

THE EFFECT OF FINANCIAL COMPENSATION AND PERCEIVED CAREER PROGRESSION ON EMPLOYEE TURNOVER INTENTIONS WITH SELF ACTUALIZATION AS A MEDIATOR

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ABSTRACT

Organizations desire that turnover intentions of its workforce do not arise, as the continuation of employees enables the organization to focus on productive tasks rather than having to recruit and train employees again. The study aims to measure the relationship between turnover intentions, financial compensation and perceived career progression. The study also aims to test the mediating effect of self-actualization in the relationships of financial compensation and career progression with turnover intentions. The data was collected through self-administered questionnaire from 167 employees in the software industry using non probability purposive sampling. The survey instrument used for

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collection of primary information comprised of 28 items Likert scale with 5 demographic questions. Significant correlation was found between financial compensation and perceived career progression with self-actualization i.e., an inverse relationship between employees self-actualization, financial compensation and perceived career progression with turnover intentions. Regression analysis found that self-actualization mediated the relationship between financial compensation and turnover intentions and between perceived career progression and turnover intentions which was endorsed by the values of SOBEL test.

Keywords: Financial compensation, perceived career progression, self-actualization, turnover intentions, organizational behavior.

Introduction

Turnover intention of an employee is explained by Griffeth, Hom and Gaertner (2000) as the measure of whether a person intends to leave his or her employing organization. This has been explained as a different scenario from the one in which an organization intends to remove that person from the organization; often referred to as termination. High rate of employee turnover is damaging for an organization in several ways. Because of high turnover, an organization has to induce and train new employees continuously, causing a lot of monetary and time loss (Bliss, 2004). Secondly, employees leave their organizations and cause damage to the reputations of their former organization in the job market (O'Connell & Kung, 2007). According to Muliawan, Green and Robb (2009) is the perception of employees that the organization has failed to satisfy their professional and personal growth needs. According to DeConinck and Stilwell (2004) employees generate intentions to leave their organization when they are dissatisfied with their financial compensation. The level of justice to employees in the organization as well as the behavior of the supervisor have also been found as significant predictors of turnover intentions. Financial compensation is defined as the provision of things of economic value to an employee by his or her employer in return to the services that the employee provides to the employer (Opsahl & Dunnette, 1966).

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As the study of Marsden and Richardson (1994) implies, employees appreciate being paid higher and though the idea of satisfactory compensation is relative, most employees are in favor of higher compensation interlinked with more work assigned to the employee. Career progression is defined as an employee's progress to better job positions within the same organization; the ones that are more rewarding and higher ranked (Curtis & Wright, 2001). According to Sundstrom (1988), promotion ladders and progression of employees up in the ranks has always been an important component of human resource practices as it encourages retention. According to Khan (2014) in order for an employee to generate tendencies for leaving an organization, there are involved some higher level needs that the organization fails to satisfy. These needs have been recognized as self-actualization needs. Hussain and Asif (2012) found that the behavior of organizational members and superiors towards an employee has a direct relation with turnover intentions. Similarly, Samad (2006) has found a significant direct relation between the prevalence of turnover intentions and an employee's perception of treatment that is carried out towards them. Through appreciation and acknowledgement, employees tend to feel actualized.

According to Maslow (1943) the self-esteem and self-actualization are the upper needs in the hierarchy that are meant to promote intrinsic motivation and the basic, safety and belongingness needs are the lower order needs that are meant to promote extrinsic motivations. Self-actualization is defined as the realization by a person of having achieved the recognition, respect and sense of appreciation that he or she considers him or herself worthy of (McLeod, 2007). In employment relations, it has been detailed by Baron (2001) that successful employees in terms of their personal achievements and their services to their employer are the ones that are more self-actualized. Turnover rates appear industry specific and some industries are more sensitive to the phenomenon.

