The role of compensation in shaping employee's behaviour: a mediation study through job satisfaction during the Covid-19 pandemic

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Abstract

Purpose – This research aimed to study the impact of compensation on employee retention and turnover intentions among healthcare employees. The study also tested the mediation role of job satisfaction in the relationship.

Design/methodology/approach – In the present study, self-administrated questionnaires were distributed among 600 doctors working in public hospitals of Pakistan, following stratified sampling. The data analysis was conducted through SPSS and smart-PLS.

Findings – Results of the present study supported all the hypotheses (H1–H7), such as the significant relationship of compensation with employee retention and turnover intentions. Results further confirmed the mediation effect of job satisfaction between compensation and employee retention as well as compensation and turnover intentions.

Practical implications – This study is useful for policymakers and organizational managers since the study provides guidelines on employee retention and high turnover intentions and how these factors are influenced by improved compensation.

Originality/value – This study sheds light on the relationship of compensation together with employee retention and turnover intentions through the mediating role of job satisfaction in healthcare context, which was overlooked in the existing literature.

Keywords Compensation, Job satisfaction, Employee retention, Turnover intention, TRA, Healthcare in Pakistan

Paper type Research paper

1. Introduction

High turnover is a challenging issue faced by the healthcare organizations throughout the world (Aman-Ullah, Aziz, & Ibrahim, 2020). However, its impact is seen high in developing countries

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like Pakistan. Pakistan has the 7th largest population in the world, with a birth rate of 2.83% and an additional burden of 1.4 million Afghan refugees; thus, the current rate of turnover does not bode well for the country. According to the Ministry of Labour of Pakistan, turnover is very high in healthcare organizations. Moreover, turnover causes financial loss, as Pakistan spends huge money on doctors' education and training; when they leave the country, all the spent money goes to waste. In the previous literature, the doctors' turnover is less highlighted by scholars. Therefore, turnover is an important concern of this study (see Figure 1).

Employee retention is the employee's willingness to work with the same organization for a prolonged tenure (Aman-Ullah et al., 2020). Past literature indicated that doctors' retention in Pakistan is not satisfactory (Mir, Shaikh, Rashida, & Mankani, 2015). In Pakistan, situation doctors are not satisfied with the working conditions and hence they prefer to work in private sectors or in foreign countries. As a result, retention of doctors in Pakistan is very low (Ghulam et al., 2019). Therefore, it is imperative to resolve the most prominent issue of low retention among doctors in Pakistan. Past literature revealed that compensation is a significant motivator, showing noticeable influence on employee's behaviour (Milkovich, Newman, & Milkovich, 2002). However, its influence varies from person to person under different circumstances. Therefore, this study is an attempt to test the influence of compensation on employee retention and turnover intention among Pakistani doctors.

Compensation is a sum of rewards either in the form of money or benefits (Milkovich et al., 2002). In view of Arnold (2005), compensation is the strongest basic motivation among all the factors affecting employee's behaviour. Pakistani doctors are the victims of compensation-related problems (monetary and non-monetary), for instance, inadequate amount of salary packages, delayed salaries, and in some cases, young doctors are forced to work without a salary (Haniya, 2021). During the pandemic, when the rest of the world compensated their doctors with risk allowances, provided separate residences and honoured them like warriors, Pakistan has delayed or even deducted the doctors' salaries, which further provoked the situation (Waqar, 2020). Several young doctors, especially new entrants, were forced to do unpaid work. However, for many, it is difficult to afford transportation expense since hospitals are not providing transportation facility. Consequently, this became harmful especially during emergency situations since young doctors are the most active group dealing with Covid-19 patients. Furthermore, Pakistan's health budget is low compared to other expenditures. Therefore, doctors often resist policies and show concerns over low salaries. Previously, Tahir, Kauser, & Tahir (2011) reported that doctors were rapidly migrating to other countries offering them better compensation. Therefore, it is argued that lack of compensation is likely a demotivating factor for the healthcare employees in Pakistan.

The majority of young doctors belong to the middle-class families, who have spent a lot of time and money on their children during their education, and they no longer allow their children to work without proper salaries (Waqar, 2020). As a result, these people are moving to other countries where they get better remunerations. Past literature also showed that a high number of Pakistani doctors move to other countries, where they are afforded better
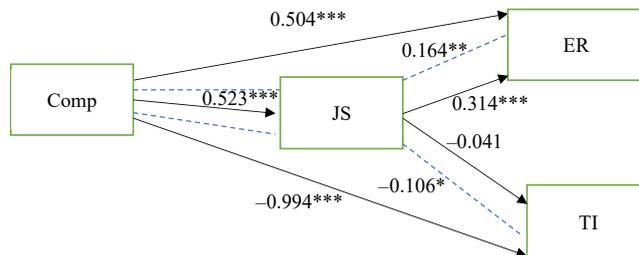

Figure 1.
Path coefficients of the structural model analysis

salary packages (Ghulam *et al.*, 2019). Similarly, Chew and Chan (2008) added that in order to get desired results, compensation must be competitive with the agreement as well as with the salaries of similar-level jobs. This view has been further supported by Bibi, Pangil, Johari and Ahmad (2017) who assert that low compensation is a problem in the service sector, creating difficulties in employee retention.

