



Human Resources Compensation and Employee Retention in Local Government in Uganda case of Kabale District

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ABSTRACT

This study examined the effect of human resource compensation on employee retention in Local Governments in Uganda case of Kabale District. The objective of the study was to determine the effect of human resources compensation on employee retention in local government in Uganda case of Kabale District. A case study research design was used considering utilizing both quantitative and qualitative approaches. The study targeted 134 participants but 119 managed to respond back and these included 117 who filled the questionnaire and 02 who were interviewed. The study findings revealed that there was a positive and significant relationship between compensation and employee retention at ($r = .430^{**}$, $P=0.00 <0.01$) and compensation and benefits positively and significantly predicted employee retention at KDLG at ($\text{Beta} = .567$, $p=.000 <0.05$). The study recommended that it's crucial for KDLG to reevaluate their retention strategies, focusing on enhancing job satisfaction, professional development opportunities, and overall workplace conditions to mitigate turnover and ensure the retention of valuable talent. There is need for providing competitive salaries, ensuring all employees are on payroll, offering comprehensive workplace allowances and recognition programs, and equitably distributing work benefits across employees at all levels.

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1. INTRODUCTION

In Uganda, the Government through formal structures, recruits, train, provides for career development, and ensures appropriate compensation and benefits (Mathushan, &Kengatharan, 2022). For the last 36 years, Kabale District Local Government, had been routine recruitments, trainings, and human resources practices. Relatedly, several employees have switched jobs, stations and not many have been retained. As of 2020, the staff establishments for most local governments were still below 67%, while demand for public services was high (Julius,2021). Studies indicate that public servants continue to leave for private sector, before retirement age in local governments, and employee retention is rather low. Factors associated with fluctuations in labour retention in local governments vary from context, personality, include dissatisfaction at work place, low pay and limited career growth. Low employee retention fluctuations have become perennial attracting relative research paucity in Kabale district.

Kabale District Local Government (KDLG) is the administrative centre of Kabale District in South Western Uganda. Kabale is the largest town in Kigezi region (Acode, 2018). Over 36years, KDLG has been at the helm of steering services in Kabale district, utilizing available human resources. The quest for and upholding them on their duty station for long has been a priority for all administrators. Administrators at KDLG have prioritized efforts to keep employees motivated right from recruitment. Human resources practices are unavoidable ways of responding to human resource requirements in the entity. However, there remain persistent fluctuations in employees' retention in the last five years (2016-2021) in spite of its HR policy reforms, worsened by COVID19 (Pross, 2022).

Evidence shows that in the Kabale District has been prone to employee retention challenges. By 2016, only one-quarter of its staff from earlier years were still in service (Kabale District Local Government, KDLG, Annual report, 2016). Of the 89 members of management and staff at KDLG by 2016, only 84% were still in service by 2017. This further reduced to 68 at the end of 2018. A slight increase was later revealed, after series of human resources recruitments by December 2019 (KDLG Annual reports raw data, 2019). Recently, employees have further reduced by 17% from January, 2020 to December 2021, mostly joining private sector and other institutions in the district (KDLG Annual report, 2021). Consequently, understanding the effect of human resource practices (recruitment, selection, training, development, compensation and benefits) on employee retention becomes vital, since these are most undertaken HRM practices at the district. It was on this background that this study focused on assessing HRPs, and their effect on employee retention at KDLG in Kabale District, South western Uganda.

The tenure an employee stays at the organisation is not only useful for his productivity but also effectiveness (Atwakiire, 2014). Thus, organisations including local governments focus on retaining employees to attain this effectiveness. To retain its staff, Kabale District Local Government prioritizes human resources needs, right from recruitment, during service, training, career development, remuneration, welfare and work benefits, among others (KDLG Human Resource Manual, 2015). It is envisioned that when an organisation puts in place appropriate human resources practices, employee retention improves.

