

Strategic Talent Retention Amidst High Turnover: Evidence from Deposit Money Banks in Abeokuta, Nigeria

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ABSTRACT

The escalating flight of skilled professionals in Nigeria's banking industry, popularly referred to as the "Japa" syndrome, has raised concerns about talent loss, erosion of institutional memory, and operational vulnerabilities. This study examines the impact of strategic talent retention practices on operational efficiency and financial performance in selected Deposit Money Banks (DMBs) in Abeokuta, Ogun State. Adopting a descriptive survey design and a census of 170 technical and management staff across five banks, data were collected using a structured questionnaire and analysed with Pearson Product-Moment Correlation. Of the 170 questionnaires administered, 162 were returned and found usable (95% response rate). Results indicate a strong positive correlation between strategic talent retention and operational efficiency ($r = 0.784$, $p < 0.001$) and a very strong positive relationship between retention strategies and financial performance ($r = 0.812$, $p < 0.001$). Item-level analysis further reveals that flexible work arrangements, recognition programmes, and career development opportunities were the most valued non-monetary incentives among respondents. Drawing on Herzberg's Two-Factor Theory and the Resource-Based View, the study argues that strategic retention represents a critical human resource capability and a source of competitive advantage for regional banking hubs operating in volatile, talent-constrained environments (Boxall & Purcell, 2016; Collings et al., 2019). The paper concludes with implications for HRM theory and practice in emerging markets and offers actionable recommendations for managers.

Keywords: strategic talent retention, employee turnover, non-monetary incentives, career development, organisational culture, banking, HRM, Nigeria

INTRODUCTION

Human resource management in emerging economies is increasingly characterised by intense international competition for skilled labour and persistent macroeconomic volatility that destabilises employment relationships and wage structures (Adeleye & Yusuf, 2024). Against this backdrop, strategic talent retention has become a central HR capability for sustaining organisational performance in knowledge-intensive sectors such as banking (Kaufman, 2015; Collings et al., 2019). Global evidence suggests that talent mobility has risen since the COVID-19 pandemic, with skilled workers more willing to migrate in search of improved work and life conditions (World Bank, 2021; World Economic Forum, 2020). Such effects are especially evident in developing economies where institutional weaknesses and economic instability weaken long-term employment prospects and push high-potential employees to seek opportunities abroad (Akingbola, 2020).

In Nigeria, these global dynamics interact with domestic pressures, including high inflation, currency depreciation, and policy uncertainty, to heighten turnover intentions among professionals in the financial services sector (Adeleye & Yusuf, 2024; Onwuchekwa & Aruwa, 2022). Reports from the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2022) indicate that although the private sector contributes substantially to national GDP, many firms exhibit fragile business models, weak HR systems, and limited investment in human capital, which together foster high failure rates and exacerbate retention problems. Within the banking industry, digital transformation has intensified competition for technology-savvy and

analytically skilled employees, thereby increasing the cost and complexity of replacing departing staff (Okonkwo & Hassan, 2023).

Abeokuta, a regional banking centre in Ogun State, provides a relevant context for examining strategic retention in a high-turnover environment. Evidence from this hub suggests that DMBs face considerable attrition as staff respond to inflationary pressures, declining real wages, and perceived limited career prospects by seeking opportunities in Lagos or outside Nigeria (Nwanna & Okeremeta, 2020; SMEDAN, 2022). This outward mobility erodes institutional memory, disrupts customer relationships, and increases operational risk. In such a context, retention is no longer a peripheral HR issue but a key element of the strategic management of human capital (Boxall & Purcell, 2016).

This paper focuses on strategic talent retention—understood as deliberate, systemic HR practices that align employee needs and aspirations with organisational goals as a lever for stabilising operational efficiency and financial performance in DMBs in Abeokuta (Ibidunni et al., 2016; Ambrosius, 2018). Specifically, it examines three core dimensions of retention—non-monetary incentives, career development, and organisational culture and how these mechanisms shape performance outcomes in a high-inflation, high-mobility environment. By integrating Herzberg’s Two-Factor Theory with the Resource-Based View (RBV), the study links micro-level motivational mechanisms to macro-level strategic performance within an emerging-market banking context (Herzberg, 1959; Collings et al., 2019).

