Original Research

Employee Compensation and Turnover of Chevron Group of Companies

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Abstract

Dearth of quantification on the nexus between employee compensation and turnover gave rise to this empirical investigation into the effects of employee salary, employee pension scheme, employee allowance, employee share bonus, and employee savings scheme on turnover of Chevron Group of Companies using audited secondary data from annual reports for 2012 to 2021. Anchored on economic theory, the five hypotheses developed for the study were tested simultaneously based on a univariate general linear model with the aid of statistical package for social sciences. The cardinal findings of this study (which carried out descriptive and inferential statistical analyses) show that the effect of employee compensation on turnover of Chevron Group within the studied period is mixed in line with reviewed literature. Salary of employees has non-significant negative effect on turnover; employee pension scheme has significant positive effect on turnover while employee allowances, share bonus, and savings scheme have significant negative effects on turnover. The findings of the study have salient significance in terms of theory, practice, and policy. Far reaching recommendations are put forward.

Keywords: Employee compensation, pension scheme, savings scheme, share bonus, staff allowance, turnover.

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Introduction

Employee compensation and its related elements are inherent expenses of organisations despite the huge investment on robots and artificial intelligence because employees are the greatest and most valued assets of organisations (Chevron Group, 2021). Recent studies on human resource compensation within years 2016 – 2021 have touched a good number of sectors in a good number of countries. Ali, Sharhan and Alsaedi (2021) covered Indian service and manufacturing sectors; Anwar & Abdullah (2021) covered Iraqi public sector institutions; Ellinger and Svendsen (2021) looked at Australian manufacturing sector; Adagbabiri and Okolie (2020) covered Nigeria's oil and gas sector; Akeel, Omar and Masrom (2019) covered Libya's construction sector; Al-Shafai (2017) studied Kuwait' service and manufacturing sectors; Altarawneh (2017) studied Saudi Arabia's banking sector; and Hamid, Maheen, Cheem and Yaseen (2017) studied Pakistan's telecommunication sector.

The topical nature of human resource and its relationship with operational performance lacks hard financial data because survey research design takes centre stage (Ali, Sharhan & Alsaedi, 2021; Anwar & Abdullah, 2021). There is consistent demand therefore for the adoption of financially-backed dataset in investigating the relationship between human resource and organisational performance (Adagbabiri & Okolie, 2020; Akeel, Omar & Masrom, 2019; Hamid, Maheen, Cheem & Yaseen, 2017). There is also a clear demand for the proper investigation of the relationship between employee cost or employee compensation on organisational performance (Sabiu, Mei & Joarder, 2016; Al-Shafai, 2017; Adagbabiri & Okolie, 2020). This gap is still existing; and the need to close it out cannot be downplayed.

Another missing link in the study of human resource and organisational performance is lack of economic theoretical underpin that measures the cost-benefit analysis of firms' investment on employee compensation. This is because the few human resource – performance studies that incorporated theoretical dimension did not consider economic theory (Khan & Garg, 2021; Adagbabiri & Okolie, 2020; Oloruntuyi, Fajuyagbe & Alayo, 2021). While studies have been made on the oil and gas sector, there is no recent study (from reviewed works) on a major oil company with global presence. So, Chevron Group of companies is a good case study for this study. As a big giant in the oil and gas sector, it has invested heavily on its employees as shown in its reviewed annual reports from 2012 to 2021. The company is also one of the big five oil companies in the world with total staff size of 42, 595 persons, turnover of USD 162,465,000,000; total assets of USD 239,535,000,000 and total capital of USD 139,067,000,000 as at 31 December 2021 (Chevron Group, 2021).

This study is driven by the need to bridge observed gaps in literature. First, financial data were collected from audited annual reports of Chevron Group of Companies from 2012 to 2021 unlike the multiplicity of works that used questionnaire as the only source of data collection. The use of hard financial data meets strong reliability test (Wahua & Ahlijah, 2020). While majority of reviewed works lacked theoretical underpin, this study is anchored on economic theory; and test how expenses on employee cost affects organisational performance. While none of the reviewed works considered the impact of

firm size and time factor, this study incorporated these two variables as they are cardinal parts of organisational performance (Wahua & Ezeilo, 2021).

This study is curious to know the justification for the huge expenditure on employees by oil and gas companies; and the salient question is: does the huge employee compensation expenses incurred by oil companies justify their performance in monetary terms (turnover wise)? Practically, does the huge outlay on employee compensation increase turnover? The aim of this study therefore is to empirically establish if employee compensation has significant positive effect on the performance of Chevron Group of Companies using quantitative parametric research approach. In line with the aim of the study, the objectives of the study are to establish if:

RO1: Employee salary has significant positive effect on the turnover/productivity of Chevron Group of Companies;

RO2: Employee pension has significant positive effect on the turnover/productivity of Chevron Group of Companies;

RO3: Employee allowances has significant positive effect on the turnover/productivity of Chevron Group of Companies;

RO4: Employee share incentive plan has significant positive effect on the turnover/productivity of Chevron Group of Companies;

RO5: Employee savings incentive plan has significant positive effect on the turnover/productivity of Chevron Group of Companies.