However, employee retention at Kabale District Local Government has remained low in the last five years (2016-2021). KDLG Annual reports show there has been a decline of nearly 25.1% in its staffing since 2016 to 2022. Out of the 89 members of management and staff at KDLG by 2016, only 84% (75) were still in service by 2017, which reduced to 68 by 2018. Despite recruitments in 2018, only 73% of staff was still in service by December 2019 (KDLG Annual reports raw data, 2019). Recent HRM reports of 2020 and 2021 further reveal that employees have further reduced by 17% from January, 2020 to December 2021. The number of employee retention has reduced at KDLG, exposing these resources to the private sector, and other institutions in the district (KDLG Annual report, 2021). A study by Kabugho (2018) showed that employees keep at the organisation, when they are well cared for in terms of training and career support. Relatedly, Luther (2020) added that appropriate compensation and work benefits are vital, while Nassazi (2013) mentioned the necessity of providing work stability basing on its recruitment processes as core for practices in managing employees. This shows that HRM practices may have an influence on employees' tenure in a firm. However, these studies do not give coverage of employees at Kabale District Local Government. More so, no current information prevails to explain fluctuations in employee retention at KDLG, regardless of the district' human resources practices. Persistent lack of this up-to-date information exposes KDLG to loss of quality, skilled and trained employees, affecting the quality of service delivery and wastage of public resources in long run. Therefore, the researcher was desirous of conducting a study in order to assess Human resource practices on employee retention in local governments with reference to Kabale District Local Government. The main purpose of the study was to assess the effect of human resource compensation on employee retention in Local Governments in Uganda a case of Kabale District

2. LITERATURE REVIEW

Employee compensation, rewards and benefits have been part of an extensive research scope in human resources (Julius, 2021). Organizations must work towards providing prompt HR compensation and benefits, where monthly or as daily wages to keep employees' motivated and part of the entity. As expressed by (Pross,2022), employees will always have a bond, and prefer to be retained in firms, where their compensation, salaries, wages, bonuses, allowances, and other tangible and token benefits are prioritized. Earlier, Nassazi (2013), had concluded that HR compensation and benefits are part of key aspects that drive innovation inertia among employees. It's important to note that, HR compensation and benefits form an integral component of HR practices, and vary in context and practice of a given entity.

A study by Beijer, *et al* (2021), among other recommendations, revealed that organizations should be keen on how much, and how often do they pay employees; while Redman and Wilkinson (2019) recounted that unless employees are comfortable with workplace compensation and benefits, they may hardly render as expected, and often are hard to retain. These perspectives however, may vary from public and private sectors, due to employment terms and pay structures. What is central could, be that regardless of the sector, HR compensation and benefits, tend to influence workforce. In this study, we delimit this influence to effect of HR compensation (salaries, wages), and other benefits to employee retention in the local governments.

The purpose and value of recruiting an employee is implied in how much, and for how long s/he contributes to the overall goal of the enterprise. In most cases, a lime –long achieved return, and as expressed by Khan *et al* (2018), entities focus on having their employees serve a long tenure than expected. Employee's tenure at an organization is described as their scope of employee retention (Redman &Wilkinson, 2019). Scholarly evidence shows that the longer the retention, the higher the productivity levels, coupled with competence, skills, and on job-training benefits (Mathushan &Kengatharan, 2022). Whereas, these studies concur that organisations should focus on retaining most of their employees for short and long term tenures, this often varies in context. For instance, Badre (2020) reveals that not all gender of employees may be retained over a given period of time.

Labor to be specific, accumulates several rewards in form of compensation and work benefits, defined by an employer and agreed upon by both the employer and employees (Beijer *et al.*, 2021). In their study, 'The turn to employees in the measurement of human resource practice', Beijer and colleagues conclude that the employees are driven by their compensation and benefits, than other factors (Beijer *et al.*, 2021). Implicitly, Beijer *et al.* (2021), reveal that proper focus on HR compensation and benefits, whether in form of salaries, wages, allowances, or any other tokens, makes employees to give their best to the organisation in return. Employees; tend to dedicate and enrich their efforts for the organisational success with any efforts linked to their compensation and benefits (Beijer *et al.*, 2021). Relatedly, Almarashda and Sarpin (2020), concluded that often there is a positive strong link between what employees receive as rewards and compensations with their labour productivity. Indeed, these scholars (Almarashda&Sarpin, 2020), show that HR managers should be keen in deciding on human resources compensations and benefits, since these have overt and covert influence on behaviour of employees, especially in terms of their willingness to continue working with the organisation, However, these perspectives may not be universally adopted, and could vary in contexts and organizations.

