

Exploring the Influence of Financial Security and Compensation Packages on Employee Resilience and Retention Rates

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Abstract

The study investigates the relationship between financial security, compensation packages, and their impact on employee retention and resilience from the perspectives of HR managers and employees. Prior research has established a general link between financial security and retention but has overlooked the differing perceptions of HR managers and employees regarding these factors. Utilizing a quantitative research approach, the study collected data through a Likert scale questionnaire from 360 employees across various organizations. The analysis of the data reveals a strong correlation between financial security indicators, such as employees being on track to meet long-term financial goals, and both resilience and retention. However, compensation packages showed minimal impact on resilience and retention rates. Pearson correlation analysis indicated no significant relationship between compensation packages and employee resilience, with limited significance for bonuses and incentives on retention. Despite these findings, the study was constrained by its inability to fully explore the influence of financial literacy and savings plans. The research addresses existing gaps by providing valuable insights for HR managers to tailor compensation strategies that enhance employee financial security, thereby improving retention and resilience. Additionally, it emphasizes the need for further research into the role of financial literacy in fostering long-term employee well-being. The originality of the research lies in its comparative analysis of HR managers' and employees' perspectives, offering fresh insights into the dynamics of financial security and compensation within modern organizations.

Keywords: Financial Security, Compensation Package, Employee Retention, Employee Resilience

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Introduction

Financial security and comprehensive compensation packages play pivotal roles in shaping employee retention and resilience, critical to the success of modern organizations. Employees who perceive themselves as financially secure are more likely to exhibit higher job satisfaction and loyalty (Jonah & Kanyangale, 2021; Sabri et al., 2020). A stable income, benefits, and savings all contribute to fostering a sense of security, enabling employees to focus on their work and organizational goals (Kalamarides, 2023). Likewise, compensation packages encompassing base salary, performance incentives, and benefits such as health insurance, paid time off, and retirement plans are essential in ensuring both retention and resilience (Mahadi et al., 2020; Ushakov & Shatila, 2021). These packages offer not only financial stability but also mental and physical well-being, preventing stress and burnout, thereby creating a supportive work environment

(Hassan, 2022; Masood, 2024). However, despite widespread research on the link between financial security and compensation with employee retention, significant gaps remain. Prior studies tend to generalize the impact of compensation without delving into the differing perspectives of HR managers and employees regarding its role in retention and resilience (Mahadi et al., 2020; Sembiring & Leon, 2021). Furthermore, the specific influence of financial literacy and savings plans in fostering long-term resilience is often overlooked (Lestari et al., 2024). Comparative analysis between the views of HR managers and employees regarding these factors is also underexplored, leaving room for further investigation (Stamenkova et al., 2023). This study addresses these gaps by examining how compensation strategies impact both financial security and employee resilience, offering strategic recommendations for HR managers to tailor compensation packages that enhance retention, engagement, and well-being. By

addressing these areas, the study aims to provide valuable insights into optimizing employee retention through comprehensive financial support and compensation strategies.

Aim and objectives of the study:

The aim of the study is to explore the influence of financial security and compensation packages on employee retention and employee resilience through the viewpoints of HR managers and employees:

To explore different attributes under compensation package and how such influence employee resilience and retention
To analyse the need for financial security for employees and how much influences

employees' willingness to stay in the organisation

To compare the differences in opinion and perception of employees and HR managers regarding financial security and compensation package

To investigate the perception of HR managers regarding compensation package attributes and financial security provided to employees by their firm

To suggest strategies for HR managers to improve financial security and compensation for employees to enhance employee retention and resilience rate

Literature Review

Employees and Need for Financial Security

Financial security is a critical aspect influencing employee well-being and organizational commitment. Employees who perceive themselves as financially secure are more likely to exhibit resilience, higher job satisfaction, and a commitment to their employer (Jonah & Kanyangale, 2021; Sabri et al., 2020). This sense of security encompasses various factors, including stable income, benefits, savings, and the ability to manage unexpected financial challenges, each of which plays a pivotal role in employee retention. One primary need for financial security is the stability that it provides. Employees with a reliable income source are more inclined to focus on their work and contribute positively to the organization (Kalamarides, 2023). Furthermore, the presence of comprehensive benefits—such as health insurance and retirement plans—enhances employees' sense of security, reinforcing

their loyalty to the company (Lestari et al., 2024). Such benefits not only mitigate stress related to financial uncertainties but also create a supportive work environment. Moreover, financial literacy significantly impacts employees' perception of financial security. Individuals with better financial management skills are more equipped to handle their finances effectively, leading to enhanced overall well-being (Harmen et al., 2024). This notion is further supported by the work of Despard et al. (2020), who assert that financial literacy can directly affect employees' savings behaviors and their ability to plan for future needs.