The five objectives were investigated simultaneously using univariate general linear model, an advanced form of ordinary least square regression analysis. This is in sync with the suggestion that future researches on the relationship between human resource management and organisational performance should use advanced form of statistical analysis (Sabiu, Kura & Reni, 2018; Pamela, Umoh & Worlu, 2017).

Literature Review

Conceptual Framework

In line with the research gaps; and the need to direct this study into a parametric investigation of the relationship between human resource management and organisational performance, this study is pinned to the relationship between employee compensation and turnover of chevron Group of Companies (a major oil exploration and production company globally). The salient concepts for discussion in this study are captured in conceptual framework diagram (Figure 1: conceptual framework diagram).
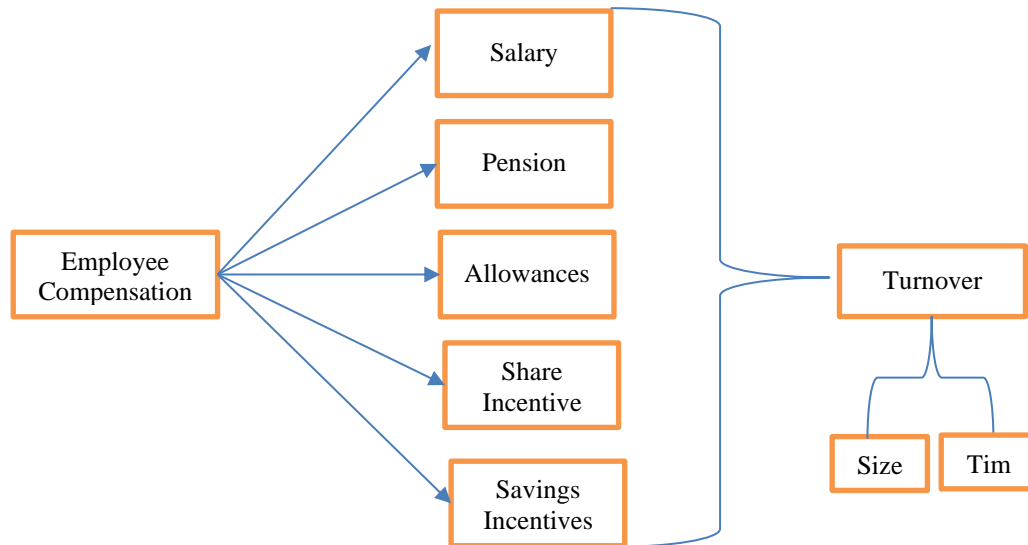
Figure 1. Conceptual framework diagram. Source: Authors (2023)

In Figure 1, employee compensation is the independent variables with four proxies (salary, pension, allowances, share incentive, and savings incentive); turnover is the dependent variables; and size and time are the control variables. This is in sync with the approach adopted by Wahua, Tsekpo and Anyanele (2018).

Employee Compensation

Employee compensation technically means money spent on retaining employees in the employment of the employer (Chevron Group, 2021). The impact of employee compensation on organisational performance has been studied with mixed findings (even though majority of the works established significant positive relationship). Khan and Garg (2021) established that employee compensation has significant positive effect on organisational performance. This suggests that an increase in employee compensation leads to an increase in organisational performance. Adagbabiri and Okolie (2020) established that employee compensation has significant positive effect on organisational performance (even though non-financial indicators were used). Sabiu, Kura and Reni (2018) also studied Nigeria's educational sector and established that an increase in employee compensation increases the performance of educational institutions significantly. Among other variables, Altarawneh (2017) established that employee compensation has significant positive effect on organisational total sales / turnover (a measure of organisational performance). Hamid, Maheen, Cheem and Yaseen (2017) equally established that staff compensation has significant positive effect on the performance of organisations in Pakistan. Conversely, Anwar and Abdullah (2021) found no significant positive effect between employee incentive and organisational performance among sampled public sector institutions in Iraq. Only two theories were tested on the impact of employee compensation on organisational performance: grounded theory (Anwar & Abdullah, 2021), and greater good theory (Anwar & Abdullah, 2021).

