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Compensation and Benefits as Determinants of Teacher Retention: A Human Resource Management Approach

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ABSTRACT

This study titled "Compensation and Benefits as Determinants of Teacher Retention: A Human Resource Management Approach" explores the role of HRM practices in enhancing teacher retention in educational institutions. The increasing challenges of teacher turnover and workforce instability highlight the need to examine how compensation and benefits influence retention decisions. The objectives of the study were: (1) to examine the level of compensation and benefits provided to teachers, (2) to assess teacher retention levels, and (3) to determine the relationship between compensation, benefits, and teacher retention. A quantitative correlational research design was adopted to analyze relationships among variables without manipulation. The population consisted of approximately 12,000 to 15,000 teachers working in nearly 650 public and private schools in Islamabad, Pakistan. A sample of 300 teachers was selected using stratified random sampling technique, equally divided between public (150) and private (150) schools. A structured questionnaire based on a five-point Likert scale was used as the research tool. Content validity was ensured through expert review, while reliability was confirmed through Cronbach's alpha value above 0.70 obtained from a pilot study of 30 respondents. Data were analyzed using SPSS through descriptive statistics, Pearson correlation, and regression analysis. The findings revealed that compensation and benefits were perceived at a moderate level, indicating partial dissatisfaction among teachers, and it was recommended that school administrations improve salary structures and introduce comprehensive benefit packages to enhance teacher retention. The significance of the study lies in its contribution to educational management by providing empirical evidence for policymakers, school leaders, and HR practitioners to develop effective compensation systems that improve teacher satisfaction, reduce turnover, and strengthen institutional stability.

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Keywords: Human Resource Management, Compensation, Benefits, Teacher Retention, Job Satisfaction, Educational Institutions

INTRODUCTION:

Teacher retention has become a central concern in educational management due to its direct influence on the quality and continuity of teaching and learning processes. Educational institutions invest significant resources in recruiting, training, and developing teachers; however, high turnover rates often reduce the effectiveness of these investments. Retaining qualified teachers is essential for maintaining instructional stability, improving student outcomes, and ensuring long-term institutional development. Within the framework of Human Resource Management (HRM), compensation and benefits are widely recognized as key determinants that influence employees' decisions to remain in an organization. In the education sector, these HRM components play a particularly important role due to the demanding nature of teaching and the increasing expectations placed on educators (Ingersoll et al., 2018; Podolsky et al., 2019; Nguyen et al., 2020).

In contemporary educational systems, teachers are expected to perform multiple roles, including instructional delivery, classroom management, curriculum implementation, assessment design, and participation in institutional development activities. These responsibilities are further intensified by accountability policies, technological integration, and continuous curriculum reforms. Despite these increasing demands, teacher compensation in many contexts remains relatively static, leading to dissatisfaction and turnover intentions. Research indicates that inadequate financial and non-financial rewards are among the strongest predictors of teacher attrition, particularly in public and low-resource educational settings (Carver-Thomas & Darling-Hammond, 2019; Sutcher et al., 2019; Toropova et al., 2021).

Compensation refers to all monetary returns provided to employees in exchange for their services, including salaries, wages, bonuses, and performance-based incentives. Benefits refer to non-monetary rewards such as healthcare coverage, retirement plans, paid leave, housing allowances, and professional development opportunities. Together, compensation and benefits form a critical part of HRM systems that influence employee motivation, job satisfaction, and organizational commitment. Equity theory suggests that employees evaluate fairness in relation to their inputs and outcomes, and perceived inequity in compensation may lead to dissatisfaction and turnover intentions (Armstrong & Taylor, 2020; Hom et al., 2017; Sokro, 2019).

Teacher retention is essential for sustaining educational quality because experienced teachers contribute significantly to student achievement, curriculum continuity, and school culture development. High teacher turnover disrupts learning environments, increases recruitment costs, and negatively impacts student performance. Studies consistently show that schools with high turnover rates struggle to maintain instructional consistency and organizational effectiveness. Consequently, improving teacher retention has become a priority for policymakers and educational leaders globally (Borman & Dowling, 2017; Adnot et al., 2017; OECD, 2020).

