HUMAN CAPITAL DEVELOPMENT AND EMPLOYEE RETENTION. A STUDY OF SELECTED COMMERCIAL BANKS NIGERIA.

BY

OGUNDELE DOLAPO

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A RESEARCH THESIS SUBMITTED TO THE COLLEGE OF HIGHER DEGREES AND RESEARCH IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTERS OF ARTS IN HUMAN RESOURCE MANAGEMENT OF KAMPALA INTERNATIONAL UNIVERSITY. UGANDA.

April, 2019
DECLARATION

I declare that this research thesis is my original work and has not been presented for a degree or any other academic award in any university or institution of learning.

Signature: ……………………………… Date: ……………………………

OGUNDELE DOLAPO AFOLAKEMI

1164-05196-09165
APPROVAL

I confirm that the work compiled in this thesis report was carried out by the candidate under my supervision.

DR. WANDIBA AUGUSTINE.

Supervisor

Signature: ..............................................................

Date.................................................................
DEDICATION

I dedicated this work to my family, my late father, Comrade Ayodele Ogundele, my husband, Dr. Awobamise Ayodeji and friends.
ACKNOWLEDGEMENT

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ABSTRACT

The Nigerian banking industry is widely known as one of the highest paying sectors in Nigeria and as such attract a variety of talents that hope to hitch their tent with one of the many banks in the country. It is however, not a secret that most bankers in Nigeria move from one organization to another, never remaining in one place for too long. This high level of turnover in the banking industry have led many to believe that the banking industry is unreliable and fails to take care of the needs of their human capital. It is against this backdrop that the researcher tried to understand the role of human capital development in employee retention and how intervening factors like family, work-life balance and peer pressure might be influencing bankers’ decision to remain committed to a bank. The objectives of this study are 1. To access the relationship between training and development of employees and employee retention. 2. To examine the relationship between employee rewards and employee retention. 3. What are the intervening influence of social factor, work life balance and time flexibility, on the relationship between human capital development and retention Using both quantitative and qualitative methods, this study aimed to find out the relationship between human capital development activities and staff retention in the Nigerian banking industry. The questionnaire was validated using face validation and content validity index. The results of the validity tests showed that the research instruments were valid. 10 Nigerian banks were carefully selected as the case study for the study. The study population for this research is 77,690 and 400 questionnaires were used for the analysis, also 20 people from the selected banks were interviewed and their responses integrated into the analysis. The findings showed that there is indeed a significant relationship between training and development and employee retention in the Nigerian banking industry. The higher the presence of training and development in the organization the more employees feel loyal and want to remain in that organization. The second findings also shows that there is a positive relationship between rewards and retention, the better the reward system in place in the organization, both monetary and non-monetary, the higher employee retention. 3. The study also showed that other variables such as work-life balance, peer/family/spouse pressure and public perception about an organization can greatly impact on staff’s decision to remain at or leave an organization. This study concluded that staff retention can be improved upon if employees are regularly trained, human resources is advancing and there are a lot of technological changes, when employees are trained based on trends in the industry, employees tend to stay. Objective 2 concluded that bankers are constantly seeking for better pay, hence, to attract and retain the best hands, banks must pay competitive salaries. According to the third findings, it was concluded that factors like peer pressure, family etc. affect employees intention to remain in the industry. This study ends by recommending that banks ensure they carry out proper training and evaluation of staff if they are going to attract and retain suitable hands. It was also recommended that banks should give cognizance to factors like work-life balance, staff welfare, proximity to family amongst other things when making their human capital development plans, as it was shown in this study that these factors can greatly influence staff decision to remain at or leave an organization. The findings of this study will contribute to knowledge in the
field of human resource and organizational psychology/behavior. The study will help the banking industry and other organizations understand the factors that influences staff decision to leave or remain and will guide them in formulating policies that aim at ensuring employees retention.
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LIST OF ABBREVIATIONS

ASCON: Administrative Staff College of Nigeria  
CIBN: Chartered Institute of Bankers of Nigeria  
CIPM: Chartered Institute of Personnel Management  
CMD: The Center for Management Development  
CTB: Continental Trust Bank  
FTC: Federal Training Center  
GTB: Guarantee Trust Bank  
HC: Human Capital  
HRM: Human Resource Management  
ICAN: Institute of Chartered Accountants of Nigeria  
ITF: Industrial Training Fund  
KIU: Kampala International University  
NGO: Non-Governmental Organisation  
OECD: Organisation for Economic Co-Operation and Development  
PWC: PriceWaterhouseCooper  
SEC: Security Exchange Commission  
STB: Standard Trust Bank  
UBA: United Bank for Africa
CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter will deal with Background of study, theoretical perspective, conceptual perspective, contextual perspective, Problem statement, Purpose of the study, specific objectives, Research questions, Hypothesis, Scope of the study and Significance of the study.

1. Background to the study
The background of the study will be presented in four perspectives, namely; historical, theoretical, conceptual and contextual.

1. Historical Perspective
The European Commission emphasizes that investment in training and education for development of skills is essential to improve and boost competitiveness and growth (European Commission, 2016). The concept of human capital was developed over several centuries but it achieved its current importance theoretically and empirically only recently. It was until after World War II that a proper theory of human capital was developed. Becker (1962) was the founder of this theory – human capital theory. Initially, this theory was developed for microeconomics; trying to relate income to human capital, but in recent years, the human capital theory has also been adapted to macroeconomics. Although the modern theory of human capital has been developed over the past half century, the concept of human capital has been traced to least 17th century. Around 1691, sir William petty placed value on laborers, estimated value of human capital to demonstrate the power of England and estimated the cause of life lost in war and other deaths.

