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RESEARCH ARTICLE

Effectiveness of Compensation Techniques in Reinforcing Commitment among Staff of Indigenous Family-Owned Businesses (Fobs) in South-East Nigeria

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Abstract

The study evaluated the effectiveness of compensation techniques in reinforcing staff commitment of indigenous family-owned businesses (FOBs) in South- East, Nigeria. It intended to achieve the following specific objectives; To examine the relationship between promotion and staff dedication, to evaluate the relationship between recognition and staff participation and to investigate the relationship between career development and staff retention of indigenous family-owned businesses (FOBs) in South-East, Nigeria. Three research questions and three hypotheses were formulated in accordance with the objectives to guide the study. Data were collected mainly from the primary source, in addition to the secondary source. Descriptive survey Research Design was adopted for the study, while questionnaire was used as instrument. The study had a population size of 850 employees. Through Taro Yamane, a sample – size of 272 employees emerged, while 262 copies of the questionnaire were correctly filled and returned. The data obtained were analyzed, using Descriptive statistics. Pearson Product moment Correlation Analysis was used in testing the hypotheses at 5% level of significance. The study findings revealed that: there is a significant positive relationship between promotion and staff dedication of indigenous family-owned businesses (FOBs) in South-East, Nigeria ($r=.896$, $p<.05$), there is a significant positive relationship between recognition and staff participation of indigenous family-owned businesses (FOBs) in South-East, Nigeria ($r= .917$, $p<.05$) and there is significant positive relationship between career development and staff retention of indigenous family-owned businesses (FOBs) in South-East, Nigeria ($r=.927, p<.05$). The study, therefore concluded that employees perform at efficiency level when they are effectively compensated. Apart from salary, which is the conventional method of remuneration, employees can also be compensated with promotion, recognition and career development. It was recommended that management of the companies studied should as a matter of urgency review their compensation techniques to enable them retain the commitment of their skilled employees, as well as, attract high skilled employees to achieve desired goals.

Keywords: Compensation Technology; Commitment; Staff; Indigenous Family-Owned Business; South-East Nigeria

Introduction

In the face of competitive global business environment, it is very essential to identify and retain the efficient, competent and knowledgeable employees in organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter and Moazzam 2016). Employees are the organization's key resource and the success or failure of organizations center on the ability of the employers to attract, retain, and reward appropriately talented and competent employees. Employees' willingness to stay on the job largely depends on compensation packages of the organization. In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola, Ibidunni and Olokundun 2014). It has been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the Organization (Fadugba 2012). Adeniyi (2013) posit that the fundamental tasks in human resources management is compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed.

Compensation management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives (Adeniyi 2013). This can be attributed to the fact that compensation management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever improving efficiency (Adeniyi, 2013). In other words, compensation management is a powerful means of focusing attention within an organization. However, to avoid wrong perception and controversy by the employees, compensation system must be clearly communicated to employees with job measurement which will drive the much-needed commitment in the employees (Yamoah, 2013).

An effective compensation system design significantly influences organizational development by revealing external competitiveness, internal equity and individual equity. External competitiveness attracts talent, and internal equity helps companies to retain talent by ensuring that employees and colleagues making the same contributions obtain the same compensation. Individual equity allows employees to feel that their potential is fully rewarded; thus, they are encouraged (Hsin-His, 2011).

Although, compensation means something different to individuals, organizations and society, it is important to all. For individuals, compensation is not only the return of benefits, but it also reflects on individuals' capabilities or achievements. For organizations, compensation is a cost or expenditure, as well as an important tool to obtain competitive advantages. Within society, compensation not only influences wealth distribution, but also symbolizes social equity and justice (Hsin-His, 2011). Compensation could lead to commitment, retention and productivity when they are linked to work outcome. Yusuf and Metiboba (2012), submit that employee commitment is a psychological state that characterizes the employee's relationships with the organization; and has implications for the decision to continue or discontinue membership in the organization.

Job commitment, therefore entails attitude or orientation towards the organization which links or attaches the individual or worker to the establishment. It is a process whereby the goals of the individual or worker are increasingly integrated with that of the organization. Job commitment entails three components which include: workers' readiness to exert effort on behalf of the organization; workers' acceptance of organizational goals and values; and workers desires to remain with the organization. While the impact of compensation cannot be taken for granted in attempt to retain valuable employees, the quality of work experience which the employees have on daily basis have far reaching effect (Ferguson & Brohaugh, 2011). These daily experiences have enormous contributions in the conscious decision of employees to either be committed or leave an organization, thus highlighting the importance of compensation. It is against this background that the researcher sought to investigate the effectiveness of compensation techniques in reinforcing staff commitment of indigenous family-owned businesses (FOBs) in South- East, Nigeria.