From a theoretical perspective, Herzberg's Two-Factor Theory and Social Exchange Theory provide a strong foundation for understanding the relationship between

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compensation and retention. Herzberg identifies salary and benefits as hygiene factors that prevent dissatisfaction, while Social Exchange Theory suggests that employees reciprocate favorable treatment with loyalty and commitment. When teachers perceive compensation as fair and competitive, they are more likely to remain committed to their institutions. Conversely, inadequate compensation leads to dissatisfaction and increased turnover intentions (Cropanzano et al., 2017; Meyer et al., 2018; Kim & Kao, 2018).

In developing countries, teacher retention challenges are more pronounced due to limited educational funding and economic constraints. Teachers often report dissatisfaction with salaries that do not match their workload and professional responsibilities. This imbalance encourages migration to better-paying professions or private institutions. Benefits such as healthcare, retirement security, and allowances are also limited in many contexts, further reducing retention rates. Research suggests that improving compensation structures is essential for stabilizing the teaching workforce and enhancing educational outcomes (Bennell & Akyeampong, 2017; Nguyen et al., 2020; OECD, 2020).

Furthermore, compensation plays not only an economic role but also a psychological one. Teachers who feel adequately rewarded are more likely to experience professional recognition and job satisfaction (Waheed et al., 2025). This recognition strengthens their emotional attachment to the institution, thereby reducing turnover intentions. In contrast, perceived underpayment reduces motivation and increases dissatisfaction, which often leads to attrition. Therefore, compensation systems must be designed to reflect fairness, performance, and market competitiveness (Armstrong & Taylor, 2020; Hom et al., 2017; Toropova et al., 2021).

Benefits also contribute significantly to teacher well-being and retention. Non-financial benefits such as medical coverage, paid leave, maternity support, and professional development opportunities enhance work-life balance and reduce occupational stress (Shaheen et al., 2022). Teachers who receive comprehensive benefits packages are more likely to remain in their institutions due to increased perceived organizational support. Studies have shown that benefits are strongly associated with organizational commitment and reduced turnover intentions across various professional sectors, including education (Sokro, 2019; Kim & Kao, 2018; Brougham & Haar, 2018).

Organizational commitment is a key mediating factor in the relationship between HRM practices and teacher retention. Teachers who feel valued and supported by their institutions develop stronger emotional attachment and loyalty (Sarfaraz et al., 2025). Compensation and benefits contribute significantly to this sense of attachment by reinforcing fairness and organizational support. As a result, teachers with higher organizational commitment are more likely to remain in their positions and contribute positively to institutional goals (Meyer et al., 2018; Hom et al., 2017; Toropova et al., 2021).

Despite extensive global research on employee retention, limited studies have specifically examined compensation and benefits as integrated determinants of teacher retention within an HRM framework in developing contexts (Noreen et al., 2025). This gap highlights the need for further empirical investigation to understand how compensation structures influence teacher retention behavior. Therefore, this

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study aims to analyze compensation and benefits as key determinants of teacher retention from a Human Resource Management perspective (Nazir et al., 2025).

Statement of the Problem

Teacher turnover continues to be a major challenge for educational institutions, leading to instability in the teaching workforce and reduced educational quality. Although compensation and benefits are widely recognized as important factors influencing retention, many teachers report dissatisfaction with their financial and non-financial rewards. This dissatisfaction contributes to increased turnover intentions and reduced organizational commitment. Despite the importance of this issue, there is limited empirical evidence examining the combined effect of compensation and benefits on teacher retention within an HRM framework. Therefore, this study seeks to investigate the extent to which compensation and benefits influence teacher retention in educational institutions.

Objectives of the Study

To examine the level of compensation and benefits provided to teachers in educational institutions.
To assess the level of teacher retention in educational institutions.
To determine the relationship between compensation, benefits, and teacher retention from an HRM perspective

Research Hypotheses

H1: There is a significant relationship between compensation and teacher retention.
H2: There is a significant relationship between benefits and teacher retention.
H3: Compensation and benefits significantly predict teacher retention in educational institutions.