In the present study, job satisfaction is introduced as a mediator to bring compensation in equilibrium with turnover intention and employee retention. According to Rahman and Syahrizal (2019), job satisfaction is a measure of an employee's sentiments and attitudes regarding their work environment, job type, relationships with co-workers, social networking and remuneration. Satisfaction comes after fulfilment of several work-related desires and needs of employees. However, needs and desires vary among different individuals. In view of Eyupoglu, Jabbarova and Saner (2017), job satisfaction is a positive emotional state that comes out from one's work experience. The same work that is positive for one person might be negative for others. Bayarcelik and Afacan Findikli (2016) agreed with this and remarked that job satisfaction represents both positive and negative outcomes from the emotional evaluation of employees, which shows to what extent an employee is satisfied or dissatisfied. According to Mudor (2011), a strong relationship exists between compensation and job satisfaction. Rahman and Syahrizal (2019) found a significant association between job satisfaction and turnover intentions. Meanwhile, Terera and Ngirande (2014) found a significant association between job satisfaction and employee retention.

The present study particularly focused on the impact of compensation on employee retention, turnover intentions and job satisfaction to expand the theory of reasoned action (TRA), as TRA says that every behaviour of individual is backed by an intention to perform that behaviour. In this study, compensation serves as a stimulus to employee retention and turnover intentions. Ajzen and Fishbein (2005) further endorsed that TRA creates a link between employees' satisfaction and behaviour. Therefore, this study is adding insights into the influence of compensation on employee behaviour among healthcare organizations, especially in developing countries like Pakistan. The motivation to conduct this study has been the detrimental situation of the healthcare system in Pakistan, where lack of trust among doctors regarding compensation is increasing. In a country like Pakistan where the economy is in negative growth and the poverty is high (APP, 2021), the importance of compensation is undeniable. Therefore, based on the above arguments, we propose that taking compensation into consideration is a possible solution to high turnover intentions and low retention among doctors working in Pakistan. Similarly, we argue that the present study would contribute to the literature of management by studying the employees' intentions and behaviour, and compensation in a single study.

2. Literature review

2.1 Theoretical framework

The present study used TRA to theoretically justify the relationship between compensation, job satisfaction, employee retention and turnover intentions. TRA was introduced by Fishbein and Ajzen (1975) as a theoretical model in the area of attitudes (Feeley, 2003). According to TRA, every action of a person or an organization is backed by a solid reason which encourages them to behave in a certain way (Ajzen & Fishbein, 2005). For organizations, these reasons can be better performance and employee retention. For employees, possible reasons can be better benefits, salary and working conditions. In this way, both parties behave positively based on their own interests. If the expectations of both parties meet at a certain point, the productivity will increase above the expectation. Meanwhile, any changes in one party's behaviour will bring about changes in the behaviour of the other party (Kim, Kim, & Goh, 2011). According to Fishbein and Ajzen (1975), TRA is

useful in explaining the relationship between attitude, intention and behaviour. Organizations compensate their employees well with the intention to improve their performance and employee retention. The process works well under TRA by involving employees' psychology, resulting in an improved satisfaction among employees. According to McKinlay, Couston and Cowan (2001), the turnover intentions among satisfied employees are very low and happy employees prefer not to leave the existing job.

Several studies have provided empirical support to this theory. According to Hom and Hulin (1981), TRA involved psychological mechanisms which ended up in employee retention. TRA further affirms that an exchange process initiated by organization for providing economic benefits and helping employees mentally would result in the increase of employee satisfaction. In this process, positivity reduces the negativity which is the source of intention to leave (turnover) and converting that negativity into positive thinking about the organization will help in the decision to stay (employee retention). Similarly, the decreasing economic exchange increases the leaving intentions and consequently, actual turnover (Rahman & Syahrizal, 2019).