Savings and emergency funds are additional dimensions of financial security that are crucial for employees. Research by Apriansah et al. (2022) emphasizes that those with substantial savings exhibit greater resilience during financial shocks, resulting in a lower likelihood of experiencing job dissatisfaction or turnover. Furthermore, Malkowska et al. (2022) highlight the connection between financial security and mental health, indicating that financial stress can lead to decreased productivity and increased absenteeism. The interconnection among these needs illustrates that financial security is not merely an individual concern but a collective organizational imperative. Companies that prioritize employee financial security cultivate a more engaged workforce. Sembiring and Leon (2021) argue that organizations investing in employee financial well-being create a virtuous cycle, where satisfied employees contribute to enhanced organizational performance, thereby reinforcing the importance of financial security as a fundamental element of employee retention and resilience. In conclusion, the multifaceted nature of financial security underscores its essential role in shaping employee experiences and organizational outcomes. By recognizing and addressing these interconnected needs, organizations can foster a more committed and productive workforce.

Compensation Package: Attributes and Influence on Employee Retention and Resilience

A comprehensive compensation package includes several key elements that significantly influence employee retention and resilience. First, base salary provides a sense of financial security, and competitive salaries prevent turnover by ensuring employees feel valued (Mahadi et al., 2020). Bonuses and performance incentives further

motivate employees by rewarding exceptional work, contributing to job satisfaction and engagement (Hassan, 2022). Health benefits such as medical, dental, and vision insurance offer peace of mind, reducing stress related to personal well-being, and increasing loyalty to the organization (Aman-Ullah et al., 2023). Retirement plans like pensions or 401(k) match programs encourage long-term commitment, as employees are more likely to stay when their future is considered (Sajuyigbe et al., 2021). Paid time off (PTO) and vacation days allow employees to rest and recover, fostering resilience by preventing burnout (Ushakov & Shatila, 2021). Professional development opportunities signal that the company invests in employees' career growth, boosting retention as employees feel encouraged to evolve

within the organization. Flexible working arrangements such as remote work or flexible hours enhance work-life balance, promoting resilience by enabling employees to manage personal and professional demands (Austin-Egole et al., 2020). Employee assistance programs (EAPs), which may include mental health services or financial planning, offer vital support in times of need, directly impacting employees' emotional resilience and attachment to the company (Rangachari & Woods, 2020). Stock options or equity plans provide a sense of ownership in the company's success, aligning personal goals with the organization's growth and reducing the likelihood of employees seeking opportunities elsewhere (Chila & Devarakonda, 2024). Recognition programs like awards or public acknowledgments contribute to an employee's sense of accomplishment and belonging, which can improve retention by fostering a positive organizational culture. Additionally, commuter or transportation benefits make daily logistics easier, reducing stress associated with travel and indirectly enhancing productivity and resilience. Finally, wellness programs, offering gym memberships or wellness coaching, emphasize physical health, promoting long-term resilience and reducing absenteeism (Masood, 2024). Collectively, these components of a compensation package not only support financial stability and personal well-being but also contribute to a more engaged, loyal, and resilient workforce that is less inclined to leave the organization.

Employee Retention - Comparison of HR manager and employee perspective

Employee retention is a critical concern for HRM managers, influencing organizational stability and performance. HRM managers often perceive employee retention positively when it aligns with strategic objectives, fostering a committed workforce that enhances productivity and reduces turnover costs (Amushila & Bussin, 2021). Effective retention strategies, such as career development opportunities and recognition programs, are seen as vital tools for motivating employees and maintaining organizational knowledge (Stamenkova et al., 2023). These positive perceptions are supported by Abdelazim (2023), who emphasizes the role of supportive leadership in cultivating an environment that encourages employees to remain engaged and loyal. However, HRM managers may also face challenges that lead to negative perceptions regarding employee retention. Factors such as inadequate compensation, lack of growth opportunities, and poor workplace culture can hinder retention efforts, causing frustration among HRM managers (Gigauri, 2020). Turulja and Delalic (2021) highlight that high turnover rates can demoralize HR teams and lead to increased recruitment and training costs, undermining their strategic initiatives. This duality in perception reflects the complexity of employee retention as both an opportunity and a challenge, emphasizing the need for HRM managers to adopt comprehensive strategies that address employee concerns while aligning with organizational goals.

Research Gap:

Despite extensive research on compensation packages and financial security, there remain significant gaps in understanding how these elements directly influence both employee retention and resilience. Many studies, such as those by Sabri et al. (2020) and Jonah & Kanyangale (2021), have explored the impact of financial security on employee well-being and organizational commitment, but limited focus has been placed on the nuanced perspectives of HR managers and employees regarding financial security and its role in retention strategies. Moreover, existing literature often generalizes compensation attributes like base salary and benefits (Mahadi et al., 2020; Hassan, 2022), without examining how these specific elements foster resilience and loyalty in diverse workforce segments. There is also a notable lack of research comparing the perceptions of HR managers and employees regarding the effectiveness of compensation packages in addressing

financial security (Sembiring & Leon, 2021; Stamenkova et al., 2023). Additionally, while studies like those by Lestari et al. (2024) and Ushakov & Shatila (2021) acknowledge the influence of benefits and flexible working arrangements on employee satisfaction, they often overlook the need for financial literacy and savings plans in fostering long-term resilience. This study aims to fill these gaps by exploring the perceptions of both HR managers and employees on compensation packages and financial security, offering strategic recommendations for improving retention and resilience through tailored compensation strategies.

