

## **Modeling the Relationship between Motivating Factors; Employee' Retention; and Job Satisfaction in the Nigerian Banking Industry**

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### **Abstract**

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The concept of motivation in the field of management is as old as human race and it is seen as major strategy in managing employees. Organizations thrive to adopt various strategies in satisfying their employees in order to retain them and be relevant in the industry where they operate. This study explores the relationship between motivation (salary, promotion, incentives, award, relationships, & benefits); employee' retention; and job satisfaction in the Nigerian banking industry. The survey method was adopted, and the primary data was obtained through the self-administered questionnaire. The valid three hundred and seventy six (376) respondents were analyzed by AMOS 21. Structural equation model (SEM) analysis results shows that salary and promotion have strong positive implications for employee retention. Similarly, incentives and benefits also have positive effects on job satisfaction. While unexpectedly, award and relationships have negative effects on job satisfaction. This study tends to assist managers and decision makers in selecting the appropriate motivating factors in order to retain and satisfy their employees.

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**Keywords:** Salary, Promotion, Incentives, Award, Benefit, Employee' Retention and Job satisfaction

### **1.0 Introduction**

The concepts of motivation and job satisfaction has been one of the most common areas in the management of people at workplace, but in Nigeria very few studies have explored this concept especially in banking industry.

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With the recent global trend, it has become imperative that for organizations to bring out the best from their respective employees there is need to adopt strategies for motivating them towards higher performance (Hennessey and Amabile, 2005). According to Lambert, Hogan, & Barton, (2001), for every organization to survive, the need to adopt and integrate to the global changing patterns which is accelerating at an enormous speed becomes inevitable. And since management is about getting things done through people, therefore, there is a greater need to employ various techniques to motivate employees to perform to the best of their ability (Thomas, 2000). Garman, Davis-Lenane, & Corrigan, (2003) added that corporate survival and business excellence which is a dependent variable on human factor becomes unrealistic until managers identify and relate with employees and their job and to anticipate the effect on future attitude and performance.

Though despite the effectiveness of the motivational needs, some factors are identified as barriers to job satisfaction. Amongst these are aggressions, hostility, misfortune, freight, anxiety and lack of confidence which brings rigorous pressure in workers and adversely lead to low performance (Klein, 2002). Thus, the ability to facilitate a high motivating needs has become a controversial issue to management and workers with the potency to contest against distrust, suspicion, uncertainty, worry, indecision and fear (Quick and Nelson, 2009; Stajkovic, 2006). The banking industry is often seen as a sector that play a significant role in the development of the economy worldwide, although they are faced by both internal and external competitive rivalries among the commercial banks in Nigeria, but still believe the only way to achieve competitive advantage and quality service delivery to the customers is by motivating their employees to perform effectively and efficiently to the best of their capabilities. Invariably, motivation plays an enormous role in the delivery of quality services and satisfaction of customers' requirement through their motivated employees. Therefore, for organization to facilitate the achievement of corporate objectives and customers' retention, management must see motivation as an important way of encouraging and promoting higher performance in the banking sectors.

### **Statement of the Problem**

Motivation and job satisfaction has become the backbone of organizational victory and success. It has become the fundamental part that defines the characteristics of organizational success.

Several and numerous researches have been made on the relationship between motivation and job satisfaction, as well as a wide range of variables to support organizational success. These studies on workers job satisfaction have broadly been extended to both developing and developed nations of the world and which cut across different profession. A research was conducted in Malaysia using different industrial sectors to examine the influence of job satisfaction on corporate growth. Others comprise women in management and their job satisfaction in automobile sector (Santhapparaj et. al 2005); Dawal and Taha (2006) also examined the various factors affecting job satisfaction in two automotive industries; Wong and Heng (2009) assessed the factors using two universities; and Lew and Liew, 2006) unraveled the antecedents of employee's needs on their job satisfaction using a leading bank. As it could be inferred from above that not much research has been conducted on the relationship between all of these constructs. In this regard, this study aimed to contribute to the existing knowledge particularly in the sphere of organizational behaviour. A thorough understanding of 'how' and 'why' motivation is imperative to attain high performance from the employees will enable employers in the banking sectors to adopt, adapt and integrate strategic changes towards employee retention and operational excellence.

Basically, the following research objectives were developed to guide the study.

