

Influence of Engagement Strategies on Employee Retention in Nigeria

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ABSTRACT

This study seeks to assess the influence of engagement strategies on employee retention in Nigeria. Three (3) engagement strategies (meritocracy, employer branding, and succession planning) were assessed on employee retention. The descriptive survey design and primary data (questionnaires) were employed. The questionnaire was administered to 300 employees of oil and gas firms and data obtained were analyzed using both descriptive (mean) and inferential (Spearman Rank Correlation) statistical tools. Findings showed that the meritocracy strategy is the most ranked factor influencing employee retention; this implies that employees in the organization are rewarded on the basis of their contributions and value to the firm, which in turn influences their decision to stay with the organization. More so, while meritocracy is ranked the most significant factor affecting employee retention, it was found that engagement strategies (like employer branding and succession planning) significantly influence employee retention. On the basis of the findings, it was recommended that organizations can adopt meritocracy, employer branding, and succession planning as engagement strategies. For the sake of lucidity, management must communicate their succession planning to the employees and must constantly reward employees on the basis of their contributions to the firm.

Keywords: Engagement Strategies, Employee Retention, Employer Branding, Meritocracy, Succession Planning.

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I. INTRODUCTION

In organizations today, employees are regarded as the most important assets to the organization. According to Marques and Sredevi (2010), and Chandra (2019), engaged employees are seen as the strategic assets of the organization and the ability of the organization to engage employees will lead to retention of employees. Thus, organizations strive to retain skilled employees. Witemeyer (2013), and Theuri (2017) refer to employee engagement as the attitude of an employee towards work in an organization, which contains an approach of vigor, devotion, absorption, enthusiasm, and interest.

In the human resource management literature, an engaged workforce is vital because they help the organization reap benefits and realize its goals and objectives. Such benefits and actualized goals are increased efficiency, higher earnings per employee, higher performance (Okoro & Ihenyen, 2020) and productivity, lower absenteeism, higher level of customer satisfaction, and lower turnover rates (Saks, 2006; Michael & Stephen 2014; and Ashraf & Siddiqui, 2020); hence, employees that are not engaged are less desirable in an organization (Chandra, 2019; Theuri, 2017). In a practical sense, it is not whom the organization hires those matters, it is whom the organization keeps. thus, the real issue for management is the incessant effort towards identifying and retaining top performers employees, whether they are old, middle-aged or young (Kennedy & Daim, 2010).

Ivanovic (2007) sees employees' retention as the process of keeping employees that are loyal and persuading them to remain with the organization. A systematic approach to human resource planning can play a significant part in reducing the number of employees that leave the organization. An organization's inability to retain employees will lead to employee turnover and is undesirable because of the negative consequences it has on the organization. Hinkin and Tracy (2010) contended that a 'high rate of employee turnover is a vexing issue for organizations, not because it impacts on employees' morale and productivity, but also because it causes an indirect reduction of revenue and profitability (Bluestein, 2010).

Retaining employees is very important to the organization as it affects the organization positively, via high employee morale and high employee productivity (Mitchell *et al.*, 2010); more so, employee retention has become a vital issue of concern for organizations that seeks to improve their performance. Mandhanya (2015) opined that employee retention has become among the most vital factor for the long-term success of organizations that want to remain competitive in their industry.

In the management literature, there are numerous retention strategies, which are but not limited to meritocracy, employer branding, and succession planning, among others. In this paper, three engagement strategies, namely meritocracy, employer branding and succession planning were

investigated. First, the meritocracy strategy implies retaining employees on the basis of their talent and merit, rather than a class privilege; second, succession planning is the process of identifying and developing prospective internal employee so that they can fill key leadership positions in the organization (Odiri, 2016a); and third, employer branding is a general recognition engagement strategy where management identifies and connects with unique employees due to their experience in the organization (Mitchell *et al.*, 2010).

A. Research Objectives

The broad objective of this study is to investigate the influence of engagement strategies on employee retention in Nigeria. The specific objectives are:

- To evaluate the influence of meritocracy on employee retention;
- To ascertain the influence of employer branding on employee retention;
- To assess the influence of succession planning on employee retention.

II. LITERATURE REVIEW

A. Engagement Strategies and Employee Retention

Every organization has set goals and objectives that it aims to achieve in the short and long run. To achieve these set goals and objectives, employees play an active role. With this, employees have to be actively engaged so as to boost productivity. In recent times, it has been observed that there has been a high rate of absenteeism, disengagement, and low productivity in organizations, leading to employee turnover. Retaining employees has thus become a problem for organizations' management. According to Yiu and Saner (2014), and Odiri (2016b), employees can be demotivated if there is a lack of retention strategies as they may feel management does not support them.