Compensation/incentives is a cardinal measure of human resource cost as it shows the quality of human resource engaged by firm: the financial outlay spent by organisations (salaries, pension, allowances, bonuses, and other financial incentives). There is consistent demand for the adoption of financially-backed dataset in investigating the relationship between human resource management and organisational performance (Adagbabiri & Okolie, 2020; Akeel, Omar & Masrom, 2019; Hamid, Maheen, Cheem & Yaseen, 2017). Chief among the objective indicators used in measuring the performance of organisations is total revenue or turnover (a measure of total outputs within a given period (Wahua, Tsekpo & Anyamele, 2018). Therefore, reviewed literature clearly shows lack of objective study on the relationship between employees compensation (a proxy of human resource management) and turnover (a proxy of organisational) despite calls by Ali, Sharhan and Alsaedi (2021), Adagbabiri and Okolie (2020), Oloruntuyi, Fajuyagbe and Alayo (2021), and Akeel, Omar and Masrom (2019) for a quantitative study with real financial data.

Turnover

Turnover is measured as productivity or output in monetary terms (Wahua & Ahlijah, 2020); and works that used it as a measure of organisational performance include the following: Pamela, Umoh and Worlu (2017); Altarawneh (2017); Anwar and Abdullah (2021); and Khan and Garg (2021). Wahua and Ahlijah (2020) holds turnover or productivity as key organisational performance indicator; and this is because it is the measure of cash inflow into organisational banks. For an oil company like Chevron, its turnover or total sales income is a function of the number of barrels of oil and gas produced and sold in a given period. So, turnover simply means total productions converted into money at the prevailing market prices at a point in time. Anwar & Abdullah (2021) established that human resource management has significant positive effect on the turnover of public institutions in Iraq using greater performance theory. Also, Altarawneh (2017) empirically found out that human resource management has significant positive effect on the sales figure (turnover) of banks based in Saudi Arabia.

Organisational Size

Organisations' size could be measured with different quantitative indicators like number of staff, total assets, equity capital, and others (Wahua & Ahlijah, 2020; Wahua & Ezeilo, 2021). The size of an organisation could serve as any variable in research (independent, dependent, and control). In this study, size with serve as a control variable. The reason being that small firms employ fewer staff and large firms employ larger number of staff.

Theoretical Framework

There is need for an empirically leaned parametric study on the relationship between employee compensation and organisational productivity as measured by turnover using economic theory. Economic theory investigates the nexus between employee cost and organisational benefit. This nexus is captured in the diagram of theoretical framework (Figure 2: theoretical framework diagram).
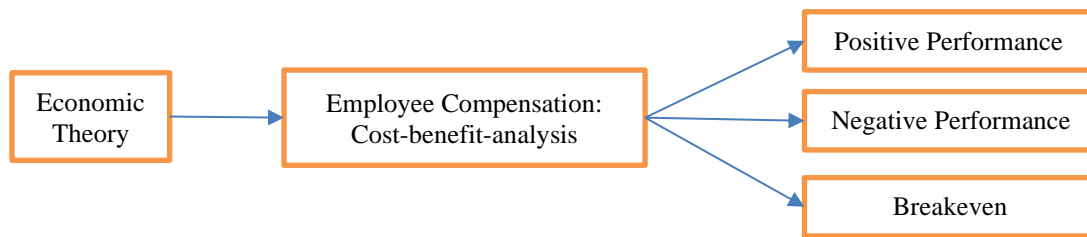
Figure 2. Theoretical framework diagram.

The relevance of economic theory in this study rests on the premise that employee compensation is a huge capital outflow; and the need to relate it to organisational productivity (as measured by turnover) is very important. The cost-benefit-analysis was carried out by Wahua and Ahlijah (2020) with the use of ordinary least square multiple regression analysis to test the relationship between business intelligence cost and employee performance (measured by productivity, turnover and value added. Statistically, cost-benefit-analysis connects independent and dependent variables to establish if their relationship is positive, negative or neutral. In the context of this dissertation, the economic theory is relevant as it would establish if employee compensation cost increases or decreases or indifferent to Chevron Group of Companies' productivity.

Organisations should not just recruit and retain employee at a cost that does not increase their operating performance in concrete terms. This is a well championed position by Mbawuni and Nimako (2015) who called for high level of rationality by organisations' managers: cost must be matched with higher benefits if organisational sustainability must be maintained. Again, Fosu and Poku (2014) also support economic theory in organisational operations as they stressed the need for the institutionalization of cost-benefit framework in order to attain optimum organisational returns above invested cost. Cost-benefit analytical model is very relevant in predicting the inherent benefit of firms' capital outlay on an item vis-à-vis its benefit therefore (Wahua & Ahlijah, 2020). They lay emphasis on how cost expenditure differ from organisational income. In simple terms, economic theory calls for predictive research: how a change in one variable affects another variable. This brings up the question: how does a change in employee compensation affect the productivity of Chevron Group of Companies? This is the focus of this study in theoretical terms.