1. To examine the correlation between promotion and fringe benefits towards the retention of staff in the banking industries
2. To unravel the differences in the salary of male and female in the banking industries
3. To examine the influence of intrinsic and extrinsic incentives on job satisfaction of employees in the banking industries
4. To assess the difference in the retention of employees in the banking industry and their years of experience

## **2.0 Literature Review**

### **Motivation**

The concept of motivation has been vigorously defined by different scholars using different connotations.

Motivation has become one of the fundamental aspects in explaining and understanding the behaviour of people at workplace (Benabou and Tirole, 2003). Robbins (2003) sees work motivation as the willingness and ability of employees to perform a certain activity or task in relations to the attainment and achievement of corporate goals and objectives. Olajide (2000) asserts that motivation is a way of encouraging workers to perform efficiently towards the achievement of corporate goals. He added that this encouragement should always be goal-directed. In assessing the significance of motivation, Dreikurs (2000) sees motivation as, "an integrative way of satisfying the psychological needs to improve the drive that is aimed at a goal incentive". Therefore, the rationale behind the understanding of work motivation is centered on the relationship that exists between or among, wants, drives, values and incentives (Webster (2008)). Schermerhorn, Hunt, Osborn, & Uhl-Bein, (2011) added that since motivation becomes invisible, therefore it should not always been seen as the only way to explain behaviours of people in the workplace but also a means of adapting and integrating to the existing structures and processes within the environment.

Motivation can simply be seen as stimulating factors such as work itself, pay, promotion, supervision and co-workers that influences the performance, attitude, behaviours, and determine the level of passion, commitment, involvement, concentration and strength invested on the job (Crossman & Abou Zaki 2003). Kinicki and Kreitner (2003) added that the stimulating factors that influences work motivation could be explained from three dimensions such as employees' values and needs; the range of task variety and responsibility; and organizational culture and policies. In accordance to this, motivation is mutually dependent on the interacting variables such as desires, drives, and incentives (Robbins, 2003). However, several studies had revealed that organizational goals becomes unrealistic and impossible without making sure that employees are duly satisfied and motivated with their job. Motivation strengthens and reshapes the actual performance of employees towards the attainment and accomplishment of a specific purpose (Sansone and Harackiewicz, 2000). Motivation is often referred to as either intrinsic or extrinsic. Motivation can be intrinsic when it has the benefit of satisfying an individual own interest (Hennessey and Amabile, 2005).

According to Mujah, Ruziana, Sigh and D' Cruz (2011), motivation is the ability of an individual yearning to work willingly on things that gives them satisfaction, excitement, attraction and inducement.

Relating this to workplace, it means a situation whereby employees willingly devote time and develop passion to work by creating better ways to get task done with all sense of enthusiasm and commitments (Thomas, 2000). Extrinsic motivation is performing an activity with a feeling of being pressured, tension, anxiety, just to make sure that one would receive a desired result (Lindenberg, 2001). Extrinsically motivated behaviours are actions that cause the attainment of rewards that are externally imposed, including material possessions, salary, additional bonuses, feedback and evaluations from others, fringe benefits, and prestige (Ryan and Deci, 2000b).

In the banking industries, the adoption of extrinsic motivation can be depicted when employees only go to work not for any other reason but because of the salary they receive either on weekly or monthly basis. Apparently, when a worker is not satisfied, the tendency to be happy and productive will be mutually exclusive. And when a worker is not happy, he/she becomes redundant and dissatisfied which will later lead to absenteeism, labour turnover and lower commitment. Therefore, this study intends to identify the stimulating factors that contribute to workers motivation, job satisfaction and retention in the workplace.

### Job Satisfaction

The process of defining job satisfaction leads us to two different definitions. The first definition of job satisfaction is generally viewed as an emotional response and represents the degree to which a person likes his or her job. Sempene, Rieger & Roodt (2002) adduced that "Job satisfaction is a systematic way of assessing the value and excitement workers places on their job. Job satisfaction is regarded as affective feelings that explain employees' arousal to work, physical condition, commitment, prolonged existence and organizational outcome (Spector, 2003). Luthans (1998) identified the following as the most characteristics of a job. These are: the work itself, pay, promotion opportunities, supervision and coworkers. Basically, the level of satisfaction an employee derives is mutually dependent on the incentive packages (Falola, Ibidunni & Olokundun, 2014) and socio cultural and economic circumstances surrounding the given country (Osibanjo, Abiodun and Fadugba, 2012).