Compensation techniques include not only salary, but also all the direct and indirect rewards and benefits the employees receive for their contribution to the organization. Some of these benefits include health insurance, promotion, recognition, career development, disability income protection, retirement benefits, daycare, tuition reimbursements, sick leave, vacation (paid and no- paid), funding of education as well as flexible and alternative work arrangements. In spite of all these techniques adopted by employers to compensate employees, evidence indicates that most staff in indigenous family-owned businesses, show little or poor commitment to their duties. It is worthy of note that, compensation is usually narrowed to cash, and as a result, employers only have a tunneled vision when it comes to the issues of compensation for their employees. Thus, this seemingly ineffectiveness could be as a result of the technique chosen. Other aspects of compensation, which make up the total compensation package for the employee, are not given much attention. Employees, on the other hand, fail to recognize the fact that their compensation is a package and not only related to cash. The byproduct of the above understanding of compensation is that it is poorly managed and most of the time, commitment is affected adversely. There is therefore, the need to find out and investigate the effectiveness of compensation techniques in reinforcing staff commitment of indigenous family-owned businesses (FOBs) in South East, Nigeria.

Objectives of the Study

The broad objective of the study was to investigate the extent of effectiveness of selected compensation techniques in reinforcing commitment among staff of indigenous family-owned businesses (FOBs) in South- East, Nigeria. Specifically, other objectives are to:

i. examine the relationship between promotion and staff dedication of indigenous family-owned businesses (FOBs) in South-East, Nigeria.
ii. evaluate the relationship between recognition and staff participation of indigenous family- owned businesses (FOBs) in South- East, Nigeria.
iii. investigate the extent of relationship between career development and staff retention of indigenous family–owned businesses (FOBs) in South – East, Nigeria.

Hypotheses

The following Hypotheses Guided this Study:

i. There is no significant relationship between promotion and staff dedication of indigenous family-owned businesses (FOBs) in South- East, Nigeria.
ii. There is no significant relationship between recognition and staff participation of indigenous family-owned businesses (FOBs) in South- East, Nigeria.
iii. There is no significant relationship between career development and staff retention of indigenous family-owned businesses (FOBs) in South- East, Nigeria.

Review of Related Literature

Concept of Compensation Techniques

In every business organization, the pay system is always a crucial issue. This is probably because it is seen as strong determinant of employee loyalty and performance. As a management concept, compensation can be described as the core of any employment exchange and it serves as a defining characteristic of any employment relationship (Glassman, Champagne & Zugelder 2010). Compensation does not exist in a vacuum. At a very basic level an organization's compensation system reflects a reasoned strategy with which the organization is going to compete within a competitive and constantly changing workplace (Maloa 2011). Upasana (2015) defined compensation as the stages of position or skill. Studies have shown that compensation structure also includes grading of the employees according to their qualifications and functions. It is expected that the salary and allowances will certainly differ. There are some key points that require consideration.

Promotion

Promotion is one of the compensation techniques identified in many studies that could lead to employee commitment if it is carried out as at when due and perceived to be fair (Shakeel & But, 2015). It deals with movement of employee within an organization to another position with increased responsibility and prestige (Okioga, 2012). It stimulates individuals to put in more effort to move ahead both themselves and the organization (Prasad, 2011) and induces positive behaviour on the individual. An effective system of promotion can result to greater organizational efficiency and also higher employee's morale (Gomez & Davis, 2013). Das and Baruah (2013) opine that talented employees want career growth opportunities such as advancement and internal promotion to enable them get to the peak of their career.

Recognition

Recognition is seen as acknowledgment with show of appreciation (Okioga, 2012). It is also seen as informal/formal and timely acknowledgement of employees' behaviour (Kiruthiga & Magesh, 2014). Such appreciation when given to employees as a result of their performances, motivate them to work at similar or higher level (Prasad, 2001), whether it comes from the boss, team members, or coworkers, it can increase loyalty to organization (Walker, 2001 cited in Das and Baruah, 2013). Absence of recognition in organization may lead to employees leaving such organization (Moncarz, Zhao & Kay, 2009). Praise is also a form of recognition, the morale boasting of recognition and praise may give satisfaction to an employee and could contribute to employee commitment (Shakeel & But, 2015).