LITERATURE REVIEW

Employee Turnover

Employee turnover is the rate at which employees leave an organisation within a given period and are replaced from the external labour market. In Abeokuta’s banking context, turnover appears to be driven by a combination of push factors (inflation, heavy workload, perceived limited career prospects) and pull factors (better pay, improved working conditions, and international opportunities) (SMEDAN, 2022; Akingbola, 2020). Turnover has implications beyond headcount, affecting institutional memory, customer trust, and the continuity of critical processes (Nwanna & Okeremeta, 2020). Empirical research across service-intensive sectors consistently links high turnover with increased recruitment costs, longer vacancy periods, weakened service quality, and reduced competitive positioning (Yousaf et al., 2021; Anlesinya & Susomrith, 2020). In banking, where relationship management and process reliability are central, turnover directly constrains operational efficiency and, indirectly, financial performance (Ibidunni et al., 2016).

Strategic Talent Retention

Strategic talent retention refers to the integrated set of HR practices designed to create conditions under which high-value employees choose to remain with the organisation (Ambrosius, 2018; Boxall & Purcell, 2016). Unlike transactional approaches that concentrate on pay and basic benefits, strategic retention focuses on aligning employees’ career aspirations, psychological needs, and work-life preferences with organisational goals. In this study, strategic retention is operationalised through three dimensions: non-monetary incentives, career development, and organisational culture. Drawing on RBV, strategic retention treats human capital as a core strategic resource whose continuity creates value, especially under volatile conditions (Collings et al., 2019; Oke & Adekoya, 2024).

Non-Monetary Incentives, Career Development, and Organisational Culture

Non-monetary incentives include flexible work arrangements, job autonomy, recognition programmes, mentoring, and work–life balance initiatives. In high-inflation environments, where the real value of wages is eroded, such incentives can become more salient than incremental salary increases in shaping employees’ decisions to stay or leave (Herzberg, 1959; Kalonga & Motsi, 2025). Career development encompasses structured opportunities for training, internal promotion, skill enhancement, and cross-functional mobility, signalling long-term investment in employees and reducing the perceived need to seek external employment (Adelakun & Afolabi, 2022; Li et al., 2025). Organisational culture, defined as shared values, norms, and

behavioural expectations, influences retention by shaping employees' sense of belonging, fairness, and psychological safety (Yousaf et al., 2021). Inclusive, learning-oriented cultures support retention, while toxic or politicised cultures accelerate turnover, particularly among high-performing staff (Chukwuma & Alabi, 2023; Miao & Bozionelos, 2020).

Recent empirical work supports the relevance of these mechanisms. In Ghana, Anlesinya and Susomrith (2020) found that talent management practices centred on development and engagement significantly reduced turnover intentions. In Lagos, Oke and Adekoya (2024) showed that structured talent management and career development practices in DMBs were associated with improved organisational performance. Comparative evidence from Malawi's public sector (Kalonga & Motsi, 2025) and Chinese logistics firms (Li et al., 2025) further indicates that non-monetary incentives and development-focused HR systems can be powerful retention levers across diverse emerging-market contexts.

Theoretical Framework

Herzberg's Two-Factor Theory

Herzberg's Two-Factor Theory distinguishes between hygiene factors (such as pay, working conditions, and policies) that prevent dissatisfaction and motivators (such as recognition, responsibility, and growth) that promote positive satisfaction and commitment (Herzberg, 1959). In the current Nigerian banking context, where rising costs and inflation constrain the effectiveness of pay-oriented strategies, this theory suggests that banks must pivot towards motivators, notably recognition, enriched roles, and meaningful career development, to sustain retention (Adeleye & Yusuf, 2024). This underscores why non-monetary incentives and developmental opportunities may be more predictive of retention than marginal salary increments among DMB employees in Abeokuta.

Resource-Based View (RBV)

RBV posits that sustainable competitive advantage emerges from resources that are valuable, rare, imperfectly imitable, and non-substitutable (Boxall & Purcell, 2016). In banking, human capital, especially experienced technical and management staff, fits this description, as it underpins service quality, risk management, and innovation (Collings et al., 2019; Oke & Adekoya, 2024). RBV thus frames strategic talent retention as an investment in a key strategic resource, not merely a cost centre. For banks in volatile environments, retaining high-quality human capital becomes a foundation for maintaining operational efficiency and stable financial performance (Ibidunni et al., 2016; Anlesinya & Susomrith, 2020).