A banker who dresses corporate but cannot equitably get a satisfactory pay will be faced with the problem of pilfering, theft, bankruptcy, etc.

These problems also exist when he/she receives a pay that is not sufficient enough to cater for his/her domestic and economic responsibilities. So where all these exist, motivation becomes the most effective means to stimulate willingness to work. It also becomes important to state that without motivation, there can never be job satisfaction. Motivating factors are the aspects of the job that induce people to perform willingly and provide them with adequate satisfying requirements such as regular payment of salary and other fringe benefits, sense of fulfilment and achievement, involvement, promotion opportunities and recognition (Aristovnik & Jaklič, 2013). Adeyemo (2001) supported that motivation serves as the driving force towards job satisfaction.

The second definition of job satisfaction can be connected to differing attitudes which are seen as most important attributes of a job with different reactions from the people. Robbins (2003) sees job satisfaction as a gratifying process that gives positive arousal to ones job or job experience. Generally, job satisfaction is a systematic way of assessing how the job/organization has actually met the needs, requirement and fulfillment of employees (Kinicki and Kreitner, 2003). Winnie Mujah, et. al., (2011) perceived that in the study of organizational behaviour, job satisfaction is one of the most important areas of studying attitude, motivation, reactions, outcomes and expectation of employees at workplace. For instance, the moments an employee observed that what he/she is been paid is lower than his/her input or lower than what his/her counterpart in other organisations receive, there is high tendency for such an employee to pose a negative attitude to work. Conversely, if the employees discover equity in input and output or feel he/she earns more than his/her counterpart in other organizations, the tendency to pose positive approach to work will be highly enormous.

In a study carried out by Hadebe (2001), he affirmed that for organization to attain success, there is a greater need for appropriate recognition to the desires and requirements of workers. He added that the recognition and provision of needs (*monetary or non monetary*) should be in accordance and equivalent to burdens imposed upon resources contributed." With the structural changes and policies in the banking sectors, it becomes important for management to imbibe the culture of motivating the employees for higher performance at the right time and as at when due in order to achieve retention, delivery of quality services and customer' responsiveness, else they will discover they are losing their talented and creative employees to other organizations who are standing by and enthusiastic to press home their demands.

Money as the Greatest Motivating Factor

The concept of money as remained the most considerable motivating factor. The scientific managers, human relations researchers and early management theorists all made significant contributions to the use of money as a motivational strategy. In other words, there had been serious thinking about the use of money in promoting efficiency even before modern management theorists began to emerge in the early 20<sup>th</sup> century. In 1911, Frederick Taylor and his scientific management associates described money as the most important factor in encouraging workers towards higher performance and greater productivity. Taylor revealed in his struggle for the establishment of wage system and incentive that money will serve as a way of inspiring and exciting workers to greater performance, which will eventually lead to satisfaction. With money as a motivating power, all other insubstantial variables like safety, authority and power, recognition, and a sense of achievement with sensation will be added. Katz, in Sinclair, et al. (2005) revealed that money can be used to create a center of attention, preserve and retain, induce and stimulate people towards higher performance. For instance, if a banker discovers he/she does not receive more or the same pay with his/her colleagues with the same job characteristics in other organizations, that banker is most likely to leave the organization for better opportunities. Akintoye (2000) adduced that the power of money in bringing the best from employees cannot be quantified.

He revealed how money can be used to induce, attract, retain and penalize. When a worker performs meritoriously, he/she is rewarded and also serves as inducement for other workers. Also, when a worker is deficient in the discharge of duties, the tendency to have promotion with high pay will be very low. On the other hand, some behavioural scientists affirmed that money is not a motivator of behaviour. Fredrich Herzberg in study categorized pay as hygienic factor. The assumption about the hygienic factor is that truly money can be used to induce but if they are not adequately supplied, employees will become dissatisfied and restrict their productivity level. Borrowing the ideology of Abraham Maslow Hierarchy of Needs, it can be pointed out that for individuals with strong psychological needs, pay is likely to be the most significant factor since money is needed to acquire the basic necessities such as food, water, clothing, shelter, sex, etc. The safety, security and social needs can easily be satisfied with financial resources.

Even with money, the power of recognition, esteem, achievement can also be attained to a certain level and which can invariably give opportunities for personal growth and advancement.