Pakistan in recent years has experienced an exponential growth in the size of its software industry. In comparison to manufacturing industry, the service sector, in particular the software industry of Pakistan has seen a steady growth over the past couple of decades. Not only is Pakistan producing an ever increasing number of computer science graduates and technicians but has also become one of the most suitable labor provider for development of computer related applications. Because of less costly and

evenly talented labor, Pakistan enjoys a good reputation worldwide when it comes to software development. The software industry of Pakistan is responsible for a volumetric inflow of capital from the countries like the United States, the United Kingdom, Australia and Canada in the form of remittance that the industry receives in compensation of work outsourced by corporations located in the mentioned countries. It is also worth mentioning that because of less strict corporate laws in Pakistan, there has been a rapid growth in small and medium scale corporations that develop software applications for global customers. These corporations are also known as “limited liability companies” (LLCs) and are abundantly found all over the country (P@sha, 2015).

The software industry is very vulnerable when it comes to turnover intentions of employees because when employees leave their organization, they not only leave a vacant space for the organization to fill but also to do so quickly. Because the software industry works on the basis of orders placed by customers, turnover of employees damages the repute of the organization for not delivering the service timely and effectively. It is fairly inexpensive to start a corporation of this sort because there is no major investment required to start a software developing company, hence the employees of the industry often leave their organizations to become self-employed (P@sha, 2015). Also, in the presence of so many organizations of this sort and the wage difference between these corporations, the switching of jobs is fairly frequent in this industry.

The software industry can be considered the one reporting a high volatility in terms of employee retention (Hinkin & Tracey, 2000). According to Rainlall (2004) the aspect of retention of employees in an organization and the matter of reduction of turnover is a part of planning function of management that low retaining organizations must emphasize on. The proposed study is aimed to focus on employees’ intention to leave the organization at will and hence focuses on the voluntary turnover intention. The study is proposed to test the effect of financial compensation and perceived career progression with a mediating effect of self-actualization on the turnover intentions of employees in the software industry of Pakistan. As explained by Podobnik, Vukovic and Stanley (2015) the employees who leave their jobs due to motivational factors like money and power are

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attracted to follow illegal means for getting money and power. The study by way of highlighting the significance of the above mentioned factors on the intent of employees to leave their employing organizations, may contribute to avoid this undesirable outcome.

Literature Review

Organization Behavior as a study enjoys a great importance in the field of management as theories of management and understanding of employee attitudes is discussed under the subject (Osland, Devine & Turner, 2001). There is evidence of relationship between organizational behavior and retention of employees in organizations, as hypothesized in the study of Koys (2001) according to which organizational behavior of employees is influential on their intentions of leaving their employing organization. Turnover intention is a measure of whether or not does the employee of an organization plan to leave the organization (Schwepker, 2001). The study of Tseng and Wallace (2009) bisects the voluntary turnover intention of employees in an organization by mentioning multiple factors contributing towards development of this idea. Two of the constraints of employee turnover intentions mentioned in that study are financial compensation of employees and perceived career progression (Tseng & Wallace, 2009). According to Nankervis, Compton and Baird (2002) the development of tendencies of turnover in employees is a natural and inevitable phenomenon because even if all else is fulfilled, the sense of self-actualization of employees affects their intentions for turnover. Self-actualization emerges in employees when they are financially well compensated and their careers are progressing. The employees that are self-actualized may not consider leaving their organization.

Financial Compensation and Turnover Intentions:

Money is considered a highly significant motivator as has been found by several studies (e.g. Jansen and Spink (2007); Schweitzer, Ordóñez and Douma 2004). It has been detailed that the adequacy of salary with respect to the amount of work that an employee does for an organization is one of the prime elements of financial compensation. Furthermore, the salary being paid to an employee, relative to what he or she would earn by working with another employer and the processing time of payment are valued

dimensions in financial compensation matters (Chiu & Francesco, 2003). As the Equity Theory of Griffeth and Gaertner (2001) implies, individuals tend to compare relational and relative rewards with other people, leading to their satisfaction over the existing state. This means that employees are mindful of a possibly unfair reward system that makes them unequal with respect to other employees relative to their contributions made for the organization. According to Tang, Kim and Tang (2000) employees base their decisions regarding staying in their existing organization or moving to another on the money factor. If they are offered better compensation and benefits from another employer, they start flocking away towards it. There is an inverse relation between job satisfaction and intentions of an employee for turnover as explained by Hom and Griffeth (1991) who further explained that financial compensation is amongst the primary factors contributing towards developing turnover intentions. Financial compensation means the provision of money or items of economic value to the employee by the employer (Lysgaard, Fonager & Nielsen, 2005).