Integrated Framework

By integrating Herzberg's motivational lens with RBV's strategic resource logic, this study conceptualises strategic talent retention as simultaneously psychologically grounded and strategically consequential. Motivators such as recognition and growth (Herzberg) are operationalised through HR practices that increase the value and commitment of human capital (RBV), which in turn improve operational efficiency and financial performance (Collings et al., 2019; Adeleye & Yusuf, 2024).

Research Model and Hypotheses

Drawing on the preceding review, the study specifies a model linking strategic talent retention (independent construct) to two outcome variables: operational efficiency and financial performance (dependent constructs). Strategic retention is measured via items capturing non-monetary incentives, career development, and organisational culture.

H₀₁: Strategic talent retention does not significantly influence the operational efficiency of Deposit Money Banks in Abeokuta.

H₀₂: There is no significant relationship between employee retention strategies and the financial performance of Deposit Money Banks in Abeokuta.

METHODOLOGY

Research Design

A descriptive survey design was adopted to capture employees' perceptions of retention practices and their relationships with operational efficiency and financial performance in a non-experimental setting. This design is widely used in HRM and organisational research for examining naturally occurring associations among variables (Creswell & Creswell, 2023; Akingbola, 2020).

Population and Sampling

The population comprised all 170 technical and management staff across five selected DMB branches in Abeokuta: Wema Bank (Oke-Ilewo), United Bank for Africa (Ita-Eko), First City Monument Bank (Oke-Ilewo), First Bank (Onikolobo), and Guaranty Trust Bank (Kuto). Given the modest size and strategic significance of the population, a census (total enumeration) approach was employed to eliminate sampling error and ensure representation across functions and hierarchical levels (Adelakun & Afolabi, 2022).

Table 1. Population distribution by bank

Bank	Location	Staff category	Number of staff
Wema Bank	Oke-Ilewo	Technical and Management	38
United Bank for Africa (UBA)	Ita-Eko	Technical and Management	32
First City Monument Bank (FCMB)	Oke-Ilewo	Technical and Management	36
First Bank	Onikolobo	Technical and Management	36
Guaranty Trust Bank (GTB)	Kuto	Technical and Management	28
Total	—	—	170

Instrumentation and Data Collection

Data were collected using a structured questionnaire comprising demographic items and Likert-type scales measuring strategic talent retention, operational efficiency, and financial performance. Items were derived from prior HRM and OB research on talent retention and adapted to the Nigerian banking context (Ibidunni et al., 2016; Anlesinya & Susomrith, 2020). Content validity was established through expert review by HRM and organisational behaviour scholars, and a pilot test was conducted to refine clarity and wording.

Reliability and Data Analysis

Reliability analysis (Cronbach's alpha) indicated satisfactory internal consistency for the main scales, with alpha values above the 0.70 threshold commonly accepted in organisational research (Nunnally, as cited in Adeleye & Yusuf, 2024). Of the 170 questionnaires distributed, 162 were completed and returned, yielding a response rate of 95%, which is robust for correlational survey research (Creswell & Creswell, 2023). Data were analysed using descriptive statistics and Pearson Product Moment Correlation (PPMC) to test the hypotheses, consistent with prior HRM studies in similar contexts (Ibidunni et al., 2016; Oke & Adekoya, 2024).

RESULTS

Demographic Profile

The sample is predominantly young and relatively mobile: 44.4% of respondents were aged 31–40 years, 22.2% were aged 21–30, while only 9.9% were above 50 years. In terms of tenure, 60.5% had less than five years of experience in their current bank, 28.4% had 5–10 years, and 11.1% had more than 10 years of service. This demographic profile indicates a workforce with heightened mobility risks, consistent with broader patterns of youth-led labour migration observed in Nigeria (SMEDAN, 2022; World Bank, 2021).

Hypothesis Testing

For H_{01} , the correlation between strategic talent retention and operational efficiency was $r = 0.784$ ($p = 0.000$), indicating a strong, positive, and statistically significant relationship. Consequently, H_{01} is rejected, suggesting that banks in the sample that implement stronger retention practices tend to achieve higher operational efficiency, in line with previous findings linking HR practices to process performance (Ibidunni et al., 2016; Oke & Adekoya, 2024).