In another perspective Bibi, Ahmad and Majid (2018), revealed that employees may be influenced by their trainings to keep at a firm, well aware that more training exposes them to better pay. When firm, is not able to offer such training opportunities, a section of employees may leave. On the other hand, Boselie, Van Harten and Veld (2021), recounted that in the public sector, station transfer, and re-allocation from one organisation to another, are part of HRM reviews, and may not permit employee retention possibilities. Therefore, employee retention is a function of many factors, and in this section, researcher explores Human resource compensation and benefits practices on employee retention. The literature from Bibi *et al* (2018), and later Boselie *et al* (2021), is closely linked to earlier opinions of Kumudha and Harsha (2016), in regards to the value vested in having right HR practices for employee

retention. However, they do not give a Ugandan context. As a result, this study delimits its scope to Ugandan context, while benchmarking these earlier studies.

Further literature shows that tides continue to be high among employees, who are less satisfied with their compensation and rewards as compared to other factors. A highly compensated and rewarded employee with both basic, and fringe benefits is much more likely to develop positive attachment to the work, than the contrary (Asiimwe, 2021; Suryanarayana, & Lamichane, 2019). The stride is getting high and more pronounced in public sector, as the private sector offers better compensation packages for their workforce (Quadros & Misango, 2017). Nonetheless, Fahim (2018) notes that several employees may not mind the difference in compensation, but are focused on the stability, flow and job security related with the pay offered in public sector. It should, however, be noted that whatever perspective is considered, employee compensation has a bearing on their output, in relation to training and skills exhibited (Kateeba, 2015). Therefore, this study sought to explore the effect of Human resource compensation and benefits practices on employee retention, with specific reference to activities of KDLG in Kabale District in southwestern Uganda.

3. MATERIALS AND METHODS

3.1 Research Design

The study utilized a case study design. A case study design collects in-depth information about a study problem by interacting with participants in a real-life context, to generalize for a wider scope of related area. Choice of the case study design was appropriate because it also provides an in-depth review, holistic meaning, and exploration of phenomena (Turyasingura & Moses, 2023). The researcher used both qualitative and quantitative approaches in this study. Quantitative approach considered numerical data while qualitative approach is preferred to gather opinions (Agaba & Turyasingura, 2022). The design was considered relevant for exploring the relationship between human resource practices and employee retention at Kabale District Local Urban government.

3.2. Population and sample

The study drew its population from Kabale District Local Government employees in Kabale District. By end of 2022, Kabale District Local Government had a total of 202 employees, distributed in various departments (KDLG Annual report, 2022). The study drew inferences from management (top, middle and low levels), as well as other staff for each of the departments. Overall, the population was distributed per department as in Table 1.

The study sample constituted 134 study respondents derived from the overall population of employees at KDLG, Kabale District. This was realized on basis of Krejcie and Morgan's sample table of determining the sample from a given population (Orikyiriza, Moses & Alex, 2022). The selected sample was distributed among employees as in Table 2.

Table 1: Population and Sample size Determination

Department	Population	Sample size	Sampling technique
Top Management at KDLG	02	02	Purposive sampling
General Administration	22	15	Simple random
Finance & Audit	19	12	Simple random
Human Resource	20	13	Simple random
Community Development	15	10	Simple random
Support Staff	29	19	Simple random
Health	50	33	Simple random
Education	45	30	Simple random
Total	202	134	

Source: Researcher, based on Krejcie & Morgan (1970; KDLG Human Resource departmental report, 2022)

3.3. Data Quality Control

3.3.1. Validity

The validity, according to Turyasingura *et.al*, (2022), is defined as how well a test measures what it is intended to assess. Face and content validities were evaluated on the data gathering tools. To obtain face validity, the questionnaire was subjected to supervisors' review. The supervisors gave the expert view of the tools, through comments on items in the questionnaire and interview guide. On basis of the supervisors' comments, the researcher reviewed tools, adjusting, rephrasing and deleting items that were irrelevant. However, expert judgment is a key critical assessment in research (Agaba & Christine, 2023). Tools refined from face validity were subjected to content validity test. To measure content, two experts a level of supervisors reviewed the items in the questionnaire and ranked them as relevant (R) or irrelevant (IR), on basing of their understanding of the fact in questions. From the expert view, a Content Validity Index (CVI) was computed using the following formula: $CVI = \frac{R}{(R+IR)}$. The tools were considered valid because constructs attained CVIs of above 0.7 as recommended (Agaba & Mugarura, 2023).

Table 2: Validity Test of tools

Construct	Total Items	Relevant Items	Irrelevant Items	CVI
Recruitment and Selection	12	09	03	0.75
Development and Training	12	11	01	0.92
Compensation and Benefits	12	10	02	0.83
Employee Retention	12	11	01	0.92

However, necessary adjustments were made to improve the validity of the items that were ranked Irrelevant (IR), to allow them be part of the inquiry.