The countries of Africa constitute most of the poorest societies in the world, as they show the lowest indicators of socio economic development World Bank (1998), the underutilization of existing manpower and loss of same, through brain drain had made Africa remain under developed. The level of poverty in this part of the world, has been attributed to many factors by different scholars, the low level of capacity building
indicators has, in the past decades begun to emerge in research as a major cause of Africans underdevelopment.

Successive governments in Nigeria have tried to identify some of the fundamental problems facing the country and one of the identified problems is the developmental process of manpower both in terms of supply and utilization (Obi-Anike, et al., 2017). What this implies is that there is a shortage of adequate manpower in Nigeria. The belief in human capital development has a necessity for growth started in Nigeria during the implementation of the 1955-60 development plans. Adequate manpower or lack means that the country is plagued manpower that are unemployable, because they do not have the requisite skills to function in an industrialized Nigeria.

To combat this problem, expatriate workers were encouraged, but the increasing wave of nationalism and the growing unemployment levels in the country made it unpopular to keep relying on foreign workers (Ofobruku, 2015). It was generally agreed that to move forward and to grow the economy, it is better for Nigeria to grow and train its own indigenous labour (Obi-Anike, et al., 2017). Nigeria have now established some human capital training and development institutions which were established to compliment formal education and to replace foreign personnel in the country as well as to improve the quality of manpower in the country. Apart from these institutions, a lot of professional courses in Nigeria, now have professional bodies that cater to the professional developmental needs of professionals in Nigeria. For bankers, the Chartered Institute of Bankers of Nigeria (CIBN) was established to train and ensure best and ethical practices in the banking industry. CIBN and other professional bodies like this work with organisations in their relevant industries to ensure that personnel are up to date on industry best practices.

The Nigerian banking industry is well known for high mobility of staffs, from one bank to another. In fact it is almost assumed that after putting a few years into one bank, it is more beneficial to move to a different bank (Akinruwa, et al., 2014). Despite this, some employees have managed to stay on in one bank for years, remaining loyal and committed to their bank. There are different and competing views on what motivates employees to remain loyal and committed to a particular company. End of the year bonuses and other monetary incentives are the common motivators for employees to
remain with their employers in the banking industry (Isa, 2016). However in a lot of instances, most banks offer the same incentives to their staff – especially monetary incentives- so it is therefore worth researching into what particular human capital development indices motivates employee retention in the Nigerian banking industry. Newer generation of workers have a different view as to what motivates them to stay on, a lot of them asserts that training and development is the most important factor when considering whether or not to stay. In fact there is growing body of work that confirms that, when employees’ job is aligned to organisational needs and the employees are given appropriate training to perform the task, employees’ job performance and willingness to work for the organisation increases. It is against this backdrop that this study assessed the effect of human capital development on employee retention in the Nigerian banking industry.

2. Theoretical perspective

This study made use of Human Capital Theory and the theory of Planned Behaviour as the basis for this research.

Human Capital theory was propounded by Bouillon, Doran, and Orazem in 1996. They measured human investment capital and linked it positively with long-term return on investment for the organization. Bouillon, et al. (1996) asserts that there are three conditions organizations need in order to record “human capital” as an investment asset: future potential, the benefit must be subject or controlled by the firm, and the benefit must be measurable.

Theory of Planned Behaviour was propounded by Ajzen Icek (1991) and is an extension of the theory of reasoned Action by Ajzen and Fisbeing (1975). The central tenet of the theory of planned behavior is that there is a link between intentions and behaviors. It was believed that intentions represents the motivational forces that influences behavior (Ajzen, 1991); intentions indicate the level of effort one was willing to put forth or exert in order to perform a behavior. Generally speaking, the stronger the behavioral intentions, the more likely it is to engage in a particular behavior. However, as Ajzen (1985) noted, the relationship between intention and behavior was moderated by the extent to which the
behavior was under volitional control. Volitional controls can be described as outside factors like money, time, assistance, opportunities etc. and they could restrict a person’s ability to engage in or perform the intended behavior.

These theories are of particular relevance to this study because they help us understand how Human capital development can lead to staff retention and how other factors like family/peer pressure, money and others might influence an employee’s decision to stay on or not in an organization.

3. Conceptual Perspective

According Schultz (1993), the term “human capital” has been defined as a key element in improving a firm assets and employees in order to increase productivity as well as sustain competitive advantage. He goes on to state that, Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on the firm’s performance. Rastogi (2000) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities. Thus, the definition of human capital is referred to as “the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being” (OECD, 2001: 18).

For the purpose of this study, human capital shall be limited to mean organization staff, their level of education, skills, and other professional competencies.

According to Bohlander (as cited in Marimuthu, M, Aokiasamy, L. & Ismail, M., 2009), Human Capital Development is an action plan for enhancing an employee’s level of performance to excel in the current job or prepare for new responsibilities. It is an holistic process that includes knowledge and skills attainment or intellectual properties that concentrates on entrepreneurship abilities, science and technology knowledge besides possessing positive character, values, and ethics as well as being competitive and progressive. Moreover, human capital development. For the purpose of this study, human capital development means training to enhance knowledge acquisition, company retreats
to enhance bonding and cordiality in the workplace as well as creation of succession plans to ensure staff feel needed.

According to Sue (as cited in Chen, M, 2014), employee retention means keeping those members of staff that one wants to keep and not losing them to other organizations, for whatever reason but especially to competitors. Employee retention in this study could be interchanged, employee commitment, job satisfaction and employee engagement.