For H_{02} , the correlation between retention strategies and financial performance was $r = 0.812$ ($p = 0.000$), signifying a very strong, positive, and significant relationship. H_{02} is also rejected, indicating that strategic retention is closely associated with better financial performance in the banks studied, consistent with RBV-based arguments that human capital retention underpins competitive advantage (Collings et al., 2019; Adeleye & Yusuf, 2024).

Table 2. Correlation results

Relationship	N	r	p-value
Strategic retention vs. operational efficiency	162	0.784	0.000
Retention strategies vs. financial performance	162	0.812	0.000

Most highly rated non-monetary incentives

To provide more granular insight for practitioners, the study also examined mean ratings for specific non-monetary incentives within the strategic retention scale. As shown in Table 3, flexible work arrangements ($M = 4.21$, $SD = 0.71$) and recognition and appreciation programmes ($M = 4.18$, $SD = 0.75$) were the two most highly rated mechanisms, followed by opportunities for career development and internal promotion ($M = 4.07$, $SD = 0.80$). Mentoring and coaching ($M = 3.96$, $SD = 0.82$), supportive supervisory relationships ($M = 3.89$, $SD = 0.79$), and formal work–life balance initiatives ($M = 3.81$, $SD = 0.88$) were also viewed positively. These item-level results reinforce the argument that, in high-inflation contexts, intrinsic and developmental motivators are central to employees’ retention decisions, often more so than incremental changes in base pay (Herzberg, 1959; Kalonga & Motsi, 2025).

Table 3. Mean ratings of key non-monetary incentives (n = 162)

Non-monetary incentive	Mean	SD
Flexible work arrangements (hours, shifts, location)	4.21	0.71
Recognition and appreciation programmes	4.18	0.75
Career development and internal promotion	4.07	0.80
Mentoring and coaching	3.96	0.82

Supportive supervisory relationships	3.89	0.79
Work–life balance initiatives	3.81	0.88

DISCUSSION

The strong positive association between strategic talent retention and operational efficiency supports Herzberg’s assertion that motivators such as recognition, responsibility, and growth are fundamental for sustaining high levels of performance and commitment (Herzberg, 1959). In the Abeokuta banks studied, the findings suggest that non-monetary incentives, well-structured career paths, and supportive supervision contribute to fewer process errors, improved compliance, and better service delivery (Ibidunni et al., 2016; Oke & Adekoya, 2024). This aligns with recent evidence from Ghana and other African contexts, where development-centric HR practices have been shown to reduce turnover intentions and improve operational outcomes (Anlesinya & Susomrith, 2020; Kalonga & Motsi, 2025).^{[9][8][6][2][1]}

The very strong relationship observed between retention strategies and financial performance is consistent with RBV’s emphasis on human capital as a strategic asset (Boxall & Purcell, 2016; Collings et al., 2019). Retaining experienced technical and managerial staff appears to enable banks in the sample to leverage customer knowledge, manage risk more effectively, and innovate in products and processes, which collectively support stronger financial results (Ibidunni et al., 2016; Oke & Adekoya, 2024). Although this study is limited to five DMBs in a single regional hub, the pattern is consistent with other emerging-market evidence, including findings from Lagos DMBs and Asian logistics firms, that link talent management practices with financial performance (Oke & Adekoya, 2024; Li et al., 2025).

The item-level analysis of non-monetary incentives offers further nuance. The prominence of flexible work arrangements and recognition programmes reflects employees’ desire for autonomy and appreciation in the face of economic uncertainty (Herzberg, 1959; Kalonga & Motsi, 2025). High ratings for career development and internal promotion underscore the importance of visible growth trajectories for retaining younger employees, who dominate the sample and are especially mobile (SMEDAN, 2022; World Bank, 2021). These findings collectively suggest that pay-centric approaches are insufficient in the current environment and that HR managers must give equal or greater priority to intrinsic and developmental motivators.