Empirical Review

The impact of employee compensation on organisational performance has been studied with mixed findings (even though majority of the works established significant positive relationship). Khan and Garg (2021) established that employee compensation has significant positive effect on organisational performance. This suggests that an increase in employee compensation leads to an increase in organisational performance.

Oloruntuyi, Fajuyagbe and Alayo (2021) quantitatively studied the effect of employee cost on the performance of sampled banks in Nigeria based on resource-based theoretical underpin. The work established that employee cost has significant positive effects on the performance of sampled banks within the period studied.

Conversely, Anwar and Abdullah (2021) found no significant positive effect between employee incentive and organisational performance among sampled public sector institutions in Iraq. Only two theories were tested on the impact of employee compensation on organisational performance: grounded theory (Anwar & Abdullah, 2021), and greater good theory (Anwar & Abdullah, 2021).

Adagbabiri and Okolie (2020) established that employee compensation has significant positive effects on the performance of sampled oil and gas companies in Nigeria. The authors demanded for further studies on the relationship between remuneration practices and firm performance using more robust quantitative financial data from sampled firms or organisations.

Sabiu, Kura and Reni (2018) also studied Nigeria's educational sector and established that an increase in employee compensation increases the performance of educational institutions significantly. The authors suggests that there is need for a more robust advanced statistical analysis.

Among other variables, Altarawneh (2017) established that employee compensation has significant positive effect on organisational turnover (a measure of organisational performance). Hamid, Maheen, Cheem and Yaseen (2017) equally established that staff compensation has significant positive effect on the performance of organisations in Pakistan.

Summary of Gaps in Literature

There is consistent demand for the adoption of financially-backed dataset in investigating the relationship between employee compensation and organisational performance (Adagbabiri & Okolie, 2020; Akeel, Omar & Masrom, 2019; Hamid, Maheen, Cheem & Yaseen, 2017). There is also a clear demand for the proper investigation of the relationship between employee cost or employee compensation and organisational performance (Sabiu, Mei & Joarder, 2016; Al-Shafai, 2017; Adagbabiri & Okolie, 2020). These gaps are still existing; and the need to close it is the essence of this research.

Hypotheses Development

There is inadequate empirical study on the effect of employees' compensation on turnover despite calls by Ali, Sharhan and Alsaedi (2021), Adagbabiri and Okolie (2020), Oloruntuyi, Fajuyagbe and Alayo (2021), and Akeel, Omar and Masrom (2019) for such a quantitative study with real financial data. The theories covered by reviewed works are greater performance theory (Anwar & Abdullah, 2021), grounded theory (Khan & Garg, 2021), agency and stakeholder theory (Adagbabiri & Okolie, 2020), resourced based view/theory (Oloruntuyi, Fajuyagbe & Alayo, 2021; Pamela, Umoh & Worlu, 2017; Sabiu, Mei & Joarder, 2016), contingency theory, and ability, motivation and opportunity theory (Pamela, Umoh & Worlu, 2017). One missing theory in recently reviewed literature is economic theory. This theory is critically at the heart of organisational performance as it quantifies the benefits derivable from human resource costs via cost-benefit-analysis.

There is consistent demand for the adoption of financially-backed dataset in investigating the relationship between human resource management and organisational performance (Adagbabiri & Okolie, 2020; Akeel, Omar & Masrom, 2019; Hamid, Maheen, Cheem & Yaseen, 2017). There is also a clear demand for the proper investigation of the relationship between employee compensation on organisational performance (Sabiu, Mei & Joarder, 2016; Al-Shafai, 2017; Adagbabiri & Okolie, 2020). This gap is still existing; and the need to close it out cannot be downplayed. In the light of these, the following hypotheses are put forward for testing:

H1: Employee salary has significant positive effect on the turnover of Chevron Group of Companies.

H2: Employee pension has significant positive effect on the turnover of Chevron Group of Companies.

H3: Employee allowances has significant positive effect on the turnover of Chevron Group of Companies.

H4: Employee share incentive plan has significant positive effect on the turnover of Chevron Group of Companies.

H5: Employee savings incentive plan has significant positive effect on the turnover of Chevron Group of Companies

Methodology

Research design and Model

The descriptive research design was adopted for this study. Osei-Attakora (2022) asserts that descriptive research design is ideal in parametric studies which aim to test hypotheses by ensuring the collection, summation, presentation, and interpretation of data that are very important to a particular study. Parametric quantitative researches like this one is deductive in nature; and descriptive research design is a good fit for it in ensuring that the findings are in compliance with sound methodological statistical analyses (USCLibraries, 2018). The cardinal requirements for a parametric quantitative research are: meeting of data normality requirement; empirical studies involving cause-and-effect (such as this one); and statistical investigations involving test of associations or correlation (Osei-Attakora, 2021). Larson, Story, Eisenberg and Neumark-Sztainer (2016) summarized the critical features of descriptive research design thus: it answers research questions or tests research hypotheses using descriptive and inferential statistical analyses; and it involves different stages or research frameworks that must be adhered to in sequential order. According to Mugwang'a (2014) as cited by Tsekpo (2022), descriptive research design is a good fit for a parametric study for the following reasons: it ensures that the right and complete data are collected in order to objectively test research questions or hypotheses; it helps in the collection of the right data and cleaning them for the right statistical analyses in order to achieve the right interpretation; and it promotes the testing of research theories which helps management in making the best decisions to current or emerging societal and organisation challenges.