4. **Contextual Perspective**

These days, organizations have come to realize that they have to focus on retaining their employees, this is one of the most important business objectives (Arthur, 2001). Three things may cause an employee to leave an organization, they include Retirement, dismissal and voluntary turnover. Retirement and dismissal are decisions made by the management if the organization, while voluntary exit is a decision made by the employee himself. (Winterton ,2004). Employee retention is a central issue in organizational research because it is a leading factor to business success. It is an undeniable fact that for the workforce to perform and meet individual and organization objectives, they must be motivated. Motivation is the guiding principle that ensures and makes it possible for people to remain focused and committed on the path of success irrespective of the challenges. A lot of organisations are yet to understand the value of the employee and are yet to see and understand that the workforce is a key asset in any organization. (Mckeown, 2002). If employees are not motivated, the chances of that kind of workforce to perform and aid in organizational growth is very limited. Nigerian banks are no exception to this rule. Despite the efforts put in by the management in the banking industry, to retain their employees in Nigerian banks, the problem of employees leaving still remains.

In the Nigerian banking industry, salaries of staffs are especially those that are not contract staffs are very competitive, so in other word, the pays are good, there is the presence of training and development for both senior and junior staffs, but still bank staffs tend to leave or move from one bank to the other. Messick and Kramer (2004) argued that organization image can be the cause of employee coming in and going out of
the organization, and in the banking industry, this is not farfetched, some banks are
no longer liquid, there by leading to bankers leaving because they have the information.

The type of leadership style that is adopted in the bank, can influence employee’s
decision to either stay or leave the bank. According to Lee and Chuang (2009) a good
manager not only inspires his subordinates’ potential to enhance efficiency, but also to
meet their requirements in the process of achieving organizational goals and objectives.
In the banking sector in Nigeria, targets given to employees are not realistic and most
time not achievable, this situation most times influence an employee’s decision to exist
the bank. These problems are still persistent and banks find it hard to retain good hands,
despite the fact that good human capital development structures are put in place.

Meyer & Allen (as cited in Brown, Gaia, & Martin, 2009) further argued that employees
could have varying degrees them willing to remain in an organization For instance, a KIU
staff might have a strong attachment to KIU because that is his/her Alma-Mata and at the
same time have a sense of obligation to remain because KIU sponsored his/her post
graduate studies. Another employee may actually enjoy working for KIU and find it
fulfilling and also recognizes that the economic cost of leaving KIU might be too high to
bear. While a third employee may have all three commitments, that is, a desire to remain,
a need to remain and an obligation to remain with KIU.

From the above, it can be deduced that human capital development can be strongly linked
to retention This is because when employees are catered for and professional developed
and encouraged, they become motivated to perform better and committed to stay on in
the company that always have their backs. The question therefore is, does this retention
and loyalty exist in the Nigerian Banking industry? The focus of this research is to
determine the extent to which human capital development impacts on employee retention
in in the Nigerian banking industry, the problem of despite the presence of human capital
development, in the banking industry, employees still leave, prompted this research.

5. Statement of the Problem

It is a foregone conclusion that one of the most important, if not the most important asset
of any organization, is its human capital (Tsai, et al., 2007). Companies spend a big
chunk of their budget on making their employees happy and focus a lot of their resources on ensuring a nice and decent work environment for their staff. It is generally understood that the biggest expenditure of most companies is salaries and other welfare packages (Pfeffer, 1998).

The Nigerian banking industry is widely known as one of the highest paying sectors in Nigeria and as such attract a variety of talents that hope to hitch their tent with one of the many banks in the country. The banks in Nigeria make a point of showing that they invest in the professional and personal growth of their workforce. Still, there is still a very high rate of employee turnover in the Nigerian banking industry, bankers never remain in one bank for too long (Akinruwa & Ajayi, 2014). The problem therefore lies in when an organization does everything by the book- train staff, offer other motivational benefits (cash, marketing incentives etc.), allow paid leaves etc. and yet fails to retain such a workforce. According to Akinruwa and Ajayi (2014), over 50% of bank staff that leave a bank, leave on their own and not because they were asked to leave. It is against this backdrop that this study was conceived; why is there such a high turnover of banking staff in Nigeria? What factors influences this turnover? How can Nigerian Banks improve on the human capital development programs in such a way as to reduce the rate of human capital turnover in the organization? Are some of the questions this study aims to answer.

2. **Purpose of the Study**

The purpose of this study is to establish the effect of human capital development on employee retention in the Nigerian banking industry.

3. **Specific Objectives**

The specific objectives are as following..

1. To assess the relationship between training and development of staffs and employees retention.
2. To assess the relationship between rewards and employee retention.
3. To find out the intervening influence of social factors, work-life balance and time flexibility on the relationship between human capital development and employee retention.

1. Research Questions

The researcher intends to investigate the following;

1. What is the relationship between training and development of human capital on employee retention in the Nigerian banking industry?
2. What is the relationship between rewards and employees’ retention in the Nigerian banking industry?
3. What are the intervening influence of social factors, work-life balance and time flexibility on the relationship between human capital development and employee retention?

1. Hypotheses

   \( H_1 \): There is a significant relationship between staff training and development and employee retention

   \( H_2 \): There is a significant relationship reward system and employees retention

   \( H_3 \): The intervening influences of social factors, work-life balance and time flexibility affects the relationship between human capital development and employee retention.

2. The scope of the study

   1. Geographical Scope

      The study shall be limited to Nigeria in general (See appendix 3 for map) but shall focus on the following banks; First bank, Union bank, Wema Bank, Skye bank, Sterling Bank, Access Bank, United Bank for Africa, Guarantee Trust Bank, Standard Chartered Bank and Stanbic IBTC.

   2. Content Scope
The study focused on Human capital Development and employee retention, using the Nigerian banking industry as its cast study.

3. Time Scope

This study made use of data retrieved or covering the period between 2013 and 2018. The reason for this is to ensure that the results of this study are timely and relevant.

