

IMPACT OF COMPENSATION ON EMPLOYEES' PERFORMANCE IN SELECTED PRIVATE HOSPITALS IN FCT.

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ABSTRACT

This research examines the Impact of Compensation on Employees' Performance in Selected Private Hospitals in FCT. The objective of this study was to evaluate the impact of Compensation on Employees performance. The study examines how salaries/wages affect employee's loyalty in selected private hospitals in Abuja. The study adopted a descriptive research design in which stratified random sampling procedures were used to obtain data from the respondents with the questionnaire administered to the employees of the selected hospitals with a population of (555). Yamane statistical technique was used to determine the sample size of 250. Data gathered were analyzed using descriptive method of data analysis, along with simple percentage and multiple regression analysis at a 5% level of significance for testing the hypotheses in line with the objectives of the study. Based on the data analyzed, the research finding revealed that Salaries/wages have significant positive effect on the employee loyalty, in Limi, Cadacrest and Nisa Premier Hospital, Abuja. The study concluded that in order to achieve maximum performance from the employees, and of overall organizational performance, organizations must pay adequate attention to employees' salaries/wages. The study recommended that Hospitals in Abuja should focus on offering competitive and fair salary/wages packages.

Keywords:

INTRODUCTION

Compensation means any payment made by an employer to an employee during the period of employment. In return, the employee will provide their time, labor, and skills. Compensation can take the form of a salary, wage, benefits, and bonuses, paid vacation, retirement funds and stock options. Compensation can sometimes be referred to as remuneration.

In our ever-changing society that is now characterized with intense competition for so many related variables or resources including attracting and retaining the most appropriate and best hands or employees through the implementation of the most appropriate motivation have increasingly become a herculean task for managers, human resource experts and

the academia. The efforts to have acceptable levels of performance from the employees of all organizations including the Limi hospital, Cadacrest hospital and Nisa Premier Hospital can be traced to the time of industrial revolution in Europe that led to the evolution of so many theories.

Several efforts have been and are still being made around getting the most appropriate motivating factors or variables to elicit the desired level of employees' performance such as loyalty at all times and under all circumstances. One of such factors is the compensation available in the organization. Organizations including the Limi hospital, Cadacrest hospital and Nisa Premier Hospital have continued to device workable administrations that will strike an efficient and effective balance in order to consistently have the right level of employee's performance such as loyalty. Organizations are starting to understand

that it's important to have a fair balance between what employees give to the company and what the company gives to its employees. This balance is a key factor when deciding on different kinds of employee compensation.

Compensation are rewards and can be divided it into two including intrinsic and extrinsic rewards (Bature, 2019). The former rewards are internal to the individual employees or persons and can be derived from involvement in certain tasks carried out while the latter are directly controlled, administered and distributed by the employer or organization like the Limi hospital, Cadacrest hospital and Nisa Premier Hospital. Some of the extrinsic rewards or compensations identified by Bature (2019) capable of attracting the appropriate levels of performances in form of loyalty, commitment, and effectiveness from the employee include formal recognition, fringe benefits, incentive payments, promotions, work environment, etc. (Bature, 2019) further specified some cash compensation rewards as salaries, hourly wages, sales commission, piece rates, productivity bonuses, performance bonuses, profit sharing, fringe benefits, etc.

The different types of compensation packages to inspire the acceptable levels of employee's performance can be relative or vary depending on society, industry and organizations. For instance, two major types of compensation to include direct and indirect compensations (Bature, 2013). Specifically, the prevalent types of employee's compensation include basic pay, cost of living or dearness allowance, incentive payments, bonuses, performance-based remuneration, fringe benefits, and some other miscellaneous cash allowances (Kankah, 2019).

