatest challenge they face in their work is inadequate facilities followed by delay in their salary payment. Retention is poor in private universities because most academic staff said they would leave to work in public universities if they had the chance.

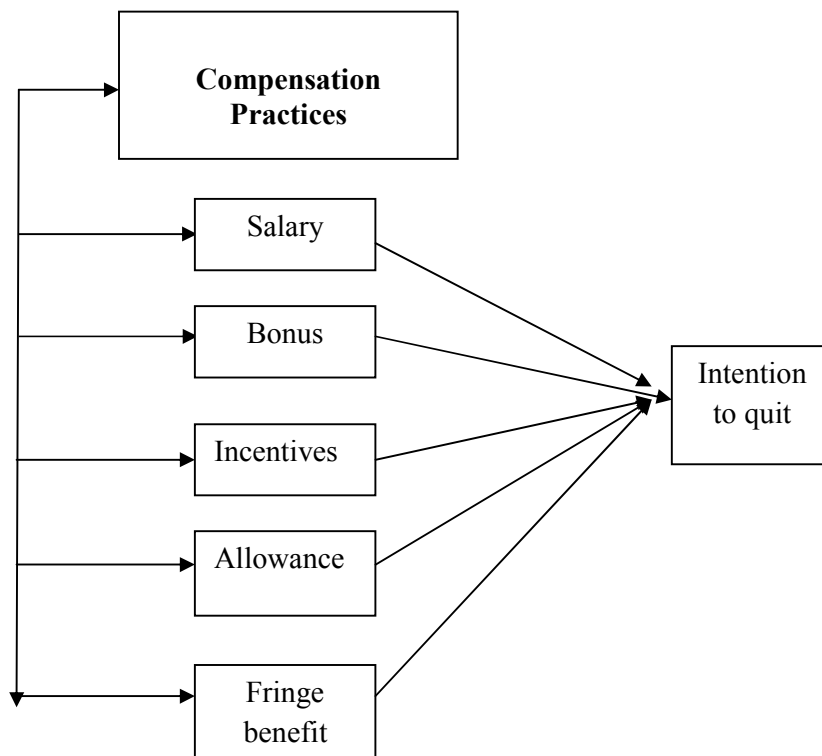
In another study, Mensah (2012) assessed the impact of indirect compensation on employee productivity in Central University College. It was uncovered that though management implements some of the indirect compensations available, there are other benefits which are not satisfactorily administered and this has contributed to a lack of zeal towards work, which has affected the productivity of staff negatively.

The conceptual link between compensation practices and intention to quit cannot be underestimated. The conceptual framework establishes the relationship between concepts in a pictorial form (Blaikie, 2009). The next section looks at the conceptual framework of this study and how it relates to the theories discussed above.

Conceptual framework of the study

Researchers use the conceptual framework to demonstrate and explain the relationships between the variables used in a study. The main variables in this study are compensation practices (pay/salary, incentive packages, fringe benefits, bonuses and allowance) and intention to quit. The rate of turnover intention of employees might depend largely on their ability to experience these compensation practices. Compensation practices are, therefore, important if intention to quit should be reduced. Reducing intention to quit seems to be an ultimate aim of every competing organisation and once employees are assured of better compensation, it might imply that reducing the motives of quitting the organisation can be achieved.

Figure 1: The effect of compensation practices on employee intention to quit.



Source: Adapted (Osibanjo, Adeniji, Falola & Heirsmac 2014)

From Figure 1, it can be revealed that components of compensation include allowances, fringe benefits, salary, bonus and incentives. When employers ensure these components or practices are favourable to the employees by increasing allowances, fringe benefits, salaries or pay and incentives, workers might show appreciation by working harder. This in turn increases their performance and output of the workers and that also reduces their intention to leave from one organisation to another. Hence, employees have the intention to stay to reciprocate the financial and non-financial rewards received from the organisation. In a form of social exchange, employees work harder by going an extra mile to increase performance and productivity. Linking this to the theoretical framework, when organisations

reward its employees for the services rendered by compensating them, they repeat the same behaviour that earn them the compensation and that will increase performance and hence enhance intention to stay in the organisation. On the other hand, when there are no favourable compensation practices such as no or small allowances, fringe benefits, low salaries or pay, and incentive packages, employees might be tempted to move to other organisation where these practices are effective. As employees realize their efforts are lower than the compensation they receive, they might not be satisfied with their rewards and that can adversely influence performance; hence develop the intention to leave for better options.

Summary

In sum, the above review shows that there are different perceptions on compensation practices and intention to quit. Much of the literature reviewed was in relation with the Herzberg two factor theory since most employees preferred and were motivated to work in organisation where compensation practices were effective and resulted in employee retention. The empirical studies demonstrate that workers in the health, hotels and educational sector value the need to offer compensation to reduce intention to quit and as such increased performance. Even though the review shows that some employees experience compensation practices and turnover intention, this study sought to find out if some of these claims are valid for this study area.

The current study incorporates the findings reported; antecedents used and recommendations made by these researchers to expand the literature on compensation practices and intention to quit within a Ghanaian context.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter contains the methodology of the study. It presents the chosen methodology, justifying its fitness for the study's objectives (Boohene, 2006). It deepens understanding of the work plan, enabling comparison with other studies while enhancing possible replication of the study in future (Pallant, 2013). It further involves discussions and comparison of the strengths, weaknesses, similarities and differences between the chosen methodology and others, ensuring consistency with accepted academic practice (Tabachnick & Fidell, 2013). This chapter covers discussions on the study area, approaches to research and population. It also discusses the instrument design, pre-test, reliability testing, ethics, validity testing, field work, and data analyses.

Study Organisation

The study was conducted in the Cape Coast Polytechnic in the Central Region of Ghana. This study institution was chosen because of the fluidity of academic staffs from this institution. A survey conducted in Cape Coast Polytechnic revealed that, twenty three (23) [staff members] have left the Polytechnic between 2008 and 2011 (Personnel Unit of Cape Coast Polytechnic, 2011). However, this research focused on employees' intention to quit among the academic staff. The Academic staff of Cape Coast Polytechnic

is made up of lecturers and instructors of all categories grouped into eight ranks, which are; professor, associate professor, senior lecturer, lecturer, assistant lecturer, principal instructor, senior instructor and assistant instructor, including the Polytechnic's Librarian. The target population for this study is a total number of 121 employees that is 4 Professors, 23 Senior Lecturers, 68 Lecturers, 11 Assistant Lecturers, 13 Instructors and 1 Librarian (Cape Coast Polytechnic, Personnel & Welfare Unit 2016).

The average work load of an Academic staff is twelve hours (12 hrs) per week with an extra teaching load sometimes.

Research Design

The descriptive survey design was adopted for this study. Descriptive surveys are a type of research design involving the collection and analysis of large amounts of quantitative data from a sizeable population using descriptive and inferential statistics (Tabachnick & Fidell, 2013). One intention of the descriptive survey design is that, it tries to identify relevant educational phenomena and the variables that intervene at a first step for further studies (Owens, 2002). The survey design is a unique research method because it gathers information from first-hand sources, and uses the most unbiased representation of its population (Cohen, Manion & Morrison, 2013)

The survey design was employed because, it allows for a wide range of data collection strategies including the use of questionnaire and interview and a combination of methods providing a quicker rate of responses and the strategy provides cost effective means of collecting data and handling them. There was a need to capture fairly, each rank of academic staff of the Cape

Coast polytechnic. These called for the adoption of simple and cost effective measures to maximize available resources, an advantage offered by the chosen method.