### Attitudes towards Employee Intention to Leave

In the recent times, employee intention to leave their current job/organization has become of the contemporary issues in human resource management across the World. Obikoya (2003) observed that employees leave a business for various reasons such as company reputation, hours of work, working conditions, shift work, unvarying work, lack of appropriate fringe benefits, bad recruitment and placement practices, lack of advancement, lack of proper training facilities, etc. Intention to leave is likely to be much higher in areas where there are many industries that are capable of offering alternative employments to job seekers. Thus, when a worker is motivated and satisfied, he tends to extend the arousal to the quality of the service he renders (Osagbemi, 2000). Where job satisfaction is in non existence, there will be stupor, tiredness, exhaustion, sluggishness and indolence (Levinson, 1997, Moser, 1997). Invariably, absence of job satisfaction leads to labour turnover, absenteeism and low retention (Alexander, Litchenstein and Hellmann, 1997; Jamal, 1997). Most times, workers are driven to other organizations when they discover that irregular or incessant delay in payment of salaries, poor conditions of work, etc are the order of the day in their present job (Nwagwu, 1997).

### Pay and other Work Related Variables

This includes all types of reward or benefit available to employees. Direct, indirect and non financial compensations, merit pay, profit sharing, health care, parental leave programmes, vacation leave and pensions are among the critical benefits in this domain. The pay is mostly use to encouraged competent people to join and retain in the organization and to motivate employees to achieve high level of performance (Obikoya, 2003). This reward can be classified into two namely intrinsic rewards and extrinsic rewards. Intrinsic rewards are emotional and psychological rewards that an individual experienced and are directly related to the job itself (Hennessey and Amabile, 2005). Robbins (2003) added that it is a psychological reward that is experienced directly by an employee. Example of the intrinsic rewards are Responsibility, achievement, autonomy, personal growth, challenge, complete work and feedback characteristics of the job are some intrinsic rewards. While extrinsic rewards are provided directly by the supervisors or immediate boss.



This kind of reward to jobs is external in nature (Ryan and Deci, 2000b). The rewards include: Pay, promotions, interpersonal relationships, position and allowances. According to Griffeth, Hom, Gaertner (2000), pay and other work-related variables have significant influence on labour turnover. Their study examined the relationship between pay, individual's performance and turnover. They affirmed that when workers who exerted greater efforts to performance and commitment are not adequately compensated and motivated, they tend to leave or quit the job.

To employees in every organization, satisfaction is accompanied with the need for higher pay, hope for fulfillment, additional benefit, and some recognition by awarding prizes for excellence and meritorious service such as scholarship, mini-computers, cash, clock, watches, silver -bowl, television set etc. (DeJong, 2009). Armstrong (2006) added that excellence awards goes a long way in enriching jobs and stimulating higher performance from employees for their immense contribution and involvement towards the attainment of the corporate objectives.

It is believed that a well motivated employee will see no reason to leave or quit his/her present job. Organizations who agitates for competitive and distinctive advantage must give better chances for advancement and higher wages and hence ensure organizational retention (Kinicki and Kreitner, 2003). This collaborates with the two-factor theory of Herzberg (1960) that the extrinsic factors does not facilitate job satisfaction unlike the intrinsic factors such as achievement, recognition, advancement, autonomy, personal growth etc. Incentives, fringe benefits and awards are also important factors that help in influencing the retention level of an employee. People work in exchange of money to fulfill and satisfy their immediate needs such as food, clothing and shelter. The pay which comes in form of their work exchange gives employees a sense of satisfaction and which will eventually retention at workplace. Though, there are numerous approaches to inducing a worker such as money, bonuses, and proceeds sharing. Around the globe, all these have significantly been used to attract and retain the performance of an employee as well as the level of satisfaction he derives to make him productive (Barber and Bretz, 2000; Chiu et. al., 2001; Tang et. al, 1998). The compensation policy may as well be useful in attracting and winning high performers employee. Though salary may not be a controlling variable to employees but aid in making decision of whether to join, stay or quit. Akintoye (2000) sees salary as a controlling factor towards job satisfaction. Lawler, 1973 opined that money is on of the greatest motivating factors.

Brief & Weiss (2002) are also of the opinion that organizations with a motivating pay may create a center of attention and keep hold of a qualified personnel and thereby recruiting costs.