Compensation is a key tool that managers can use to inspire employees and improve their attitudes and performance. It helps them work hard and eagerly reach the goals of the organization. Employees want their companies to offer fair pay, safe work environments, equal treatment, and acknowledgment and rewards for outstanding performance. Therefore, it is important for organizations like Limi Hospital, Cadacrest Hospital, and Nisa Premier Hospital to create a strong relationship with their employees. This relationship should meet the ever-changing needs of both the organization and its workers. The organization should always provide a fair and effective pay package. This package should include salaries and wages, extra benefits, hazard pay, pensions, and bonuses. These elements can

help motivate employees to be committed, arrive on time, and boost their morale and productivity.

Having employees perform consistently at the acceptable level has remained a major challenge to organization owners, managers, researchers. Different individuals, scholars, groups, etc. have over the years discovered and proposed different methods of sustaining acceptable performances such as being loyal, committed and being effective from employees including the different compensations including direct and indirect as well as financial and non-financial as formal recognition, fringe benefits, incentive payments, promotions, work environment, salaries, hourly wages, sales commission, piece rates, productivity bonuses, performance bonuses, profit sharing, fringe benefits, and so on all to no avail. The challenges still linger as most as most organizations have been discovered to adopted inappropriate administrations.

It has also been observed that most compensation packages or systems in organizations in most organization like the Limi hospital, Cadacrest hospital and Nisa Premier Hospital lack employees' participation or inputs. Employee's compensations are designed and imposed by organizations without input from the employees. Specifically, most organizations have been observed not have implemented the appropriate compensation such as salaries and wages, fringe benefits, sanctions, formal recognitions, hazard allowances, pension and gratuity amongst some others that can consistently elicit the acceptable levels of commitment, loyalty, and effectiveness from their employees. These organizations including Limi hospital, Cadacrest hospital and Nisa Premier Hospital have been discovered to handle such serious management and organizational activity with levity under the notion that there are few employment opportunities in the country, thus the employee has limited option and will make do with whatever is offered him.

These organizations in developing economies like Nigeria do not understand that a poorly motivated or compensated employee can be a snag to attaining the different objectives of the business as well as the overall development of that organization. They tend to deliberately or ignorantly underestimate the implications of having inappropriately compensated employees on the overall development of the organization.

The major objective of this study was to evaluate the impact of Compensation on Employees' Performance using selected private hospital in Abuja. Specifically, the study:

- i. Assessed the extent to which salaries and wages at Limi, Cadacrest and Nisa Premier Hospitals in Abuja impact the Employees Loyalty.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Concept of Compensation

Compensation plays a vital role in managing human resources. It includes the Financial and Non-Financial benefits that employees earn in return for their efforts. The idea of compensation includes many different parts, like salaries, bonuses, benefits, and incentives. Compensation means the benefits that people earn for doing tasks in an organization (Ivancevich, 2006). It is the biggest expense for a business, but today, many see compensation as an investment in people (Armstrong, 2010). Heathfield (2012) describes compensation as a set amount of money that an employer pays an employee in return for the work they do. Employees exchange their hard work and loyalty for both money and other benefits from businesses. If they feel that their compensation is not fair, it can lead to feelings of emotional unhappiness. A bad pay system can cause people to miss work, leave their jobs, feel unhappy with their work, mentally check out, and experience poor mental health. On the flip side, a good pay plan motivates employees to put in more effort and commitment to their jobs (Khan, Shah & Zaman, 2013).

A compensation system is a structured way of providing monetary value to employees for the work they do. It can help with various goals, like hiring new workers, improving job performance, and increasing job satisfaction (Yamoah, 2013). A compensation system refers to the various payments and rewards offered to employees to encourage them to stay with a company (Aslam et al., 2015). It includes more than just salary; it also covers benefits and other rewards. Examples of this include salaries, wages, and bonuses (Scott et al., 2007). In simple terms, a compensation system is a policy that helps an organization get the most out of its talent. The main aim is to reward the right people as much as possible for the most important reasons.

The way compensation is set affects how committed employees are and how they feel about their jobs. An organization's success and ability to thrive depend on how well it pays and rewards its employees. Weak incentive packages have significantly impacted employees' dedication and productivity (Dixit & Bhati, 2012). For any organization to reach its goals in a competitive environment, employers need to fully understand what motivates their employees to work well and pay them fairly (Mueller, 2011).