Hypotheses

Following Hypothesis pairs have been examined in the study:

Ha1: Financial Security has a significant impact on Employee Resilience.

H01: Financial Security does not have a significant impact on Employee Resilience.

Ha2: Financial Security has a significant impact on Employee Retention Rates.

H02: Financial Security does not have a significant impact on Employee Retention Rates.

Ha3: Compensation Packages have a significant impact on Employee Resilience.

H03: Compensation Packages do not have a significant impact on Employee Resilience.

Ha4: Compensation Packages have a significant impact on Employee Retention Rates.

H04: Compensation Packages do not have a significant impact on Employee Retention Rates.

Methods and Materials

The research methodology adopted in this study is grounded in a positivist paradigm, as it seeks to uncover objective truths through empirical data collection and analysis (Park et al., 2020; Alharahsheh & Pius, 2020). A quantitative research approach was employed to quantify relationships and patterns among variables, facilitating statistical analysis and generalizability of findings (Jamieson et al., 2023; Mohajan, 2020). The study utilized a descriptive research design to provide a comprehensive overview of the characteristics and dynamics within the population, specifically focusing on employees in organizations (Siedlecki, 2020; Doyle et al., 2020). A total sample of 360 employees was selected through random sampling, ensuring representativeness and

minimizing selection bias (Baltes & Ralph, 2022; Mahmud et al., 2020). Data was collected via a Likert scale questionnaire, meticulously developed based on a thorough literature review, problem statement, and current situational analysis, following established methodological frameworks (Jebb et al., 2021; South et al., 2022). This structured approach enabled a nuanced exploration of employee perceptions, fostering insights into the relationships between financial security, compensation packages, and employee resilience and retention.

Data Analysis Tools:

In the current study, various data analysis methods were employed to ensure robust and reliable results. To assess the internal consistency of the survey instrument, Cronbach's alpha was calculated, with a satisfactory threshold indicating reliability. This method is supported by previous research indicating its effectiveness in evaluating the reliability of scales (Kennedy, 2022; Amirrudin et al., 2021; Schrepp, 2020). Pearson correlation was used to analyze the relationships between financial security, compensation packages, and employee outcomes, particularly resilience and retention rates. This statistical tool is advantageous for examining hypotheses such as Ha1 (Financial Security's impact on Employee Resilience) and Ha2 (Financial Security's impact on Employee Retention Rates) because it assesses the strength and direction of linear relationships between variables (Gnams, 2023; Saccenti et al., 2020). Furthermore, hypotheses Ha3 and Ha4 explore the correlation between compensation packages and employee outcomes, where Pearson correlation offers clarity on whether changes in these packages are associated with variations in employee resilience and retention (Yu & Hutson, 2024; Oliveira et al., 2020; Dufera et al., 2023; Sreedevi, 2020). Compared to other statistical methods, Pearson correlation is particularly suited for these hypotheses as it provides a straightforward interpretation of the degree of association between continuous variables, making it easier to identify significant impacts.

Results and Discussion

Analysis of Hypothesis 1 - The analysis reveals significant correlations between financial security indicators and employee resilience. Notably, "I am on track to meet my long-term financial goals" correlates

with resilience ($r = 0.842, p < 0.001$), while "I feel confident in my ability to solve problems" also shows a strong correlation ($r = 0.689, p < 0.001$) as evident from analysis

in table 1.

Table 1 - Analysis of Hypothesis 1

Correlations

		I am satisfied with my current level of savings.	I feel financially prepared for unexpected expenses or emergencies	My existing income is adequate to cover my living expenses comfortably	I am on track to meet my long-term financial goals (e.g., retirement or buying a home)	I am quite satisfied with the benefits provided by my employer (like health insurance and retirement plans).	I can comfortably adapt to the changes in my work environment	I often remain positive and motivated even when things do not go as planned at the workplace	I feel quite capable of handling multiple tasks and responsibilities	I maintain a good work-life balance and this helps me stay resilient at the workplace	I feel confident in my ability to solve problems that arise at my workplace
I am satisfied with my current level of savings.	Pearson Correlation	1	1.000**	.090	.644**	.678**	-.133*	.392**	.555**	.555**	.689**
	Sig. (2-tailed)		.000	.088	.000	.000	.012	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
I feel financially prepared for unexpected expenses or emergencies	Pearson Correlation	1.000**	1	.090	.644**	.678**	-.133*	.392**	.555**	.555**	.689**
	Sig. (2-tailed)	.000		.088	.000	.000	.012	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360