3.3.2. Reliability

Reliability is the extent to which an instrument generates consistent results over time (Creswell, 2018). The researcher pre-tested the instrument on 15 employees under KDLG and the results of the pre-test analyzed using SPSS Ver. 23. From reliability test, Cronbach alpha values was obtained from the SPSS, and considered to interpret the reliability of the tools. The tools were reliable because the alpha values of the test statements/constructs were above 0.7 as recommended (Mugenda & Mugenda, 2013).

Table 3: Reliability test of tools

Construct	Item tested	Alpha values
Recruitment and Selection	12	.898
Development and Training	12	.838
Compensation and Benefits	12	.823
Employee Retention	12	.741

4. RESULTS

4.1. Response Rate

According to the study, it was revealed that out of the 134 participants targeted, 119 (88.8%) responded, while only 17 (11.2%) did not. This surpasses the 70% response rate recommended by Agaba & Kalu (2019), signifying the study's response rate as satisfactory.

4.2. Findings on the background information of the respondents

The researcher gathered demographic data from participants to explore factors such as gender, age, educational background, and tenure working with KDLG. The findings are presented through frequency distributions and percentages as showcased in the tables provided below

Table 4: Background information

Category	Frequency	Percent
Gender of respondents		
Male	66	56.4
Female	51	43.6
Total	117	100
Age bracket of respondents		
18-29 years	14	12
30-39 years	58	49.6
40-49 years	39	33.3
50-59 years	6	5.1
Total	117	100
Highest education level attained by the respondents		
Certificate	17	14.5
Diploma	31	16.5
Bachelor's Degree	62	53
Post Graduate Diploma	01	0.9
Master's Degree	07	5.1
Total	117	100

Based on the data provided in Table 4, it emerged that 56.4% of respondents were male, with 43.6% were female. This indicates a slight prevalence of male representation in the study. Nevertheless, the inclusion of 43.6% female respondents was considered sufficient for ensuring a balanced gender perspective. Consequently, the findings reflected a thorough acknowledgment of both male and female viewpoints within the study. It's crucial to highlight that the research aimed for objectivity, hence gender disparities did not impact the validity or precision of the findings.

According to the data presented in Table 4, 61.6% of respondents were under the age of 40, with 38.4% aged 40 and above. This suggests that the majority of participants were in their younger years. Consequently, it indicates that a significant portion of KDLG's workforce is youthful, imbued with energy and flexibility, enabling them to adeptly handle the demanding tasks and operations of the organization.

From the data provided in Table 4, it is noted that 14.5% of respondents had certificates, 26.5% possessed diplomas, 53.0% had attained bachelor's degrees, 0.9% had obtained postgraduate diplomas, and 5.1% had achieved master's degrees. This data highlights that all participants had received formal education. Their educational attainment facilitated their ability to understand and respond to the study's inquiries accurately, ensuring the reliability of the collected information.

4.3. Descriptive Statistics

Responses on human resources compensation and benefits

The third study objectives examined the effect of human resources compensation and benefits on employee retention at KDLG. Like objective one and two, all respondents were instructed to rank their responses and frequencies, percentages, means, and standard deviations were used to interpret the results.

Table 5: Responses on human resources compensation and benefits at KDLG

Statement	Strongly Disagree		Disagree		Agree		Strongly Agree		Mean	S.D
	F	%	F	%	F	%	F	%		
	Salaries provided to me/staff in my category is adequate	60	51.3	39	33.3	09	7.7	09		

Our salaries are received on accounts in time	12	10.3	31	26.5	38	32.5	36	30.8	2.84	.982
All staff of KDLG are on payroll, which makes them work better	26	22.2	37	31.6	32	27.4	22	18.8	2.43	1.037
KDLG provided workplace allowances at a motivation to staff	17	14.5	53	45.3	33	28.2	14	12.0	2.38	.878
Staff/Employees of KDLG have predefined allowances on their pays	17	14.5	45	38.5	41	35.0	14	12.0	2.44	.885
High performing employees are given tokens of appreciation	32	27.4	52	44.4	23	19.7	10	8.5	2.09	.900
I have had a salary increment in the last one year	14	12.0	52	44.4	31	26.5	20	17.1	2.49	.916
I support, the government's action of providing differences in salaries structure for arts and sciences	50	42.7	27	23.1	21	17.9	19	16.2	2.08	1.123
I get my payment not later than 28 th day of every month	13	11.1	48	41.0	27	23.1	29	24.8	2.62	.981
Timely compensation motivates me to work hard	37	31.6	27	23.1	18	15.4	35	29.9	2.62	1.006
Work benefits are evenly distributed for all levels of employees	35	29.9	48	41.0	25	21.4	09	7.7	2.07	.907
I am happy with the current salary and allowances I get on my position	42	35.9	51	43.6	10	8.5	14	12.0	1.97	.964