Several studies had been done on the relationship between compensation variables, desirability, retention, and motivation of US employees (Barber and Bretz, 2000; Gerhart and Milkovich, 1992; Kahn and Sherer, 1990). Base salary is seen as one of the principle factor and determinant for making an employment decision (Gerhart and Milkovich, 1992). A high salary influences employees' decisions in employment acceptance and intention to leave (Judge, 1993; Lawler and Jenkins, 1992). The just theory of wages and salaries revealed that the amount given to work in exchange of work done should be enough to take care of his responsibilities such as family, social, economic and community responsibilities. While the subsistence theory of wages also affirmed that the pay should be adequate to provide for the immediate and physiological needs of the employees. According to David Ricardo, if wages are above subsistence, more workers would come for employment but, if wages are below subsistence, it would bring misery and dissatisfaction to workers. When workers derive adequate benefit from their place of work, they become reluctant to change jobs (Gerhart and Milkovich, 1992). Therefore, it becomes clear that for any organization to get the best from the employees, the pay and other work related variables should be designed in a way that will give sense of attraction, inducement and satisfaction to the workers.

#### Influence of Motivations on Job Satisfaction

Motivation has been a common factor in influencing and assessing whether an individual is satisfied or not with their work. Several psychologists have disclosed different factors that lead to employees' satisfaction and also explain what really motivates them for distinctive advantage. Studies revealed that when the actual needs of employees are not meant, job dissatisfaction tends to appear. Kinicki and Kreitner (2003) added that when the genuine needs and supplications of the employees are not taken into cognizance and managed properly, then job dissatisfaction takes charge and this will facilitate undesirable feelings towards work. Crow, Hartman and Henson (2006) look at the relationship between job satisfaction and job performance in an interesting perspective. Crow, Hartman and Henson (2006) revealed that organizational performance is affected the moment an employee feels dissatisfied or discouraged about how things are done.

They argued that organization should put mechanisms that will help to reduce the discouraging factors bearing in mind the principle of individual differences when it comes to satisfying their (employees) needs and requirements. Several factors have been identified to influence the high job satisfaction in the workplace. Amongst these are career development and progression, opportunities for growth, communication, training and other work related issues (Adam and King, 1996). Invariably, several studies have also revealed that low compensation was the most common reason given for dissatisfaction. House and Wigdor (2003) stated that employees feel they are satisfied only when they derive pleasure from their job, and this feeling influences their attitude to work which eventually will lead to greater performance. Studies indicated that there are different and dynamic ways of motivating worker for efficiency and effectiveness. Amongst these are pay, interpersonal relationship, sense of achievement, etc (Spector, 2003)". In the analysis of Schultz and Schultz (1998), job satisfaction has become a stimulus that influences the attitude and work of the employees negatively or positively depending on the work-related characteristics, and demographic characteristics such as age, sex, educational status personal characteristics. Schultz and Schultz (1998) stressed that people spend most of their hours in the work place for several years with a revolving and routined work schedule which will later and eventually lead to discouragement, discontentment and despondency; these feelings and attitudes are often extended to families and later affect their social life, mental and psychological wellbeing. The relationship between motivation and job satisfaction cannot be underestimated because the two variables go together and react in different response to increased employees involvement and retention, efficiency, commitment and working surroundings.

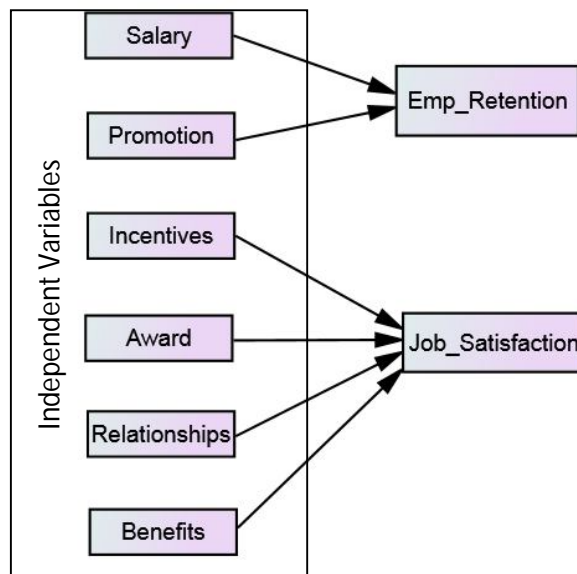
The following research objectives were developed to guide the study.