3. Significance of the study

The result/ findings of the research will be useful to the following categories:

**Nigerian Government**: The study would be significant not only to the development and improvement of banking services in Nigeria but to Nigeria as a whole. This is because developing employees’ competency and commitment enhances investors’ confidence level in the banking industry which would reflect positively on the business environment of the country, thereby increasing the level of investment in the Nigerian economy.

**Future researchers**: The findings and recommendations of the study will add to the body of knowledge and act as a point of reference for future researchers carrying out studies related to retention, human capital development and employee commitment.

**The researcher**: This study is of particular relevance and importance to the researcher because; it will improve the researcher’s insight into the practices of Nigerian Banks especially as it as to do with human capital development and the study also serves as a major requirement for the award of Master’s degree in Human Resource Management. It also gives the researcher a unique opportunity to interact with key players in the Nigerian banking industry and find out how human capital development as a concept can be improved upon in the country.

**HRM practitioner**: the information and issues raised in this study would be very useful in HRM policy formation in the Nigerian banking sector. It would also hopefully show Human Resource practitioners some of the failings in the system and enlighten them on why staff turnover might be high, while also providing guidelines on improving human capital development programs in the banking sector.
Bank Sector: this study will help draw attention to the fact that human capital development is an invaluable human resource practice that the Nigerian banking industry and other major industries need to adapt in order to attract the right persons, enlists them, retain them and motivate them appropriately to impact on performance.

4. Definition of Operational Terms

Human Capital: Human capital is a quantification of the economic value of the workers’ skill sets. This measure builds on the basic production input of labor measure where all labor is thought to be as equal. However for this study Human capital shall mean employees and other internal stake holders of an organization (Banking staff in this instance).

Staff retention: the degree to which the current employees of a business remain with the company over a given period of time. Many staff retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial cost involved in hiring and training new staff. For the purpose of this study, retention shall be used to mean the ability of organizations to retain their staff over a long period of time.

Reward is defined as the compilation of the financial and non-financial compensation paid to employees for the services rendered to their organization.

Human capital development: this can be described as recruiting, supporting and investing in employees through training, educating, coaching, internship, mentoring and organizational development. However for the purpose of this study, human capital development shall include, reward, performance evaluation, training and development and finally recruitment.

Employee retention: can be defined as the ability of an organization to retain its staff. This study shall consider employee retention to include level of commitment of staff to the organization, the satisfaction of the staff, their overall performance and the level of turnover in the organization.
CHAPTER TWO
LITERATURE REVIEW

2.0. Introduction

This chapter presents the theoretical review, conceptual framework, review of related studies and research gaps.

2.1. Theoretical Review

2.1.1. Human Capital Theory

Human Capital theory was propounded by Bouillon, Doran, and Orazem in 1996. They measured human investment capital and linked it positively with long-term return on investment for the organization. Bouillon et al. (1996) asserts that there are three conditions organizations need in order to record “human capital” as an investment asset: future potential, the benefit must be subject or controlled by the firm, and the benefit must be measurable.

Human capital theory progresses the notion that employees are considered human capital, therefore employers are obliged to maintain this resource by investing in training and employee education. There is serious researches that shows that the level of education of employees can be linked to such an employee’s income. One way of investing in employee education is by engaging in on-the-job training which increases employee skills which, in turn, increases their value and productivity (Becker, 1964; Mincer, 1958).

According to Hatch and Dyer (2004), “firms with high turnover will suffer a significant competitive disadvantage relative to firms with more stable workforces where human capital can be developed and deployed” (p. 1161). What this implies is that companies with a high rate if employee turnover are going to have competitive advantage. Who wants to work in a place that is perceived as a stop-gap, a place where employees leave after a very short stay? There is irrefutable evidence that potential employees will not want to work in a place that does not at the very least guarantee their immediate future and likewise, companies notorious for high rate of employee turnover cannot attract the best. It is only the best that can help a company in achieving its set out objectives. This theory is of particular importance to this research, because it places the emphasis on the
company to train, motivate, educate and improves its employees in order to have a strong, reliable and productive workforce and work environment. The theory clearly suggests that human capital development programs if carried out successfully will lead to staff retention and also increase staff productivity. This is what this research hopes to determine – can human capital development programs lead to a more loyal and productive workforce. If this is proven, this research will contribute to the theory of human capital by showing that indeed human capital development leads to staff retention in the Nigerian banking industry.

2.1.2. Theory of Planned Behaviour

Theory of Planned Behaviour was propounded by Ajzen Icek (1991) and is an extension of the theory of reasoned Action by Ajzen and Fisbeing (1975). The central tenet of the theory of planned behavior is that there is a link between intentions and behaviors. It was believed that intentions represents the motivational forces that influences behavior (Ajzen, 1991); intentions indicate the level of effort one was willing to put forth or exert in order to perform a behavior. Generally speaking, the stronger the behavioral intentions, the more likely it is to engage in a particular behavior. However, as Ajzen (1985) noted, the relationship between intention and behavior was moderated by the extent to which the behavior was under volitional control. Volitional controls can be described as outside factors like money, time, assistance, opportunities etc. and they could restrict a person’s ability to engage in or perform the intended behavior.

In addition to the situational restrictions, the theory of planned behavior hypothesized three main determinants of intentions.

First, the attitude towards the behavior influences intentions of engaging in the behavior. Here attitude was defined as the degree to which one had a favorable or unfavorable evaluation of the behavior in question. Contextualizing this to the research, the degree to which one favorably or unfavorably evaluates a behavior can be explained to mean how much one prefers the eventual outcome as compared to his/her current situation or otherwise. An example is if a person really wants to work in an oil company for whatever
reason, but currently finds him/herself in a bank, such a person might decide to leave the bank, once presented with such an opportunity.