Hypothesis 1a: Employee perception of equitable financial compensation will have an inverse relationship with the employee turnover intentions.

Hypothesis 1b: Employee perception of market competitive financial compensation will have an inverse relationship with employee turnover intentions.

Perceived Career Progression and Turnover Intentions:

Egan, Yang and Bartlett (2004), found that there exists an inverse relation between culture of constant career progression and tendencies of employees to leave their jobs. According to Hager (2004) the job switching rate in the information technology industry is higher because of the existence of glass ceiling that is defined as an obstruction or a barrier in the advancement of a person in his or her profession. According to the study of Holtom, Mitchell, Lee and Eberly (2008), employees get dissatisfied when they are not promoted to a better career position after some time. They further explain that employees dissatisfied with their ranks can develop turnover tendencies. The organizations that have fast track promotion systems get

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loyalty from their employees in the form of retention (Orpen, 1996). Performance based promotions are essential for maintenance of motivation in the talented and striving workforce of an organization (Curtis & Wright, 2001). The Theory of Expectancy by Vroom (1966), explains decision making is affected by the expected outcomes. It can be deduced that an employee makes the decision of whether to stay in an organization or to leave it on the basis of his or her expectancy about the prospect of upward career progression.

Hypothesis 2: Employee perception of consistent career progression will have a negative relationship with employee turnover intentions.

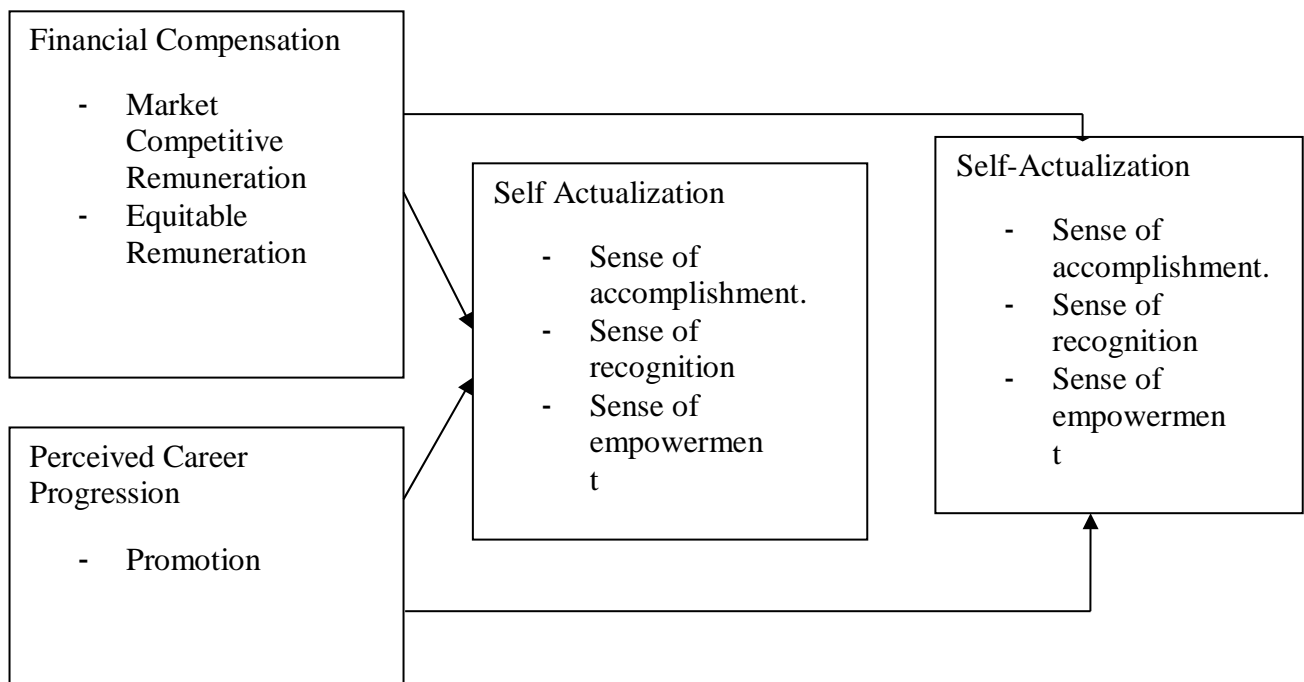
Mediation of self-actualization:

According to the study conducted by Tseng and Wallace (2009) self-actualization and employee turnover intentions are related inversely with each other because the employees feel that they have already accomplished enough to wish for better and hence avoid switching their job and tend to remain in their position. Self-actualization is explained by Flett, Hewitt, Blankstein and Mosher (1991) as a sense of accomplishment by an individual that makes him or her satisfied with their present state. Similarly, Carland Jr, Carland and Carland III (2015) describe self-actualization as a feeling that a person gets when he or she is recognized for their efforts. Employees that are recognized and appreciated for good work tend to feel self-actualized. With increase in financial compensation, the perception of employees regarding their career progression changes positively (Noori, Khan & Naseem, 2015). The higher paid employees with a perception of good career progression tend to feel actualized. According to Reiss and Haverkamp (2005) self-actualization can also be studied as a sense of ambition in life. The will to achieve the desirable, which according to Reiss and Haverkamp (2005) can vary on the basis of personal characteristics of age and gender, can make a person ambitious. When an employee perceives that his or her financial compensation is adequate and market competitive, he or she views this as an accomplishment. When the employees feel a sense of accomplishment, their tendencies for turnover intentions are reduced (Yu-mei, Yan, Jian-ping, Sheng-chun & Cui-ying, 2010). As studied by Rynes, Gerhart and Minette

(2004) organizations tend to motivate their employees through offering financial rewards, competitive compensation and continuous career growth as a way for them to show recognition of their service. As studied by Porter and Steers (1973) when employees perceive that their services are being recognized, they tend to develop less tendencies of turnover intentions. Empowered employees tend to feel self-actualized as studied by Ning, Zhong, Libo and Qiuji (2009) when employees are paid higher wages and are ranked on higher positions in the organization, they are also empowered to suit the needs of their new position. The empowered employees develop a sense of belongingness with their employing organization and they develop low tendencies for turnover intentions (Yang & Lee, 2009).

Hypothesis 3: Self-actualization will mediate the relationships of financial compensation and perceived career progression with turnover intentions.

Conceptual Framework



Research Methodology

The quantitative study has been conducted under positivist paradigm that believes that there is an objective reality and that symbols can be used for explanation of the objective reality (Bryman, 2012). Statistical data obtained from the sources once analyzed has been used for explaining the significance of factors affecting turnover intentions. Correlation and regression analysis as well as SOBEL test was used for hypothesis testing in this research study. The study used deductive reasoning for developing hypotheses as there is extensive literature present on the proposed constructs. The research design for this study was cross sectional, which involves one time data collection. This design helped in studying the association of different factors with the outcome variables under study at one point in time. The data was collected through self administered questionnaire. The unit of analysis for the study was individual employees of the software industry of Pakistan, constituting the population of this study. Data was collected from 167 employees in the software industry. The sampling technique used for this study was non probability purposive sampling also known as judgmental or subjective sampling in which no statistical method is used for the selection of potential respondents from the population and the researcher's judgment prevails over which subjects are to be selected for the study. This involves verification before selection of subjects whether they fulfill the required criteria or not (Bryman, 2012). The respondents had to be employed in an organization in any capacity other than the lower level staff of the organization, that is a part of the software industry of Pakistan. The organizational representatives who were willing to participate in the study, were then contacted through electronic mail along with a cover letter disclaiming that the study is being conducted for non commercial, academic purposes and that the information would be kept confidential, and a link to the form was developed on Google drive. The survey instrument used for collection of primary information for this study comprised of a 28 items Likert scale with 5 demographic questions. The Likert scale was coded such that a score of 1 signified strong disagreement with the item, 2 signified disagreement, 3 neutrality, 4 agreement and 5 signified strong agreement with the item. The responses of the questions that measured the turnover intentions were reverse coded because it was hypothesized that the turnover intentions had an inverse relation with the other variables. Hence, the responses that scored 1 were coded as 5, 2 were coded as 4, 3 was kept as it is; items that scored 4 were coded as 2 and score 5 was coded as 1. A pilot test was conducted before the full scale study in order to ensure the instrument's reliability, specifically that of the operationalized variable, "Self-Actualization". The instrument for measuring equitable and market competitive financial compensation was used from the study of Heneman III and