1. To examine the correlation between promotion and fringe benefits towards the retention of staff in the banking industries?
2. To unravel the differences in the salary of male and female in the banking industries?
3. To examine the salary differential of the bankers and their counterpart in the manufacturing industries?
4. To assess the difference in the retention of employees in the banking industry and their years of experience?

## Research Model

This study assessed motivation and how it affects workers' satisfaction and retention in the Nigerian banking industry using Abeokuta metropolis as a case study. Based on the above literature review, we proposed the model depicted in the figure 1. As shown in figure 1, salary, promotion, incentives, award, relationships, and benefits are the observed variables under the independent construct.

**Figure 1: Proposed Model**



## 3.0 Research Methods

The present study was conducted in the Abeokuta metropolis which is the capital of Ogun State, Southwest, Nigeria, with a capacity of not less than ten (10) different banks. The descriptive research design was adopted. The questionnaire was randomly distributed to staff and management of the selected banks in Abeokuta, the capital city of Ogun state. The survey sample size was three hundred and seventy five (375) and was analyzed as a whole. For each of the observed variable, summated scores were calculated on a 5-point Likert scale, with higher scores corresponding to higher motivation to perform better and with the likelihood of being retained or remain with the organization for a long period of time. Self-administered questionnaire was adopted as instrument in order to obtain adequate and valid data for the study.

The questionnaire was in two parts: the first part tends to obtain relevant demographic characteristics of the respondents, while the second part contains the items used in collecting data regarding the observed variables that were based on 5-point Likert scale. The responses obtained were subjected to some analyses with the use of Statistical Package for Social Sciences (SPSS) AMOS 21, with the adoption of Structural Equation Modeling (SEM) to obtain correlation between observed variables and also regression between the dependent and independent constructs of the study.

#### **4.0 Results and Discussion**

The data set for this survey as illustrated in Table 1, comprises of three hundred and seventy six (376) respondents. Out which two hundred and fifty seven (257) were males; and one hundred and nineteen (119) respondents were females. Age distribution indicates that the larger number of respondents belong to the age bracket of 40 – 49 years, representing 45.2%. However, it is essential to note that the cumulative percentage of the respondents shows that 89.6% of the respondents is within the active age bracket, which makes this survey valid and appropriate. Further, it is evident that significant percentage of the respondents are married at the time of this survey, which represents 67.0%, while insignificant percentage are either separated or divorced, representing 5.9% of the respondents. In addition, regarding highest educational qualification of the respondents, 65.7% had obtained second degree (M.Sc/MBA/MA), while 22.6% possessed first degree qualification (B.Sc/HND/BA). Another demographic characteristic obtained is the respondents' work experience, which is classified into two (2): (i) overall work experience; and (ii) work experience at the present organization. Evidently, a cumulative percentage of 41.0% of the respondents have been working for over ten (10) years, while 46.0% percentage of them have been on the payroll of their present employer between 6 – 10 years. These demographic characteristics of this survey data-set show how rich and relevant are the data obtained through this study.

**Table 1: Respondents Demographic Characteristics**

<b>Demographic Characteristics</b>	<b>Percentage (N=376)</b>	
<b>Gender:</b>	Male	68.4%
	Female	31.6%
<b>Age:</b>	21 – 29 years	14.4%
	30 – 39 years	30.1%
	40 – 49 years	45.2%
	50 years & above	10.4%
<b>Marital Status:</b>	Single	27.1%
	Married	67.0%
	Separated/Divorced	5.9%
<b>Educational Qualification:</b>	B.Sc/HND/BA	22.6%
	M.Sc/MBA/MA	65.7%
	Others	11.7%
<b>Work Experience (Overall):</b>	0 – 5 years	18.9%
	6 – 10 years	40.2%
	11 – 15 years	13.6%
	Above 15 years	27.4%
<b>Work Experience (Present Organization):</b>	0 – 5 years	21.0%
	6 – 10 years	46.0%
	Above 10 years	33.0%

Source: Field Survey, 2013

As presented in Table 2, the strength of correlations that exist between observed variables can be classified within low and strong. The covariance between incentives and salary is positive and estimated to be  $r=.393$  ( $p<0.001$ ). In addition, incentives as a variable covaries positively with award ( $r=.178$ ,  $p<0.05$ ); relationships ( $r=.250$ ,  $p<0.001$ ); and benefits ( $r=.207$ ,  $p<0.01$ ); and negatively with promotion ( $r=-.086$ ,  $p<0.05$ ). Expectedly, the covariance between award and other variables such as relationships ( $r = .037$ ,  $p<0.05$ ); salary ( $r = .096$ ,  $p<0.05$ ); and benefits ( $.242$ ,  $p<0.001$ ) is positive. However, in opposite direction, benefits is negatively covaries with promotion ( $r=-.179$ ,  $p<0.001$ ), which is an evident of variables that might constitute to negative behaviour or attitude among employees toward delivering of their services.

