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**COMPENSATION AND EMPLOYEES' TURNOVER IN NYANZA TEXTILE
COMPANY, UGANDA**

BY

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**A RESEARCH REPORT SUBMITTED TO FACULTY OF MANAGEMENT SCIENCES
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DECLARATION

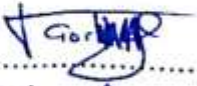
I, Mayende Edgar, declare that this research report is my original work and has never been submitted to institution for higher learning for any academic award.

Signature.....

Date.....27 / AUG / 2025.....

APPROVAL

This research report is submitted as a partial fulfillment for the award of Bachelors of Business Administration of Busitema University with my approval as academic supervisor

Signature.....

Date.....26th / Aug / 2025.....

Mr. Otieno Gordon

University Academic Supervisor

DEDICATION

This research is dedicated to my loving family of the late Mr. Mwembe Richard and my Aunt Mrs. Taabu Cissy for the continuous financial support and motivation they have rendered to me, this dedication also goes and to my friends that have guided me throughout this research.

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LIST OF ACRONYMS

ACA:	American Compensation Association
AG:	Auditor General
BLS:	Bureau of Labor Standards
ER:	Employee Relations
FICA:	Federal Insurance Contribution Act
FLSA:	Fair labor standards Act
HR:	Human Resource
ILO:	International Labor Organization
SHRM:	Society for Human Resource Management
PTO:	Paid Time Off
UBOS:	Uganda bureau of statistics

ABSTRACT

The purpose of this study was to examine the influence of compensation on employees' turnover in Nyanza Textile Company. Specifically, it was guided by the following objectives; to examine the effect of salary on employees' turnover, to assess the effect of incentives on employees' turnover, and to establish the effect of benefits on employees' turnover in Nyanza Textile Company. This study employed cross-sectional research design to collect data from sample size of 30 from a study population of 42 respondents. Data collected through self-administered questionnaires was analyzed using SPSS, Statistical package for social sciences. The findings revealed that salary, incentives and benefits independently, positively and significantly influence employees' turnover. The study was cross-sectional with its inherent flaws which limited it from drawing conclusions and generalize its findings based on other study designs. The study offered policy insights for improving compensation in enhancing employees' turnover in Textile Companies in Uganda.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the back ground to the study, statement of the problem, objectives of the study, purpose of the study, research questions, scope of the study, significance of the study, conceptual frame work and definition of key terms used.

1.1 Background to the study

Employees' turnover is a global issue, with the global average turnover rate increasing in 2024 reaching approximately 20%, up from 18% in 2023 Work Institute, (2024), with employee tenure also decreasing to 4.2 years in 2024, down from 4.5 years in 2022 (International Labor Organization, 2024). Notably, employees' turnover is seen as a factor that if well managed, can destabilize the organization and even wind up its operations (Hedwiga, 2022). This is influenced by factors such as salary structure since employees are rational and will often prefer employment that has comparable salary structure in place, the nature of interrelationship between employees and management, wages and benefits, employee attendance and job performance (Shukla and Sinha, 2019; Salisu *et al.*, 2015).

Employee turnover costs companies a lot of money. For instance, the US is predicted to lose over \$400 billion annually by 2030 with resignations remain a leading cause of employee turnover (US. Chambers of Commerce, 2022). US voluntary turnover has doubled since 2011 with approximately 25 million people quit their jobs and by 2021 this figure had doubled to 50 million people (Work Institute, 2021). Similarly, the average turnover for the United Kingdom workers is 34%. This splits into 27.4% who move to new jobs and 6.6% who are not working

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