It has the added advantage that it describes, explains and explores the research purpose (Pickard, 2006). The focus of this study was to describe the compensation practices employed by the Cape Coast Polytechnic and its effects on the employees intention to quit their job. Survey, was a suitable research design since it provides the opportunity to examine the compensation practices employed by the Polytechnic. It afforded the participants of the research the opportunity to describe situations as it was known or as it was seen in various settings and at different locations (Owens, 2002). The descriptive survey method was adopted for the study in view of its flexibility and ability to obtain in-depth information from respondents especially in relation to compensation and intention to quit among polytechnic staff (Yin, 2014). In similar view, Balikie (2010), adds that descriptive research allows the researcher to establish a relationship between two more variables. A further reason was the choice of the survey design by most researchers, whose empirical studies were reviewed in chapter two.

Research Approach

The two main approaches to conducting research are quantitative and qualitative (Yates, 2014). The quantitative approach operates by developing testable hypothesis and theories which lend themselves to generalization. It is usually applied in the natural sciences and useful for data of numeric nature. Questionnaires, surveys, personality tests and other standardised research

instruments are some of the data collection techniques used under this approach.

The qualitative approach on the other hand bases research on systematic protocols. Its techniques, findings, interpretations and conclusions usually reflect the subjective opinion of the researcher. It is suitable where insightful understanding of a situation is needed. Data collection techniques adopted under this approach includes observation, case studies, interview guides and reviews of literature (Yates, 2014). The choice of the approach to be adopted for a particular study will largely depend on the purpose of that study (Boohene, 2006).

Both quantitative and qualitative approaches have their strengths and weaknesses. The quantitative approach is a scientific, fast, easier alternative, enabling statistical analyses of data, generalization of findings, drawing of logical conclusions based on numerical values and comparability of studies (Crotty, 1998; Amaratunga, Baldry, Sarshar & Newton, 2002). Criticism however lies with its rigidity, artificial nature and ineffectiveness in gauging human behaviour (Yates, 2014). The qualitative approach enhances rigor and understanding of complex phenomena while ensuring firm control over the scope and pace of research (Yates, 2014). It is however time consuming and expensive with its reliance on small samples rendering findings non-generalisable (Crotty, 1998).

To overcome the challenge of choice, some researchers have suggested a combination of both approaches (Amaratunga et al, 2002; McNeil & Chapman, 2005). This method, known as mixed methods ensures a balance of the strengths of both approaches. Others suggest choice should be at the

researcher's discretion, depending on the nature of a particular study (Boohene, 2006). Given the particular purpose of this study, the nature and interactions between the variables being examined as well as the need to establish a relationship, the quantitative approach was deemed the most appropriate and therefore adopted. This would aid in drawing inferences and conclusions about the relationships between and among the variables under consideration.

Population

The population for this study comprised academic staff at Cape Coast Polytechnic. Academic staff is an employee holding a full time teaching or research appointment in the Polytechnic. (Polytechnic Condition of Service 2014). The Academic staff is made up of lecturers and instructors of all categories grouped into eight ranks, which are; professor, associate professor, senior lecturer, lecture, assistant lecturer, principal instructor, senior instructor and assistant instructor, including the Polytechnic's Librarian. The target population for this study is a total number of 121 employees, that is 4 Professors, 23 Senior Lecturers, 68 Lecturers, 11 Assistant Lecturers, 13 Instructors and 1 Librarian (Cape Coast Polytechnic, Personnel & Welfare Unit 2016)

However, due to the nature of the survey and population, the study adopted a census to ensure that the views of each respondent is represented because other techniques for selection may overlook their views completely or under- represent them. Census also ensures a higher degree of accuracy and it is a method applicable for units having heterogeneity or difference as in the

case of Cape Coast polytechnic where the academic staff are in various ranks. Census method of data collection refers to the complete enumeration of a population and it is used when the population is not vast and there is enough time to collect data. Data collection through census method gives opportunity to have an intensive study about a problem and also gather a lot of knowledge through this method.

Data collection instruments

One key instrument used in collecting primary data for the study was the self-administered questionnaire (see Appendix C). According to Neelankavil (2007), questionnaires guarantee greater uniformity, consistency and objectivity in data collected. They also provide privacy and convenience for respondents during completion while guaranteeing greater anonymity (Neelankavil, 2007). The questionnaire was focused on the variables of the survey, which was adapted from literature reviewed based on the objectives of the study. Variables such as salary, fringe benefits and allowances, and incentives were identified and stated in the questionnaire. Each of the items was based on a 5-point rating scale, which allowed respondents to state the potency of each of the items listed in the questionnaire.

Items on the questionnaire totalled thirty-five in number, comprising mainly close ended questions as well as some open ended questions. They were grouped into three sections, A to C. Sections B and C comprised mainly close ended questions. Close ended questions, according to Becker and Watts (1999), guarantee accurate, one-dimensional, exhaustive and mutually

exclusive responses. They also save time spent in completing, coding and analysing questionnaires (Becker & Watts, 1999). Section A dealt with the personal demographics such as, current rank, duration of employment, work load, position and additional responsibility of respondents.

Rating-scale questions were employed in measuring all variables. A scale, according to Yates (2014) is a measurement instrument that associates qualitative constructs with quantitative metric units. Rating scales are the most reliable and most widely used scale in measuring people's attitudes, opinions and beliefs (Yates, 2014). They are easy to construct and they operate simply by combining respondents' scores on a variety of items into a single index. Scaling is achieved by ensuring that high-scoring and low-scoring individuals differ in their responses on each of the items selected for inclusion in the index (Scheuren, 2004).

Section B comprised four sub-sections (1-4), which measured the indicators of monetary of compensation namely: salary and wages, allowance, fringe- benefits and incentives. However, constructs were not formulated on bonus although literature was reviewed on it because Cape Coast Polytechnic is a non- profit Organisation which does not pay bonuses to its employees.

Each dimension comprised three statements bordering on the time, amount and process of obtaining the indicators of compensation in the Polytechnic. This brought to a total of twenty- five, the number of items measuring compensation practices. A five point rating scale of 1 to 5 with 1 indicating least agreement and 5, highest agreement was employed.

Section C measured intention to quit; using employees' personal assessment. The use of self-assessment measures is well received in the literature as researchers have demonstrated convergent validity of such measures. A multi-dimensional construct, measuring intention to quit from study on turnover, by Moynihan et al (2000) was adopted for this study. Respondents were asked to rate their intentions to quit their jobs on a five-point rating scale reading '1' = least agreement and '5' = highest agreement.

Data collection procedure

The questionnaires were administered to all academic staffs in the Cape Coast Polytechnic. The questionnaires were self-administered to the participants and collected within two weeks. Due to an industrial action embarked on by Cape Coast Polytechnic, at the time of data collection some employees were not on campus and could not be traced to respond to the questionnaire. In all the questionnaires were given to 121 employees and 100 were retrieved.