2.2 Hypotheses development

2.2.1 Compensation and employee retention. Compensation is the sum of all the benefits employees are receiving from the organization against their services (Delery *et al.*, 2000). For instance, compensation represents an employee's benefits like financial (salary, pension, insurance or bonuses) or non-financial benefits (extra vacation, free travel, free medical or children's education) (Alhmoud & Rjoub, 2019). Pay is considered as a strong motivation to keep employees working with the organizations (Hausknecht, Rodda, & Howard, 2009). Previous literature has shown that compensation is the best technique for employee retention. Past studies have revealed that compensation has a significant positive relationship with employee retention (Rombaut & Guerry, 2020). Moreover, the importance of compensation is greater in developing countries like Pakistan where the economic indicators are not working well and instead show negative growth (Macrotrends, 2022). Similarly, Bibi *et al.* (2017) added that compensation was one of the major reasons to stay or leave the organization in Pakistan since the employees found compensation as the most attractive feature and remained attracted to better salaries. Hence, the first hypothesis of this study is as follows:

H1. Compensation has a significant positive relationship with employee retention.

2.2.2 Compensation and turnover intentions. In view of Silaban and Syah (2018), unsatisfactory compensation can be a reason for high turnover intention. Those employees who are not happy with the compensation they receive in return for their services are likely to quit their job soon. Similarly, Lyons and Bandura (2019) stated that turnover is a complex phenomenon significantly influenced by the compensation-related employee satisfaction. Past studies found a significantly negative relationship between compensation and turnover intentions (Oh & Kim, 2019). Meanwhile, Ghafoor, Ansari and Moazzam (2017) concluded that a stronger impact of compensation on turnover intentions in Pakistan. Therefore, the second hypothesis is as follows:

H2. Compensation has a significant negative relationship with turnover intention.

2.2.3 Compensation and job satisfaction. According to Ramlall (2004), when employees feel that they are getting a fair amount of salary, they feel satisfied with their job. Yang *et al.* (2008), while assessing the impact of pay rise on job satisfaction, found that employee's salary had a significant positive relationship with their level of satisfaction since the rise in pay increases job satisfaction. Furthermore, Munap, Badrillah and Rahman (2013) investigated employee satisfaction and concluded that incentives were the least contributor to employee

satisfaction, but salaries were the most important factor affecting job satisfaction. Besides
that, Muguongo, Muguna and Muriithi (2015) deduced that compensation including the basic
pay, allowances and work environment significantly impacted the job satisfaction among
academic staff. Moreover, Shah, Ali, Dahri, Brohi, Maher, & Hameed (2018) found a positive
relationship between compensation and employee empowerment in terms of job satisfaction.
Therefore, we argue that compensation will significantly impact the job satisfaction in
Pakistan's healthcare sector. The hypothesis used to test this study is as follows:

H3. Compensation has a significant positive relationship with job satisfaction.

2.2.4 Job satisfaction and employee retention. Brown and Yoshioka (2003) asserted that the
more the employees were satisfied with their jobs, the more inclined were their intentions to stay.
However, it depends on the position; for instance, part-time employees are more likely to change
whereas full-time employees are more willing to stay in a particular workplace. Additionally,
Terera and Ngirande (2014) affirmed that satisfied nurses were more likely to keep working.
Nevertheless, Bang (2015) observed that among different age groups, in some cases, employees
were satisfied but still preferred to switch their jobs while some were not satisfied but preferred
to stay. Several researchers have found a significant association between job satisfaction and
employee retention (Tanwar & Prasad, 2016). Therefore, it is hypothesized that

H4. Job satisfaction has a significant positive relationship with employee retention.

2.2.5 Job satisfaction and turnover intentions. According to De Gieter, Hofmans and
Pepermans (2011), job satisfaction is a significant predictor of turnover intentions. A turnover
intention is likely to end up as actual turnover (Chung, Jung, & Sohn, 2017). Job satisfaction is
calculated by comparing actual outcomes with desired outcomes of employees (Hulin &
Judge, 2003). Past studies have discussed its relationship with turnover intentions and
concluded that job satisfaction is negatively related to turnover intentions (Aman-Ullah,
Ibrahim, Aziz, & Mehmood, 2022a, 2022b; Duan *et al.*, 2019). Therefore, it is hypothesized that

H5. Job satisfaction has a significant negative relationship with turnover intention.