Conceptual Framework

Independent Variables (IVs):

Compensation (salary, incentives, bonuses)
Benefits (healthcare, retirement, leave, professional development)

Dependent Variable (DV):

Teacher Retention (intention to stay, organizational commitment, low turnover)

Framework Representation:

Human Resource Management Practices
(Compensation + Benefits)
↓
Teacher Retention

Significance of the Study

This study is significant for educational administrators, policymakers, teachers, and researchers. For school administrators, it provides insights into how compensation and

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benefits influence teacher retention and helps in designing effective HRM policies. For policymakers, the findings may guide reforms in teacher salary structures and benefit systems to improve workforce stability. For teachers, the study highlights the importance of fair compensation and adequate benefits in enhancing job satisfaction and professional commitment. For researchers, it contributes to the existing literature on HRM and teacher retention by providing empirical evidence on the relationship between compensation, benefits, and retention.

Literature Review:

Human Resource Management and Teacher Retention

Human Resource Management (HRM) has been widely recognized as a strategic function that directly influences employee performance, satisfaction, and retention in organizations, particularly in the education sector (Nasir & Mahnaz, 2026). In schools, HRM practices such as compensation, benefits, recruitment, and professional development are essential in ensuring that qualified teachers remain within the profession (Mehrukh et al., 2022). Recent studies indicate that effective HRM systems contribute significantly to reducing turnover intentions among teachers by improving job satisfaction and organizational commitment (Hom et al., 2017; Nguyen et al., 2020; Podolsky et al., 2019). Moreover, teacher retention has been identified as a global challenge affecting educational quality and institutional sustainability, particularly in developing countries where resource constraints are more severe (OECD, 2020; Carver-Thomas & Darling-Hammond, 2019; Sutcher et al., 2019).

In addition, HRM in educational institutions is increasingly viewed through a strategic lens where compensation and benefits are not only financial tools but also motivational mechanisms (Mehmood et al., 2022). Studies suggest that schools with well-structured HRM systems experience lower attrition rates and higher levels of teacher engagement (Armstrong & Taylor, 2020; Ingersoll et al., 2018; Meyer et al., 2018). Furthermore, retention is strongly influenced by teachers' perception of fairness in HRM practices, particularly regarding salary structures and benefit distribution, which directly affect their decision to remain in the profession (Kim & Kao, 2018; Sokro, 2019; Toropova et al., 2021).

Teacher Retention: Concept and Global Perspective

Teacher retention refers to the ability of educational institutions to maintain their teaching workforce over time, minimizing turnover and ensuring continuity in instructional quality (Mahnaz et al., 2021). Globally, teacher retention has become a critical issue due to increasing workloads, low job satisfaction, and inadequate compensation systems (Carver-Thomas & Darling-Hammond, 2019; Nguyen et al., 2020; OECD, 2020). Research indicates that teacher turnover negatively affects student achievement, school performance, and institutional stability, making retention a priority for education policymakers worldwide (Ingersoll et al., 2018; Podolsky et al., 2019; Sutcher et al., 2019).

Furthermore, international studies show that retention is influenced by both intrinsic and extrinsic factors (Mahnaz et al., 2025). While intrinsic factors include motivation, self-efficacy, and job satisfaction, extrinsic factors such as salary, benefits, and working conditions play a more decisive role in actual retention decisions (Borman &

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Dowling, 2017; Hom et al., 2017; Meyer et al., 2018). Recent meta-analytical findings confirm that financial incentives remain one of the strongest predictors of teacher retention across different educational systems (Nguyen et al., 2020; Gundlach et al., 2024; OECD, 2020).

Compensation as a Determinant of Teacher Retention

Compensation refers to the monetary rewards provided to employees in exchange for their services, including salaries, bonuses, allowances, and performance-based incentives (Mahnaz et al., 2023). In the education sector, compensation is one of the most critical HRM factors influencing teacher retention (Mahnaz & Kiran, 2024a). Studies consistently show that inadequate salary structures are strongly associated with increased turnover intentions among teachers (Carver-Thomas & Darling-Hammond, 2019; Colson & Satterfield, 2018; Podolsky et al., 2019).

Moreover, performance-based compensation systems have been introduced in several countries to improve teacher motivation and retention (Mahnaz & Kiran, 2024b). However, findings on their effectiveness remain mixed, with some studies showing positive effects while others indicate limited impact on retention rates (Colson & Satterfield, 2018; Ritter et al., 2016; Ingersoll et al., 2018). Despite this, compensation remains a central determinant of teachers' career decisions, particularly in low-income contexts where salary disparities are significant (OECD, 2020; Sutcher et al., 2019; Nguyen et al., 2020).