My existing income is adequate to cover my living expenses comfortably	Pearson Correlation	.090	.090	1	.059	.114*	-.016	.004	.031	.031	.093
	Sig. (2-tailed)	.088	.088		.262	.031	.769	.934	.560	.560	.079
	N	360	360	360	360	360	360	360	360	360	360
I am on track to meet my long-term financial goals (e.g., retirement or buying a home).	Pearson Correlation	.644**	.644**	.059	1	.780**	.287**	.343**	.329**	.329**	.842**
	Sig. (2-tailed)	.000	.000	.262		.000	.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the benefits provided by my employer (like health insurance and retirement plans).	Pearson Correlation	.678**	.678**	.114*	.780**	1	.042	.227**	.138**	.138**	.823**
	Sig. (2-tailed)	.000	.000	.031	.000		.432	.000	.009	.009	.000
	N	360	360	360	360	360	360	360	360	360	360
I can comfortably adapt to the changes in my work environment	Pearson Correlation	-.133*	-.133*	-.016	.287**	.042	1	.528**	.098	.098	.069
	Sig. (2-tailed)	.012	.012	.769	.000	.432		.000	.063	.063	.189
	N	360	360	360	360	360	360	360	360	360	360
I often remain positive and motivated even when things do not go as planned at the workplace	Pearson Correlation	.392**	.392**	.004	.343**	.227**	.528**	1	.721**	.721**	.208**
	Sig. (2-tailed)	.000	.000	.934	.000	.000	.000		.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360

I feel quite capable of handling multiple tasks and responsibilities simultaneously	Pearson Correlation	.555**	.555**	.031	.329**	.138**	.098	.721**	1	1.000**	.345**
	Sig. (2-tailed)	.000	.000	.560	.000	.009	.063	.000		.000	.000
	N	360	360	360	360	360	360	360	360	360	360
I maintain a good work- life balance and this helps me stay resilient at the workplace	Pearson Correlation	.555**	.555**	.031	.329**	.138**	.098	.721**	1.000**	1	.345**
	Sig. (2-tailed)	.000	.000	.560	.000	.009	.063	.000	.000		.000
	N	360	360	360	360	360	360	360	360	360	360
I feel confident in my ability to solve problems that arise at my workplace	Pearson Correlation	.689**	.689**	.093	.842**	.823**	.069	.208**	.345**	.345**	1
	Sig. (2-tailed)	.000	.000	.079	.000	.000	.189	.000	.000	.000	
	N	360	360	360	360	360	360	360	360	360	360

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The analysis of Hypothesis 1 uncovers compelling insights into the relationship between financial security indicators and employee resilience. Several positive aspects are evident. The strong correlation between employees feeling on track to meet long-term financial goals and heightened resilience aligns with findings by Zakaria et al. (2023), who argue that financial well-being forms a critical foundation for psychological stability. Similarly, confidence in problem-solving abilities is another indicator of resilience, as supported by Tvedt et al. (2023), who emphasise the importance of self-efficacy in enhancing adaptive capacities. This suggests that when employees perceive control over their financial futures and possess confidence in addressing challenges, they are better equipped to cope with workplace stress, reinforcing arguments made by Sharples et al. (2023) on the role of confidence in resilience development. However, the findings also highlight certain limitations. While financial security appears to bolster resilience, Fa-Kaji et al. (2023) caution that such indicators may not account for non-financial factors influencing resilience, such

as personal relationships and mental health, which could lead to an overemphasis on financial metrics. Moreover, Lai and Cai (2023) suggest that external economic conditions can diminish the positive effects of financial planning, particularly in volatile markets. This nuance indicates that the relationship between financial security and resilience is not wholly deterministic, with other contextual factors playing a moderating role. Ford and Im (2023) further propose that while financial confidence is crucial, over-reliance on it could lead to a lack of adaptability in unforeseen circumstances, limiting employees' ability to respond to non-financial crises. Lastly, Ismail and Wei (2024) underscore the need for a holistic approach that incorporates financial, social, and emotional dimensions to sustain resilience. Overall, while the findings affirm the positive link between financial security and resilience, they also underscore the importance of considering broader, non-financial factors. A narrow focus on financial confidence may neglect critical resilience-building elements, potentially limiting the scope of interventions aimed at fostering employee

resilience. Analysis of Hypothesis 2 - The analysis shows significant correlations between financial security and employee retention. Specifically, “I am on track to meet my long-term financial goals”

correlates highly with retention ($r = 0.780, p < 0.001$), and “I feel a strong sense of loyalty towards my current employer” also shows significance ($r = 0.644, p < 0.001$) as showcased in table 2.