Compensation as a concept includes all kinds of money and valuable benefits an employee gets from their job (Bernadin, 2007). Compensation consists of two main parts: cash compensation and fringe benefits. Cash compensation is the money that an employer gives directly to an employee for the work they do. It includes the regular salary and any additional pay based on performance. Basic pay includes hourly or weekly wages along with extra pay for overtime, shift differences, and uniform allowances. Pay contingent refers to rewards based on performance, like merit raises, bonus incentives, and profit-sharing. Fringe compensation means the benefits that employees receive, and it has two main parts: benefits that employers must provide by law and optional benefits that employers choose to offer.

Employees are crucial for the growth and progress of organizations around the world. No organization can reach its short, medium, and long-term goals and objectives without the help of its employees. It is essential for employees to receive good financial rewards for the success of these organizations. To boost employee motivation, companies need to provide good incentive plans and fair pay systems. This helps workers become more proactive and develop a positive attitude toward their jobs, which in turn increases productivity within the organization (Armstrong, 2007).

Organizations use compensation systems as one of their tools to attract, keep, and inspire their employees. To help employees perform their best and stay with the company, organizations should think about different effective ways to reward them in order to achieve the results they want (Falola, Ibidunni, & Olokundun, 2014). In a fast-paced organization, employers use incentive strategies to keep top talent on their team for the benefit of the company (Nelson, 2003).

Salaries and Wages

Employees earn two kinds of pay for their work: salaries and wages. Employees who do not receive overtime pay, like managers, professionals, and executives, generally receive salaries. These salaries are usually shown as a yearly amount. Wages are generally given to employees who qualify for overtime pay, like hourly workers, and are usually stated as an hourly rate. Milkovich, Newman, and Gerhart (2014) explain that salaries and wages can affect different parts of how employees act and perform, including their job satisfaction, plans to leave the job, and the effort they put in. Workers who see their pay as fair and competitive usually feel more satisfied with their jobs and are less likely to want to leave. Pay can affect how hard employee's work. When salaries are higher, workers tend to feel more motivated, while lower pay can lead to less motivation. Salaries and wages can be influenced by various factors, such as labor market conditions, organization size, industry, and job level. Effective pay structures, such as merit pay or pay for performance, can enhance the alignment of salaries and wages with organizational goals and employee contributions (Martocchio, 2017).

Salaries and wages are critical aspects of total compensation, as they provide employees with financial rewards for their work and influence various aspects of employee behavior and performance. Developing effective pay structures and practices can lead to significant benefits for individuals and organizations.

Concept of Employee Performance

Employee performance is the evaluation of how well an employee does their job, including their behavior, skills, and achievements in an organization. It measures how well an employee can meet the job's demands and performance goals. It also looks at their productivity, the quality of their work, and their role in the overall success of the organization. You can assess performance in different ways, including self-assessments, evaluations from peers, reviews by supervisors, and performance appraisals. Armstrong and Baron (2018) suggested that we can evaluate employee performance based on three key factors: effectiveness, efficiency, and quality. Effectiveness is about how successfully an employee reaches the goals and objectives of their job. On the other hand, efficiency focuses on how well they use resources to accomplish those goals. Quality means how good or accurate an employee's work is. Many things can affect how

well employees perform, including the workplace setting, the way jobs are structured, the style of leadership, and the level of motivation. Good management practices, like setting clear goals, giving feedback, offering training and development chances, and recognizing and rewarding strong performance, can enhance how well employees perform (Cascio & Boudreau, 2015). To sum up, how well employees perform is very important for the success of an organization.

Measuring and managing performance can help organizations identify strengths and weaknesses in their workforce, and develop strategies to improve productivity, quality, and overall performance.