Career Development

The development of employee's careers as a form of incentive used in organizations have mostly been considered as an efficient method of employee compensation, hence attracting as well as leading to workforce maintenance. Career development as a compensation technique is utilized in motivating employees and improving their morale towards their day-to-day business in the organizations that they work for. Employees usually comprehend that they need continual growth, learning and developing new skills so that they can advance in all ways of their lives (Ngatia, 2014). The opportunity to learn will show employees the organization cares about their development. If an organization has job openings that require a certain level of skill, learning and training opportunities can help them better equip current employees to fill the position. By continually increasing employee's knowledge and skills, an organization will stay on top of industry changes and advancements, leading to better quality products, services, and even improvements in processes.

Concept of Employee Commitment

Monday, *et al* (2013), refers employee commitment to congruence between the goals of the individual and the organization whereby the individual identifies with and extends effort on behalf of the general goals of the organization. Meyer and Allen (2015) also state that employee commitment is a psychological state that characterizes the employee's relationships with the organization and have implications for the decision to continue membership in the organization. Employee commitment has been described as consisting of affective and /continuance as an attitude, differences between commitment and job satisfaction are seen in several ways.
Commitment is a more global response to an organization and job satisfaction is more of a response to a specific job or various facets of the job and also an attitude towards works related conditions, facets, or aspects of the job. Therefore, commitment suggests more of an attachment to the employing organization as opposed to specific tasks, environmental factors, and the location where the duties are performed. When discussed on these terms, commitment should be more consistent than job satisfaction overtime. "Although day-to-day events in the workplace may affect an employee's level of job satisfaction, such transitory events should not cause an employee to value seriously his or her attachment to the overall organization".

Suffice it to say that, the success of an organization is more dependent on having a stable and committed workforce, whose contributions coalesce into group actions. This is because commitment is one of the factors that can help shield an organization against high employee turnover at a time there is an increasing need for firms to find and hold on to the most talented employees (Alderton, 2016). Organizations instigate commitment in its employees due to the positive effects commitment can have in the working community and productivity through long term benefits (Richards, 2004). Richards has portrayed employee commitment as the employees' dedication and aspirations towards fulfilling the purposes of the organization and their wish to be actively involved instead of remaining as mere contributors (Richards, 2004).

Furthermore, employee commitment can have an undeniably positive effect on an organization as it has a negating effect on the need for hiring new replacement employees or more motivated staff, thereby deleting the costs associated with employing replacements due to employee turnover (Armstrong, 2016). Employees wishing to remain in an organization, compared to uncommitted employees, have been found to demonstrate happiness and satisfaction, along with being more engaged and self-directed in the workplace (Meyer, Stanley and Parfyonova, 2012). Commitment can also demonstrate the employees' contentment and satisfaction towards their current employment situation (Jakobsson, 2018).

Dimensions of Employee Commitment

Employee Dedication

This dimension refers to being strongly involved in one 's work, and experiencing a sense of importance, passion and challenge. It refers to a strong involvement which results in positive feelings like inspiration, significance, pride and enthusiasm (Gubman, 2014). Having a dedicated employee is considered an asset to the organization. Dedication is not the same thing as longevity because the fact that a certain employee is the oldest in the organization or has worked for the organization all his or her life does not make him or her dedicated staff member. Dedication involves desire, commitment; ownership and a continual strive to improve (Schaufeli & Bakker, 2013). Any employee who is dedicated to the organization will understand and support the values, as well as go extra mile to protect the corporate image of the organization, thereby facilitate value alignment and organizational commitment. An employer can arouse dedication according to Schaufeli & Bakker (2013), employers that show genuine interest and care for the customer and employees will create an atmosphere that encourages dedication and in turn commitment.

Employee Participation

Several management strategies have been developed to enable organizations attain their objectives, one of which is participatory management. Adeola (1994) defines participation as the active involvement of subordinates of followers in the making of decisions that directly affect them in the workplace. Participation in decision making is generally regarded as a sign of enlightened and democratic management. It may be through of the giving and receiving of information, achieve and suggestion and the sharing of experience among members of an organization. In management, Murew (1967) opined that "participation particularly applies to allowing the employees to have a voice in shaping policies, procedures and processes that directly or indirectly affect them".