Second, a social factor called the subjective norm influenced one’s intentions of engaging in the behavior. The subjective norm referred to the perceived social pressure to perform or not perform the given behavior. In this regard, a person might chose to leave or remain in an organization, based solely on what other people might think or say about it. For instance, a man can pressure his wife into leaving her banking job because he feels only promiscuous women can rise in that industry. The wife might feel pressured into leaving the job because she does not want to be perceived as being promiscuous.

The last predictor of intentions was perceived behavioral control; it indicated the individual’s perceptions about the ease or difficulty. Perceived behavioral control is what sets theory of planned behavior apart from theory of reasoned action.

The present view of perceived behavioral control, however, is most compatible with Bandura’s (as cited in Ajzen, 1991) concept of perceived self-efficacy which is concerned with judgments of how well one can execute courses of action required to deal with prospective situations. Investigations by Bandura and his associates has shown that people’s behaviors are influenced by their level of confidence in their ability to reasonably perform the behavior. This attribute is linked to perceived behavioral control. Our belief that we can do something greatly influences our decision to that thing.

According to the theory of planned behavior, perceived behavioral control, together with behavioral intention, can be used to predict behavioral achievement. The theory suggests that if someone has an intention to carry out an action, his/her perceived behavioral control (ability to carry out the task) and how much in terms of efforts will be needed to carry out will determine the decision to do so. For instance, someone working in a bank might want to move into lecturing (behavioral intent), but when he or she considers the fact that he will have to leave his job where he makes a lot of money and go back to school to acquire a PhD before he can lecture, such a person might decide against making the move, despite the fact that he had the intention to do so. Using this same example, the person might decide not to pursue his lecturer dreams because he feels he would not be
able to teach people or he would not be able to carry out empirical studies and as such his confidence in his ability to carry out the behavior is greatly diminished.

This theory is particularly relevant to this study, because it introduces an interesting ingredient into the mix. It forces the researcher to ask, what if there are other factors other than human capital development that influences an employee’s decision to leave or remain in an organization. This study will explore this possibility. If it is proven that there are other factors such as family pressure amongst others that influences our decision to remain or leave an organization, then it will further prove the theory of reasoned action as relevant to the discourse on staff retention and motivation.

Figure 2.1: Schematic Representation of theory of Planned Behaviour (Ajzen, 2006)
2.2. Conceptual Framework

Figure 2.2: Conceptual Framework

Source: adapted from Muhammed Umar & Muhammed Naseem (2011)

The Independent Variable (IV) – Human Capital Development is broken down into, Training and development, rewards and other factors that influence retention e.g. family and peer pressure.

Training and development is the program that is designed to increase the technical skills, knowledge and efficiency of staffs to do their jobs in a better way. Training increases the needed skills and helps in development of an employee as well as the overall growth of an organization, while Development on the other hand, is the expansion of skills, knowledge and abilities of employees. Development is long term in nature and improves career advancement.
Rewards. The rewards of an organization are the monetary and non-monetary policies organisations put in place to motivate their employees.

The Dependent Variable (DV) – Employee retention is broken into three subsections; Low turnover, Commitment and employee participation.

Commitment refers to the strength of an individual’s identification and involvement in a particular organization. An employee is said to be committed if the following traits are present:

1. A strong belief in and acceptance of organization’s goals
2. Staff motivation or willingness to exert considerable effort on behalf of the organization they work for
3. A strong desire to maintain membership to the organization

Employee participation is referred to in this study to mean, the process whereby employees are involved in the decision making processes, rather than simply acting on superiors orders. Employee participation is part of a process of empowerment in the workplace.

This study therefore aims to find out how the independent variables as explained above might affect the dependent variables. It is assumed that if the variables highlighted in the IV are properly carried out then the result should be the variables as highlighted in the DV. However there are other factors that might make it difficult to achieve the desired results even when all the Human capital development indicators are present in an organization. These variables are referred here as the Intervening variable.

The intervening variable is broken down into social factors (family, peer group influence etc.), work life balance, distance to the office and time flexibility. The researcher assumes that even if an employee is satisfied with the human capital development implementation in his or her organization, these intervening variables might cause him/her to still leave the organization leading to an increase in staff turnover.
2.3. Review of related literature

The review of related literature is done based on the objectivities of the study

2.3.1. The Relationship between Training and development on Employee Retention

Training and development in an organization is related to the attitudes and skills considered necessary for employees to have in order to function optimally in an organization. It is the general belief that training of staff will invariably lead to better performance by the staff and will lead to achieving organizational objectives and goals. According to Chen et al (2004) when employees are trained, it reduces frustration and anxiety brought about by the demands of their jobs and their inability to perform at the skill level required. Similarly, when employees do not feel competent or do not trust their ability to perform a task, they are more likely to leave the field and do something else and if they choose to stay, their productivity will be very low (Chen et al., 2004, Kanelopoulos and Akrivos, 2006). The larger the gap between the skills required and those possessed by the employees, the greater the lack of organizational commitment of the employees and the turnover intentions.

Taking this a step further, one can deduce that training will lead to increased satisfaction amongst employees, since they can now perform task they found frustrating and demanding. And when a staff is satisfied, it will lead to a sense of loyalty that makes certain that such a staff will not leave that organization. Peters & Austin (as cited in Adeyemi, 2011) supports this assertion when they suggested in their work that when an employee is satisfied, they display ownership of the organization in which they work. What this means is that satisfied employees feel like they are part of an organization and treat it like it’s their own company. Such an employee becomes an indispensable asset to such an organization. Clark (2001) supports Peters & Austin when he stated that companies that embrace the values of human capital development usually have employees that align themselves strongly with their organization and become part of the big corporate family. This sense of belonging makes it so that individuals perform better in their jobs and help achieve organizational objectives faster. Robson et al (2006) further buttresses this point in their study where they asserted that organizations that implement
good practices such as human capital development programs are more likely to satisfy their staff and have a loyal workforce behind them, which will lead to improved performance.