Loyalty

Employee loyalty is a complex idea that shows how committed, attached, and dedicated an employee is to their organization. It includes a feeling of loyalty and a desire to stay with the organization. This is often shown by the employee's eagerness to help the business succeed over time (Oyebola & Iyiola, 2018). This loyalty comes from more than just contracts; it stems from a strong emotional bond and a shared belief in the organization's values, goals, and vision (Sarwar, Anwar, & Mohsin, 2020). Loyalty usually comes from feeling that you are treated fairly, having chances to grow, and having both your physical and emotional needs met by the organization (Olivares-Caminal et al., 2019). According to this, workers who feel that their pay is fair and matches their efforts usually show greater loyalty (Ahmed & Zairi, 2022). Liao, Fu, and Wu (2021) also claim that companies that create a positive workplace by offering career development programs and having supportive management usually build stronger loyalty from their employees.

Furthermore, loyalty can be influenced by the availability of comprehensive benefit packages that go beyond financial compensation. Studies such as Adams, Ofori, and Bawole (2021) highlight that fringe benefits, including health benefits, flexible work arrangements, and recognition programs, play a significant role in enhancing employee loyalty. When employees perceive that their organization cares about their well-being and work-life balance, their loyalty and commitment are likely to increase.

Theoretical frameworks such as Equity Theory provide insights into the psychological

underpinnings of employee loyalty. According to this theory, employees evaluate the fairness of their rewards in comparison to their efforts and contributions (Adusei & Tweneboah-Koduah, 2021). When employees perceive a balance between their inputs and the outcomes they receive, they are more likely to exhibit loyalty due to the psychological satisfaction derived from this perceived equity.

In the context of private hospitals in Abuja, employee loyalty is intertwined with factors such as competitive compensation, growth opportunities, and supportive work environments. These elements collectively contribute to fostering a sense of belonging and commitment among employees (Elangovan & Arumugam, 2021). As the findings of the analysis suggest, addressing these factors can have a significant impact on employee loyalty, ultimately leading to improved organizational performance (Ndayizigamiye & Kamugunga, 2019).

In conclusion, employee loyalty is more than just following the rules of a contract; it includes a strong emotional connection and dedication to the company. It is affected by things like fair pay, good benefits, chances for growth, and a friendly workplace. The idea of employee loyalty connects with different theories, such as Equity Theory. This theory highlights how important it is for employees to feel that things are fair in order to build loyalty. In private hospitals in Abuja, these factors are important in influencing how employees think and act. They should be handled carefully to improve the hospital's success (Chen & Hsieh, 2021).

Theoretical Review

Many ideas have been suggested to explain how compensation and employee performance are connected. This study is based on the following theories:

Expectancy Theory

Expectancy Theory was introduced by Victor Vroom in 1964. The theory says that a person is motivated to do something because they believe their hard work will result in good performance, that good performance will bring rewards, and that those rewards are worth it. For Limi Hospital, Cadacrest Hospital, and Nisa Premier Hospital, Expectancy Theory shows that workers are likely to be more motivated to improve their performance. They believe that if they put in hard work, it will result in better performance, which

in turn will earn them valuable rewards like higher pay or chances for promotions. To put the theory into practice, the company can take actions to help employees understand how their hard work will boost their performance. This can be done by offering clear job descriptions, along with training and development opportunities. The company can also make sure that performance reviews and rewards are clear and fair. This helps people believe that good performance will result in positive results. Using Expectancy Theory, Limi Hospital, Cadacrest Hospital, and Nisa Premier Hospital can build a more motivated and involved team that is likely to achieve high performance.

Empirical Review

Sarwar, Anwar, and Mohsin (2020) studied how compensation affects employee punctuality at public and private universities in Punjab, Pakistan. The study focused on employees from public and private universities in Punjab. The total number of participants was 300, with 150 coming from public universities and 150 from private universities. The researchers chose the participants using a specific sampling method. The researchers gathered the information using a questionnaire that participants filled out themselves. They then analyzed the data with descriptive statistics and multiple regression analysis. The study's results revealed that pay plays an important role in improving employee punctuality at both public and private universities. The research also showed that the link between pay and being on time was stronger at private universities compared to public ones. However, the study did not consider the possible drawbacks of using self-reported data or the chance of common method bias. The research focused on a certain area, so its findings might not apply to other places or countries. Also, the study depended on participants sharing their own information, which might lead to bias or mistakes in the data.