Table 2 - Analysis of Hypothesis 2

Correlations

		I am satisfied with my current level of savings.	I feel financially prepared for unexpected expenses	My existing income is adequate to cover my living expenses comfortably	I am on track to meet my long-term financial goals (e.g., retirement or buying a home).	I am quite satisfied with the benefits provided by my employer (like health insurance and retirement plans).	I feel a strong sense of loyalty towards my current employer	I believe that my current job aligns with my long-term career goals	I receive adequate recognition and rewards for my work	I am quite satisfied with the training and development opportunities provided by my current employer	I am quite satisfied with the training and development opportunities provided by my current employer
I am satisfied with my current level of savings.	Pearson Correlation	1	1.000*	.090	.644**	.678**	1.000*	.644**	.644**	.085	.085
	Sig. (2-tailed)		.000	.088	.000	.000	.000	.000	.000	.106	.106
	N	360	360	360	360	360	360	360	360	360	360
I feel financially prepared for unexpected	Pearson Correlation	1.000*	1	.090	.644**	.678**	1.000*	.644**	.644**	.085	.085
	Sig. (2-tailed)	.000		.088	.000	.000	.000	.000	.000	.106	.106

expenses or emergencies	N	360	360	360	360	360	360	360	360	360	360	360
My existing income is adequate to cover my living expenses comfortably	Pearson Correlation	.090	.090	1	.059	.114*	.090	.059	.059	.049	.049	.049
	Sig. (2-tailed)	.088	.088		.262	.031	.088	.262	.262	.355	.355	.355
	N	360	360	360	360	360	360	360	360	360	360	360
I am on track to meet my long-term financial goals (e.g., retirement or buying a home).	Pearson Correlation	.644**	.644**	.059	1	.780**	.644**	1.000*	1.000*	.081	.081	.081
	Sig. (2-tailed)	.000	.000	.262		.000	.000	.000	.000	.123	.123	.123
	N	360	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the benefits provided by my employer (like health insurance and retirement plans).	Pearson Correlation	.678**	.678**	.114*	.780**	1	.678**	.780**	.780**	.054	.054	.054
	Sig. (2-tailed)	.000	.000	.031	.000		.000	.000	.000	.309	.309	.309
	N	360	360	360	360	360	360	360	360	360	360	360
I feel a strong sense of loyalty towards my current employer	Pearson Correlation	1.000*	1.000*	.090	.644**	.678**	1	.644**	.644**	.085	.085	.085
	Sig. (2-tailed)	.000	.000	.088	.000	.000		.000	.000	.106	.106	.106
	N	360	360	360	360	360	360	360	360	360	360	360
I believe that my current job aligns with my long-term career goals	Pearson Correlation	.644**	.644**	.059	1.000*	.780**	.644**	1	1.000*	.081	.081	.081
	Sig. (2-tailed)	.000	.000	.262	.000	.000	.000		.000	.123	.123	.123
	N	360	360	360	360	360	360	360	360	360	360	360

I receive adequate recognition and rewards for my work	Pearson Correlation	.644**	.644**	.059	1.000*	.780**	.644**	1.000*	1	.081	.081
	Sig. (2-tailed)	.000	.000	.262	.000	.000	.000	.000		.123	.123
	N	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the opportunities for career	Pearson Correlation	.085	.085	.049	.081	.054	.085	.081	.081	1	1.000*
	Sig. (2-tailed)	.106	.106	.355	.123	.309	.106	.123	.123		.000
	N	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the training and development opportunities provided by my current employer	Pearson Correlation	.085	.085	.049	.081	.054	.085	.081	.081	1.000*	1
	Sig. (2-tailed)	.106	.106	.355	.123	.309	.106	.123	.123	.000	
	N	360	360	360	360	360	360	360	360	360	360

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The analysis of Hypothesis 2 highlights a significant relationship between financial security and employee retention, offering both positive and negative insights. The strong correlation between employees' confidence in meeting long-term financial goals and their likelihood of staying with their current employer supports findings by Mpaji (2024), who emphasise financial stability as a key driver of loyalty and commitment in the workplace. This is further reinforced by Zainal et al. (2022), who argue that employees who feel financially secure are less likely to seek opportunities elsewhere, thus improving retention rates. Additionally, Igbino et al. (2022) suggest that financial stability fosters a sense of loyalty, as employees become more motivated to contribute to the organisation's success, mirroring the findings related to employees' strong sense of loyalty. However, several limitations emerge from the analysis. While financial security is a critical factor, Hussain (2023) cautions that it should not be seen as the sole determinant of retention, as other factors such as career growth opportunities, workplace culture, and personal fulfilment

also play significant roles. This implies that focusing too heavily on financial incentives might neglect other critical aspects of employee engagement. Elsafty and Albadry (2022) add that financial security's effect on retention can diminish in the absence of meaningful work or personal development opportunities, suggesting that organisations must provide more than just financial stability to maintain long-term employee loyalty. Furthermore, Popescu et al. (2023) argue that while financial security may initially boost retention, it does not necessarily translate to increased productivity or engagement, raising concerns about over-reliance on financial incentives. Njenga and Kamaara (2024) highlight the risk of creating a transactional employer-employee relationship, where loyalty is tied only to financial rewards, making employees more susceptible to external offers with higher financial benefits. In conclusion, while financial security positively influences retention, organisations must take a more holistic approach by combining financial benefits with career development, meaningful work, and a positive work environment to sustain employee loyalty and engagement.