The above view is reinforced by empirical studies. For instance, Chandra (2019) found that employee engagement significantly influences employee retention. The study showed that meritocracy, employer branding, succession planning and relationship with line manager influence employee retention. Moletsane (2017) sees employee engagement as a psychological and physical demonstration that the employee understands his/her role in the organization and the commitment of stewardship that is manifested in high productivity levels in his/her work.

Numerous strategies can be used by organizations to keep or retain employees. For the purpose of this study, the emphasis would be on three (3) engagement strategies, which are meritocracy, succession planning and employer-branding. Meritocracy is a social system in which advancement in society is based on the individuals' capabilities and merits rather than on basis of family, wealth, or social background (Bellows, 2009). The study of Liu (2011) found that meritocracy positively relates with employee retention. Succession planning according to Casceo (2006), and Javed and Jaffer (2019) is the process under which organizations recognize and establish internal individuals with the objective to fill key positions within the workplace.

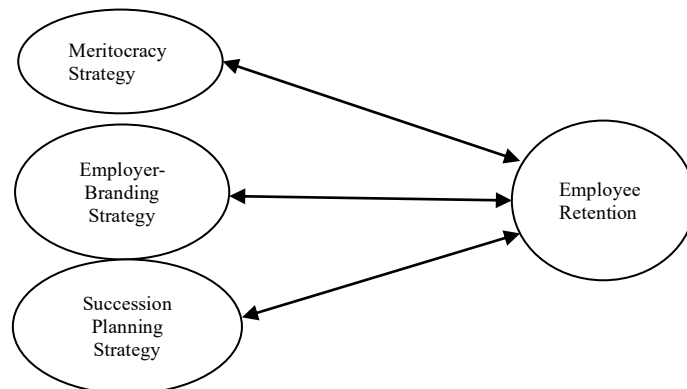


Fig. 1. Conceptual Model of the Study.

It simply means identifying employees within an organization and training them with the aim of filling higher positions in the long run.

Employer branding is a strategic process of building a unique, identifiable identity that differentiates from its competitors in the labour market as a long-term strategy to manage awareness and perception of employees, potential employees, and related stakeholders with regard to a specific firm (Sullivan, 2004). Employer branding is building and managing the identity, on how the organization wants its employees, other stakeholders, and the general public to view it.

B. Theoretical Framework

This study is hinged on the social exchange theory (SET), which was propounded by Homan (1958). According to SET, society is made up of different classes of people which promotes exchanges between them (Wambui, 2019). Social exchange results from the exchange between two or more parties, with more or fewer rewards and benefits involved (Homans 1958; Wambui, 2019). Primarily, SET is based on the notion that a relationship between two individuals is created via a technique of cost-benefit analysis.

Social exchange connotes a kind of transaction that exists between two parties, in this case between an employer and an employee (Cropanzano & Michell, 2005). The basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain "rules" of change (Gilles-Merrick, 2018). According to SET, responsibilities are created via various interactions of parties who are interdependent with each other. SET holds that relationships gradually develop into trusting, loyal and mutual pledges on the condition that parties to the pledge follow rules of exchange (Basbous, 2011).

In SET, the interpersonal exchange is analogous to economic exchange, where people are satisfied when they receive a fair return on their expenditures (Gilles-Merrick, 2018; Erickson *et al.*, 2011; Skarzauskiene, 2010). The relevance of SET to this study is that when employees are satisfied with an exchange, they will want to get more; this behavior results to them being retained by management.

C. Empirical Studies

The workforce is needed to ensure that the organization functions well and to ensure peaceful coexistence, which Okoro and Egbunike (2016) considered vital ingredients for society. There is a lack of empirical studies on the link between engagement strategies and employee retention,

particularly for oil and gas firms in Nigeria; most studies in this area were conducted in other countries. For instance, Ashraf and Siddiqui (2020) examined the effects of engagement strategy on employee retention using 200 respondents. Confirmatory factor analysis, structural equation modeling and correlation analysis revealed a positive and significant link between engagement strategy and employee retention. More so, the study found that psychological capital, control at work and job satisfaction mediator the relationship between engagement strategies and employee retention.

The study by Chandra (2019) establishes via Karl Pearson Correlation analysis that engagement strategies like meritocracy, employer branding, succession planning and relationship with line manager impact on the employee retention using a survey of 30 employees. Similarly, Theuri (2017) assessed the effect of engagement strategy on employee retention using a survey of 45 respondents. Descriptive (frequencies, percentage, mean and standard deviation) and inferential (Karl Pearson correlation) results revealed that engagement strategies positively and significantly affect employee retention.