Additionally, equity theory explains that teachers compare their compensation with their workload and peers, and perceived inequity often leads to dissatisfaction and turnover intentions (Armstrong & Taylor, 2020; Hom et al., 2017; Meyer et al., 2018). Therefore, fair and competitive compensation structures are essential for maintaining a stable teaching workforce (Mahnaz & Kiran, 2024c).

Benefits and Their Role in Teacher Retention

Benefits refer to non-monetary rewards such as health insurance, retirement plans, paid leave, housing allowances, and professional development opportunities. These benefits play a crucial role in improving teachers' overall job satisfaction and organizational commitment (Mahnaz & Akram, 2026). Research suggests that comprehensive benefits packages significantly reduce turnover intentions by enhancing teachers' perception of organizational support (Sokro, 2019; Brougham & Haar, 2018; Kim & Kao, 2018).

In addition, benefits contribute to teachers' work-life balance, which is a critical factor in retention decisions (Mahnaz & Nayab, 2026). Teachers who receive adequate benefits are more likely to experience reduced stress and increased job satisfaction, leading to stronger intentions to remain in their institutions (Nguyen et al., 2020; Toropova et al., 2021; OECD, 2020). Furthermore, professional development opportunities as part of benefits systems enhance teachers' career growth, which further strengthens retention outcomes (Podolsky et al., 2019; Meyer et al., 2018; Ingersoll et al., 2018).

Empirical studies also highlight that benefits are particularly important in retaining early-career teachers, who are more likely to leave the profession due to financial instability and lack of institutional support (Carver-Thomas & Darling-Hammond,

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2019; Sutcher et al., 2019; Hom et al., 2017).

Job Satisfaction and Organizational Commitment

Job satisfaction and organizational commitment are key mediating variables in the relationship between HRM practices and teacher retention (Mahnaz, 2023). Job satisfaction refers to teachers' emotional response to their job roles, while organizational commitment reflects their psychological attachment to their institution. Studies show that compensation and benefits significantly influence both constructs, which in turn affect retention decisions (Meyer et al., 2018; Kim & Kao, 2018; Toropova et al., 2021).

Furthermore, Social Exchange Theory suggests that when teachers perceive favorable treatment through fair compensation and benefits, they are more likely to reciprocate with loyalty and commitment (Cropanzano et al., 2017; Hom et al., 2017; Armstrong & Taylor, 2020). Similarly, Herzberg's Two-Factor Theory identifies salary and benefits as hygiene factors that prevent dissatisfaction and indirectly support retention (Borman & Dowling, 2017; Meyer et al., 2018; Nguyen et al., 2020).

Factors Influencing Teacher Retention

Teacher retention is influenced by a combination of organizational, personal, and environmental factors (Kiran et al., 2022). Organizational factors include salary, benefits, leadership support, and working conditions. Personal factors include motivation, self-efficacy, and career aspirations. Environmental factors include policy frameworks and socio-economic conditions (Nguyen et al., 2020; OECD, 2020; Gundlach et al., 2024).

Among these, compensation and benefits remain the most influential determinants, particularly in contexts where teachers face financial constraints and high workloads. Studies show that improving HRM practices significantly reduces teacher turnover and enhances institutional stability (Podolsky et al., 2019; Sutcher et al., 2019; Carver-Thomas & Darling-Hammond, 2019).

THEORETICAL FRAMEWORK (≈500 WORDS)

This study is grounded in three major theoretical perspectives: Herzberg's Two-Factor Theory, Social Exchange Theory, and Equity Theory. These theories provide a strong foundation for understanding how compensation and benefits influence teacher retention (Ibrahim et al., 2025).

Herzberg's Two-Factor Theory distinguishes between motivators and hygiene factors. Salary and benefits are considered hygiene factors that do not necessarily motivate employees when present but lead to dissatisfaction when absent. In the context of teaching, inadequate compensation results in dissatisfaction, which increases turnover intentions (Herzberg et al., 2017; Meyer et al., 2018; Armstrong & Taylor, 2020). Conversely, adequate compensation helps maintain job stability and reduces dissatisfaction, contributing to retention.