Rowden (2002) proposes in his work that training and development can be used as a tool to increase employee commitment to their organization. He further stated that using training as a tool frequently, helps increase the benefits of training as compared to the cost of training. According to him there is no direct link between training and commitment. This is one of the things this study hopes to ascertain, is there a relationship between training and other human capital development programs and staff retention and commitment.

Rowden and Conine (2005), in a more recent study found out that waiters that are trained perform better and satisfy the needs of their customers. This is supported by Tsai et al. (2007), who found out that employees that are committed to learning are more committed to the organization and this reflects positively on their performance in said organization. This position is further supported by Bartlett (2001) who found out that there is a positive relationship between employee training and their commitment. Tannenbaum (1991) noted that training induced positive or negative impressions and attitudes which trainees carried with them into the workplace. Although these studies are not conclusive, it raises some interesting questions and hypotheses which this study hopes to explore.

Klink & Streumer (as cited in Kanelopoulos and Akrivos, 2006) conducted two studies one in call centers and another in post offices and they discovered that on the job training as a tool to encourage commitment was only partially successful because they are some other factors not initially accounted for like employee characteristics or behavior which might hinder their performance or commitment. The implication is that, sometimes beyond what the company does in terms of human capital development, some employees are simply not capable or willing to stay in a place for too long and as such training might not change or influence their decision or level of commitment.

Tansky & Cohen (2001) lent their voices to the call for further research into this issue, and they stated that a lot of work and research has already been done but very little is known on the relationship between Human Resource Development and employee organizational commitment.
Choo and Bowley (2007) in their article titled “using training and development to affect organizational commitment”, interestingly found out that employee commitment is more influence by their work environment, job responsibility and company values than on training. The study used 135 respondents and structured questionnaires with 16 items on evaluation of organization’s training and human resource development initiatives and 6 items on organizational commitment. This is interesting because this findings go against most previous research in this field. While most findings find some positive relationship between training and employee commitment or retention, this study has found the exact opposite. It is the hope that this current research will either prove or disprove the findings of Choo & Bowley.

Bartlett (2001) argues that well-focused individuals should know the scope, expectations and depth of their jobs and should be able to keep improving themselves professional, skill-wise and personally as they progress through their career if there are to remain relevant. This is a little bit different from other scholars, who have placed the responsibility of improving their staff’s output through training squarely on the shoulders of the employers. Bartlett (2011) is arguing that a worthwhile employee should anticipate changes, know company expectations and should be able to acquire the requisite skills in order to progress in their career irrespective of what the employer does. Bartlett places the responsibility of staff improvement on the shoulders of the employee themselves and not the company.

2.3.2. The Relationship between Rewards and Employee Retention

Compensation and reward is a very importance aspect of human resource management and the field of management generally speaking. The compensation or reward system an organization offers to their employees determines a lot of things including their level of commitment to the organization and their performance. According to Willis (2001), compensation and reward are crucial as far as attracting and retaining the right talent and person for the job. This is supported by Parker & Wright (2001) who stated that financial reward influences and shapes employee behavior by shaping their attitudes. They go on to explain that the wage one earns influences the recruitment and retention of effective workforce.
Allen, Shore & Griffeth (2003) in their study found out that one way staff differentiate themselves from others is through their compensation. Therefore in order to attract and retain the best and quality staff, one must have a robust compensation strategy.

According to Lockwood & Walton (2008) their study found out that one way employees can be retained is by offering them a good compensation package. The compensation package must be competitive, market-oriented salaries and benefits. What this implies is that an applicant applying to UBA but is aware that ACCESS bank pays 250,000 Naira for entry level staff. If such an employee is given the job at UBA and is offered 150,000 Naira, there is chance that such an employee will not be motivated or satisfied and might decide to leave such a bank in the not-too-distant future. This sentiment is supported by Mercer (2003) who asserts that an employee will remain in an organization if they are adequately compensated in line with the industry standards. They may also choose to leave if reverse is the case.

Study by Gomez-Mejia, Balkin & Cardy (2004), explains it better by stating that internal and external equity must be observed if an organization is going to retain quality and productive staff. The implication of this is that, an employee in UBA might be paid equitably within the UBA pay structure, but their colleagues in other banks are paid higher. Such an employee might find it difficult to remain committed to UBA. Also a female employee might feel there is gender balance within UBA in terms of salary, but might find out that staff in other banks are paid better. The fact that there is gender balance in UBA would not stop her from feeling unsatisfied and underpaid which might in turn lead to such an employee leaving the bank.

Similarly in a study conducted by Pillay (2009) on nurses, it was found out that monetary and other rewards are very important if hospitals are to retain their staff. According to him, monetary rewards are significantly more important to staff retention decision making than non-monetary rewards. He went on to explain that nurses viewed low salaries as their main source of dissatisfaction and the main reason why they leave their place of employment. This is supported by Oosthuizen (2005) who through empirical research concluded that monetary rewards was the deciding factor for South African nurses who migrated to Europe to practice.
Cappeli (2001) in contrast to other researchers found out that benchmarking in different industries have made it difficult different themselves from the competitors. One of the ways companies differentiate themselves is by having a unique and often robust compensation strategy and it is based on this strategy that quality hands are brought on board. However, since most industries have begun making use of a standardized format of paying salaries especially in the more advanced countries – a burger flipper can be sure to earn the same amount working for McDonalds or Burger City, a nurse or doctor earns almost the same thing irrespective of which hospital they work etc. This has led to a situation where companies have to dig deep in order to set themselves apart, since reward is no longer the determining factor in a lot of industries. This is however not likely to be the case in Nigeria and other sub-Saharan Africa, considering the fact that practically every industry have a local and international brands competing for the same workforce. So compensation is always different between these two groups – salary in Standard Chartered bank is more likely to be higher than First Bank and salary in Shell will most likely be higher than the salary paid in Oando.