III. RESEARCH METHOD

In this study, the descriptive research design was adopted; this design was adopted in order to evaluate the influence of engagement strategies on employee retention. The study population is made up of employees of four (4) oil and gas firms with a total workforce of 3,751. A sample of 375 was arrived via the Taro-Yamane sample size formula.

The major instrument of data collection is the questionnaire which was designed on a four-point scale of strongly agree, agree, disagree and strongly disagree. The questionnaire was administered on the workforce of the oil and gas firms on the face-to-face basis alongside with two (2) research assistants. Data obtained in the field survey were carefully analyzed in order to address the objectives of the study. Furthermore, data were analyzed via descriptive (mean) and inferential (Spearman Rank Correlation) statistical tools.

IV. RESULTS

Presented in Table I is the result of meritocracy strategy and employee retention; the result revealed that all eight (8) items have mean scores above the mean benchmark of 2.0; indicating that the influence of meritocracy on employee retention is high. While the highest mean score is (Mean = 3.29); this implies that in an organization, employees are rewarded on the basis of their contributions and value.

Presented in Table II is the result of the meritocracy strategy and employee retention; the results showed that all the items have mean scores above the mean benchmark of 2.0; indicating that employer-branding influences employees' retention. While the highest mean score being (Mean = 3.83); this implies that organization do not fail to keep up to promises they make to employees and that employee welfare are taken into consideration.

TABLE I: INFLUENCE OF MERITOCRACY STRATEGY ON EMPLOYEE RETENTION

Variables	Mean	Remark
People are rewarded based on their contribution and value to the company	3.29	Accepted
This organization always recruit and select the best people for the job regardless of their race and gender	3.27	Accepted
My employer gives everyone an equal opportunity of being employed.	3.14	Accepted
Career opportunities always go to the most qualified people.	2.98	Accepted
Some people who make clear and significant contributions are under rewarded for their work.	3.18	Accepted
Despite a person's best efforts, some uncontrollable factors can still limit one's success.	3.27	Accepted
Gender and race has little to do with wages, compensations, rewards and benefits.	3.12	Accepted
My skills and abilities are of relevance to my work.	3.21	Accepted
My job inspires me to do my best and want to be better.	3.25	Accepted

Source: Field survey, 2022

TABLE II: INFLUENCE OF EMPLOYER-BRANDING STRATEGY ON EMPLOYEE RETENTION

Variables	Mean	Remark
This organization reputation helps to attract and retain the best employees.	3.25	Accepted
This organization delivers on any promises it makes to the employees	2.02	Accepted
This organization is successful now and will be successful in the future.	3.16	Accepted
Human resource tools take the welfare of the employees into consideration.	2.49	Accepted
This organization is one of the best places to work.	3.35	Accepted
The organization core values are demonstrated regularly and consistently.	3.06	Accepted
I've been given the necessary tools by my employer to carry out my work.	3.22	Accepted
I can make changes in my daily work in order to boost my productivity.	3.83	Accepted
Change initiatives are well managed and help deliver better performance.	3.35	Accepted

Source: Field survey, 2022

TABLE III: INFLUENCE OF SUCCESSION PLANNING STRATEGY ON EMPLOYEE RETENTION

Variables	Mean	Remark
My company has a succession Planning that has been very effective.	3.13	Accepted
Individual identified to fill key level positions are mentored in the organization	3.14	Accepted
Individuals that have been selected to fill senior level positions are adequately provided with the necessary training.	3.10	Accepted
To fill a position, organization recruits and select from outside, rather than going with an internal candidate.	3.20	Accepted
Recruiting new talents from outside can improve an organization skills pool for top management.	2.26	Accepted
My company succession plan makes all employees to work harder, so that they can be selected.	2.84	Accepted
The organization meets the time frame to plan for "on-boarding" the person.	3.14	Accepted
My company has a succession Planning that has been very effective.	2.81	Accepted

Source: Field survey, 2022

Presented in Table III is the result of the succession planning strategy and employee retention; the result showed that all items have mean scores above the mean benchmark of 2.0. This indicates that employee retention is influenced by a succession planning strategy. While the highest mean score is (Mean = 3.20); this implies that respondents agree to the fact that recruiting new talents from outside cannot entirely improve an organization's skills pool for top management.