A single model was developed for this study based on the main hypothesis. This is because all the sub-hypotheses were tested simultaneously using univariate general linear model (an advanced form of ordinary least square multiple regression analysis). The use of multivariate general linear model to test the hypotheses is in sync with the suggestion that more advanced statistical analysis techniques should be used in testing the relationship between human resource management and organisational performance (see: Sabiu, Kura & Reni, 2018; Pamela, Umoh & Worlu, 2017).

Turnover: $\alpha + \beta salary + \beta pension + \beta allowance + \beta share + \beta saving + \beta capital + \beta Year$

Where:

Turnover	=	Total annual production in monetary terms
Salary	=	Total annual salary paid to employees
Pension	=	Total annual pension contribution to employment
Allowance	=	Total annual monetary allowance paid to employees
Share	=	Total annual share incentive plan to employees
Saving	=	Total annual savings incentive plan to employees
Capital	=	Total annual equity capital
Year	=	Yearly trend of events (a categorical control variable).
α	=	Intercept or Constant
β	=	Coefficients of each variable

Philosophy and approach

This study is guided by the parametric philosophy; and it adopts pure quantitative research paradigm (approach). Again, parametric research philosophy ensures that dependent variable data meet the normality assumption; and carries out cause-and-effect investigation involving correlation and regression analyses (Osei-Attakora, 2021). Pure quantitative research approach is equally ideal for this study for the following reasons advanced by Tsekpo (2022):

i.   It promotes sound and logical generalistion of research findings as it involves the use of large dataset from different years (this study makes us of ten years data from 2012 – 2021);

ii.   Quantitative research approach leads to high level accuracy and objectivity as figures are adjudged to do not lie. This leads to high confidence in the results of the study as reliability and validity are judged to be very sound;

iii.   Again, quantitative researches are easier to be replicated as they follow step-by-step procedures from start to end; and

iv.   It is equally important to add that quantitative researches are highly objective because they eliminate researchers' bias: data collection and analyses are scientifically carried out (most importantly, statistical software are used to analyse data);

USCLibraries (2018) posits that pure quantitative research approach has so much to do with deductive research; hence, there is much need for:

i.   The use of logic, figures, sound objective judgment; and testing of hypotheses;

ii.   The use of research instruments like checklist, survey questionnaire, and computer software among others;

iii. Data collection from large sample size for justifiable generalistion of findings;

iv.   Proper research planning along well established framework for easier replication of the study;

v.   Data which are in the form of figures, charts, tables (number and statistics) and not in text or word form; and

vi.   Finally, quantitative research paradigm requires the furtherance of research concepts and theories, and suggestions of areas for future studies.

Research Strategy

In line with the deductive-quantitative approach of this study, the revised version of the framework developed by Alzoubi (2019) was adopted; and it is in compliance with the position of Godfrey (2019): background of the study, review of recent related literature, justification for the conceptual and theoretical frameworks, development of research hypotheses, data collection and analysis using justifiable approaches, and interpretation and reporting of the findings.

Operationalisation of Research Variables

Table 1. Operational definition of variables

Variable		Measurement	Source
Independent	Salary	Total annual salary paid to employees	Sabiu, Kura & Reni (2018)
	Pension	Total annual pension contribution to employment	Sabiu, Kura & Reni (2018)
	Allowance	Total annual monetary allowance paid to employees	Sabiu, Kura & Reni (2018)
	Shares	Total annual share incentive plan to employees	Sabiu, Kura & Reni (2018)
	Savings	Total annual savings incentive plan to employees	Sabiu, Kura & Reni (2018)
Control	Capital	Total annual equity capital	Wahua & Ezeilo (2021)
	Time	Yearly trend of events	Tsekpo (2022)
Dependent	Turnover	Total annual production in monetary terms	Altarawneh (2017)

Table 1 (operational definition of variables) captures the key variables used in the study, how they were measured, and authors who have used them before. This study investigates the effect of employee compensation on the turnover of Chevron group of companies from 2012 to 2021 using cost-benefit model. It is a pure quantitative research based on parametric tests: which means that the dependent variables is drawn from a normal distribution (Wahua & Ahlijah, 2020). The independent variable of this study is employee compensation; and this is divided into five different types based on the reporting model adopted by Chevron Group of Companies: salary, pension, allowance, share incentive plan, and savings incentive plan (Chevron Group, 2021). Some of the recent studies that measured human resource management with employee compensation are: Anwar and Abdullah (2021), Khan and Garg (2021), Adagbabiri and Okolie (2020), Sabiu, Kura and Reni (2018), and Hamid, Maheen, Cheem and Yaseen (2017).