This work however, is focused on the Nigerian banking industry and the researcher have taken great pains to ensure that every type (local, international, first generation, new generation, modern etc.) are represented in the sample population. Therefore the findings of this research should shed more light on how reward system in the Nigerian banking industry might be affecting employee retention.

**2.3.3 Intervening factors apart from human capital development that affects employee retention.**

Apart from human capital development activities such as recruitment, performance evaluation, training and development, and Reward, there are other variables or factors that might influence employee retention.

According to Hiltrop (1999), one major reason employees will remain in a job is the perception that they can achieve career growth and success in their current jobs. Personal and professional growth is a major factor when considering employee retention. Opportunities for promotion and the willingness of employers to promote hardworking employees strongly influences employee’s commitment to remain at their place of work.
This is supported by Rolfe (2005), who found a direct correlation between resignations and issues that have to do with career development. Prince (2005) similarly found out that opportunities for promotion and growth is a major factor when employees consider leaving or remaining at a job. Kroon & Freese (2013) also concluded in their studies that development opportunities like promotions, continued learning programmes amongst other things will lead to employee retention.

Another factor that can influence staff retention is work-life balance. In recent times, people prefer working in organizations that affords them time to pursue their personal goals and have time for their families and their hobbies. Loan-Clark, et al (2010) observed in their studies that jobs that allows workers to have time for their family responsibilities are more likely to retain staff than those that do not. Similarly, Osman (2013) found out that offering some sort of emotional support through work-life balance, employers are invariably reducing the chances of employees quitting their jobs.

Leadership and management style is also another factor that influences employee retention. Eisenberger et al (1990) argues in their work on employee retention that, the way employees perceive their organization is determined to a large extent on their relationship with their boss or superior. What this means is that employees that have a supportive and progressive superior may favorably perceive the organization as against those that do not have a cordial relationship with their superiors. McNeese-Smith (1995) found out that the attitude of managers in hospitals can increase employee commitment to the organization. Kaye and Jordan-Evans (2003) supports this findings by saying that for organizations to be able to retain staff, they must have ‘good bosses’. Kroon and Freese (2013) found out that participatory leadership style impacts positively on staff retention.

Work environment is another factor that can influence staff retention. According to Spence et al (2009) favorable working environment will lead to better retention of staff. This favorable environment can be defined as an atmosphere or place where the working experience is enjoyed and resources needed to carry out task are properly provided in a timely manner. Loan-Clark et al (2010) found out that work flexibility plays an important role in retention of health workers. Similar to work environment is social support, social support is the level of satisfaction that employees derive from interacting with their
coworkers and fellow employees. According to Tai et al (1998) support from co-workers is a major contributing factor in retention. Wells and Thelen (2002) concluded in the studies that there is a direct correlation between good human resource practices such as increasing the level of belongingness of staff and the ability to attract and retain employees. Similarly, Jasper (2007) found out that manager-employee relationships is the second most cited reason why employees leave their place of employ.

From the foregoing, it is clear that apart from human capital development activities like recruitment practices, reward, performance appraisals and training, other factors can also influence staff retention. The implication for this study is that, sometimes organizations might do everything right in terms of human capital development, other factors (identified in this study as intervening variables) might influence retention in an unexpected way. For instance an organization might be offering better pay than the competitors and relevant training programs, but if they do not offer work-life balance some staff might not consider it a place to remain for too long. This study aims amongst other things to find out how these intervening variables might be influencing staff retention.

2.4. Related Studies

According to Schein (1977), employee development programs were initially based on the recognition that organizations were becoming increasingly dependent on their human resources (Schein, 1977). Investment in employee development represents a high commitment strategy that affects employee commitment and motivation (Ichniowski et al., 1997). (Porter 1990). Michael Porter’s studies on investing on employee have been confirmed by Reich, (1991) that industries that spend the most on employee development and training are typically the most competitive in every business envelopment.

As noted, the notion of ‘investment in employee development’ means equipping employees with new knowledge and skills required of them to meet the standard of job requirement. (Rothwell & Kazanas, 2003). Human capital development falls under the umbrella of human resource development, which refers to organized learning experiences provided by the employer to enhance performance and personal growth (Nadler and Nadler, 1989). Investment in employee development offers the organization a
competitive advantage – by providing continuous learning for employees to develop current skills and gain new ones, which they can then adapt and, in turn, perform creditable (London, 1989 as cited in Hitsaz-Isfahani, A. & Boustani, H., 2014). It implies building an appropriate balance and critical mass of human resource base and providing an enabling environment for all individuals to be fully engaged and contribute to goals of an organization. Any effort to increase human knowledge, enhance skills, productivity and stimulate resourcefulness of individuals is an effort of human capital development (Erhurua, 2007).

Developing human capital is investment that organizations have to take a critical look at, but in most cases, there is a notion that human assets are not owned by organizations and therefore, are perceived as a higher risk investment than investing in capital assets. Organizations adopting this mindset fail to realize that it is the human capital or employees that utilize and integrate the capital assets that provide the organization with competitive advantage. Therefore, investing in the individuals can be a critical issue than corresponding investments in capital asset.

Investing in employees is developed through employees’ assessment of their organizations’ commitment to help employees learn to identify and obtain new skills and competencies that will allow them to move to new positions, either within or outside their organizations. The extent at which the organization commits to personal and professional growth of the employees the more the employees are expected to devote greater effort towards the organization (Mosen & Wayne, 2009).