Pre-test

A pre-test was undertaken in December 2015 as a prelude to the main study. Pre-tests, according to Pallant (2013) are required ahead of a main survey for the following reasons. Firstly, they ensure that instruction, questions and scale items are clear. They further ensure that potential respondents will be able to understand questions and respond appropriately. Finally, they help to identify and eliminate any questions or items that may offend potential respondents. The pre-test for this study involved twenty (20) academic staffs from the University of Cape Coast, specifically Economics Department. The location was deemed appropriate due to its proximity to the

main study area and also shared similarities with academic staffs in the Cape Coast Polytechnic.

The pre-test sample was selected using simple proportions as well as simple random sampling (lottery method), sufficiently included all ranks of employees in the main population. It also conformed to Saunders, Lewis and Thornhill's (2007) minimum criteria of 10 for pilot studies by students. A thirty-seven (37) item questionnaire was hand-delivered to the respondents and was retrieved after some hours. A scrutiny of the responses showed that respondents understood all questions and thus had no challenges completing the questionnaire. After correcting a few spelling errors and eliminating two constructs under fringe- benefit, the final instrument was ready to be administered during the main survey.

Reliability test

Reliability of a scale gives an indication of how free it is from random error (Pallant, 2013) or the extent to which the scale produces consistent results if repeated measures are taken (Kent, 2007). Two frequently used indicators of a scale's reliability are indicator reliability, and internal consistency (Tabachnick & Fidell, 2007). The individual indicator reliability values ranges from 0.002025 to 0.98208. Hulland (1999) posits that 0.70 or higher is preferred unless in an exploratory research where 0.4 or higher is acceptable. The indicator reliability appears to be a good measure for most of the indicators of the compensation practices.

Internal consistency on the other hand measures the degree to which all items on a scale, measure an underlying construct (Pallant, 2013). The

individual consistency reliability should be 0.7 or higher. If it is an exploratory research, 0.6 or higher is acceptable (Hair 2012). Pallant (2013) suggest an additional requirement of a minimum item-total correlation of 0.3 to ensure that items included in a scale actually measure what the scale intends to. Both measures were adopted in testing for internal consistency reliability of the rating-scale questions included in the pre-test questionnaire. The tests were run and analysis was done using structural equation modelling (SEM).

Data processing and analysis

The background information of respondents was coded and analysed using SPSS and the main data was analysed using Smart PLS.

Structural Equation Modelling (SEM)

SEM is a blend of two statistical methods of factor analysis and path analysis into one broad statistical method (Sarwoko, Surachman, Armanu & Hadiwidjojo, 2013; Agyapong & Obro-Adibo, 2013). According to Sarwoko et al, (2013), SEM consists of a two-part 1) measurement of the part that relates the observed variable with variable latent through confirmatory factor analysis, and structural Part 2) that relationship between variable latent with regression simultaneous (Ghozali, 2005; Agyapong & Obro-Adibo,2013).

Partial Least Square

Partial Least Square (PLS) analysis was used to estimate parameters for the measurement and structural models. PLS path models consist of three components: the structural model, the measurement model and the weighting 80 scheme. Whereas structural and measurement model are components in all

kinds of SEMs with latent constructs, the weighting scheme is specific to the PLS approach. Structural equation models (SEM) are very popular in many disciplines. The partial least squares (PLS) approach to SEM offers an alternative to covariance-based SEM, which is especially suited for situations when data is not normally distributed. PLS path modelling is referred to as soft-modelling-technique with minimum demands regarding measurement scales, sample sizes and residual distributions. The SEM-PLS package provides the capability to estimate PLS path models within the R programming environment.

Different setups for the estimation of factor scores can be used. Furthermore it contains modular methods for computation of bootstrap confidence intervals, model parameters and several quality indices. Various plot functions help to evaluate the model. The well-known mobile phone dataset from marketing research is used to demonstrate the features of the package.

Ethical consideration

The study took into consideration a number of ethical issues. None of the respondents were forced to take part in this study, such that those who openly showed interest were allowed to partake in it. The researcher made use of the common expression “a respondent” to ensure strict confidentiality during the analysis of the data. The anonymity of the respondents were ensured and protected right from the beginning, especially on the questionnaires so that their names were not mentioned.

A clause, assuring respondents of anonymity and confidentiality, was also inserted in the introductory paragraph of the questionnaire. This was further

buttressed by the exclusion of questions bordering on the identity of respondents. These were some of the steps taken to ensure adherence to accepted ethical standards and practices, respect for participants as well as trust and confidence in the integrity of the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The preceding chapter presented the methodology employed for the study. Chapter Four however, presents the data collected, summarized, organized and analyzed in accordance with the objectives and research questions of the study. It begins with an analysis of the background data of respondents and then follows with the analysis of responses to the research question. Descriptive statistics such as frequencies, percentages, means, standard deviations and cross tabulation were used to analyze the background characteristics. Similarly, inferential analyses were tested by assessing the direction, strength and level of significance by the use of SmartPLS. In all, a total of 100 respondents provided data for the study.

Background Characteristics of Respondents

The demographic characteristics of the respondents studied were sex, age, rank and work experience. Other characteristics were whether the respondents have held other position and if they have additional responsibility. In order to put the study into context, these demographic characteristics were studied to serve as the basis for differentiation with regard to the phenomena been studied. Respondents' ranks were used as a variable in describing background information. The background characteristics data is captured in Table 1.

Table 1: Background Characteristics of Respondents

Background characteristics	Frequency	Percent
<i>Sex</i>		
Male	88	88
Female	12	12
<i>Rank</i>		
Senior Lecturer	7	7
Lecturer	65	65
Assistant Lecturer	12	12
Principal Instructor	5	5
Senior Instructor	4	4
Assistant Instructor	7	7
<i>Work Experience</i>		
1 – 6 months	10	10
7 months – 1 year	23	23
Between 1 – 3 years	38	38
3 year and above	29	29
<i>Do you hold any other position</i>		
Yes	49	49
No	51	51
<i>Do you have any other responsibility</i>		
Yes	58	58
No	42	42

Source: Field work, Cudjoe (2016) N = 100

From Table 1, majority, 88 percent of the respondents were males and 22 percent were females. Cross tabulation of respondents' sex and their rank shows that, of the 65 respondents who have attained the rank of Lecturer, 58 are male respondents and remaining seven are female respondents. Similarly,

five male respondents and two female respondents have attained the rank of Senior Lecturer. In the case of Assistant Lecturer, nine were male respondents and three female respondents.

Majority (65%) of the respondents have attained the rank of Lecturer. This was followed by 12 percent who have attained the rank of Assistant Lecturer. Further analysis of respondents rank and working experience shows that out of the 38 respondents whose work experience falls within 1-3 years, 28 have attained the rank of Lecturer. Three of the respondents who have attained the rank of Senior Lecturer and they have the work experience between 4 years and above.

As captured in Table 1, about 38 percent of the respondents have their work experience between 1-3 years. This was followed by 29 percent of the respondents whose work experience falls within 4 years and above. Cross tabulation of respondents work experience and sex reveals that 34 of the male respondents have their work experience between 1-3 years. On the other hand, five of the female respondents work experience fall between 4 years and above.

Majority (51%) of the respondents stated that they do not hold other position in the institution while (49%) affirmed that they do hold other positions. Majority (58%) of the respondents affirmed that they do have other additional responsibility while (42%) held a contrary view. The mean age of the respondents is 41.03 and standard deviation is 7.427.