The dependent variable turnover; and some of the recent studies that used turnover as an indicator of organisational performance are: Anwar and Abdullah (2021), Altarawneh (2017), and Pamela, Umoh and Worlu (2017). The study also incorporated some control variables; and they are firm size (measured by total equity of Chevron Group of Companies), and time factor (a categorical factor that measures how change in time, mostly years, affect organisational activities or performance). Wahua and Ahlijah (2020), and Wahua, Tsekpo and Ayanele (2018) factored these control variables too.

Data collection procedure and techniques

The study made use of aggregate data extracted from annual reports of Chevron Group of Companies' website. This aligns with the suggestion that future studies on human resource management and organisational performance should make use of quantitative financial data (Ali, Sharhan & Alsaedi, 2021; Adagbabiri & Okolie, 2020; Oloruntuyi, Fajuyagbe & Alayo, 2021; Akeel, Omar & Masrom, 2019; Hamid, Maheen, Cheem & Yaseen, 2017). Secondary data collection technique was possible in this study because there are online versions of audited annual accounts of Chevron Group of Companies in the website of Chevron Incorporated. The data collected covered ten (10) years spanning from 2012 to 2021. All the annual reports for the period covered in this study were downloaded from the Group's website; and the figures were picked one-by-one and recorded in an already prepared checklist. The use of checklist as a research instrument is supported by Tsekpo (2022) and Osei-Attakora (2021).

Data analysis procedure and techniques

As a pure parametric-quantitative study, higher statistical analysis technique was adopted: the univariate general linear model (UGLM); and this was applied by Tsekpo (2022). The UGLM is an advanced level of multiple regression analysis. The critical value of the study is 5% and if the probability value (P-value) is greater than 0.05, there is no significance; if the p-value is lesser than 0.05, there is significance; and if the p-value is equal to 0.05, there is marginal significance (Wahua, Tsekpo & Nyamele, 2018).

Basic tests for the use of univariate general linear model was carried out: the Shapiro-Wilk test (see Appendix 1A) was carried out to establish that the dependent variables was drawn from a normal distribution (Tsekpo, 2022); and Wahua, Mkombo, Okai and

Acquah-Yalley (2022); Tsekpo and Wahua (2023) also adopted this approach. In line with the works of Wahua (2015; 2017; 2020), Pearson correlation was carried out to ensure that there no too much auto-collinearity among the variables: mostly the independent and control variables (see Appendix 1B).

Test of between-subjects effects (see Table 3) was carried out to ascertain if the model used in the study is a correct one or not; and since the F-statistic is significant at 0.05, the model was declared a good for the analyzing the data. Finally, the parameter estimates was carried out to test each of the sub-hypothesis using the critical factor of 0.05 as a baseline. These procedures and analyses are in agreement with those followed by Tsekpo (2022).

Data Analysis

Descriptive Statistics

Table 2: Results of descriptive analyses

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Salary (USD)	10	2,235,000,000	1,071,000,000	3,306,000,000	1,918,500,000	694,252,476
Pension (USD)	10	1,359,000,000	392,000,000	1,751,000,000	1,089,300,000	358,376,292
Allowances (USD)	10	170,000,000	189,000,000	359,000,000	284,900,000	68,176,976
Savings Plan (USD)	10	153,000,000	163,000,000	316,000,000	275,200,000	44,118,024
Incentive Plan (USD)	10	703,000,000	462,000,000	1,165,000,000	852,300,000	203,798,948
Turnover (USD)	10	135,898,000,000	94,692,000,000	230,590,000,000	158,862,900,000	45,591,446,058
Total Equity (USD)	10	23,340,000,000	131,688,000,000	155,028,000,000	145,658,300,000	7,880,354,096

Table 2 (results of descriptive analyses) captures the movements of the variables studied with a ten year period (2012 – 2021) for Chevron Group of companies. Based on the economic theoretical framework guiding this study, emphasis is placed on standard deviation (risk indicator) and mean (benefit). Clearly, the benefits derived from all the variables outweighed their risk elements (mean is greater than standard deviation across board). So, it is apt to add that economic theory of employee compensation.