2.3 Mediation
Job satisfaction is defined as the sum of all positive or negative attitudes of employees towards
their job (Sweeney, Hohenshil, & Fortune, 2002). These attitudes are converted into beliefs or
intentions, and later converted into behaviours (Fishbein & Ajzen, 1975). Job satisfaction was
used as a mediator in the present study since it was influenced by both employee retention and
turnover intentions. Furthermore, past studies have shown a significant association of job
satisfaction with employee retention and turnover intentions (Aman-Ullah *et al.*, 2022a, 2022b;
Bangwal & Tiwari, 2019). Similarly, job satisfaction has been reported to be significantly
associated with compensation (Muguongo *et al.*, 2015). Moreover, the introduced mediator will
test the indirect effects by bridging between independent variable (compensation) and
dependent variables (employee retention and turnover intentions). Based on the TRA, every
reaction must have a reason (Yzer, 2017); therefore, by providing compensation, organizations
provide a reason to the employee to stay or leave the organizations.

The present study will contribute to the growing body of healthcare literature since a
study with similar model has not been conducted. Therefore, two mediation hypotheses were
developed in the context of the healthcare sector of Pakistan.

H6. Job satisfaction mediates the relationship between compensation and employee
retention.

H7. Job satisfaction mediates the relationship between compensation and turnover
intentions.

3. Methodology

3.1 Sample and data collection

The present study comprised 389 survey-based questionnaires distributed to 35 government hospitals in Pakistan. To assess the doctors, questionnaires were shared with the medical superintendent (MS) of each hospital and collected back one week later from the MS office. The questionnaire was scored based on five-point Likert scale. Population of the present study was 47,834 doctors, and their information was collected from Pakistan Medical and Dental Council. Stratified sampling was applied in this study, while the population was divided into six strata. For the sample size calculation, Krejcie and Morgan (1970) table was utilized, which turned out as minimum required sample size of 327. To get better turnout, 600 questionnaires were distributed in selected hospitals. From the collected responses, 389 were usable, showing the response rate of 64.8%. While six responses had missing information, hence deleted excluded from the data.

3.2 Measuring tools

To measure the compensation, a questionnaire with six items was taken from the study by Johari, Yean, Adnan, Yahya and Ahmad (2012) showing a reliability of 0.78. For employee retention, a questionnaire was adopted from the study by Kyndt, Dochy, Michielsen and Moeyaert (2009) with 11 items and a reliability of 0.89, indicating high reliability. For the turnover intention, a questionnaire was adopted from the study by Homburg, van der Heijden and Valkenburg (2013) with eight items and a reliability of 0.83, which was within the acceptable range. To measure job satisfaction, a five-item questionnaire was adopted from Ackfeldt and Coote (2005) with a reliability of 0.80, which was above the threshold level of 0.70.

3.3 Statistical tools

Statistical Package for the Social Sciences (SPSS) was used to prepare the data sheet and demographic analysis for the present study. In order to test the study hypotheses, smart-PLS was applied (Henseler, Ringle, & Sarstedt, 2015). Partial Least square (PLS) is suitable for testing structural and measurement models simultaneously to obtain a thorough analysis for intent relationships (Aman-Ullah, Aziz, & Ibrahim, 2021a; Aman-Ullah, Aziz, Ibrahim, Mehmood, & Abbas, 2021b, Aman-Ullah et al., 2022a, b). To perform the PLS, an algorithm involving factor loadings, composite reliability and average extracted variance was applied whereas the value of R^2 and t-statistics were calculated through bootstrapping (Henseler et al., 2015). To get the significant levels of loadings, 500 resamplings were used during the bootstrapping.

4. Results and data analysis

4.1 Demographics

The demography of the present study is reported in Table 1 and calculated based on the information provided by the participants. The results showed that out of 389 participants, 48.7% were females and 51.2% were males. All participants were divided into different age groups, and the majority (34.2%) of the participants belonged to the age group of 21–30, followed by 51 and above (22.6%), 41–50 years old (22.4%) and 31–40 years old (20.8%). Furthermore, 96.4% of the participants were Muslims and 3.6% were non-Muslims, including Christians and Hindus. As per the job description, the majority (54.1%) were postgraduate trainees while 22.8% were house officers, 13.1% were general practitioners and 10% were specialists. Besides that, 84.8% were married, with 77.2% having unemployed spouses, and 59.8% of them were living in a joint family system. Furthermore, 91% of the participants had dependent family members, including parents, siblings, spouse and children. While 74.8% of