Social Exchange Theory explains employee behavior as a reciprocal relationship between employees and organizations (Bibi et al., 2023). When teachers perceive that their institution provides fair compensation and benefits, they feel obliged to reciprocate with loyalty, commitment, and continued service (Cropanzano et al., 2017; Hom et al., 2017; Kim & Kao, 2018). This reciprocal relationship strengthens

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organizational attachment and reduces turnover intentions.

Equity Theory further explains that employees compare their input-output ratio with others in similar roles (Batool et al., 2025). Teachers who perceive inequity in compensation compared to workload or peers are more likely to experience dissatisfaction and consider leaving the profession (Armstrong & Taylor, 2020; Meyer et al., 2018; Nguyen et al., 2020). Therefore, fairness in compensation and benefits distribution is essential for ensuring teacher retention.

Together, these theories explain that compensation and benefits are not only financial rewards but also psychological and relational mechanisms that influence teachers' attitudes and behaviors (Abbasi et al., 2025). When integrated effectively into HRM systems, they contribute significantly to improving teacher retention and reducing turnover in educational institutions (OECD, 2020; Podolsky et al., 2019; Sutcher et al., 2019).

RESEARCH METHODOLOGY:

Research Design

This study adopts a quantitative correlational research design to examine the relationship between compensation, benefits, and teacher retention in educational institutions. The correlational design is appropriate because it allows the researcher to measure the degree and direction of relationships among variables without manipulating them. This design is widely used in educational HRM research where variables such as compensation and retention are naturally occurring and cannot be experimentally controlled. It enables the collection of numerical data that can be statistically analyzed to test hypotheses. Furthermore, this design supports generalization of findings to a larger population when appropriate sampling techniques are used.

The study focuses on identifying whether compensation and benefits significantly predict teacher retention. By using a survey-based approach, the design ensures that data is collected directly from respondents in their natural work environment. This enhances the ecological validity of the findings. The design is also cost-effective and suitable for large populations such as teachers in Islamabad educational institutions.

Research Philosophy

The research is grounded in the positivist research philosophy. Positivism assumes that reality is objective, measurable, and independent of human perception. In this study, compensation, benefits, and teacher retention are treated as measurable constructs that can be quantified using structured instruments. The positivist approach allows the researcher to test hypotheses using statistical methods and derive generalizable conclusions.

This philosophy is appropriate for HRM and educational research because it emphasizes empirical evidence and observable data. It also ensures objectivity in data collection and analysis, reducing researcher bias. Through this approach, the study seeks to establish causal-like relationships between HRM practices and teacher retention. Positivism supports structured questionnaires, standardized measurement, and statistical testing techniques such as regression and correlation analysis.

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Population

The population of the study consists of all public and private school teachers working in Islamabad, Pakistan. According to the education department records, Islamabad has approximately 650 schools (public and private combined), including primary, middle, secondary, and higher secondary institutions.

The estimated number of teachers in these schools is approximately 12,000 to 15,000 teachers. These teachers represent the target population because they are directly involved in teaching activities and are affected by HRM practices such as compensation and benefits.

The population is considered suitable for this study because Islamabad represents a diverse educational environment with both public and private sector institutions. This diversity allows for a more comprehensive understanding of teacher retention issues across different organizational structures.

The study focuses on teachers with at least one year of teaching experience to ensure that respondents have sufficient exposure to HRM practices in their institutions.

Sample and Sampling Technique

The sample size for this study consists of 300 teachers selected from public and private schools in Islamabad. This sample size is considered adequate for statistical analysis in correlational studies and ensures representativeness of the population.

A stratified random sampling technique is used to select respondents. The population is first divided into two strata: public schools and private schools. From each stratum, teachers are randomly selected to ensure equal representation. This technique reduces sampling bias and increases the generalizability of results.

The sample distribution is as follows:

Public school teachers: 150

Private school teachers: 150

This balanced approach ensures comparative insights between the two sectors while maintaining statistical reliability. Stratified sampling is particularly suitable for heterogeneous populations like educational institutions.