Test of Model

Turnover: $\alpha + \beta salary + \beta pension + \beta allowance + \beta share + \beta saving + \beta capital + \beta Year$

Table 3. Abridged Tests of between-subjects effects

Source	Dependent Variable	R^2	Adjusted R^2	F. statistic	Sig.
Corrected Model	Turnover	0.992	0.963	3309.847	0.001
f. Computed using alpha = .05					

Table 3 (abridged tests of between-subjects effects) shows that the model used in this research is a good fit for the analyses carried out as the F-statistic is significant at alpha level of 0.05 (Wahua & Ezeilo, 2021). Also, the model accounted for 99% and 96% of the variations that occurred in turnover when risk factor is not considered and when it is considered respectively (Wahua et al, 2023).

Test of Hypotheses

The five hypotheses developed for this study were tested simultaneously using univariate general linear model; which is an advanced form of ordinary least square multiple regression.

H1: Employee salary has significant positive effect on the turnover of Chevron Group of Companies.

H2: Employee pension has significant positive effect on the turnover of Chevron Group of Companies.

H3: Employee allowances has significant positive effect on the turnover of Chevron Group of Companies.

H4: Employee share incentive plan has significant positive effect on the turnover of Chevron Group of Companies.

H5: Employee savings incentive plan has significant positive effect on the turnover of Chevron Group of Companies

Table 4 (parameter estimates) captures the results of the five hypothetical tests. The results indicate that:

i. Employee salary had 33.7% non-significant negative effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021). Therefore, Hypothesis 1 is hereby rejected.

ii. Employee pension payments had 99.9% significant positive effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021). Hypothesis 2 is hereby accepted.

iii. Employee allowances had 99.7% significant negative effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021). Hypothesis 3 is therefore rejected.

iv.   Employee share incentive bonus had 98.7% significant negative effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021). Hypothesis 4 is therefore rejected.

v.   Employee savings bonus had 99.9% significant negative effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021). Hypothesis 5 is hereby rejected.

vi.   The size of Chevron Group of Companies (measured by total equity) has 99.6% significant positive effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021);

vii.   Yearly factor due to passage of time has 99.9% significant positive effect on turnover of Chevron Group of Companies within the period studied (2012 – 2021); and

viii.   When all the variables are held constant, Chevron Group of Companies would suffer a decrease in turnover by USD 201,811,130,180 (equivalent to 98.9%); and the chances of this happening is very significant.

Table 4. Parameter estimates

Dependent Variable	Factors	B (USD)	t	Sig.	Partial Eta Squared
Turnover	Intercept	- 201,811,130,180.50	-13.243	0.006	0.989
	Salary	-0.927	-1.007	0.420	0.337
	Pension	160.811	41.307	0.001	0.999
	Allowances	-754.516	-25.690	0.002	0.997
	Incentive Plan	-80.633	-12.141	0.007	0.987
	Savings Plan	-864.126	-42.159	0.001	0.999
	Total Equity	3.654	23.353	0.002	0.996
	Year Factor	32,098,989,518.20	39.649	0.001	0.999

Summary, Conclusion and Recommendations

Discussion of the Major Findings

The hypothetical results of this study are mixed: employee salary has non-significant negative effect on turnover; employee pension scheme has significant positive effect on turnover while employee allowance, employee share bonus, and employee savings scheme have significant negative effects on turnover. In statistical terms, employee pension scheme is a strong morale booster for employee productivity and overall turnover of Chevron Group of Companies. In technical terms, this study agrees with Khan and Garg (2021), Oloruntuyi, Fajuyagbe and Alayo (2021), Adagbabiri and Okolie (2020), Sabiu, Kura and Reni (2018), Altarawneh (2017), and Hamid, Maheen, Cheem and

Yaseen (2017) in terms of employee pension scheme (which has significant positive effect on turnover). Conversely, this study disagrees with Khan and Garg (2021), Oloruntuyi, Fajuyagbe and Alayo (2021), Adagbabiri and Okolie (2020), Sabiu, Kura and Reni (2018), Altarawneh (2017), and Hamid, Maheen, Cheem and Yaseen (2017) in terms of employee salary (which has non-significant negative effect on turnover), employee allowance, employee share bonus, and employee savings (which has significant negative effect on turnover). In concluding this section, this study mostly aligns with Anwar and Abdullah (2021) which established that employee compensation has not significant positive effect on performance of firms.

Significance of the Findings

Theoretically, the economic theory is very relevant in this study: salary expense has negative/decreasing effect on turnover even though it is not significant; employee pension expense has significant positive/increasing effect on turnover while employee allowances, employee share bonus scheme, and employee savings scheme have significant negative/decreasing effect on turnover. Chevron Group of Companies increased its turnover mostly via employee pension scheme. Practically, the turnover of Chevron Group of Companies would decreases to the tone of USD 201,811,130,180 (equivalent of 98.9% decrease) if all employee compensation schemes are held constant (equal zero). So, it makes great practical sense for the Group to continue carrying along with all the elements of employee compensation schemes. Policy wise, Chevron Group should focus more on employee pension schemes as it is the only single compensation schemes with significant positive effect on its turnover within the period under review.