Schwab (1985). The value of Cronbach's Alpha, depicting the reliability of that validated scale was 0.77. After the pilot test carried out by the researcher, the Cronbach's Alpha of this measure was found to be 0.859, which is considered as a healthy score of reliability (Field, 2009). Similarly, the instrument for measuring perceived career progression of employees was used from the study of Spector (1985). Perceived Career Progression was measured as a separate variable in the study having the Cronbach's Alpha value of 0.75. The measurement tool for the mediating variable of Self-Actualization was self-developed through operationalization. The Cronbach's Alpha score of this instrument was calculated as 0.877. Lastly, the tool for measurement of turnover intentions was used from the study of Olusegun (2013). Having a Cronbach's Alpha value of 0.777, whereas the pilot test conducted on this instrument calculated the Cronbach's Alpha as 0.864. The pilot test comprised of 30 respondents employed in a manufacturing company. The instruments for measurement of financial compensation, perceived career progression and turnover intentions were used after taking due permission from the authors through electronic mail. The validated and pre-tested Chronbach's alpha values were satisfactory for all the given measures.

Analysis and Discussion

Correlations:

The results of correlation between the measure of perception of equitability and market competitiveness financial compensation and the perceived career progression are significant. The Pearson's correlation value is calculated at 0.519 that shows a significant positive relation between the two variables (Field, 2009). This means that the employee perception regarding the equitability and market competitiveness of compensation is correlated with the perception of employees' perception about the progression of their careers. The correlation score between the measure of financial compensation and the measure of self-actualization is also calculated as 0.701 depicting a very significant positive relationship between financial compensation and self-actualization. This implies that the employees that perceive their compensation being competitive and equitable are more self-actualized. The perceived career progression and self-actualization also correlate positively with each other at a highly significant level of 0.704 which implies that the employees that have a positive perception of their career progression i.e. that they are being awarded timely promotions tend to be more self-actualized. Both the

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financial compensation and perceived career progression correlate with the measure of turnover intentions with Pearson's correlation values of -0.607 and -0.677 respectively. This score depicts that there is a significant negative relationship between these variables and the turnover intentions. This means that with a perception of financial compensation being market competitive and equitable, and also with the perception of being awarded timely promotions, the intentions of employees to leave their organization are reduced. Hence, employees that are being offered market competitive, equitable monetary rewards and timely promotions would not tend to leave their organization.

Table 1: Correlations

		Fin_Comp	Car_Prog	Self_Act	Turn_Int
Fin_Comp	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	167			
Car_Prog	Pearson Correlation	.519**	1		
	Sig. (2-tailed)	.000			
	N	167	167		
Self_Act	Pearson Correlation	.701**	.704**	1	
	Sig. (2-tailed)	.000	.000		
	N	167	167	167	
Turn_Int	Pearson Correlation	-.607**	-.677**	-.764**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	167	167	167	167

Regression:

According to Baron and Kenny (1986), in order for a variable to function as a mediator, it has to meet three criteria: firstly, the variations in the levels of independent variable accounts significantly to the variation in the levels of what is presumed to be a mediating variable (referred to as path a). Second, the variations in the presumed mediating variable causes variations in the dependent variable (referred to as path b). According to Fiske, Kenny and Taylor (1982), ANOVA provides useful insight of the mediational hypothesis. In order to test whether a mediating effect holds for a variable, a series of regression models are estimated (Judd & Kenny, 1981). In order to check if the presumed variable holds mediating effect, first the presumed mediating variables is regressed with the independent variable. Then the dependent variable is regressed with the independent variables. Lastly, the dependent variable is regressed with both the mediating and the independent variables. The coefficients of all the three regression analysis are then analyzed. Since there are two independent variables, there are two different models to discuss.