**Table 2: Estimates of Covariances among Exogenous Variables**

			Estimate	S.E.	C.R.	P	Label
Salary	<-->	Promotion	.086	.039	2.184	.029	par_7
Relationships	<-->	Benefits	-.067	.054	-1.225	.220	par_8
Award	<-->	Relationships	.037	.060	.618	.537	par_9
Incentives	<-->	Award	.178	.072	2.479	.013	par_10
Incentives	<-->	Promotion	-.086	.045	-1.924	.054	par_11
Award	<-->	Benefits	.242	.071	3.404	***	par_12
Incentives	<-->	Relationships	.250	.057	4.392	***	par_13
Award	<-->	Promotion	.085	.048	1.746	.081	par_14
Incentives	<-->	Salary	.393	.062	6.380	***	par_15
Benefits	<-->	Salary	.084	.057	1.470	.142	par_16
Award	<-->	Salary	.096	.063	1.527	.127	par_18
Relationships	<-->	Salary	.142	.049	2.881	.004	par_19
Relationships	<-->	Promotion	.033	.037	.893	.372	par_20
Benefits	<-->	Promotion	-.179	.045	-4.000	***	par_21
Incentives	<-->	Benefits	.207	.066	3.150	.002	par_22
e2	<-->	e1	-.074	.206	-.357	.721	par_17

Source: Field Survey, 2013

## 5.0 Model Testing

Results obtained from the test of proposed hypotheses, which was analyzed with structural equation model (SEM) indicate that the model could be adjusted fit the dataset utilized for the survey. Evidently the results of the various indicators of goodness-of-fit such as CFI, NFI, CMIN and RMSEA adopted for this survey are above the benchmark of 0.9 (Bentler and Bonett 1980).

As shown in figure 2, the path coefficient scores (regression weights) of the observed constructs explain the regression between the studied variables. The regression weight between salary and employee retention is .24 ( $p < 0.001$ ), which indicate that when salary goes up by 1 (standard deviation), employee retention goes up by 0.24 (standard deviations). In other words, the regression weight for salary in the prediction of employee retention is significantly different from zero at the 0.001 level. The implication is that increase in salary predisposes employee' retention.

This aligns with the work of Griffeth, Hom, Gaertner (2000), whereby pay (salary) is argued to be one of the major factors in determining the degree (high or low) of employee turnover in organizations. Though, the result is not far from expectation going by the philosophy (principles) guiding the relationship between demand and supply of labour in which wages play a major role. Katz, in Sinclair, et al. (2005) affirmed that money can be used to create a center of attention, retention and inducement towards higher performance. In addition, Akintoye (2000) in his study revealed that money (salary) can be used as a tool or strategy to induce, attract, and retain employees.

The effect of promotion on employee retention is positive with the regression weight of .185 ( $p < 0.001$ ). When promotion goes up by 1 standard deviation, employee retention goes up by 0.185 standard deviations. The regression weight for promotion in the prediction of employee retention is significantly different from zero at the 0.001 level. As one would have expected, which aligns with the obtained result, promotion tends to serve as a motivating factor for employees to remain on their jobs for a long period of time. This could be accepted because when employees look forward for their promotion and they get it as at when due, it then creates an enabling environment for development. However, when promotion is not steady and unfair, employees could be unstable and look forward for a place where promotion exercise has become a culture either on yearly basis or otherwise. This conforms with the work of Crossman & Abou Zaki 2003 who sees promotion as a significant tool in influencing the performance, attitude, behaviours, and determine the level of passion, commitment, involvement and strength invested on the job. Aristovnik & Jaklič (2013) also added that promotion is seen as an aspect of the job that induces employees to perform willingly and with a high sense of fulfillment when they are given at the right time.