Source: Field data, 2023

According to table 5 above, majority 84.6% of the respondents disagreed with the statement that salaries provided to staff in their category was adequate as opposed to only 15.4% who agreed with the statement. With little variance in responses (Std. Dev = .908), the results were supported by a relatively low mean value of (Mean = 1.72). This meant that majority of the staff members were not receiving adequate salaries in their employment category.

Then, when it came to employee salaries being received on accounts in time, majority 63.3% of the respondents agreed with it against only 36.7% who disagreed with the statement. With little response variance (Std. Dev = .982), the study findings were supported by high mean value (Mean = 2.84). This meant that employees at KDLG were receiving salaries on accounts in time.

From Table 5 above, it was revealed 53.8% of the respondents disagreed with the statement all staff of KDLG were on payroll, which made them work better against 44.2% who agreed with it. With much variance in responses (Std. Dev = 1.037), a low mean value (Mean = 2.43) was registered. This showed that there was some staff members at KDLG were not on payroll hence making some employees not performing to their best.

On whether KDLG provided workplace allowances at a motivation to staff, majority, 59.8% of the respondents disagreed with it while only 40.2% were in agreement with the statement. With little variance in responses (Std. Dev = .878), the findings were supported by a relatively low mean value of (Mean = 2.38). This implied that some employees at KDLG were not provided with workplace allowance hence lowering their levels of motivation.

Furthermore, results in Table 5 showed that majority 53.0% of the respondents disagreed with the statement that staff/employees of KDLG had predefined allowances on their pays as compared to 47.0% who opposed the statement. With little variance in responses (Std. Dev = .885), the results were supported by a relatively low mean value of (Mean = 2.44). This meant that not all employees at KDLG had predefined allowances on their pays.

On whether high performing employees are given tokens of appreciation, majority 71.8% of the respondents disagreed with the statement as compared only 28.2% who agreed with the statement. With little variance in the responses (Std. Dev = .900), the findings were supported by a low mean value of (Mean = 2.09). This meant that largely high performing employees at KDLG were not mandated to tokens of appreciation.

Results in Table 5 above showed, that 66.4% of the respondents disagreed with the statement that employees have had a salary increment in the last one year against only 33.6% who agreed with the

statement. With little variance in the responses (Std. Dev =.916), the findings were supported by a relatively low mean value of (Mean = 2.49). This implied that most of the employees at KDLG had not had any salary increment in the last one year.

Furthermore, results in Table 5 showed that majority, 65.8% disagreed with the statement that they supported the government's action of providing differences in salaries structure for arts and sciences against only 34.2% who agreed with the statement. Besides showing much variance in the responses (Std. Dev = 1.123), the findings were supported by a low mean value of (Mean = 2.08). This showed that majority of the employees were not supporting the government's action of providing differences in salaries structure for arts and sciences. This meant that they want similar salary structure.

Still from Table 5 above, majority 52.1% of the respondents disagreed with the statement that support members got their payment not later than 28th day of every month as compared to 47.9% who agreed with the statement. With little response variability (Std, Dev = .981), the findings were supported by a moderate mean value (Mean = 2.62). However, these findings implied that it was not compulsory that the employees had to receive their salaries not later than 28th day of every month.

Furthermore, results in Table 5 showed that majority 53.7% of the respondents disagreed with the statement that timely compensation motivates employees to work hard as compared to only 46.3% who agreed with the statement. Besides much variance in responses (Std. Dev = 1.006), the results were supported by a relatively moderate mean value of (Mean = 2.62). This meant that timely compensation was not a sole motivator of employees at KDLG to work hard.

On whether work benefits were evenly distributed for all levels of employees, majority 70.9% of the respondents disagreed with the statement as compared only 29.1% who agreed with the statement. With little variance in the responses (Std. Dev =.907), the findings were supported by a low mean value of (Mean = 2.07). This meant that the work benefits were not evenly distributed for all levels of employees at KDLG. This meant some employees were getting more benefits than others.