Sr. no.	Description	Category	No.	Percentage
1	Age	21–30	133	34.2%
		31–40	81	20.8%
		41–50	87	22.4%
		51 and above	88	22.6%
2	Gender	Female	194	48.7%
		Male	204	51.2%
3	Religion	Muslim	375	96.4%
		Non-Muslim	14	3.6%
4	Job description	Medical officers	89	22.8%
		Postgraduate trainees	210	54.1%
		General practitioners	51	13.1%
		Specialists	49	10.0%
5	Marital status	Unmarried	59	15.2%
		Married	330	84.8%
6	Spouse employment status	Unemployed	300	77.1%
		Employed	89	22.9%
7	Family structure	Joint	233	59.8%
		Separate	156	40.1%
8	Dependent	Yes	354	91.0%
		No	35	9.0%
9	Parental status	Yes	291	74.8%
		No	98	25.2%
10	Number of children	1–2	194	49.9%
		3–4	98	25.1%
		5 and above	25	6.5%
		No children	72	18.5%
11	Regional location	Baluchistan	50	12.8%
		Khyber Pakhtunkhwa	64	16.4%
		Sindh	80	20.6%
		Punjab	100	25.6%
		Gilgit-Baltistan (GB)	40	10.2%
		Azad Jammu and Kashmir (AJK)	60	15.4%
12	Residential location	Hospital premises	120	30.8%
		Same city, outside hospital	220	56.6%
		Another city	49	12.6%
13	Additional working hours	Unpaid	389	100%
		Paid	0	0%
14	Salary range	70,000–100,000	85	21.8%
		100,000–150,000	79	20.3%
		150,000 and above	80	20.6%
		Unpaid	145	37.3%

Note(s): 389 responses

them had children, 49.9% had 1–2 children, 18.5% had no child yet, 25.1% had 3–4 children and 6.5% had 5 children and above. Most of the respondents were living outside the hospital premises; 56.6% were working in the hometown while 12.6% moved to another city because of their jobs. The remaining 30% lived inside the hospital premises in the residence provided by the hospital. Many claimed that the residence provided by the hospital was in a bad condition. Therefore, many doctors preferred to stay outside in a private residence. The majority (25.6%) of the respondents belonged to Punjab which was the largest province of Pakistan whereas only 15.4% and 10% of the respondents belonged to Azad Jammu and Kashmir and Gilgit-Baltistan, respectively, since these two administrative units had a low total population. About 37% of the doctors (postgraduate trainees and house officers) said

that they were forced to work without salary/compensation, and they could not refuse this treatment because it was compulsory for them to complete their degree. About 21.8% of doctors received a salary between 70,000 and 100,000, which was not enough to feed a family in the present inflationary situation of Pakistan, followed by 100,000–150,000 (20.3%) and 150,000 and above (20.6%). With regard to additional working hours and benefits, all 389 doctors responded that no one received any type of compensation for the additional working hours.

4.2 Descriptive and correlation analysis

The results extracted from the descriptive analysis are reported in Table 2. The aggregate mean for comp = 3.778, ER = 3.184, TI = 3.775 and JS = 3.814 while standard deviation for comp = 1.110, ER = 0.940, TI = 1.107 and JS = 1.061. All the values were within the acceptable range, indicating that the data was normal. Furthermore, to test the multi-collinearity among items, the variance inflation factor (VIF) was calculated and showed that all the values were close to 3, proving no multi-collinearity in the data based on the recommendation by Hair, Risher, Sarstedt and Ringle (2019). For further clarification, the common method variance bias was calculated using Harman's single-factor test. The test was performed using SPSS by entering the main constructs into a principal component factor analysis (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The results for the cumulative sum of variance explained 65.799% of the variance while the variance for the first factor was 20.339%, lower than the threshold level of 50% of the total variance explained (Podsakoff et al., 2003). These results indicated that there was no common method bias problem in the data. Furthermore, the model correlation analysis reported in Table 2 indicated that the model did not have any problem as all the values were within the acceptable range.

4.3 Validity and reliability analysis

To test the validity in the measurement model, the measurement model analysis was conducted using algorithm in PLS. For the convergence of the model, the factor loadings, Cronbach's alpha, average variance and composite reliability were calculated (Table 3). During the measurement model analysis, three values below 0.60 were deleted to improve the validity of the construct. Thereafter, the outer-loading values of all the items were above the threshold level of 0.60. The Cronbach's alpha value for the compensation was 0.78, ER was 0.89, TI was 0.83 and JS was 0.80, indicating satisfactory reliability of the instrument. The composite reliability values: for the compensation was 0.85, ER was 0.91, TI was 0.88 and JS was 0.82, indicating a satisfactory value higher than the threshold level of 0.70. The average variance extracted (AVE) indicated that all the values were above the threshold level of 0.50, with compensation = 0.54, ER = 0.52, TI = 0.55 and JS = 0.51, indicating good convergent validity of the construct. To test the heterogeneity in the data, heterotrait-monotrait ratio of correlations (HTMT) test was tested against threshold criteria of <1 (Henseler et al., 2015). Results present in (Table 4) are within the acceptable range of below 1 indicates that the data is normal.