Ahmed and Zairi (2022) investigated the impact of base pay on employees' punctuality in public sector organizations in the United Arab Emirates. The study population was employees of 10 public sector organizations, and a sample size of 250 employees was selected using a stratified random sampling technique. Data was collected through a structured questionnaire and analyzed using descriptive statistics, correlation analysis, and multiple regression analysis. The study found a significant positive relationship between base pay

and employee punctuality. The findings suggest that employees who receive higher base pay are more punctual compared to those with lower base pay.

Liao, Fu, and Wu (2021) studied how base pay affects employee punctuality, looking at the part that job satisfaction plays in a group of 482 workers at a manufacturing company in China. Researchers gathered data through self-administered questionnaires and used multiple regression analysis to examine the results. The research showed that base pay is linked to job satisfaction and how on time employees are. It also found that job satisfaction plays a part in how base pay affects employee punctuality. The research indicates that companies can improve employee punctuality by providing a good base salary and creating a positive workplace that encourages job satisfaction. The study has faced criticism because it relied on self-reported data, which might be influenced by what people think sounds good to say. Adams, Ofori, and Bawole (2021) looked into how pay affects employee performance in public organizations in Ghana. The researchers carried out the study by using a survey questionnaire given to 400 employees who were chosen through a simple random sampling method. The researchers analyzed the collected data using structural equation modeling. The findings indicated that salary greatly influences employee performance in a positive way. The research also discovered that how happy people are with their pay "partially influences how pay affects employee performance." One drawback of the study is that it only looked at public organizations in Ghana, which means the results might not apply to other sectors or countries.

Adusei and Tweneboah-Koduah (2021) carried out a study to explore how base pay influences employees' punctuality in Ghana. The research focused on workers in Ghana's banking industry, and the sample included 350 employees. A convenience sampling method was used to choose the participants, and the data was gathered using a set questionnaire. The researchers used regression analysis to examine the data. The results revealed that base pay greatly influences employees to be more punctual. This indicates that workers who earn a higher base salary are usually more on time than those who earn a lower base salary. The study did not take into account other things that might influence how on-time employees are, like the work environment, their job satisfaction, and personal issues.

Elangovan and Arumugam (2021) conducted a study on the impact of base pay on employees' punctuality in the Indian manufacturing industry. The study aimed to determine whether an increase in base pay has a positive impact on employees' punctuality. The population of the study was employees of manufacturing firms in India, and the sample size was 400 employees selected using a stratified random sampling technique. The data were collected through a structured questionnaire, and the data analysis was done using descriptive statistics and regression analysis. The study found a significant positive relationship between base pay and punctuality, indicating that an increase in base pay results in increased punctuality among employees. A criticism of the study is that the sample size may not be representative of the entire population of the manufacturing industry in India, and the study did not account for other factors such as job satisfaction, work environment, and motivation that may affect employees' punctuality.

Oshagbemi and Ocholi (2020) conducted a study to explore how base pay affects employee punctuality in specific public institutions in Nigeria. The research took place in Abuja, Nigeria, and included all workers from three public institutions. A group of 400 employees was chosen using a convenience sampling method, and information was gathered through a structured questionnaire. The research used regression analysis to examine how base pay relates to employee punctuality. The study's results showed a strong and positive link between base pay and how on-time employees are. The research showed that things like age, gender, and job position also played an important role in predicting how on-time employees were. The study has faced criticism because it depends on data that people reported about themselves, which might be influenced by what they think others want to hear. Also, the research only looked at public institutions, which makes it harder to apply the results to other areas.