Lastly, from Tables 5 above, majority, 79.5% of the respondents disagreed with the statement that employees were happy with the current salary and allowances they get on their position as compared to 20.5% who agreed with the statement. With little variance in responses (Std. Dev =.964), the results were supported by a low mean value (Mean = 1.97). This meant that majority of the employees were not happy with the current salary and allowances they were getting in their positions. This implied that majority wanted salary and allowance increment.

Table 6: The relationship between compensation and benefits and employee retention of KDLG

		Compensation and Benefits	Employee Retention
Compensation and Benefits	Pearson Correlation	1	.430**
	Sig. (2-tailed)		.000
	N	117	117
Employee Retention	Pearson Correlation	.430**	1
	Sig. (2-tailed)	.000	
	N	117	117

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

Source: Field data, 2023

Results from **Table 6**; revealed that there was a positive and significant relationship between compensation and benefits and employee retention at ($r = .430^{**}$, $P=0.00 <0.01$). Therefore, as the compensation and benefits increases, there is a corresponding tendency for an increase in employee retention at KDLG.

Table 7: Regression analysis

Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta (β)		
(Constant)	1.751	.303		5.783	.000
Compensation and Benefits	.579	.114	.567	5.064	.000

For compensation and benefits, it positively and significantly predicted employee retention at KDLG at (Beta = **.567**, $p = .000 < 0.05$). This implied that a unit increase compensation and benefits leads to .567 increase in employee retention at KDLG, and a unit decrease in compensation and benefits leads to .567 decrease in employee retention at KDLG. Therefore, the study **Rejected** the study Hypothesis: *Human resources compensation has no significant effect on employee retention at Kabale District Local Government*

5. DISCUSSION

The study revealed that there was a positive and significant relationship between compensation and benefits and employee retention and the regression analysis also revealed that compensation and benefits positively and significantly predicted employee retention. There was poor compensation to employees hence poor employee retention. Furthermore, this was justified by the tangible evidence that inadequate salaries, irregular payroll status for some employees, lack of workplace allowances, absence of recognition for high performers, and unequal distribution of work benefits contribute to low retention levels. These findings aligned with previous research findings of Beijer *et al.* (2021) who emphasized the importance of proper compensation and benefits in motivating employees to give their best to the organization. They argue that employees are primarily driven by their compensation and benefits, and a focus on these aspects leads to higher dedication and effort towards organizational success. Similarly, Almarashda and Sarpin (2020) highlight the strong link between rewards, compensation, and labor productivity, suggesting that HR managers should carefully consider these factors to influence employee behavior and foster retention.

However, other perspectives such as those presented by Bibi, Ahmad, and Majid (2018) and Boselie, Van Harten, and Veld (2021) suggest that employee retention is influenced by various factors beyond compensation and benefits. Bibi *et al.* (2018) indicate that training opportunities may also play a crucial role in employee retention, with employees leaving firms that do not offer adequate training for better opportunities elsewhere. Boselie *et al.* (2021) note that in the public sector, factors such as station transfers and re-allocations may limit employee retention possibilities, highlighting the multifaceted nature of the issue.

Furthermore, previous suggests that employee satisfaction with compensation and rewards significantly impacts their attachment to work. Asiiimwe (2021) and Suryanarayana and Lamichane (2019) emphasized the importance of well-compensated employees being more likely to develop positive attachments to their work. However, disparities between compensation packages in the public and private sectors, as noted by Quadros and Misango (2017) contribute to higher turnover rates in the public sector. Nevertheless, Fahim (2018) argues that some employees prioritize stability and job security offered by the public sector over higher compensation in the private sector.

6. CONCLUSION AND RECOMMENDATION**6.1: CONCLUSION**

It was also concluded that compensation and benefits play a pivotal role in influencing employee retention rates. There was poor compensation to employee's hence poor employee retention. This was justified by the tangible evidence that inadequate salaries, irregular payroll status for some employees, lack of workplace allowances, absence of recognition for high performers, and unequal distribution of work benefits contribute to low retention levels. Failure to rectify these disparities had continued to hinder KDLG's ability to attract and retain top talent, ultimately compromising its operational efficiency and effectiveness.

6.2. RECOMMENDATION

The study recommends need to improve employee retention at KDLG, need for providing competitive salaries, ensuring all employees are on payroll, offering comprehensive workplace allowances and recognition programs, and equitably distributing work benefits across employees at all levels in Kabale District Local Government.

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