Descriptive statistics				Correlation matrix			
	Mean	SD	VIF	ER	JS	TI	Comp
ER	3.808	0.931	1.37−3.08	1.000			
JS	3.801	1.061	1.35−1.67	0.576	1.000		
TI	3.775	1.107	1.43−3.28	−0.663	−0.525	1.000	
comp	3.778	1.110	1.44−2.14	0.656	0.539	−0.688	1.000

Note(s): Aggregate values for mean and standard deviation; VIF added in range (low to high) Construct correlation <0.70

Table 2.
Descriptive statistics and correlation matrix

Construct	Item	Loadings	Cronbach's alpha	CR	AVE
Compensation	Comp2	0.734	0.788	0.855	0.543
	Comp3	0.799			
	Comp4	0.774			
	Comp5	0.644			
	Comp6	0.821			
Employee retention	ER1	0.866	0.898	0.914	0.517
	ER2	0.737			
	ER3	0.778			
	ER4	0.826			
	ER5	0.768			
	ER7	0.656			
	ER8	0.813			
	ER9	0.766			
	ER10	0.740			
	ER11	0.657			
Turnover intention	TI1	0.820	0.836	0.881	0.556
	TI2	0.687			
	TI3	0.681			
	TI4	0.785			
	TI5	0.611			
	TI6	0.859			
Job satisfaction	JS1	0.632	0.802	0.823	0.514
	JS2	0.723			
	JS3	0.658			
	JS4	0.711			
	JS5	0.870			

Note(s): Items deleted, comp1, ER6, TI7

Table 3.
Factor loading and
reliability of constructs

	ER	JS	TI	Comp
ER	1			
JS	0.646	1		
TI	0.741	0.621	1	
comp	0.751	0.642	0.612	1

Table 4.
Discriminant
validity (HTMT)

4.4 Testing the structural model

Table 5 of the present study summarizes the values extracted from the structural model generated by PLS bootstrapping to test the hypotheses H1 to H5, using the standardized path coefficients, along with standard deviation, t-statistics, R^2, F^2 and the p-value for the direct relationships. Furthermore, for H1 ($\beta = 0.504$, $t = 18.624$, $p = 0.000$), the results indicated that

	Hypothesis	Beta	SD	t-value	R^2	F^2	p-value	Decision
H1	Comp → ER	0.504	0.035	18.624	0.518	0.383	0.000***	Supported
H2	Comp → TI	−0.994	0.001	−858.116	0.977	31.050	0.000***	Supported
H3	Comp → JS	0.523	0.034	15.823	0.274	0.377	0.000***	Supported
H4	JS → ER	0.314	0.050	6.326		0.149	0.000***	Supported
H5	JS → TI	−0.041	0.010	−3.027		0.140	0.052*	Supported

Note(s): Significant level *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$

Table 5.
The results of the
assessment of
structural model (direct
effect)

compensation had a significant positive relationship with employee retention; the results of H2 ($\beta = -0.994$, $t = -858.116$, $p = 0.000$) indicated that compensation had a significant negative relationship with turnover intentions; the results of H3 ($\beta = 0.523$, $t = 15.823$, $p = 0.000$) indicated that compensation had a significant positive relationship with job satisfaction; the results of H4 ($\beta = 0.314$, $t = 6.326$, $p = 0.000$) showed that job satisfaction had a significant positive relationship with employee retention and the results of H5 ($\beta = -0.041$, $t = -3.027$, $p = 0.052$) proved that a significant negative relationship between job satisfaction and turnover intentions.

R^2 is a percentage change in the criterion variable due to predictor variables. In this study, compensation is the independent variable, while job satisfaction is mediator, and employee retention and turnover intention are dependent variables. Results show that compensation creates 51.8% change in employee retention, 97.7% change in turnover intention and 27.4% change in job satisfaction. Furthermore, to test the strength of the exogenous constructs on R^2 value, the effect size f^2 was calculated. The values for f^2 (H1 = 0.383, H2 = 31.050, H3 = 0.377, H4 = 0.149, H5 = 0.140) showed strong effect for H1, H2, H3 and H4 while H5 had a moderate effect. Hence, all the hypotheses from H1 to H5 were supported by the results.

4.5 Mediation analysis

For the mediation analysis between compensation and employee retention, the results are reported in Table 6. For H6, the results indicated that job satisfaction mediated the relationship between compensation and employee retention ($\beta = 0.164$, $t = 5.713$, $p = 0.000$). For H7, job satisfaction mediated the relationship between compensation and turnover intention ($\beta = -0.106$, $t = -3.014$, $p = 0.056$) which was marginally significant as the p-value is above .05 but still near to threshold.