Table 2: Regression

Path A - Financial Compensation	Path B - Perceived Career Progression
Regression of Independent and Mediating $R^2 = .488$ Sig (ANOVA) = .000 Beta = .701	Regression of Independent and Mediating $R^2 = .493$ Sig (ANOVA) = .000 Beta = .704
Regression of Independent and Dependent $R^2 = .365$ Sig (ANOVA) = .000 Beta = -.607	Regression of Independent and Dependent $R^2 = .455$ Sig (ANOVA) = .000 Beta = -.677
Regression of Independent and Mediating with Dependent $R^2 = .589$ Sig (ANOVA) = .000 Beta value of Independent Variable = -.142 Beta value of Mediating Variable = -.664	Regression of Independent and Mediating with Dependent $R^2 = .617$ Sig (ANOVA) = .000 Beta value of Independent Variable = -.276 Beta value of Mediating Variable = -.570

When the mediating variable is regressed on the independent variables of financial compensation and perceived career progression, the value of R^2 is .488 for financial compensation, showing that there exists a significant relation between financial compensation and self-actualization. Similarly, R^2 value of .493 depicts a significant relation between perceived career progression and self-actualization. The beta value of financial compensation ($\beta = .701, p < .001$) and a beta value of perceived career progression ($\beta = .704, p < .001$) signify that the change in self-actualization is accounted for significantly by a change in the financial compensation and perceived career progression. This also means that the first condition for mediation of self-actualization has been fulfilled. When the dependent variable “turnover intentions” was regressed with the independent variables, it was calculated that the R^2 values of the regression models were .365 for financial compensation and .455 for perceived career progression that depict significant relation between the independent variables and the dependent variable. The beta value of ($\beta = -.607, p < .001$) for financial compensation and a beta value of ($\beta = -.077, p < .001$) signifies that the change in turnover intentions accounts significantly because of the change in the financial compensation and perceived career progression. When the dependent variable was regressed with both the mediating and the independent variables, it was calculated that the R^2 values are .589 for financial compensation and .617 for perceived career progression that depict a significant relationship with the variables of self-actualization and turnover intentions. Additionally, the beta value of ($\beta = -.664, p < .001$) for financial compensation and self-actualization and the beta value of ($\beta = -.570, p < .001$) for perceived career progression and self-actualization illustrate that change in turnover intentions accounts significantly due to self-actualization and hence the third condition for the mediation of self-actualization has been fulfilled. Also, the beta value ($\beta = -.607, p < .001$) in the first regression model for financial compensation has reduced to a beta value of ($\beta = -.142, p < .001$) and the beta value of perceived career progression that was ($\beta = -.677, p < .001$) has reduced to ($\beta = -.276, p < .001$) in the third regression model. Similarly, the SOBEL test value calculated as 9.66 (two tailed = .00) depicts that there exists a mediating effect of self-actualization between financial

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compensation and turnover intentions and a SOBEL test value of 8.66 (two tailed = .00) signifies that there exists a mediating effect of self-actualization between perceived career progression and turnover intentions (Preacher & Leonardelli, 2001).

Table 3(a): Regression Analysis result for Sobel Test 1

Regression coefficients for the association between the financial compensation and self-actualization	0.701
Std. error of a	0.68722
P value of a	0.000
Regression coefficients for the association between self-actualization and turnover intentions	-0.764
Std. error of b	0.64339
P value of b	0.000
Regression coefficients for the association between financial compensation and turnover intentions	-0.607
Std. error of c	0.79196
P value of c	0.000
SOBEL TEST VALUE	9.66

Table 3(b): Regression Analysis result for Sobel Test 2

Regression coefficients for the association between the perceived career progression and self-actualization	0.704
Std. error of a	0.68388
P value of a	0.000
Regression coefficients for the association between self-actualization and turnover intentions	-0.764
Std. error of b	0.64339
P value of b	0.000

Regression coefficients for the association between perceived career progression and turnover intentions	-0.677
Std. error of c	0.73389
P value of c	0.000
SOBEL TEST VALUE	8.66

The findings of the research imply that employees' turnover intentions tend to get affected by equitability and market competitiveness of their compensation as well as by the perceived career progression and self-actualization of employees explains the relationship between these factors and the outcome. In the software industry of Pakistan, there is extensive job switching tendencies amongst employees that is visible from the fact that almost 60% of respondents had been in their respective organizations for less than 3 years. The results of the study indicate that the reason behind high turnover rates and the development of turnover intentions amongst employees in the industry is based on the perception of employees about their compensation packages being equitable and market competitive as well as on the perception of whether or not are they getting timely promoted to senior positions in their organizations.