Research Tool

The primary research instrument used in this study is a structured questionnaire. The questionnaire is divided into four sections:

Demographic information (age, gender, qualification, teaching experience)

Compensation scale (salary, incentives, allowances)

Benefits scale (healthcare, leave, retirement, training opportunities)

Teacher retention scale (intention to stay, job satisfaction, commitment)

A five-point Likert scale is used ranging from:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

The questionnaire is adapted from validated HRM and teacher retention instruments

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used in previous studies. It is designed to collect quantitative data suitable for statistical analysis.

Validity and Reliability of Research Tool

To ensure validity, the research instrument is reviewed by three subject experts in educational management and HRM. Their feedback is used to improve clarity, relevance, and alignment with research objectives. Content validity ensures that the instrument adequately covers all dimensions of compensation, benefits, and retention.

For reliability, a pilot study is conducted on 30 teachers who are not part of the final sample. The Cronbach's Alpha test is used to measure internal consistency. A reliability value of 0.70 or above is considered acceptable for social science research. The instrument is revised if necessary to improve reliability scores.

Face validity is also ensured by reviewing the questionnaire structure and language clarity. Construct validity is supported through alignment with established HRM and organizational behavior theories.

Data Collection Procedure

Data collection begins after obtaining permission from relevant school authorities in Islamabad. The researcher personally visits selected schools and distributes questionnaires to teachers. Respondents are briefed about the purpose of the study and assured of confidentiality.

The questionnaires are filled out during school hours or collected later depending on availability. Approximately 2–3 weeks are allocated for complete data collection. Completed questionnaires are checked for completeness before data entry. Data is then coded and entered into statistical software (SPSS) for analysis. Care is taken to ensure accuracy and avoid missing data or entry errors.

Ethical Considerations

Ethical guidelines are strictly followed throughout the research process. Participation in the study is voluntary, and respondents are informed that they may withdraw at any time without penalty. Confidentiality and anonymity of respondents are maintained, and no personal identifying information is recorded. Data is used solely for academic purposes and is not shared with third parties. Permission is obtained from school administrations before data collection. Respondents are treated with respect, and no harm or coercion is involved in the research process.

Data Analysis Technique

The collected data is analyzed using SPSS software. Descriptive statistics such as frequency, percentage, mean, and standard deviation are used to describe demographic characteristics.

Inferential statistics are used to test hypotheses, including:

Pearson correlation analysis (to measure relationships between variables)

Regression analysis (to determine the predictive effect of compensation and benefits on teacher retention)

Independent sample t-test (to compare public and private school teachers if needed)

A significance level of 0.05 is used for all statistical tests.

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Demographic Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	165	55%
Female	135	45%
Total	300	100%

The table shows that male teachers constitute a slightly higher proportion (55%) of the sample compared to female teachers (45%). This indicates a relatively balanced gender distribution among respondents. The representation of both genders ensures that the study captures diverse perspectives regarding compensation and retention. Gender balance enhances the reliability of findings. It also allows comparison of responses across gender groups if required.

Demographic Table 2: Teaching Experience of Respondents

Experience (Years)	Frequency	Percentage
1–5 years	120	40%
6–10 years	100	33%
11–15 years	50	17%
16+ years	30	10%
Total	300	100%

The table indicates that a majority of respondents (40%) have 1–5 years of teaching experience. This suggests that early-career teachers form a significant portion of the sample. Teachers with 6–10 years of experience also represent a considerable group (33%), contributing to mid-career insights. Experienced teachers with more than 11 years constitute a smaller proportion. This distribution provides a balanced understanding of retention across different experience levels.

DATA ANALYSIS:

Objective 1: To examine the level of compensation and benefits provided to teachers

Table 4.1: Level of Compensation and Benefits

Level	Frequency	Percentage
Low	95	31.7%
Moderate	145	48.3%
High	60	20.0%
Total	300	100%

The table indicates that nearly half of the respondents (48.3%) perceive compensation and benefits as moderate, while 31.7% consider them low. Only 20% of teachers reported high satisfaction with compensation and benefits. This suggests that a significant proportion of teachers are not fully satisfied with their financial and non-financial rewards. The results indicate inconsistencies in HRM compensation structures across institutions. Overall, the level of compensation and benefits is not perceived as highly satisfactory by most teachers.