The regression weight between incentives and job satisfaction is .322 ( $p < 0.001$ ). Evidently, when incentives goes up by 1, job satisfaction goes up by 0.322. In other words, the regression weight for incentives in the prediction of job satisfaction is significantly different from zero at the 0.001 level. Expectedly, and has argued in the literature, incentives is strongly associated with job satisfaction, which is perceived to be one of the essential factors in studying employee attitude, motivation, outcomes and expectations (Mujah, et. al., 2011; Osibanjo, Abiodun, and Kehinde, (2012). Therefore, the implication is, for employees to be satisfied with their jobs, incentives can be engaged as a strategy. In addition, the effect of benefits on job satisfaction is positive with coefficient value of .024 ( $p < 0.05$ ).

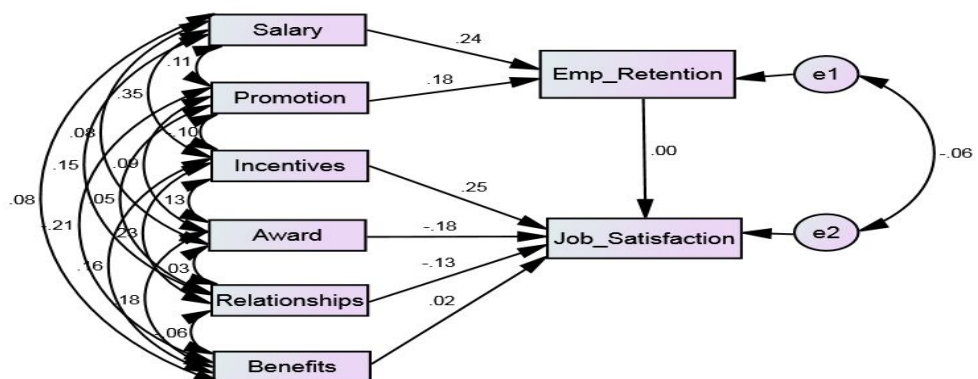


By interpretation, when benefits goes up by 1 standard deviation, job satisfaction goes up by 0.024 standard deviations. Evidently, employees tend to derive satisfaction when benefits are extended toward them, which could be a source of motivation, and eventually make them remain their jobs for a longer period as against a situation where benefit of any sort is unavailable.

However, it is important to note that observed variables such as award and relationships have negative association with job satisfaction. The effect of award on job satisfaction is negative as shown in figure 2 with coefficient of  $-0.18$  ( $p < 0.001$ ). In other words, when award goes up by 1 standard deviation, job satisfaction goes down by 0.185 standard deviations. One would have expected positive strong relationship between award and job satisfaction, on the contrary, as obtained from the result, it is evident that award tends to reduce job satisfaction, which implies that the more the awards the less satisfaction derive from job. The findings negate the previous study of Armstrong (2006) who argued that excellence awards go a long way in enriching jobs and stimulating employees' attitude towards higher performance.

Similarly, relationships among employees, which one would have expected to be strong and positive shows that when relationships go up by 1 standard deviation, job satisfaction goes down by 0.135 standard deviations. By implication, relationships do not make positive contribution to employee job satisfaction, which suggests that relationships reduce job satisfaction. Therefore, the more relationship is encouraged the less satisfaction derived from job.

**Figure 2: Output Results of Structural Model with Standardized Estimates**



Source: Field Survey, 2013

## 6.0 Managerial Implications and Conclusion

The paper examined the relationship between motivating factors (salary, promotion, incentives, award, relationship, and benefits); employee retention; and job satisfaction. This study tends to assist managers and decision makers in choosing the right motivating factors in retaining and satisfying their employees. However, the results from the survey indicate that salary and promotion have positive significant implications on employee retention. This suggests that decision makers should incorporate these variables (salary and promotion) into their employment relations strategies and policies in order to increase the level of job satisfaction among the employees, thereby having them on the job for a long period of time. In similar vein, incentives and benefits also have positive impacts on job satisfaction, therefore, these variables should be considered as strong factors in making employees satisfied with their jobs, which tends to lead to employee retention. Unexpectedly, it is important to note that observed variables such award and relationships have negative impacts on job satisfaction, which connotes that increase in the level of award or relationship amongst the workers tends to decrease the level of job satisfaction. Therefore, decision makers should adopt counter strategy to address this phenomenon, since it is expected that award (as a motivating factor) should have positive impact job satisfaction. It might be needful for managers to adopt these motivating factors that have strong positive impacts on employee retention and job satisfaction in order to create an enabling environment for career development and organizational growth.

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