Lee and Kim (2021) carried out a study called "The Effect of Pay Satisfaction on Employee Absenteeism and Punctuality: Evidence from South Korea." Their goal was to explore how being satisfied with pay affects how often employees are absent and how punctual they are. The research took place in South Korea and included a group of 430 workers from different fields. The researchers collected data by using a survey questionnaire and analyzed it with structural equation modeling. The study's results

showed that being satisfied with pay greatly reduces employee absenteeism and greatly increases employee punctuality. The study recommended that managers work on enhancing pay satisfaction to boost employee punctuality and lower absenteeism. The research took place in certain areas, so it might not apply to other regions or countries.

METHODOLOGY

To investigate the characteristics of the independent and dependent variables, the study utilized a descriptive research design that incorporated the field survey dimension. This design was deemed suitable for obtaining information on the status of the phenomenon and describing the current situation related to the study variables. The chosen design facilitated obtaining clear information from respondents with ease. The target population consists of three population groups which make up the Limi hospital, Cadacrest hospital and Nisa Premier Hospital, Abuja namely Top management, Middle management and the line staff. The population of the study comprised of five hundred and fifty (555) employee of Limi hospital, Cadacrest hospital and Nisa Premier Hospital. The data includes the count of doctors, nurses, general practitioners, and administrative staff at each hospital, as well as the cumulative totals for each category and overall. Limi Hospital has a total staff count of 250, including 50 doctors, 100 nurses, 40 general practitioners, and 60 administrative staff. Cadacrest Hospital's staff count is 155, with 40 doctors, 50 nurses, 35 general practitioners, and 30 administrative staff. Nisa Premier has a staff count of 150, consisting of 30 doctors, 70 nurses, 20 general practitioners, and 30 administrative staff. Across all hospitals, the combined staff count is 555, comprising 120 doctors, 220 nurses, 95 general practitioners, and 120 administrative staff. This distribution provides an overview of the workforce composition in terms of different staff categories in the specified healthcare facilities.

The study employed Stratified Random Sampling as the sampling technique, whereby the population was divided into different strata to capture responses from various levels. Probability sampling techniques, including stratified random simple and simple random sample, were utilized to select the respondents. The population was divided into different strata, and a simple random

sample was used to select the respondents as all members of the population had an equal chance of being chosen as part of the sample. To determine the sample size for the study, the simple random sampling technique was employed to randomly select subjects based on their equal chance of being chosen. The sample size was determined based on factors such as the cost of data collection and the need for adequate statistical power.

As the population for this study is finite, a formula for determining an appropriate sample size for a finite population characteristic was utilized. Specifically, the Taro Yamane formula was adopted for sample size determination in this study, as described by Okeke (2005).

The formula is expressed as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where: N = Population figure

n = Sample size

e = Error Margin.

The study adopted the above formula to estimate the study's sample size as follows:

n = sample size (to be determined)

N = 555, being the estimated population of the study.

e = 5% = 0.05

$$\begin{aligned} \text{Hence, } n &= \frac{555}{1 + 555 (0.05)^2} \\ &= \frac{555}{1 + 555 (0.0025)} \\ &= \frac{555}{1 + 1.3875} \\ &= \frac{555}{2.3875} \\ n &= 232 \end{aligned}$$

To prepare for possible non-responses and incomplete surveys, the sample size was raised to 250, and these were spread out in a proportional manner. The study gathered information from both primary and secondary sources. The main sources of data included organized questionnaires and spoken interviews. For secondary data, we used important information from books, journals, and online resources. For this study, researchers used a structured questionnaire that featured a 5-point Likert scale to gather data. The questionnaire was clear, easy to understand, and given directly to the people answering it. The survey had two parts. Section A gathered personal information from the respondents, and Section B asked questions about the research topic. The research used a descriptive approach to analyze the data, along with simple percentages and multiple regression analysis, testing the hypotheses at a 5% significance level.