Table 3 - Analysis of Hypothesis 3

Correlations

		I can comfortably adapt to the changes in my work environment	I often remain positive and motivated even when things do not go as planned at the workplace	I feel quite capable of handling multiple tasks and responsibilities simultaneously	I maintain a good work-life balance and this helps me stay resilient at the workplace	I feel confident in my ability to solve problems that arise at my workplace	I believe that my overall compensation package is adequate	My salary is competitive compared to similar positions in other companies	The bonuses and incentives I receive are fair and reflective of my performance	I am quite satisfied with the retirement plan options available to me.	I am quite satisfied with the frequency of salary reviews and adjustments
I can comfortably adapt to the changes in my work environment	Pearson Correlation	1	.528**	.098	.098	.069	-.104*	-.104*	.128*	.025	-.100
	Sig. (2-tailed)		.000	.063	.063	.189	.049	.049	.015	.641	.059
	N	360	360	360	360	360	360	360	360	360	360
I often remain positive and motivated even when things do not go as planned at the workplace	Pearson Correlation	.528**	1	.721**	.721**	.208**	-.017	-.017	.036	-.024	-.021
	Sig. (2-tailed)	.000		.000	.000	.000	.741	.741	.500	.647	.688
	N	360	360	360	360	360	360	360	360	360	360
I feel quite capable of handling	Pearson Correlation	.098	.721**	1	1.000**	.345**	.060	.060	-.030	-.092	.054

multiple tasks and responsibilities simultaneously	Sig. (2-tailed)	.063	.000		.000	.000	.254	.254	.565	.082	.307
	N	360	360	360	360	360	360	360	360	360	360
I maintain a good work-life balance and this helps me stay resilient at the workplace	Pearson Correlation	.098	.721**	1.000**	1	.345**	.060	.060	-.030	-.092	.054
	Sig. (2-tailed)	.063	.000	.000		.000	.254	.254	.565	.082	.307
	N	360	360	360	360	360	360	360	360	360	360
I feel confident in my ability to solve problems that arise at my workplace	Pearson Correlation	.069	.208**	.345**	.345**	1	-.017	-.017	-.001	-.036	-.022
	Sig. (2-tailed)	.189	.000	.000	.000		.745	.745	.989	.494	.671
	N	360	360	360	360	360	360	360	360	360	360
I believe that my overall compensation package is adequate	Pearson Correlation	-.104*	-.017	.060	.060	-.017	1	1.000**	.385**	.202**	.993**
	Sig. (2-tailed)	.049	.741	.254	.254	.745		.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
My salary is competitive compared to similar positions in other companies	Pearson Correlation	-.104*	-.017	.060	.060	-.017	1.000**	1	.385**	.202**	.993**
	Sig. (2-tailed)	.049	.741	.254	.254	.745	.000		.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
The bonuses and incentives I receive are fair and reflective of my	Pearson Correlation	.128*	.036	-.030	-.030	-.001	.385**	.385**	1	.228**	.385**
	Sig. (2-tailed)	.015	.500	.565	.565	.989	.000	.000		.000	.000
	N	360	360	360	360	360	360	360	360	360	360

performance											
I am quite satisfied with the retirement plan options available to me.	Pearson Correlation	.025	-.024	-.092	-.092	-.036	.202**	.202**	.228**	.1	.208**
	Sig. (2-tailed)	.641	.647	.082	.082	.494	.000	.000	.000		.000
	N	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the frequency of salary reviews and adjustments	Pearson Correlation	-.100	-.021		.054	.054	-.022	.993**	.993**	.385**	.208**
	Sig. (2-tailed)	.059	.688		.307	.307	.671	.000	.000	.000	.000
	N	360	360		360	360	360	360	360	360	360

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Analysis of Hypothesis 3 - The analysis reveals no significant correlations between compensation packages and employee resilience, leading to the acceptance of the null hypothesis. Notably, the correlation between overall compensation adequacy and adaptability to work changes is significant ($r = -0.104$, $p = 0.049$), suggesting limited impact on resilience from compensation factors as observed in table 3.

The analysis of Hypothesis 3 indicates no significant correlations between compensation packages and employee resilience, which supports the acceptance of the null hypothesis. This finding aligns with research by Siregar and Henderman (2023), who argue that financial incentives alone are insufficient to foster resilience, as resilience tends to stem from personal, psychological, and social factors rather than monetary rewards. Moreover, Edeh et al. (2021) suggest that resilience is more closely linked to intrinsic motivators, such as job satisfaction and emotional support, which may explain why compensation plays a limited role in enhancing employees' ability to adapt to workplace changes. However, the minor correlation between overall compensation adequacy and adaptability, though not strong, does highlight some complexity. Jiang (2023) suggests that while compensation may not directly affect resilience, inadequate compensation could negatively influence employees' sense of security, thereby indirectly affecting their

adaptability. This view is further supported by Xie et al. (2023), who propose that under-compensated employees may experience stress that undermines their capacity to handle work-related challenges, even if compensation is not a primary driver of resilience. In such cases, compensation adequacy might act as a stabilising factor rather than a resilience enhancer. On the downside, Jakubiv et al. (2022) caution against over-emphasising the role of compensation in fostering employee resilience, warning that organisations could misallocate resources by investing heavily in financial rewards while neglecting other crucial factors like employee well-being and professional development. Hanu and Khumalo (2024) echo this sentiment, noting that resilience is often rooted in an organisation's culture of support, adaptability, and learning rather than its financial compensation structure. Nguyen et al. (2024) also argue that resilience-building interventions, such as training, mentorship, and peer support, are more effective in the long term. In conclusion, the results imply that while compensation adequacy can provide a baseline sense of security, it does not significantly contribute to employee resilience. Organisations should focus on holistic strategies that go beyond financial incentives to nurture a resilient workforce.