5. Discussions

Doctor retention has been a serious issue in recent years as a result of the growing tendency of doctors relocating to other countries (Monnais & Wright, 2016). The Covid-19 pandemic has boosted global demand for physicians, raising fears about a physician shortage in underdeveloped countries such as Pakistan. Employee retention is a key problem in Pakistan, with a huge proportion of experts changing professions or leaving to other countries (Aman-Ullah et al., 2020). Many of them have abandoned their careers, particularly in the healthcare industry. This research aims to address the problem of poor employee retention by emphasizing compensation. Additionally, this research aims to contribute to the current body of knowledge about compensation, employee retention and turnover intentions in healthcare organizations. Additionally, job satisfaction as mediator is incorporated to strengthen the link between compensation, employee retention and turnover intentions.

At $p = 0.000$, the result for H1 suggests a strong association between employee compensation and retention, showing that doctors may extend their tenure provided their income and benefits are ensured. However, the strength of the link suggests that other variables may impact doctors' behaviour. For H1, the finding is similar to Bibi, Ahmad and Majid (2016). For H2, the study's outcome indicates a significant association between compensation and turnover intentions at $p = 0.000$, which is consistent with Bryant and Allen (2013). It implies

	Hypothesis	Beta	SD	t-value	p-value	Decision
H6	Comp → JS → ER	0.164	0.030	5.713	0.000***	Supported
H7	Comp → JS → TI	−0.106	0.015	−3.014	0.056*	Supported
Note(s): Significant level *p < 0.05, **p < 0.01, ***p < 0.001						

Table 6.
Mediation analysis for structural model

that hospital employees will not remain attached to their jobs if their employers do not guarantee their compensation. Additionally, at $p = 0.000$, the result for H3 indicates a significant positive link between compensation and job satisfaction, suggesting that doctors who are rewarded well by their organizations would be more content and productive. As the compensation enhances positivity among employees, it also increases satisfaction level among employees, meaning that when doctors get enough compensation to provide them with the capability to solve their issues, they will be happy and more satisfied with their current workplace. H3 is consistent with the prior finding of Salisu, Chinyio and Suresh (2015).

Additionally, for H4, this research found a significant relationship between job satisfaction and employee retention at $p = 0.000$, indicating that there are higher chances of doctors' retention when they are satisfied. These findings are also consistent with the prior findings of Aman-Ullah *et al.* (2021a) and supported H4. In other words, job satisfaction reflects an employee's actual impression and judgement of their employment. Therefore, having a pleasant and joyful work atmosphere may increase retention, hence minimizing turnover. H5 of this study discovered a weak relationship between job satisfaction and turnover intention at $p = 0.052$. These results are different from past studies as past studies show strong negative association between job satisfaction and turnover intention. The possible reason is the increasing economic instability, unemployment and poverty in Pakistan. According to Bakhtawar (2020), unemployment in Pakistan is 62 million continuously increasing at the rate of 9.56% annually. Therefore, people try not to leave the previous job as long as they find new job opportunity outside. Once they find new opportunity, they switch to the new and more suitable job. Hence, H5 is weakly supported.

Thereafter, job satisfaction was tested as mediator in this study. The study demonstrated that job satisfaction significantly mediated the relationship between compensation and employee retention at $p = 0.000$, while the findings are consistent with the previous findings of Inda and Mishra (2016). This indicates that job satisfaction positively influences the relationship between compensation and employee retention. When hospitals consider the requirement and comforts of the doctors, they get involved with the organization both physically in the form of retention and intellectually through satisfaction and positivity. Hence, H6 is supported. Job satisfaction was also tested as mediator between compensation and employee's turnover intention. Results found a very marginally negatively significant mediation relationship at $p = 0.056$. As the obtained value is above 0.05 but still near to .05. The relationship is very weak for rejecting the null hypothesis but still acceptable as long as it is near to 0.05. The possible reason behind these results is again the unemployment and poverty in the country, which do not allow the individuals to respond immediately to the dissatisfaction, as many over there are the sole breadwinners of the family of up to ten persons including their parents, brothers, sisters, wives and children. In such circumstances, compensation matters a lot but still employees have to wait until they get any suitable offer which most probably they prefer to join any hospital abroad. Therefore, hospitals and the government are required to set and provide the doctors a compensation which is up to world standard and hence it will help the hospitals to improve the doctors' retention and diminish turnover intention.