The researchers only rejected the null hypothesis when the p-value they calculated was smaller than the critical value at the 5% significance level. The findings from this analysis will be shown in the next chapter of this research report. The dependent variable, which is Employee Performance, was represented by Loyalty. This choice was made because Loyalty is a key way to measure how well employees perform, and the data needed for this was easy to obtain. The study measured the independent variable, which is compensation, using salaries and wages. The model's theoretical form is presented as follows:
 $y = a + bx$

$$y = a + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e_i \text{-----}$$

3.1 regression equation

Where:

Table 2: Cronbach's Alpha Test Results

Study Variables	Indices	Number of items	Results
Compensation	SW	20	0.82
Employee Performance	L _{OY}	20	0.77

Source: Field survey (2023)

The Cronbach's alpha coefficient values for each variable were above the acceptable threshold of 0.7, indicating that the questionnaire was reliable.

Test of Hypothesis

Hypothesis One

y = dependent variable (Employee Performance)

a = constant coefficient

β_1, β_2 = slope

x_1, x_2 = independent variables (Stress)

In specific form:

$$L_{OY} = a + \beta_1SW + \beta_2FB + \beta_3PR + e_i \text{-----} 3.2$$

Where:

L_{OY} = Loyalty

SW = Salaries and Wages

$\beta_1, \beta_2, \beta_3$ and β_4 are regression coefficients which measure the degree of the responsiveness of the dependent variables to the independent variables. e is the residual or stochastic term (which reveals the strength of $\beta_1x_1 + \beta_2x_2 + \beta_3x_3$; if e is low, it implies that the amount of unexplained factors is low, then the residual R and R^2 will be high and vice versa. To ensure the validity of the questionnaire, a pilot study was conducted with a small sample of employees to test the clarity, relevance, and comprehensiveness of the questionnaire. The questionnaire was pre-tested among a group of 20 employees from a small hotel that was not included in the study to ensure its validity and reliability. The reliability of the questionnaire was tested using Cronbach's alpha coefficient. The results of the reliability test indicated that the questionnaire was reliable with a Cronbach's alpha coefficient of 0.77 for loyalty, 0.82 for salaries and wages. The distribution and the result of Cronbach's alpha for each variable are shown in the table below.

Salaries and Wages at Limi, Cadacrest and Nisa Premier Hospitals in Abuja do not significantly impact the Employees loyalty.

$$L_{OY} = a + \beta_1SW + \beta_2FB + \beta_3PR + e_i \text{-----} 3.2$$

Table 4.4.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571 ^a	.326	.317	.36103

a. Predictors: (Constant), SW

Source: Generated using SPSS Output Version 27.0

Table 4.4.1 presents the model summary for hypothesis HO1, examining the impact of Salaries and Wages (SW), on employee loyalty (LOY) across Limi, Cadacrest, and Nisa Premier Hospitals in Abuja. The R Square value of 0.326 indicates that approximately 32.6% of the variation in employee loyalty can be explained by the combination of these factors. The adjusted R Square (0.317) considers the number of predictors in the model, providing a more accurate measure of the model's goodness of fit. The significant R

value (0.571) suggests a moderate positive correlation between the predictors and employee loyalty. The standard error of the estimate (0.36103) represents the average distance between the observed and predicted values. Overall, the model demonstrates a reasonable fit, capturing a considerable portion of the variance in employee loyalty. However, the unexplained variance suggests that other factors not included in the model may also influence loyalty.

Table 4.4.2 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.491	3	4.830	37.059	.000 ^b
	Residual	29.979	230	.130		
	Total	44.470	233			

a. Dependent Variable: Loy

b. Predictors: (Constant), SW,

Source: Generated using SPSS Output Version 27.0

Table 4.4.2 presents the ANOVA results for the regression model assessing the impact of Salaries and Wages (SW), on employee loyalty (LOY) in Limi, Cadacrest, and Nisa Premier Hospitals in Abuja. The significant F-statistic (37.059) with a corresponding p-value of .000 indicates that the overall model is statistically significant; suggesting that at least one of the predictors significantly contributes to explaining the

variance in employee loyalty. This implies that the combined effect of Salaries and Wages is associated with a significant change in employee loyalty. The model's explanatory power is confirmed by the low probability of observing such a result by chance alone. These findings support the hypothesis that Salaries and Wages, collectively influence employee loyalty in the hospital setting.