It is therefore, a process of sharing among managers and employees. Davis (1981) stated that participation is a mental and emotional involvement of persons in group situations that encourage them to contribute to group goals and share responsibility for them. The concept of participation in an organization can therefore be summarized as a process by which an organization attempts to unlock the creative potentials of its people by involving them in decisions affecting their work lives.

It is a structured effort to enable employees at all levels in an organization to use their knowledge, skills and abilities more effectively in their work and to participate more fully in decisions about their work life. When employees feel a sense of participation in the workplace, it increases their morale and enhances the productivity (Chang & Lorenzi, 1983). It provides employees, the opportunity to use their intellectual, which will lead to better decisions for the organization (Williamson, 2008).

Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer; but retention is even more important than hiring. Previous research has identified several factors that have an influence on employee retention. A first important indicator of employee retention is their organizational commitment (Curtis & Wright 2011). Employees with a high organizational commitment are those who have a strong identification with the organization, value the sense of membership within it. This commitment is influenced by the organization's norms and practices, especially the organizational climate (Kaliprasad 2016), and is not job specific (Bashaw & Grant 2014).

Jyothi and Venkatesh (2012) suggest the following aspects while attempting to retain employees: planning ahead, clarity in job requirements, identify a good source of recruitment, screening and interview, provide challenging work, and focus on compensation and working conditions. Walker (2011) identified seven factors that can enhance employee retention: (i) compensation and appreciation of the performed work, (ii) provision of challenging work, (iii) chances to be promoted and to learn, (iv) invitational atmosphere within the organisation, (v) positive relations with colleagues, (vi) a healthy balance between the professional and personal life, and (vii) good communications. Together, these suggest a set of workplace norms and practices that might be taken as inviting employee engagement.

Concept of Family- Owned Businesses

A family-owned business (FOB) can be simply defined as a nosiness formed or owned by a family or generations of families (Muo, 2018). According to Frey (2011), it is a business in which a family is in control of shares, daily operations, mission and strategy. Family- owned business is also seen as one where members of one family own enough voting equity to control strategy, policy and tactical implementation (Miller and Rice, 1967). To Leach *et al* (1990), it is a business, where a single-family effectively controls the firm through the ownership of greater than 50% of the voting shares, and a significant portion of the firm's senior management team is drawn from the same family. According to the European Commission (nd), a firm, of any size, is a family business, if:

i. Most decision-making rights are in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs;
ii. Most decision-making rights are indirect or direct;
iii. At least, one representative of the family or kin is formally involved in the governance of the firm and
iv. Listed companies meet the definition of family enterprise if the person, who established or acquired the firm (share capital) or their families or descendants possess 25% of the decision-making rights mandated by their share capital.

Thus, there is no generally and universally accepted definition of family business. Consequently, Astrachan and Chanker (2011) state in their work that because there is no 'concise, measurable, agreed-upon definition of a family business, this leads to a 'challenge in quantifying their collective impact'.

Family-owned businesses are very important to the global economy. Van Der Vliet (2021), reported that family businesses in the United States, contributed to 64% of the US GDP. In the Netherlands, it is estimated that over 276,000 of its businesses are family businesses (European Family Businesses, 2017), and Finnigan (2016) found that in Argentina family businesses contributed just shy of 1 trillion to the nation's GDP. Generally, family- owned businesses are also key creators of employment. These businesses employ 58% of all employees in Germany. Schultz (2019) found that 43% of German companies with sales revenues of more than V50 million are family-owned businesses. Family Capital (2021) has found that Germany's top 500 family businesses employed over 6.4 million people globally in 2019, generating over $1.8 trillion in revenues, which accounted for nearly 43% of the country's GDP.

In Nigeria, statistical evidence is lacking and thus one may not specifically state the contributions of family- owned businesses to the GDP, employment and other measures of contribution to the economy. However, a careful observation shows that FOBs dot every nook and corner of the country and contribute profoundly to the GDP of Nigeria. One common factor among the FOBs globally is their high mortality rate. According to Ahlstrom (1998), a common feature among the FOBs is that the first generation creates, the second generation inherits and the third generation destroys. Bowman-Upton (1991) noted that less than 33% of FOBs survive from 1st to 2nd generation and less than half of this 33% make to the 3rd generation. It is estimated globally that 85% of all FOBs completely vanish before the 4th generation (PICG, 2008). In Nigeria, most FOBs do not survive the first generation (die with the founder syndrome). This has generated the popular saying "Father, founder of the company rich, son rich, and grandson poor".