Analysis of Hypothesis 4 - The Pearson correlation analysis shows no significant relationship between compensation packages and employee retention rates,

leading to the acceptance of the null hypothesis. Key correlations include bonuses and incentives ($r = 0.385, p < 0.01$)

and career advancement satisfaction ($r = 0.258, p < 0.01$) as evident from data analysis done on table 4.

Table 4 - Analysis of Hypothesis 4

Correlations

		I believe that my overall compensation package is adequate	My salary is competitive compared to similar positions in other companies	The bonuses and incentives I receive are fair and reflective of my performance	I am quite satisfied with the retirement plan options available to me.	I am quite satisfied with the frequency of salary reviews and adjustments	I feel a strong sense of loyalty towards my current employer	I believe that my current job aligns with my long-term career goals	I receive adequate recognition and rewards for my work	I am quite satisfied with the opportunities for career advancement at my current job	I am quite satisfied with the training and development opportunities provided by my current employer
I believe that my overall compensation package is adequate	Pearson Correlation	1	1.000**	.385**	.202**	.993**	-.040	-.039	-.039	.258**	.258**
	Sig. (2-tailed)		.000	.000	.000	.000	.454	.466	.466	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
My salary is competitive compared to similar positions in other companies	Pearson Correlation	1.000**	1	.385**	.202**	.993**	-.040	-.039	-.039	.258**	.258**
	Sig. (2-tailed)	.000		.000	.000	.000	.454	.466	.466	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
The bonuses and incentives	Pearson Correlation	.385**	.385**	1	.228**	.385**	-.099	-.080	-.080	.304**	.304**

I receive adequate recognition and rewards for my work	Pearson Correlation	.000	.000		.000	.000	.060	.127	.127	.000	.000
	Sig. (2-tailed)	.000	.000		.000	.000	.060	.127	.127	.000	.000
I am quite satisfied with the retirement plan options available to me.	Pearson Correlation	.202**	.202**	.228**	1	.208**	-.108*	-.010	-.010	.180**	.180**
	Sig. (2-tailed)	.000	.000	.000	.000	.041	.852	.852	.001	.001	.001
I feel a strong sense of loyalty towards my current employer	Pearson Correlation	-.040	-.040	-.099	-.108*	-.045	1	.644**	.644**	.085	.085
	Sig. (2-tailed)	.454	.454	.060	.041	.393	.000	.000	.106	.106	.106
I believe that my current job aligns with my long-term career goals	Pearson Correlation	-.039	-.039	-.080	-.010	-.044	.644**	1	1.000**	.081	.081
	Sig. (2-tailed)	.466	.466	.127	.852	.402	.000	.000	.123	.123	.123
I receive adequate recognition and rewards for my work	Pearson Correlation	-.039	-.039	-.080	-.010	-.044	.644**	1.000**	1	.081	.081
	Sig. (2-tailed)	.466	.466	.127	.852	.402	.000	.000	.000	.123	.123
I am quite satisfied with the frequency of salary reviews and adjustments	Pearson Correlation	.993**	.993**	.385**	.208**	1	-.045	-.044	-.044	.243**	.243**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.393	.402	.402	.000	.000
I receive adequate recognition and rewards for my work	Pearson Correlation	.000	.000		.000	.000	.060	.127	.127	.000	.000
	Sig. (2-tailed)	.000	.000		.000	.000	.060	.127	.127	.000	.000
I am quite satisfied with the frequency of salary reviews and adjustments	Pearson Correlation	.993**	.993**	.385**	.208**	1	-.045	-.044	-.044	.243**	.243**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.393	.402	.402	.000	.000
I feel a strong sense of loyalty towards my current employer	Pearson Correlation	-.040	-.040	-.099	-.108*	-.045	1	.644**	.644**	.085	.085
	Sig. (2-tailed)	.454	.454	.060	.041	.393	.000	.000	.106	.106	.106
I believe that my current job aligns with my long-term career goals	Pearson Correlation	-.039	-.039	-.080	-.010	-.044	.644**	1	1.000**	.081	.081
	Sig. (2-tailed)	.466	.466	.127	.852	.402	.000	.000	.123	.123	.123
I receive adequate recognition and rewards for my work	Pearson Correlation	-.039	-.039	-.080	-.010	-.044	.644**	1.000**	1	.081	.081
	Sig. (2-tailed)	.466	.466	.127	.852	.402	.000	.000	.000	.123	.123