Descriptive statistics of the variables

Table 2 presents the descriptive statistics of the items which relates to salaries and wages. The respondents expressed high agreement on whether they receive salary on timely basis at the end of every month ($M = 3.56$, $SD = 1.17$). They however expressed low agreement on whether their basic salary matches the effort they put in their work ($M = 2.89$, $SD = 1.07$). The respondents further expressed low agreement on whether the processing of overtime is simple and straight forward ($M = 2.37$, $SD = 1.30$). There was a low agreement on the part of respondents as to whether they are satisfied with the overtime rate per hour ($M = 2.12$, $SD = 1.07$). The respondents indicated low agreement on whether final payment of overtime allowance is timely ($M = 2.00$, $SD = 1.21$).

Table 2: Descriptive statistics for wages and salaries

Salaries and Wages	Mean	Std
Receive salary on timely basis at the end of every month.	3.56	1.17
Basic salary matches the effort put in work	2.89	1.07
Overtime processing is simple and straight forward	2.37	1.30
Satisfied with the overtime rate per hour	2.12	1.07
Final payment of overtime allowance is timely	2.00	1.21

Source: Field data, Cudjoe (2016).

Table 3 shows the descriptive statistics of the items which relates to the allowances of employees. Respondents expressed low agreement on whether fuel allowance adequately covers monthly transportation cost to and from work ($M = 2.26$, $SD = 1.28$). The data further shows that there was a low

agreement on if housing allowance receive adequately covers rent charges for the month ($M = 2.24$, $SD = 1.21$). The day trip and overnight allowance adequately covering travel expenses also attracted low agreement by the respondents ($M = 2.14$, $SD = 1.12$).

Table 3: Descriptive statistics for allowances

Allowance	Mean	Std
Fuel allowance adequately covers monthly transportation cost to and from work.	2.26	1.28
Housing allowance receive adequately covers rent charges for the month.	2.24	1.21
Vehicle maintenance allowance is sufficient to maintain car on monthly basis	2.15	1.19
Day trip and overnight allowances adequately cover travel expenses	2.14	1.12

Source: Field data, Cudjoe (2016).

Table 4 captures the descriptive statistics of the items which relates to the fringe benefits for employees. From the Table the respondent expressed high agreement on the processing for obtaining a study leave with pay been simple and straightforward ($M = 3.04$, $SD = 1.02$). Respondents further expressed low agreement on whether the benefits offered to the family upon death are appreciable ($M = 2.16$, $SD = 0.88$). The data further shows that there was low agreement on whether government and institutional scholarship for research are readily made available ($M = 2.11$, $SD = 1.07$).

Table 4: Descriptive statistics for fringe benefit

Fringe benefit	Mean	Std
The process for obtaining a study leave with pay is simple and straightforward	3.04	1.02
The benefits offered to my family upon my death are appreciable	2.16	.88
Government and institutional scholarships for research are readily made available	2.11	1.07

Source: Field data, Cudjoe (2016).

Table 5 presents the descriptive statistics of the items which relates to incentives for employees. From the table respondents expressed high agreement on the process for obtaining a study leave with pay as being simple and straight forward ($M = 3.04$, $SD = 1.02$). The respondents however expressed low agreement on if the responsibility allowance received commensurate with the requirements of the present position ($M = 2.33$, $SD = 0.97$). Receiving of adequate allowances when in acting and for taking up other additional duties attracted low agreement ($M = 2.26$, $SD = 1.1$). The respondents indicated low agreement on whether they received adequate entertainment allowance ($M = 2.21$, $SD = 1.1$). The committee sitting allowances receive being appreciable also attracted low agreement ($M = 2.18$, $SD = 1.0$).

Table 5: Descriptive statistics for Incentives

Incentives	Mean	Std
The processes involved in obtaining acting and additional duty allowance are simple and straightforward	2.40	.96
The responsibility allowance receive commensurate with the requirements of the present position	2.33	.97
Receive adequate allowances when in acting and for taking up other additional duties	2.26	1.1
Receive adequate entertainment allowance	2.21	1.1
The committee sitting allowances receive are appreciable	2.18	1.0

Source: Field data, Cudjoe (2016).

Table 6 shows the descriptive statistics of the items which relates to the intention to quit by employees. From the table, respondents expressed high agreement on the issue as to whether they will leave their present job as soon as they find something better ($M = 3.01$, $SD = 1.54$). There was low agreement by respondents on whether the respondents often think about quitting their job ($M = 2.23$, $SD = 1.19$). The respondents further expressed low agreement on whether the respondents will probably look for a new job in the next year ($M = 2.04$, $SD = 1.25$).

Table 6: Descriptive statistics for intention to quit

Intention to quit	Mean	Std
Leave my present job as soon I find something better	3.01	1.54
Often think about quitting the job	2.23	1.19
Probably look for a new job in the next year	2.04	1.25

Source: Field data, Cudjoe (2016).

Test of the Theoretical Model

The research hypotheses are tested by assessing the direction, strength and level of significance of the path coefficient (gammas) estimated by PLS as shown in Figure 1.