Importantly, the study’s findings should be interpreted in light of its contextual scope. The data are derived from a single regional hub and may not fully capture the diversity of retention dynamics across the entire Nigerian banking system. Nonetheless, convergence between this evidence and findings from Lagos and other African and Asian settings suggests that similar mechanisms may operate in comparable emerging-market banking contexts (Oke & Adekoya, 2024; Anlesinya & Susomrith, 2020; Kalonga & Motsi, 2025).

Theoretical and Practical Implications

Theoretically, this study strengthens the case for integrating motivational and strategic perspectives in HRM research. It shows that retention mechanisms grounded in Herzberg’s motivators (e.g., recognition, growth, autonomy) translate into RBV outcomes of operational efficiency and financial performance, thereby positioning talent retention as a bridge between micro-level motivation and macro-level competitive advantage (Herzberg, 1959; Boxall & Purcell, 2016; Collings et al., 2019). For HRM scholarship, this integration underscores the value of conceptualising specific bundles of retention practices as “HR capabilities” that help organisations navigate turbulent environments (Adeleye & Yusuf, 2024).

Practically, the findings have several implications for HR managers and executives in regional DMBs and similar emerging-market settings. First, the high mean ratings associated with flexible work arrangements, recognition programmes, and career development suggest that retention strategies should rebalance reward portfolios toward these non-monetary and developmental mechanisms rather than relying predominantly on wage adjustments (Kalonga & Motsi, 2025; Anlesinya & Susomrith, 2020). Second, the documented role of organisational culture in shaping retention decisions highlights the importance of deliberate cultural management through regular

culture audits and employee engagement surveys to foster inclusion, fairness, and psychological safety (Yousaf et al., 2021; Miao & Bozionelos, 2020). Third, the strong link between retention and financial performance suggests that technical and management staff should be treated as strategic assets whose retention is a board-level priority rather than a narrow HR concern (Collings et al., 2019; Oke & Adekoya, 2024).

CONCLUSION

This study investigated the relationship between strategic talent retention and organisational outcomes among DMBs in Abeokuta, Nigeria. Based on survey data from 162 technical and management employees and correlation analysis, the study found that strategic retention practices are strongly associated with both operational efficiency and financial performance. In a high-inflation, high-mobility environment, non-monetary incentives, career development, and supportive organisational culture emerged as particularly salient forms of retention capital (Herzberg, 1959; World Bank, 2021). Item-level results further highlighted flexible work arrangements, recognition, and career opportunities as the most valued retention levers for respondents. While the scope is restricted to one regional hub, the findings are broadly consistent with evidence from other African and Asian contexts, suggesting that similar retention mechanisms may be effective in comparable emerging-market banking settings (Anlesinya & Susomrith, 2020; Oke & Adekoya, 2024; Kalonga & Motsi, 2025).

RECOMMENDATIONS AND FUTURE RESEARCH

In light of the findings, several recommendations are proposed for HRM practice in the Nigerian banking sector and similar contexts.

First, banks should consciously rebalance their reward portfolios toward high-valued non-monetary incentives, especially flexible work arrangements, structured recognition programmes, and mentoring systems, to support employee well-being and attachment amid inflationary pressures (Herzberg, 1959; Kalonga & Motsi, 2025). Second, institutions should institutionalise career development frameworks that include clear competency models, transparent promotion criteria, and regular development conversations, signalling long-term investment in employees and helping to reduce outward mobility (Adelakun & Afolabi, 2022; Li et al., 2025). Third, HR leaders and top management should actively manage organisational culture through systematic culture audits and engagement surveys to build inclusive, learning-oriented environments that foster psychological ownership and commitment (Yousaf et al., 2021; Miao & Bozionelos, 2020). Fourth, senior leadership should integrate retention indicators into strategic planning processes, including digital transformation and branch expansion initiatives, to ensure that talent retention is aligned with business strategy (Collings et al., 2019; Oke & Adekoya, 2024).

Future research could adopt multi-method designs that combine survey data with HR administrative records to examine causal links between specific retention practices and objective indicators of turnover and performance. Longitudinal designs would be valuable for tracking how retention strategies evolve in response to changing macroeconomic conditions, while comparative studies across regions or sectors could differentiate context-specific from more generalisable aspects of strategic talent retention (Adeleye & Yusuf, 2024; Kalonga & Motsi, 2025).

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