The study hypothesized that the employee perception of equitable and market competitive financial compensation will be significantly related with the turnover intentions of that employee. It has been found in the analyses of the data of this study that there exists a significant relationship between the two concepts. The findings of this study correspond to the evidence in the existing literature where it has been previously studied by Sirola (1998), that the compensation of an employee correlates with the intent of that employee to leave the organization. It was also hypothesized for this study that the perception of employees about their career progression and their intent to leaving their organization are related. The empirical data of the current study depicts a significant negative correlation between the turnover intent of employees and their perceptions about career progression. These findings also corroborate the evidence provided by the previous studies. In the study of Karavardar (2014), it has been found that the employees who had positive perception about the progression of their careers did not intend to leave their

organization. The data of the current study clearly depicts that the positive perceptions of financial compensation and career progression of an employee create the feeling of being self-actualized in their organization and hence reduce their tendencies to leave their organization. Evidently, the perception of self-actualization serves as a mediator between the relationship of financial compensation and perceived career progression with the outcome, turnover intentions. The variation caused in the turnover intentions of employees varies with the predictor variables of financial compensation, perceived career progression and self-actualization at .365 (sig < .001), .455 (sig < .001) and .583 (sig < .001) respectively. This means that self-actualization is the factor that most influences the turnover tendencies, the perceived career progression is the second most influential factor and financial compensation is the least influential factor of these three variables.

Conclusion

The literature on which the current study has been based widely declares the turnover intentions of employees as adverse for the success of any organization. The productivity of employees drops substantially because of turnover intentions that they develop, hence it is important that organizations manage these tendencies. In order to understand the factors responsible for the generation of these intentions, the effect of financial compensation and perceived career progression was studied. The current study's findings correlated with the existing literature that the perception of employees about their financial compensation being equitable and market competitive has a significant negative relation with the turnover intentions that these employees develop. The concept of financial compensation comprised the perception of the employees that they are being paid reasonable according to the amount of time and effort that they are putting in their assigned work as well as the perception that they are being paid reasonably well as compared to the other jobs in their organization and/or the similar jobs in the industry. The study has found that the employees having a positive perception about their financial compensation are less inclined towards leaving their organizations. The study has also found that the employees who have a positive perception about their career progression, are less inclined to develop turnover intentions. The concept of career progression has been studied as the perception of employees regarding opportunities of promotions in the

same organization. This means that the employees who get promoted timely, are less vulnerable to turnover intentions.

The study has also found a quite significant relationship between the perception of both financial compensation and career progression with self-actualization. The literature also reveals a relationship between the concepts of financial compensation, career progression and self-actualization of employees. Self-actualization has been studied as a feeling of the employees in an organization that they have accomplished their career goals at a certain career stage and that they perceive to be recognized in the organization for their efforts and services and that they are empowered to perform their jobs according to their better judgments. Self-actualization serves as a mediator between the two previously discussed predictors and turnover intentions. When employees perceive that they are being paid adequately for the amount of work and the service that they are performing and are convinced that they are not being paid less by their organization of employment as compared to the other organizations in the same industry then their perception about financial satisfaction is high. With a higher financial compensation, it is also imminent that the employees have a positive perception of career progression. This means that the perception of compensation and that of promotion go hand in hand. These perceptions, in turn, develop a feeling of self-actualization in the employees. Self-actualization is developed through the perception of the employees that they have achieved their career goals at a particular stage of their career while working in the same organization and that they are respected and appreciated by their organization courtesy the progression in their careers. The prevalence of self-actualization causes the employees to develop a tendency of staying with their organization hence lesser chances of turnover.

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