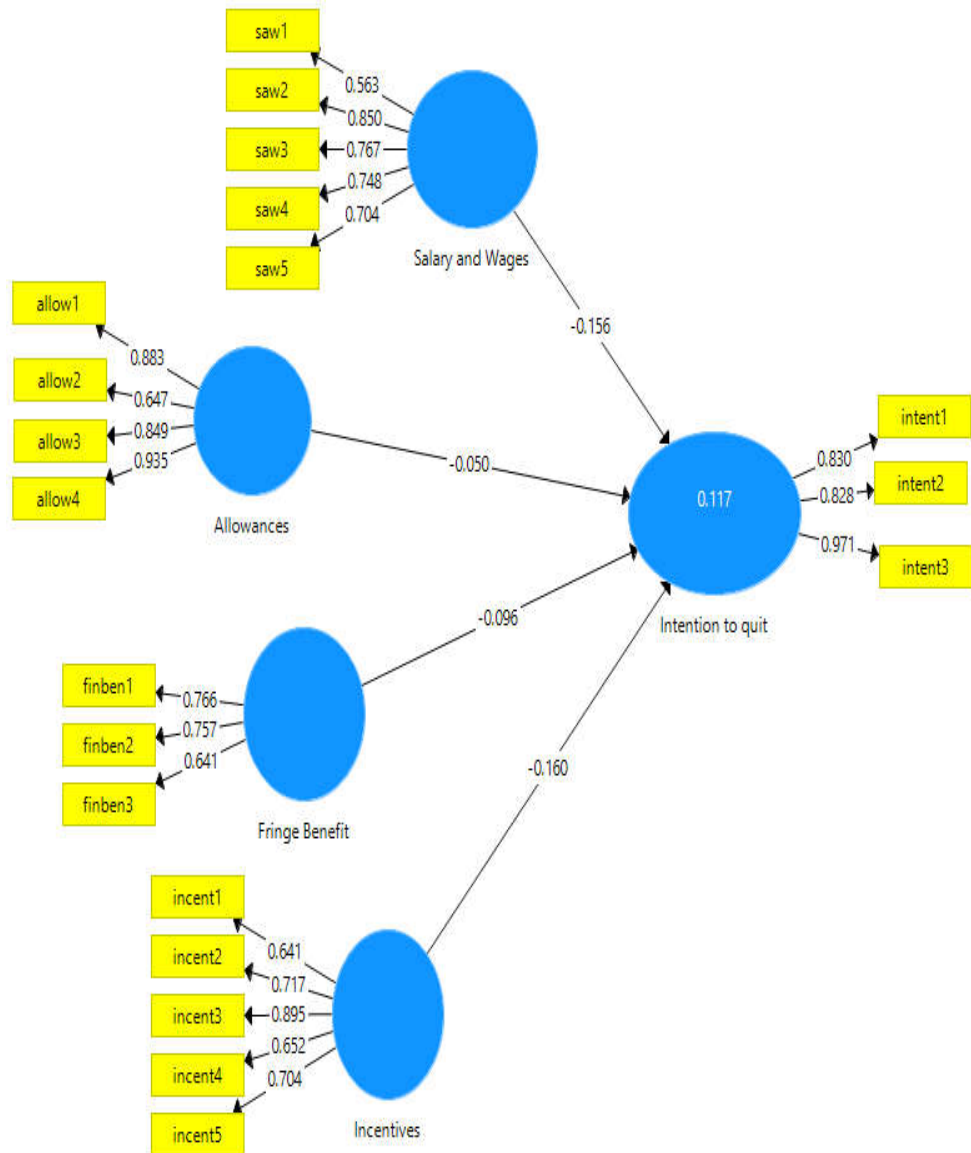


Figure 1: Test of the research model (PLS, n=100)

Measurement Model

Before the results from the Structural Equation Modelling (SEM) can be relied on, it is necessary to consider its conformance to various reliability and validity checks. Construct validity was assessed using the convergent and discriminant validity tests.

Reliability

In Partial Least Square (PLS), the individual factor reliability can be assessed by examining the loadings of the respective factors on their respective latent constructs as suggested by (Wong, 2013). Higher loadings imply that there is more shared variance between the construct and its measures, than the error variance. In this study, the criteria of 0.50 as recommended by Hulland (1999) were adapted for the retention of factors. In PLS, loadings of respective factors on their respective latent constructs are examined to assess the reliability of the factors. When the factor loadings were closely examined, one factor of allowance (0.435), and one factor of intention to quit(-0.887) were reported with substandard factor loadings (< 0.5). The two factors were dropped out from the further investigations. The final model for further investigations is presented in Figure 1.

In addition to Cronbach's alpha, reliability of each variable was assessed through Fornell and Larcker's as cited in (Wong, 2013) measure of composite reliability. This measure is preferred over Cronbach's alpha because it offers a better estimate of variance shared by the respective indicators and because it uses the item loadings obtained within the nomological network (Hair et al., 2010). The composite factor reliability coefficients of the constructs ranged from 0.766 to 0.910, which meets the

benchmark as suggested by Hair et al (2010). Similarly, Wong (2013) also intimated that a composite reliability of approximately 0.6 is acceptable for exploratory study. The factor loadings, Cronbach's alpha, composite reliability and Average Variance Extracted (AVE) values calculated by PLS algorithms are presented in Table 7.

Table 7: Factor loadings, Cronbach's alpha, composite reliability and AVE

	Factor loadings	Cronbach alpha	Composite reliability	AVE
<i>Allowance</i>		0.874	0.901	0.698
Allow1	0.883			
Allow2	0.647			
Allow3	0.849			
Allow4	0.935			
<i>Fringe-Benefit</i>		0.578	0.766	0.524
Finben1	0.766			
Finben2	0.757			
Finben3	0.641			
<i>Incentives</i>		0.850	0.847	0.530
Incent1	0.641			
Incent2	0.717			
Incent3	0.895			
Incent4	0.652			
Incent5	0.704			
<i>Salary and wages</i>		0.792	0.851	0.537
Saw1	0.563			
Saw2	0.850			
Saw3	0.767			
Saw4	0.748			
Saw5	0.704			
<i>Intention to Quit</i>		0.879	0.910	0.773
Intentoquit1	0.830			
Intentoquit2	0.828			
Intentoquit3	0.971			

Source: Field data, Cudjoe (2016).

Convergent Validity

According to Rouibah, Ramayah and May (2011) convergent validity is the degree to which items measuring the same concept are in agreement.

Evidence of convergent validity was assessed by the inspection of variance extracted for each factor (Hair et al., 2010). According to Hair et al, convergent validity is established, if the variance-extracted value exceeds 0.50. Results indicated that the variance extracted ranged from 0.524 to 0.773 from Table 7 which meets the convergent validity criteria as intimated by Wong (2013). The results show that the scale used possessed convergent validity.

Discriminant Validity

Discriminate validity is the degree to which any single construct is different from the other constructs in the model (Hassan et al., 2012). In a similar vein, Wong (2013) suggested that the 'square root' of the AVE of each latent variable should be greater than the correlations among the latent variables. Discriminant validity was assessed by the test provided by Fornell and Larcker in which the pair-wise correlations between factors obtained were compared with the variance extracted estimates for the constructs making up each possible pair.

The discriminate validity is adequate when constructs have an AVE loading greater than 0.5 meaning that at least 50% of measurement variance was captured by the construct (Hassan et al., 2012). In addition, discriminate validity is confirmed if the diagonal elements are significantly higher than the off-diagonal values in the corresponding rows and columns. The diagonal elements are the square root of the AVE score for each construct (salary, incentives, allowances and intention to quit). The results as presented in Table 8 shows adequate discriminant validity since the items load strongly on their own than others. For all the construct, the square root of the AVEs is more that

the square correlations indicating discriminant validity as positioned by Hassan et al (2012).

Table 8: Results Summary for Reflective Outer Models

	Allow.	Fringe- benefit	Incent.	Intention to Quit	Salaries and wages
Allowance	0.836				
Fringe-benefit	0.396	0.724			
Incentives	0.430	0.313	0.728		
Intention to Quit	-0.257	-0.216	-0.261	0.879	
Salaries and wages	0.644	0.322	0.315	-0.269	0.733

Source: Field data, Cudjoe (2016).

Structural Model Analysis

There are two parts in a PLS path model. First, a measurement model relating the observable variables to their own latent variables and second, a structural model relating some endogenous latent variables to other latent variables. The measurement model is also called the outer model and the structural model is known as the inner model (Tenenhaus et al., 2005). In Partial Least Squares (PLS) method, structural model and hypothesis were tested by computing path coefficients. Because PLS does not require a normally distributed data. It is evaluated with R-squared calculation for dependent latent variables (Wong, 2013) and the average variance extracted (Wong, 2013). The first item that PLS provides to determine how well the model fits the hypothesized relationship is the squared multiple correlations (R^2) for each dependent construct in the model. The R^2 measures a construct's percent variation that is explained by the model (Wixom & Watson, 2001).

The quality of the structural model for each endogenous block can be assessed by the Redundancy index which is the capacity of the model to predict its manifest variables from the indirectly connected latent variables according to Chantelin, Vinzi and Tenenhaus, (2002). Since the objective of PLS is to maximize variance explained rather than fit, therefore prediction-oriented measures such as R^2 are used to evaluate PLS models (Hassan et al., 2012). According to Wong (2013) recommendations, a bootstrapping procedure using 1000 sub samples is performed to evaluate the statistical significance of each path coefficient. Table 9 shows hypothesized path coefficients along with their bootstrap values, ‘T’ values.