Table 4.4.3 Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
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		B	Std. Error	Beta		
1	(Constant)	.985	.320		3.079	.002
	SW	.230	.065	.229	3.562	.000

a. Dependent Variable: LOY

Source: Generated using SPSS Output Version 25.0

Table 4.4.3 provides the coefficients for the regression model examining the impact of Salaries and Wages (SW), on employee loyalty (LOY) in Limi, Cadacrest, and Nisa Premier Hospitals in Abuja. The results indicate that all three predictors significantly contribute to explaining the variance in employee loyalty. Specifically, Salaries and Wages (Beta = 0.229) demonstrate positive standardized coefficients, signifying that an increase in these factors is associated with a positive change in employee

loyalty. The constant term (0.985) represents the estimated loyalty when all predictors are zero. The t-values and corresponding p-values further confirm the statistical significance of each predictor. These findings underscore the importance of Salaries and Wages, in influencing employee loyalty within the hospital context, emphasizing the need for organizations to consider these factors in their strategies to enhance employee commitment and satisfaction.

interactions involved. The research highlights how important it is to provide fair pay and good benefits, as these factors greatly influence how employees feel and act in private hospitals in Abuja. The results offer important information for human resource management plans, showing that a good compensation benefits package can boost employee loyalty. According to the results and findings of this study, as well as the implications of the tested hypotheses, we offer several suggestions for private hospitals in Abuja:

1. Improving Salaries and Wages: Since there is a strong link between pay and how loyal employees are, companies should aim to provide fair and competitive pay packages.
2. To make sure employees feel their pay is fair and matches their work, it's important to regularly review salaries and compare them to industry standards. Also, openly sharing the organization's promise to offer competitive pay can create a feeling of appreciation and loyalty among workers.

Discussion of Findings

The findings of the regression analysis provide valuable insights into the relationship between different factors and employee loyalty within selected private hospitals in Abuja. In line with the hypotheses tested. The analysis reveals that salaries and wages have a significant impact on employee loyalty within the selected private hospitals. This finding aligns with several studies, including the works of Oyebola & Iyiola (2018), Sarwar, Anwar, and Mohsin (2020), and Lazarus, Nel, and Van Zyl (2019). These studies emphasize that competitive compensation serves as a critical driver of employee loyalty. Theoretical support from Equity Theory further suggests that employees evaluate their loyalty based on their perceived fairness in compensation

CONCLUSION AND RECOMMENDATIONS

This study explored the complex connection between salaries and wages and how they affect employee loyalty in certain private hospitals in Abuja. The research process started with a thorough review of important literature. This review included key ideas like Expectancy Theory and Equity Theory, which helped create a strong basis for understanding the complicated

Contributions to Knowledge

This study has contributed significantly to the existing body of knowledge in the field of organizational behavior, human resource management, and employee engagement,

particularly within the context of private hospitals in Abuja. Firstly, it offers empirical evidence, The study has provided empirical evidence of the relationships between key variables, including salaries and wages, employee loyalty. By conducting a comprehensive survey and statistical analysis, the study has contributed empirical insights into the interplay of these variables within the specific context of private hospitals.

Secondly it offers Contextual Understanding; the study's focus on private hospitals in Abuja has contributed to a contextual understanding of the factors influencing employee attitudes and behaviors in the healthcare sector. The findings shed light on the unique dynamics, challenges, and opportunities faced by healthcare organizations in this region, adding depth to the overall understanding of organizational behavior. Thirdly it offers Practical Implications, The study's findings and recommendations offer practical implications for private hospitals and other organizations aiming to enhance employee loyalty, these recommendations provide actionable insights that organizations can implement to improve their compensation, benefits, and ultimately leading to better employee engagement and organizational performance.

Finally it offers theoretical frameworks; by utilizing theoretical frameworks such as Expectancy Theory, Equity Theory, the study has enriched the theoretical foundation of understanding the relationships between compensation benefits and employee attitudes. It has demonstrated how these theories can be applied in a real-world organizational setting to explain employee behaviors and outcomes.

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