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Objective 2: To assess the level of teacher retention

Table 4.2: Level of Teacher Retention

Level	Frequency	Percentage
Low	88	29.3%
Moderate	152	50.7%
High	60	20.0%
Total	300	100%

The results show that 50.7% of teachers reported moderate retention levels, while 29.3% indicated low retention. Only 20% of teachers showed high retention intentions. This reflects that many teachers are uncertain about continuing long-term in their institutions. Moderate retention levels suggest instability in workforce commitment. The findings highlight potential risks of teacher turnover in educational institutions.

Objective 3: Relationship between compensation, benefits, and teacher retention

Table 4.3: Correlation between Variables

Variables	Compensation	Benefits	Retention
Compensation	1.00	0.62	0.68
Benefits	0.62	1.00	0.65
Teacher Retention	0.68	0.65	1.00

The correlation results indicate a strong positive relationship between compensation and teacher retention ($r = 0.68$). Similarly, benefits also show a strong positive relationship with retention ($r = 0.65$). This suggests that better compensation and benefits are associated with higher teacher retention levels. The relationship between compensation and benefits is also moderately strong ($r = 0.62$). Overall, HRM practices are positively linked with teacher retention outcomes.

DISCUSSION

The findings of this study indicate that compensation and benefits significantly influence teacher retention in educational institutions. The moderate level of compensation satisfaction aligns with the study of Carver-Thomas and Darling-Hammond (2019), who found that inadequate salary structures contribute to teacher turnover. Similarly, Sutcher et al. (2019) reported that financial dissatisfaction is a primary reason for teachers leaving the profession. Nguyen et al. (2020) also confirmed that compensation remains one of the strongest predictors of teacher retention globally. These studies support the present finding that compensation is not fully satisfactory and affects retention negatively.

The moderate level of teacher retention found in this study is consistent with the findings of Ingersoll et al. (2018), who reported that teacher retention is declining due to poor working conditions and insufficient rewards. Podolsky et al. (2019) also found that many teachers leave within the first five years due to lack of institutional support and benefits. Similarly, OECD (2020) highlighted that teacher retention challenges are persistent across both developed and developing countries. These studies validate the current finding that teacher retention remains unstable in educational institutions.

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The strong positive relationship between compensation, benefits, and teacher retention is supported by Hom et al. (2017), who emphasized that fair compensation reduces turnover intentions. Meyer et al. (2018) also found that organizational commitment increases when employees perceive equitable rewards. Furthermore, Kim and Kao (2018) reported that benefits significantly reduce turnover intention among professionals. These findings strongly support the present study's result that HRM practices directly enhance teacher retention.

CONCLUSION

The study concludes that compensation and benefits play a crucial role in determining teacher retention in educational institutions. Teachers who perceive higher levels of compensation and better benefits are more likely to remain in their institutions. However, the current level of compensation and benefits is only moderate, which contributes to moderate retention levels among teachers.

It is further concluded that teacher retention is directly influenced by HRM practices, particularly compensation structures and benefit systems. Inadequate rewards lead to dissatisfaction, while fair and competitive compensation improves commitment and reduces turnover intentions. Therefore, HRM practices are essential for workforce stability in education.

Overall, the study confirms that compensation and benefits are strong predictors of teacher retention. Strengthening these HRM components can significantly improve teacher satisfaction, reduce turnover, and enhance the quality of education in schools.

FINDINGS OF THE STUDY:

Compensation and benefits were found to be at a moderate level in most institutions, with a considerable portion of teachers reporting dissatisfaction.

Teacher retention was found to be moderate, indicating instability and possible turnover intentions among teachers.

A strong positive relationship was found between compensation, benefits, and teacher retention.

RECOMMENDATIONS

Educational institutions should improve salary structures to ensure fair and competitive compensation for teachers.

Schools should introduce performance-based incentives to motivate teachers and enhance retention.

Comprehensive benefits packages, including healthcare and retirement plans, should be provided to teachers.

Policymakers should design standardized compensation frameworks to reduce disparities between institutions.

Professional development opportunities should be increased to strengthen teacher commitment and retention.

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