Table 9: Path coefficients along with their bootstrap values, ‘T’ values

	Original Sample (O)	Sample Mean (M)	Standard Dev	Standard Error	T Statistic (O/STE RR)
Allowance - > Intention to Quit	-0.050	-0.072	0.161	0.161	0.311
Fringe-Benefit -> Intention to Quit	-0.096	-0.092	0.145	0.145	0.664
Incentives - > Intention to Quit	-0.160	-0.010	0.293	0.293	0.545
Salary and wages - > Intention to Quit	-0.156	-0.172	0.143	0.143	1.093

Source: Field data, Cudjoe (2016).

Allowance and intention to quit

The study sought to establish relationship between the variables by the use of path analysis. The causal relationship between allowance and intention to quit was insignificant with ($t = 0.311, p = .756$). This indicates that employees’ allowances have direct negative insignificant influences on

intention to quit. Employees allowance changes in inverse proportion to intention to quit with a coefficient of -0.050. The finding is inconsistent with the views espoused by Janas (2009), according to Janas, whenever employees felt there were insufficient allowances and bonuses from employers, they sometimes begin to formulate reasons for leaving their jobs. Rosser (2004) further posits that perceptions of work-life, including allowances and bonuses, have a direct impact on job satisfaction and intentions to leave.

Similarly, Giles (2004) suggests that when employees realize that their efforts are not rewarded with bonuses and allowances, they do not feel appreciated and a priority to their organisation, it might contribute to intention to leave. In order for an organisation to implement a successful allowance and bonuses policy, it is important to determine from their employees what they value, and to align the policy in order to be sound, fair and competitive. In contrast, Selden and Moynihan (2000), found significant negative relationship between high bonuses and allowances and voluntary turnover, although a study by Lewis (1991) fails to confirm the importance of allowances and bonuses in reducing voluntary turnover rates among federal employees.

Fringe benefits and intention to quit

The casual relationship between fringe benefits and intention to quit was insignificant with ($t = 0.664, p = .507$). This indicates that employees' fringe benefits have direct negative insignificant influences on intention to quit. Employees' fringe benefits changes in inverse proportion to intention to quit with a coefficient of -0.096. This clearly indicates that a 100 points change in employees' fringe benefits will bring about 96 points change in fridge benefit.

The finding is not consistent with the views put forward by Rampur (2009). He concludes that employees usually plan to leave because of the lack of benefits available to them in the company in which they work. He noted that employees prefer other companies which may provide them with higher posts and increased compensation packages. In a similar vein, Berger and Berger (2004) maintains that employment benefits such as retirement, health insurance, life insurance, disability insurance, paid leave, paid holidays, flexible scheduling, and educational assistance have been shown to bond an employee to the employing organization and as such result in a strong correlation between benefits and intention to quit.

Employees' incentives and intention to quit

The causal relationship between employees incentives and intention to quit was insignificant with ($t = 0.545, p = .586$), this indicates that employees' incentives have direct negative insignificant influences on intention to quit. Employees' incentives changes in inverse proportion to intention to quit with a coefficient of -0.160. This clearly indicates that a 100 points change in employees' incentives will bring about 16 points change in employees intention to quit the job.

The finding does not support the position of Bishop (2002), Bishop intimated that perceived organisation support and incentive packages can have a direct influence on an employee's intention to quit. This implies that, if the employee feels there will be no incentive packages and support from the organisation, his or her intention to quit might increase. Similarly, Firth (2004) affirms Bishop (2002) earlier position and reiterated that social support and provision of incentive packages from supervisors indirectly reduces burnout,

which in turn reduces the intention to quit among employees. For this reason most employees remain with an organisation because of the positive features associated with their jobs.

In contrast, Allen, Shore and Griffeth (2003) concluded that incentive packages and support are negatively related to intention to quit. They maintained that the relationships between incentive packages and intention to quit are however mediated by commitment and job satisfaction. This means that, if employees experience high levels of perceived organizational incentive and support, they are less prone to experiencing turnover intent.

Salaries and wages and intention to quit

Lastly, the causal relationship between employees' salaries and intention to quit was insignificant with ($t = 1.093, p = .275$). This indicates that employees' salaries have direct negative insignificant influences on intention to quit. Employees' salary changes in inverse proportion to intention to quit with a coefficient of -0.156. This clearly indicates that a 100 points change in employees' salaries will bring about 26.4 points change in employees intention to quit the job.

The finding is inconsistent with the assertion of Rampur (2009), who alludes that one of the commonest reasons why the rate for employee intention to quit rate is high is the salary scale, that is employees plan to leave a company because of low pay and this might adversely affect his or her performance. Similarly, Ryan and Sagas (2009) stressed that employees will feel satisfied with their pay if what they are receiving equates to the time, energy, and effort they contribute, with relation to what other workers receive. If they feel that their efforts and contributions exceed the rewards from the

organisation and job, especially in pay, dissatisfaction may occur and might develop the intention of quitting.

Conclusion

This chapter has summarised, organised, analysed and discussed the data collected, in accordance with the objectives and research questions of the study. It analysed the background data of respondents and then follows with the analysis of responses to the research questions. From the analysis, it was indicated that employees' allowances have direct positive insignificant influences on intention to quit. However, employees' incentives have indirect negative insignificant influences on intention to quit.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The chapter presents a summary of the research process and the major findings from the study. It then draws conclusions and make recommendations for policies and practice. Suggestions are also made for future research.

Summary

The study was conducted in the Cape Coast Polytechnic to examine the impact of monetary compensation practices on employees' intention to quit. Specifically, it ascertained how employees' salary influences employees' intention to quit and assessed the effect of allowance, on employees' intention to quit. The study further sought to determine the effect of incentive packages on the employees' intention to quit and the impact of fringe benefit on employees' intention to quit. Lastly, it analysed the effect of employees' bonus on employees' intention to quit. However, construct were not formulated on bonus in the questionnaires because Cape Coast Polytechnic is a non- profit institution which does not pay bonuses to its employees. Theoretical, conceptual and empirical literatures were reviewed for this study based on works done on employees' compensation and intention to quit. The study organisation was the Cape Coast Polytechnic.

Given the purpose of this study, the nature and interactions between the variables examined as well as the need to establish a relationship, the quantitative approach was considered most appropriate and therefore adopted.

The descriptive survey design was employed for this study. The population for this study comprised academic staff at Cape Coast Polytechnic. These are made up of lecturers and instructors of all categories grouped into eight ranks, namely; professor, associate professor, senior lecturer, lecture, assistant lecturer, principal instructor, senior instructor and assistant instructor, including the Polytechnic's Librarian.

Census was employed to ensure that the view of each respondent is represented. A total number of 100 respondents participated in the study. Questionnaire was used to collect data for the study. The questionnaire was pretested at the University of Cape Coast because it shared similarities with academic staffs in the Cape Coast Polytechnic. The composite factor reliability coefficients of the constructs ranged from 0.558 to 0.888 and thus met the minimum benchmark required. The items were administered by the researcher. The research instruments were designed with the assistance of the supervisor.

The background information of respondents were coded, presented and analysed using SPSS while the main data were analysed using SmartPLS. The SEM-PLS package provided the capability to estimate PLS path models within the R programming environment. The results were then presented in table and figures for discussion and further aided in answering the specific research objectives.