Table IV revealed that the Spearman rank correlation coefficient r is .376 and this is positively statistically significant. ($r= 0.376, n=374, p<0.003$). Since the r -value is lesser than the r -cal value at the significant level of 0.05, the null hypothesis is rejected. This implies that there is a significant relationship between meritocracy and employee retention. Meanwhile, the meritocracy ranked score is 31.61

which is higher than the mean benchmark, indicating that the meritocracy strategy significantly affects employee retention.

Table V revealed that the Spearman rank correlation coefficient r is 0.177 and this is positively statistically significant. ($r= 0.177, n=374, p<0.031$). Since the p -value is lesser than the significant level of 0.05, the null hypothesis is rejected; this implies that there is a significant link between employer-branding strategy and employee retention.

In Table VI, the r -calculated value is 2.073 which is statistically significant ($p<0.05$); because it is greater than the r -tabulated value of 1.553, the null hypothesis was rejected, and the alternate hypothesis was accepted that there is a significant link between succession planning strategy and employee retention.

TABLE IV: SPEARMAN RANK CORRELATION FOR MERITOCRACY STRATEGY & EMPLOYEE RETENTION

		Meritocracy		Employee Retention		
Meritocracy	Spearman Correlation	1		0.376**		
	Sig. (2-tailed)	-		0.003		
	N	375		374		
Employee Retention	Spearman Correlation	0.376**		1		
	Sig. (2-tailed)	0.000		-		
	N	373		373		
**. Correlation is significant at the 0.05 level (2-tailed).						
Variables	N	Mean	SD	r-cal	r-value	Remark
Meritocracy	375	31.61	4.99	0.376	0.003	H ₀₁ Rejected
Employee Retention		29.37	5.73			
Source: Field survey, 2022					α 0.05	

TABLE V: SPEARMAN RANK CORRELATION FOR EMPLOYER-BRANDING STRATEGY & EMPLOYEE RETENTION

		Employer Branding		Employee Retention		
Employer Branding	SpearmanCorrelation	1		0.177*		
	Sig. (2-tailed)	-		0.031		
	N	375		374		
Employee Retention	Spearman Correlation	0.177*		1		
	Sig. (2-tailed)	0.031		-		
	N	373		373		
*. Correlation is significant at the 0.05 level (2-tailed).						
Variables	N	Mean	SD	r-cal	r-table	Remark
Employer Branding	149	17.81	2.14	0.177	0.031	H ₀₂ Rejected
Employee Retention		29.37	5.74			
Source: Field survey, 2022					α 0.05	

TABLE VI: SPEARMAN RANK CORRELATION FOR SUCCESSION PLANNING STRATEGY & EMPLOYEE RETENTION

		Succession planning		Employee Retention		
Succession planning	Spearman Correl.	1		0.169*		
	Sig. (2-tailed)	-		0.031		
	N	375		375		
Employee Retention	Spearman Correl.	0.177*		1		
	Sig. (2-tailed)	0.031		-		
	N	373		373		
*. Correlation is significant at the 0.05 level (2-tailed).						
Variables	N	Mean	SD	r-cal	r-table	Decision
Succession planning	150	49.66	21.15	2.073	1.55333	H ₀₃ Rejected
Employee Retention		41.4	15.4	-		
Source: Field survey, 2022					α 0.05	

V. CONCLUSION AND RECOMMENDATIONS

Employees are regarded as the best assets in an organization, simply because they ensure the smooth functioning and day-to-day running of the organization. Employee engagement and retention have attracted considerable attention from management professionals and researchers. The reason is that having an engaged workforce is beneficial to the organization in areas of low employee

turnover, high productivity and employee retention, etc. In this study, the relationship between engagement strategy (meritocracy, succession planning, and employer branding) and employee retention was examined.

In this study, questionnaire was the major instrument of data collection and data obtained were analyzed using both descriptive (mean) and inferential (Spearman Rank Correlation) statistical techniques. Findings indicated that the meritocracy strategy is the most ranked dynamic influencing

employees' retention; impliedly, employees in the organization are rewarded on the basis of their contributions and value, which in turn influences their decision to stay with the organization. Also, it was found that while meritocracy is ranked the most significant dynamics, employer branding and succession planning significantly influence employees' retention.

The finding of our study in part corroborates with the results of Ashraf and Siddiqui (2020), Chandra (2019), and Theuri (2017). Given the findings of the study, it was recommended that organizations can adopt meritocracy, employer branding, and succession planning as engagement strategies. For sake of lucidity, management must communicate their succession planning to the employees and must constantly reward employees on basis of their contributions to the firm. The study contributes to knowledge by establishing that meritocracy, succession planning, and employer branding positively relate to employee retention.

CONFLICT OF INTEREST

The author declares that there is no conflict of interest.

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