Researchers have inundated the research space with a wide range of causes for this global high mortality rate of FOBs. Landsberg (1988) blamed what he called "succession conspiracy" for this. Muo (2018), Akanmu (2011), Atasie (2011), and Jaffer & Sohail (2007) blame factors such as poor corporate governance, lack of incorporation of most FOBs, lack of institutionalized and standardized methods of operating businesses, and absence of ethical considerations in business operations as major causes of high mortality among FOBs globally.

Table 1: Top 10 Oldest Family Businesses in the World

Family Business Name	*Year of Establishment*	*Country*
Hoshi Onsen	718	Japan
Stiftskeller St. Peter	803	Austria
Chateau de Goulaine	1000	France
Founderia Pontificia Marinellie	1000	Italy
Barone Ricasoli	1141	Italy
Barovier & Toso	1295	Italy
Hotel Pilgrim Haus	1304	Germany
Richard de Bas	1326	France
Torrini Firenze	1334	Austria
	1369	Italy

Source: Birdthistle, N. and Hales, R. (2022)

Theoretical Framework

The equity theory of motivation was used as foundation of this study. The equity theory was developed by Adams in 1963.The equity theory centers on employees' perceptions on fair and equal treatment in terms of general work conditions compared to other organizations. According to Jones and George (2003), equity theory is a theory of motivation that purely focused on employees' perceptions of the fairness of workers work outcomes relative to, or in proportion to their work inputs. Equity theory is focused on the idea that employees are satisfied by fairness in rewards on input or output ratio, they will seek to change their input to reach their perceived equity. Adams suggested that the higher workers' perception of equity, the more motivated they will be; if a worker perceives an unfair treatment, he will not be motivated, and will be ready to leave the organization.

Empirical Review

Oyeniyi, Adeyemi, and Olaoye (2017) investigated the influence of employee dedication on job performance among the employees in Nigerian hospitality industry. This study made use of descriptive survey research, while a structured questionnaire and personal interview were used to collect data from seventy-five (75) respondents in the selected hotels and restaurant s in Osun State, Nigeria. Data were analysed with the aid of Pearson Product Moment Correlation Coefficient (PPMCC) and Linear Regression. Results revealed that affective commitment (β=0.067;t=0.380;P >0.05) and continuance commitment (β=0.082;t= 0.546;P>0.05) have positive but insignificant influence on job performance. Results also indicate that normative commitment (β=-0.080;t=- 0.569;P > 0.05) has negative but insignificant influence on job performance.

Yamin *et al* (2019) evaluated the influence of job promotions on employee performance in the Makassar City Regional Secretariat by using quantitative methods. The data analysis technique used is simple linear regression and t test. The results showed that: (1) The level of promotion in the Makassar City Regional Secretariat was in the good category following the operational standard procedures in accordance with Law No. 5 of 2014 and its derivative rules, (2) the level of performance of employees in the Makassar City Regional Secretariat is in the very high category, and (3) the t-test shows that H_0 is rejected and H_1 is accepted, which means that promotion is a positive and significant effect on employee performance in the Makassar City Regional Secretariat shown by the equation Ý = 11.614 + 0.711X. Leaders must pay more attention to the promotion of positions to employees who are able to maintain high performance, the promotion of the right position as needed will have a positive influence on improving employee performance.

Igbaekemen and Idowu (2014) examined the impact of employee participation on employee's productivity, using Nigeria brewery Plc. A descriptive research design was used as survey method adopted for the study. A survey design was used in conducting the research making use of 2-point Likert scale of "Yes" "No". Stratified random sampling technique was used to select the sample size. The result of the hypotheses tested shows that employee participation has significant impact on employee performance. That employee's participation to their organization is significant to the organizational productivity.

Ondhowe *et al* (2021) examined the influence of recognition on employee performance in LVSWSB. The study adopted a descriptive research design. Sampling technique applied was census since the population was manageable. The instrument of data collection was the questionnaire. The statistics for descriptive and inferential analysis done resulted from use of the computer software (SPSS version 24). Chi-square test statistics revealed that Recognition has an influence on employee performance. In conclusion, recognition has direct impact on employee performance.