Key Findings

1. The study revealed that the causal relationship between Cape Coast Polytechnic employees' allowances and intention to quit was insignificant. This indicates that employees' allowances have direct positive insignificant influences on intention to quit. Employees allowance changes in direct proportion to intention to quit with a coefficient.
2. The study again discovered that the casual relationship between Cape Coast Polytechnic employees' fringe benefits and intention to quit was insignificant. This indicates that employees' fringe benefits have direct negative insignificant influences on intention to quit. Employees' fringe benefits changes in inverse proportion to intention to quit.
3. The causal relationship between Cape Coast Polytechnic employees' incentives and intention to quit was insignificant. This indicates that employees' incentives have direct positive insignificant influences on intention to quit. Employees incentives changes in direct proportion to intention to quit.
4. Finally, the study ascertained that the causal relationship between employees' salaries and intention to quit was insignificant. This indicates that employees' salaries have direct negative insignificant influences on intention to quit. Employees' salary changes in inverse proportion to intention to quit.

Conclusions

Employees' willingness to stay on the job largely depends on compensation packages they receive from employers. Compensation plays a key factor in attracting and retaining the best employees and ensuring that the organization has the competitive edge in an increasingly competitive world. In the light of this the following conclusions are drawn.

1. Cape Coast Polytechnic employees' allowances had a direct positive influence on intention to quit. This implies that if the employees are given enough allowance as part of their compensation packages, the greater the possibility of the employees staying with the polytechnic.
2. The employees' expression on fringe benefits offered by the polytechnic implies that the fringe benefits offered do not influence their intention to quit the job to a larger extent. However, the more fringe benefits the less their intention to quit.
3. It can be concluded that Cape Coast Polytechnic employees' incentive have direct positive influences on intention to quit. This means that the more incentives offered by the polytechnic, the lesser their desire to quit. This intention can be attributed to some other factors.
4. Finally, employees' salaries and wages indicate that employees' salaries have direct negative influences on intention to quit. This implies that the more or adequate salaries that are given to the employees that lesser the desire to quit the job.

Recommendations

On the basis of the findings and the conclusions drawn, the following were the recommendations for the study:

1. Management and decision makers should endeavour to review compensation packages at various levels in order to earn employees' satisfaction and to help prevent high labour turnover among members of staff.
2. The Polytechnic management should offer coaching services to newly recruited employees so that their efforts stay aligned with the goals of the institution and also provide formal and informal feedback to employees.
3. The polytechnic authorities should organize workshops and seminars and provide the necessary facilities to help staff increase their understanding of what is required of them and have a positive appreciation of their jobs.
4. The polytechnic authorities should foster trust and confidence among key senior officers in order to inspire other staff to give off their best.

Suggestions for further research

This study sets the ground for further studies on compensation practices and employees' intention to quit in Polytechnics in particular and other tertiary institutions in general. On the basis of conclusions and the recommendation delineated, it is suggested that the relationship among the other dimensions of compensation and other variables affecting intention to quit such as organisational climate, performance and succession planning among others, should also be examined. This will provide in-depth clarification concerning

the roles of the components of compensation in reducing employees' intention to quit. Also, a replication of this study on a longitudinal basis will reveal trends in the behaviour of the variables and enhance the quality of recommendations made to institutions. Furthermore, a study encompassing different kinds of tertiary institutions will present a more holistic picture of the roles of compensation in retaining employees' in the academic sector.

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APPENDIX A
UNIVERSITY OF CAPE COAST
SCHOOL OF BUSINESS
DEPARTMENT OF MANAGEMENT STUDIES

QUESTIONNAIRE ON COMPENSATION PRACTICES AND EMPLOYEES
INTENTION TO QUIT AT THE CAPE COAST POLYTECHNIC.

Dear Sir/Madam,

This questionnaire seeks to solicit information from you to aid a research project. The project, which covers compensation practices in Cape Coast Polytechnic, aims to describe the compensation system in the Polytechnic and determine if the compensation systems contribute negatively or positively to the organization's ability to retain its employees. It is in partial fulfilment of the requirements for a Master of Business Administration in Human Resource Management Degree.

This exercise is solely for academic purposes and therefore guided by all relevant ethical standards of research. You are personally assured of total anonymity and confidentiality of your responses. Under no circumstances will they be used for any other purpose than stated. Please provide your candid responses to the questions as they relate to your organisation.

Thank you.

SECTION A

Demographic information

Please indicate your response by providing answers to the following questions and tick (✓) in the applicable box where necessary.

1. What is your current rank in this Institution?

- Professor Associate Professor Senior lecturer
 Lecturer Assistant Lecture Principal Instructor
 Senior Instructor Assistant Instructor Technician

1. How long have you been working in this Institution?

- 1-6 months

6 months - 1year

1year-3years

5years-10years

Other [Please specify]

2. Gender

Male

Female

3. Age.....years.

4. Do you hold any other position in this institution?

Yes..... No.....

E.g. Head of Department, Director, Exams Officer Etc.

If yes, [Please specify]

5. What is your teaching (work) load per week (in Hours)?

.....

6. Do you have any other additional responsibility?

Yes No.....

If yes, please specify.

.....

SECTION B: COMPENSATION PARCTICES

The following statements will be helpful in describing the compensation system practiced in this institution.

1. Salary and wages

*Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by **circling** the appropriate number.*

STATEMENT		Highest Agreement				Least Agreement
1	The basic salary I receive matches the effort I put in my work.	5	4	3	2	1
2	I receive my salary on timely basis at the end of every month.	5	4	3	2	1
3	I am satisfied with the overtime rate per hour am being paid	5	4	3	2	1
4	The processing of the overtime allowance is simple and straight forward	5	4	3	2	1
5	The final payment of my overtime allowance is timely	5	4	3	2	1

2. Allowance
Sub-section A

*Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by **circling** the appropriate number.*

STATEMENT		Highest Agreement				No Agreement
1	My housing allowance I receive adequately covers my rent					

	charges for the month.	5	4	3	2	1
2	My fuel allowance adequately covers my monthly transportation cost to and from work.	5	4	3	2	1
3	My vehicle maintenance allowance is sufficient to maintain my car on monthly basis	5	4	3	2	1
4	My electricity subsidy sufficiently covers my electricity bills per month	5	4	3	2	1
5	My day trip and overnight allowances adequately cover my travel expenses	5	4	3	2	1

Sub- section B

Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by **circling** the appropriate number.

STATEMENT		Highest Agreement				Least Agreement
1	My book and research allowance sufficiently covers my cost of book purchase, research and publications	5	4	3	2	1
2	The processing of my book and research allowance is simple and straight forward	5	4	3	2	1
3	The final payment of my book and research allowance is timely	5	4	3	2	1

3. Fringe- benefit

Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by **circling** the appropriate number.

STATEMENT		Highest Agreement				Least Agreement
1	Am satisfied with the package offered for my sabbatical leave	5	4	3	2	1
2	The benefits offered on retirement are appreciable	5	4	3	2	1
3	The benefits offered to my family upon my death are appreciable	5	4	3	2	1
4	The process for obtaining a study leave with pay is simple and straightforward	5	4	3	2	1
5	Government and institutional scholarships for research are readily made available	5	4	3	2	1

4. Incentives

Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by **circling** the appropriate number.