Conclusion

The effect of employee compensation on turnover of is mixed: non-significant negative effect (salary), significant positive effect (pension scheme); and significant negative effect (allowances, share bonus, and savings scheme). These positions succinctly align with other studies. The importance of employee compensation to Chevron Group of Companies is statistically pronounced when its omission would result to 98.9% decrease in turnover. Another salient finding of this study is that employee pension scheme is one singular compensation scheme that increases Chevron Group's turnover by 99.9%. This indicates that employees of Chevron Group has their eyes on the period when they would be out of job due primarily to retirement. The findings of this study are very sound in terms of theoretical underpin (economic theory), policy formulation, and operational practicability.

Summary

Dearth of quantification on the nexus between employee compensation and turnover gave rise to this empirical investigation into the effects of employee salary, employee pension scheme, employee allowance, employee share bonus, and employee savings scheme on turnover of Chevron Group of Companies using audited secondary data from annual reports for 2012 to 2021. Anchored on economic theory, the five hypotheses developed for the study were tested simultaneously based on a univariate general linear model with the aid of statistical package for social sciences. The cardinal findings of this

study (which carried out descriptive and inferential statistical analyses) show that the effect of employee compensation on turnover of Chevron Group within the studied period is mixed in line with reviewed literature. Salary of employees has non-significant negative effect on turnover; employee pension scheme has significant positive effect on turnover while employee allowances, share bonus, and savings scheme have significant negative effects on turnover. The findings of the study have salient significance in terms of theory, practice, and policy.

Recommendations

In view of the hypothetical findings of this study, the following salient recommendations are put forward:

i.   The management of Chevron Group of Companies should develop an employee compensation package that would help the companies to optimize their employee' productivity and the Group's overall turnover.

ii.   Employee pension scheme of the Group should be given continuous positive attention as its capacity to increase the turnover of the companies is both robust and significant.

iii. Chevron Group of companies should continue to increase its total equity via profit plough-back as it has a robust and significant positive effect on turnover of the Group.

iv.   Finally, the Group should be time conscious of its operations as change in year due to passage of time has significant positive effect on the turnover of the Group.

Limitations and Further Study

This study lacks comparative findings for better generalisation. Therefore, there is need for further study to incorporate other multinational oil and gas companies like Shell Group, TotalFinaelf Group, Agip Group, etcetera. There is equally need for the introduction of a moderating variable like size (measure by total assets, total equity, etcetera) in future research. Again, the impact of firm age is missing in this study. This should be introduced as a control variable in future research.

Research Ethics and Conflict of Interest

Sound ethical standard was applied in this study; and the authors can guarantee of no conflict of interest whatsoever. There was not data nor results manipulation; and the raw data used in the study are hereby attached for any replication of the data analyses carried out here.

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Appendix 1A

Normality Test Results

	Kolmogorov-Smirnov[a]			**Shapiro-Wilk**		
	Statistic	df	Sig.	Statistic	df	Sig.
Profitability	0.152	10	.200[*]	0.970	10	0.894
Turnover	0.169	10	.200[*]	0.948	10	0.645
Productivity	0.205	10	.200[*]	0.893	10	0.181
Total Assets	0.223	10	0.171	0.898	10	0.207
Total Equity	0.127	10	.200[*]	0.943	10	0.582
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

Appendix 1B

Pearson Correlations Results

		Salary	Pension	Allowances	Savings Plan	Incentive Plan	Total Equity	Turnover
Salary	Pearson Corr.	1	0.419	-.633[*]	-0.003	0.089	-0.302	-.563[*]
	Sig. (1-tailed)		0.114	0.025	0.496	0.404	0.199	0.045
Pension	Pearson Corr.		1	-.586[*]	0.393	0.212	-.638[*]	-0.013
	Sig. (1-tailed)			0.038	0.131	0.279	0.024	0.486
Allowances	Pearson Corr.			1	-0.090	-0.184	0.374	0.493
	Sig. (1-tailed)				0.402	0.306	0.144	0.074
Savings Plan	Pearson Corr.				1	-0.330	-0.209	-0.288
	Sig. (1-tailed)					0.176	0.281	0.210
Incentive Plan	Pearson Corr.					1	0.343	.569[*]
	Sig. (1-tailed)						0.166	0.043
Total Equity	Pearson Corr.						1	0.179
	Sig. (1-tailed)							0.310
Turnover	Pearson Corr.							1
*. Correlation is significant at the 0.05 level (1-tailed).								

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