Muthumbi and Kamau (2021) investigated the effect of career development on employee performance in Deloitte Limited, Kenya. The study adopted a descriptive survey research design by using quantitative research methods. The target population of this study comprised of 500 employees working at Deloitte Limited, Kenya. Out of this, 116 respondents formed the sample size and were selected using stratified random sampling technique. Data collection was carried out using structured questionnaires. The data was analyzed using descriptive and inferential statistics with the help of the Statistical Package for Social Sciences (SPSS). The results indicated that career development was positively and significantly associated with employee performance. Several aspects of career development was positively and significantly associated with employee performance.

Ntadom, *et al* (2021) examined the effect of career development on organizational performance, a Study of selected higher institution in Anambra State Nigeria. Research hypotheses were tested using ANOVA regression analysis which was carried out with the aid of Statistical package for social science (SPSS) version 23. The study found that career development has significant effect on Organizational Performance.

Methodology

This study adopted a descriptive Survey Research design. Eight hundred and fifty (850) staff of four (4) selected family-owned businesses in South East Nigeria (Roban Stores, Genesis Restaurant, Sharon Paints Company Ltd and Juhel Pharmaceutical Ltd.) formed the population of study. The study used both mainly primary data supplemented by secondary data. Primary data used in this research was obtained from structured questionnaire administered to the selected employees of the companies under study, while secondary data were obtained from books, journals, periodicals and the internet. Taro Yamane's formula was used to obtain a sample of 272 employees from the population. Data collected were analyzed, using descriptive statistics, while the hypotheses developed for the study were tested, using Pearson Product Moment Correlation analysis at 5% level of significance.

Findings

The study found that there is a significant positive relationship between promotion and staff dedication to duty among staff of indigenous family-owned businesses (FOBs) in South-East, Nigeria. This is glaring since the result of correlation coefficient showed that r =.896, indicating a positive correlation between promotion and staff dedication to duty of indigenous family-owned businesses (FOBs) in South-East, Nigeria. The computed correlations coefficient is greater than the table value of r = .195 with 260 degrees of freedom (df. =n-2) at alpha level for a two-tailed test (r=.896, p<.05). The null hypothesis was therefore not accepted. This finding collaborates Prasad, (2011), who maintained that promotion stimulates individuals to put in more effort to move ahead both themselves and the organization and induces positive behavior on the individual.

Secondly, it was found that there is a significant positive relationship between recognition and staff participation in the affairs of indigenous family-owned businesses in South East, Nigeria (r =.917, P<.05). The computed correlations coefficient r=.917 is greater than the table value of r = .195 with 260 degrees of freedom (df. = n-2) at alpha level for a two – tailed test (r-.917, p<.05). However, since the computed r=.917, is greater than the table value of .195, we therefore reject the null hypothesis and conclude that there is a significant positive relationship between staff recognition and staff participation in the affairs of indigenous family-owned businesses (FOBS) in South East, Nigeria (r = .917, p<.05).

Finally, it was revealed that there is a significant positive relationship between career development and staff retention of indigenous family-owned businesses (FOBS) in South-East, Nigeria. This becomes clear since the result of correlations coefficient showed that r =.927 and it is greater than the table value of .195, thus we therefore reject the null hypothesis and conclude that there is a significant positive relationship between career development and staff retention of indigenous family-owned businesses (FOBs) in South-East, Nigeria (r =.927, p<.05).

Conclusion

Based on the findings, it is clear that compensation has strong influence on employee commitment of indigenous family- owned businesses as in all other organizations. Employees perform at efficiency level when they are effectively compensated. Apart from salary, which is conventional method of remuneration, employees of indigenous family-owned businesses also expect to be compensated with promotion, recognition and career development.

Recommendation

Based on the Finding of the Study, the Following Recommendations were made:

i. Management of the family-owned businesses studied, shall as a matter of urgency review their compensation techniques, so as to accommodate other compensation items, apart from salary to enable them retain their skilled employees.
ii. Also, management of the firms studied shall strive to ensure equilibrium between her objectives and employee individual goals in order to increase the employee commitment level and eliminate their commitment challenges.
iii. Management of the family-owned firms studied shall put in place an effective employee retention mechanism that discourages employee turnover, but attracts high skilled employees to achieve desired goals.

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