STATEMENT		Highest Agreement				No Agreement
1	The responsibility allowance I receive commensurate with the requirements my present position	5	4	3	2	1

2	I receive adequate allowances when in acting and for taking up other additional duties	5	4	3	2	1
3	The processes involved in obtaining acting and additional duty allowance are simple And straightforward	5	4	3	2	1
4	I receive adequate entertainment allowance	5	4	3	2	1
5	The committee sitting allowances I receive are appreciable	5	4	3	2	1
6	The processing of the committee sitting allowance are simple and straightforward	5	4	3	2	1
7	The final payment of committee sitting allowance is timely	5	4	3	2	1

SECTION C: INTENTION TO QUIT

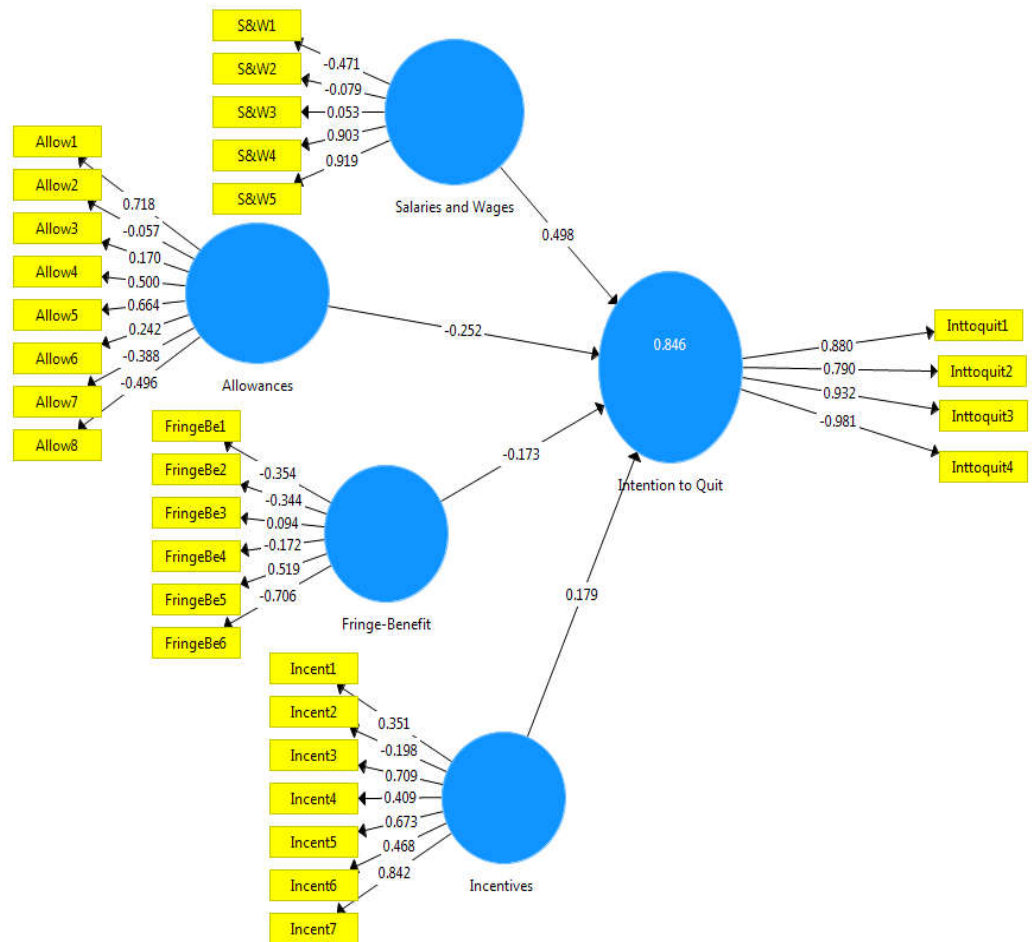
Using the scale of 1 (least) to 5 (highest), please indicate your level of agreement, disagreement or otherwise with each of the statements by circling the appropriate number.

STATEMENT		Highest Agreement				Least Agreement
1	I often think about quitting my job	5	4	3	2	1
2	I will probably look for a new job in the next year	5	4	3	2	1
3	I would leave my present job as soon I find something better	5	4	3	2	1
4	I don't wish to leave my present job	5	4	3	2	1

Thank you very much for taking time to provide such vital information to aid this study.

APPENDIX B

Ungrouped Compensation Practises



The numbers in the circle show how much the variance of the latent variable is being explained by the other latent variables. The coefficient of determination R^2 , is 0.830 for intention to quit been endogenous latent variable. This means that latent variable compensation practises explains 83% of the variance in intention to quit

Numbers on the arrow, which is called the path coefficients, explain how strong the effect of one variable is on another variable. The weight of different path coefficients enables us to rank their relative statistical importance

Results Summary for Reflective Outer Models

Latent Variables	Indicators	Outer Loadings	Indicator Reliability (i.e., Loadings ²)	Composite Reliability	AVE
Wages and Salaries	Was1	-0.471	0.221841	0.361	0.378
	Was2	-0.079	0.006241		
	Was3	0.053	0.002809		
	Was4	0.903	0.815409		
	Was5	0.919	0.844561		
Allowances	Allow1	0.718	0.515524	0.225	0.212
	Allow2	-0.057	0.003249		
	Allow3	0.170	0.0289		
	Allow4	0.500	0.25		
	Allow5	0.664	0.440896		
	Allow6	0.242	0.058564		
	Allow7	-0.388	0.150544		
	Allow8	-0.496	0.246016		
Fringe Benefit	FingeBe1	-0.354	0.125316	0.158	0.175
	FingeBe2	-0.344	0.118336		
	FingeBe3	0.094	0.008836		
	FingeBe4	-0.172	0.029584		
	FingeBe5	0.519	0.269361		
	FingeBe6	-0.706	0.498436		
Incentives	Incent1	0.351	0.123201	0.688	0.316
	Incent2	-0.198	0.039204		
	Incent3	0.709	0.502681		
	Incent4	0.409	0.167281		
	Incent5	0.673	0.452929		
	Incent6	0.468	0.219024		
	Incent7	0.842	0.708964		
Intention to Quit	Inttoquit1	0.880	0.7744	0.774	0.808
	Inttoquit2	0.790	0.6241		
	Inttoquit3	0.932	0.868624		
	Inttoquit4	-0.981	0.962361		

Indicator reliability

The individual indicator reliability values ranges from 0.002025 to 0.982081

Hulland (1999) posit that **0.70 or higher** is preferred. If it is an exploratory research, **0.4** or higher is acceptable.

Internal Consistency Reliability

Composite reliability should be **0.7 or higher**. If it is an exploratory research, 0.6 or higher is acceptable (Hair, 2012).

Convergent validity

Average Variance Extracted (AVE) should be **0.5 or higher** (Bagozzi and Yi, 1988)

APPENDIX C
UNIVERSITY OF CAPE COAST
COLLEGE OF HUMANITIES AND LEGAL STUDIES
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

25 July, 2015

Dear Sir/Madam,

Introductory Letter

The bearer of this letter, Ms. Elorm A. Cudjoe is an MBA (Human Resource Management), student of the School of Business. She is writing her thesis on the topic, "Compensation practices and Employees' intention to quit in the Cape Coast Polytechnic.

We would be grateful if you could assist her with the filling of the questionnaires and any other information that she may need to complete her work.

We appreciate your co-operation.

Yours faithfully,

Signed

Daniel Agyapong (PhD)

(Head, Department Of Management Studies).