6. Conclusion

The present study attempted to justify the immense importance of doctors' availability in the public hospitals in Pakistan, to keep the system functional. In Pakistan, most of the population live in rural areas where public hospitals are the only healthcare facility they can avail. However, the situation of the healthcare is complicated in rural areas since most of the doctors do not like to serve in these areas. In Pakistan, law and order is not good. Therefore, doctors feel fearful to serve in rural and tribal areas, especially female doctors who find it

difficult to manage. About 60% of the total enrolled female doctors are leaving the profession. Therefore, it is necessary to motivate the doctors. Good compensation could be a strong motivation to attract the doctors towards working in public hospitals in Pakistan, especially located in the rural and tribal areas. In Pakistan, inflation is continuously increasing and the industry is almost dysfunctional. Therefore, the unemployment, per capita income and the buying power of public are decreasing day by day. Now, more people look for public hospitals to seek free or affordable medical help as private medical help is unaffordable for them. Therefore, the economic needs receive high attention in such situations, prompting the importance to take care of doctors' compensation, to increase satisfaction and retention among doctors while decreasing turnover intentions. The outcomes of the study proved that compensation had a significant positive relationship with employee retention and a significant negative relationship with turnover intentions. Furthermore, the results also validated that job satisfaction mediated between both relationships.

7. Contribution

From the theoretical perspective, the present study has many contributions in the existing body of knowledge of compensation and its relationship with employee intentions and behaviour. It also contributes to understanding the relationship of compensation with employee retention and turnover intentions through job satisfaction. This study provides novelty to the literature as this study is primarily focused on doctors working in public hospitals in Pakistan, which was overlooked in the existing literature. Thereafter, the study will contribute in the context of mediation role of job satisfaction which was missing previously in healthcare organizations. Further, the study results are slightly different from prior literature in the context of turnover intention, revealed another prospective which was missing in the existing literature. As this study shows, it is not necessary that dissatisfied employee should leave the organization. Sometimes, employees became disappointed but still prefer to stay under the influence of other factors.

Furthermore, the present study highlights the significance of compensation under the influence of TRA when assessing employee behaviour. The present study will make a valuable addition to the healthcare literature on employee behaviour under TRA. The TRA asserts that doctors' retention depends on both the employee intentions and behaviour since their attitude will be based on the facts they are experiencing (Feeley, 2003). TRA depends on the employee intentions and behaviour to obtain the favourable outcomes according to the employee expectations (Ajzen & Fishbein, 2005). Moreover, the developed model, (compensation–job satisfaction–employee retention and compensation–job satisfaction–turnover intention) has not yet been tested together as far as the researcher is concerned; therefore, it will be a valuable addition to the literature of healthcare as well as to the literature of Pakistan. The present study utilized advanced techniques for data analysis using PLS, which has been previously neglected in the healthcare studies of Pakistan; therefore, that gap will be filled through this study.

On practical grounds, the present study will help the government, policymakers, practitioners and management to understand the doctors' needs as well as mitigate the poor retention of doctors among the public hospitals of Pakistan. This study will also help to reduce and strategize the negative effects and consequences of turnover intentions among doctors. Furthermore, it will help in highlighting the importance of doctors' satisfaction. The present study will help in improving performance, enhancing healthcare indicators and attaining healthcare sustainability by increasing the doctor-to-population ratio. Study also revealed that under the influence of different socio-economic factors, sometimes healthcare employees from Pakistan do not show reaction like reported in prior studies. They consider their socio-economic factors before taking any decision. For instance, this study highlighted the

importance of compensation in Pakistani context as due to high unemployment rate and high inflation, many families have only one bread earner who cannot avoid money and turn down the job for personal dissatisfaction and other such things. Therefore, organization must have to consider this factor to improve healthcare sector's performance and employee's behaviour.

8. Limitation and recommendations
The present study carried few limitations which could become opportunities for future researchers and practitioners to address. The present study collected data from only 30 public hospitals due to the limitation of accessibility, time and resources, which could be expanded in the future for better generalizability. Furthermore, the healthcare sector in Pakistan is operated under three parallel stakeholders: public, private and public–private partnership. The present study only focused on the public sector, and this could be extended to the other two sectors in the future study. The compensation problem is not only limited to one sector but is also widespread across other industries in Pakistan. Future studies could test this model in other industries as well. Furthermore, while conducting this study during the Covid-19 pandemic, it was difficult to get responses from doctors. Therefore, the response rate was 64.8%, which was enough but below the expectation of the researcher. In the future, the number of responses should be improved to obtain higher accuracy in the findings. The data was collected only from doctors, which was only one segment of the healthcare industry. In future studies, other segments including nurses, paramedics and supporting staff should be tested using this model. Since the data collection was self-administered and conducted during the pandemic, the chances of bias cannot be overlooked.

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