I am quite satisfied with the opportunities for career advancement at my current job	Pearson Correlation	.258**	.258**	.304**	.180**	.243**	.085	.081	.081	1	1.000**
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.106	.123	.123		.000
	N	360	360	360	360	360	360	360	360	360	360
I am quite satisfied with the training and development opportunities provided by my current Employer.	Pearson Correlation	.258**	.258**	.304**	.180**	.243**	.085	.081	.081	1.000**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.106	.123	.123	.000	
	N	360	360	360	360	360	360	360	360	360	360

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The analysis of Hypothesis 4 reveals no significant relationship between compensation packages and employee retention rates, supporting the null hypothesis. This finding echoes the work of Hanai and Pallangyo (2020), who argue that compensation alone is not a key driver of employee retention, suggesting that other factors, such as career development and job satisfaction, play a more pivotal role. While bonuses and incentives show some correlation with retention, Amoo et al. (2020) point out that financial rewards, while appreciated, do not necessarily translate into long-term loyalty, as employees may prioritise opportunities for personal growth over monetary compensation. On a positive note, the correlation between career advancement satisfaction and retention suggests that employees who feel their career progression needs are met are more likely to stay. Alshamrani et al. (2023) affirm that career development opportunities significantly impact retention, as employees value long-term growth over short-term financial gains. This implies that organisations focusing on fostering career advancement may see better retention outcomes, as Steil et al. (2022) also note that career satisfaction tends to outweigh compensation concerns in employee decision-making. However, the limited impact of compensation on retention, as

shown by the weak correlations, also presents challenges. Calinao et al. (2020) caution that relying on financial rewards to retain talent can create a transactional relationship, where employees may leave for better offers, especially in competitive industries. Similarly, Pertiwi and Supartha (2021) highlight that while incentives may encourage short-term retention, they rarely foster long-term commitment. Saputra and Raina (2021) argue that organisations should focus on a holistic retention strategy that includes professional development, a positive work environment, and meaningful work. In conclusion, while compensation may play a role in short-term retention, organisations must emphasise career advancement and overall job satisfaction to build lasting loyalty. This approach fosters deeper engagement and reduces turnover more effectively than financial incentives alone.

Conclusion and Recommendations

This study elucidates the critical role of financial security in enhancing employee resilience and retention, revealing strong correlations between financial well-being and positive employee outcomes. Significant relationships were found between indicators of financial security and

both resilience and retention, highlighting that employees who feel financially secure are more likely to stay committed to their organizations. Conversely, the findings indicate no significant correlation between compensation packages and these outcomes, suggesting that traditional financial incentives alone may not effectively drive employee engagement. This challenges HR practices focused solely on compensation structures, emphasizing the need for a broader understanding of employee financial security needs. Organizations should prioritize strategies that foster financial well-being to enhance overall employee commitment and adaptability. HR managers should implement programs that promote financial education and security for employees. CEOs and top management must recognize the importance of financial stability in shaping employee loyalty and resilience, while employees are encouraged to communicate their financial needs effectively to leverage organizational support.

Theoretical Implications and Managerial Implications

The findings of this study provide valuable theoretical and managerial implications regarding financial security, compensation packages, employee retention, and resilience. The strong correlations identified between financial security and employee resilience and retention support existing literature emphasizing the role of financial well-being in job satisfaction and loyalty. These results suggest that further research should focus on delineating the specific aspects of financial security that most influence employee outcomes. Additionally, the lack of significant relationships between compensation packages and resilience challenges prevailing assumptions about the motivational power of financial incentives, indicating a need for more nuanced theories addressing non-financial factors impacting employee well-being. For HR managers, these findings highlight the necessity of tailoring compensation packages to meet the financial security needs of employees. Strategies such as providing financial planning resources or enhancing retirement benefits could foster resilience and loyalty. CEOs and upper management should consider integrating financial security measures into their organizational strategies, recognizing that employees who feel financially secure are more likely to remain committed to their employers. For employees, understanding the importance of

communicating their financial needs can empower them to advocate for better support from management. Overall, a focus on financial security over traditional compensation packages may enhance retention and resilience across the organization.

Limitation of the Study and Any Future Research Direction

This study is subject to several limitations. Methodologically, the reliance on a Likert scale questionnaire may lead to response bias, as participants might select socially desirable answers rather than their true feelings. Additionally, the sample size of 360 employees, while random, may not fully capture the diverse experiences across different organizational contexts, limiting generalizability. Technically, the cross-sectional design restricts the ability to draw causal inferences regarding the relationship between financial security, compensation packages, and employee outcomes. Furthermore, the study primarily focuses on quantitative data, which may overlook nuanced qualitative insights into employee perceptions. Future scholars shall address these limitations by employing mixed-methods approaches that integrate qualitative interviews with quantitative data to enrich understanding of employee perspectives on financial security and compensation. Expanding the sample size and including diverse organizational contexts will enhance the generalizability of findings. Additionally, longitudinal studies could be conducted to investigate causal relationships over time, providing deeper insights into the dynamics of employee retention and resilience. Exploring other factors influencing these outcomes, such as workplace culture and managerial support, will further broaden the knowledge base in this area.

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