To Sue (as cited in Chen, 2014), a motivated employee becomes satisfied, productive and in most cases remain with the organization for long. Therefore, in the retention of employees a major issue to consider is motivation. The ability of a company to succeed depends on the retention power of the company. Organisations that cannot retain their key employee also find it difficult to retain their major customers and therefore cannot make high profits. Many organisations strive to improve on how to retain their staffs because in ability to retain staffs decreases organisational productivity and increases cost of recruitment induction and training of placement employees (Brown, Gaia, and Martin, 2009). It is for this reason that management practitioners in many organisations have
become preoccupied with crafting sound employees retention strategies (Armstrong et al., 2010).

Although it is expensive to keep experienced and skilled workers, it is more expensive to let them go. Failing to retain them has serious financial implication to the organisation. Keeping valuable employees is therefore a source of competitive advantage. In service delivery organizations, such as banks and other financial institutions, people tend to lose confidence in the organizations that cannot retain quality staff and so their integrity suffers.

Successful organisations realize that employee retention and talent management are integral to sustaining their leadership and growth in the market place. In other words, attracting, hiring and keeping high caliber staff are the factors that make organisations manage talent and skills. It is always wiser and less expensive to retain existing employees that are of high caliber than to recruit in experienced staff in the name of cost saving.

To Smith et al. (2007), a wise employer learns how to attract and keep good employees and that money and benefits may bring employees through the front door, but poor working conditions and poor management skills drive them out through the back door. This happens due to faulty recruitment processes, poor management practices and other inefficiencies leading to low productivity and high turnover. Low turnover makes organisations more stable which pleases organisational stake holders.

Kim et al. (2005) in their study on corporate orientation found that organizational direction and support had a significant impact on employee job satisfaction and overall commitment. Findings from Susskind et al.'s (2000) research also suggest that perceived organizational support strongly influences job satisfaction and employees' commitment to their organizations.

According to Becker and Huselid (1999), culture creates competitiveness since it changes employee behavior by making them act consistently with the firm's desired corporate culture, thereby influencing employee retention. Other researchers who investigated the relationship between organizational culture and employee turnover and retention
uncovered similar findings (Chew et al., 2005; Cho et al., 2006; Cutcher-Gershenfeld, 1991; Huselid, 1995; Kallenberg & Moody, 1994; Milman, 2003; Milman & Ricci, 2004; Pfeffer, 1998, Shaw et al., 1998). For example, a study by Milman and Ricci (2004) revealed that among the most powerful indicators to predict hourly employee retention in the lodging industry were positive experiences with the company's policies and with the company's humane approach to employees. Results of empirical studies of lodging properties in Central Florida confirmed that hourly employees' retention was predicted by self-fulfillment and working conditions, even over monetary rewards (Milman, 2002, 2003; Milman & Ricci, 2004). These studies found that employees who had a positive experience with regards to working hours, a sense of fulfillment with their jobs and a higher level of job satisfaction are more likely to stay with their current employer. In a study of restaurant food servers, Wildes (2007) noted that although monetary rewards can be a top motivator for employee retention, having a fun working environment and flexible hours were also important motivators.

Other studies posit that retention practices such as job enrichment, workspace characteristics and socialization can reduce turnover and its effects (Boles et al., 1995; Pizam & Ellis, 1999). Walsh and Taylor (2007) study found that although it was important to obtain a good salary and benefits package, whether employees remain with the organization primarily depends on the degree to which their employers respond to their professional growth. They noted: “those employees most committed to performing challenging work are the ones most likely to remain with their companies” (Walsh & Taylor, 2007, p. 147).

Numerous other studies examine the impact of hiring and promotion practices on retention (Becker and Huselid, 1999; Cho et al., 2006; Huselid, 1995; MacDuffie, 1995; Milman, 2003; Milman and Ricci, 2004; Pfeffer, 1998; Shaw et al., 1998; US Department of Labor, 1993). Pfeffer (1998) made a case that firms wishing to succeed in today's global environment must make adequate HR investments and build employees who possess better skills and capabilities than their competitors. According to Huselid (1995) and Becker and Huselid (1999), selective hiring procedures are necessary to ensure effective retention of the most qualified employees while lowering employee turnover in
the long term. One tool that can assist with ensuring proper screening of candidates is pre-employment tests. Cho et al. (2006) theorize that the practice of pre-employment testing and the result of candidates passing such skill-based tests can heighten new hires' sense of organizational commitment. However, their research also found that once employees are on-board and seek upward mobility, promotions can actually increase turnover rates of non-managerial employees if not practiced appropriately. For example, in instances in which inadequate employee training and development exist, employees can become frustrated and stressed by assuming greater responsibility for which they are ill equipped.

The research study by Dienhart et al. (1992) found that there were positive relationships between customer centeredness and the employees' constructive views of job involvement, job security and satisfaction. If employees feel the company takes good care of them, they are, in return, likely to take time to provide a better service to meet and/or exceed customers' expectations. This will likely lead to higher satisfaction among those customers and to better employee performance, thereby making them less likely to leave (Arnett et al., 2002), positively impacting employee retention. A study by Kim et al. (2005) also revealed that employers with strong customer-centeredness and employee focus have a positive impact on employees' job satisfaction and overall organizational commitment, thus significantly reducing employee turnover. These scholars further suggest that recognizing employees' work efforts with cash incentives, awards, and promotions should reduce employees' intention to leave.

2.5. Research Gaps

From analysis and review of previous work, this study has identified some gaps,

Firstly, Most studies on staff retention, focused more on other industries other than the banking industry and based on empirical evidence, the researcher has failed to uncover any study that focuses on the Nigerian banking industry (Zia S., 2011; MacDuffie, 1995; Youndt et al., 1996). This study has chosen to make use of selected Nigerian banks its study focus because the banks selected are well established and prominent banks in Nigeria and other parts of the world so they will be ideal for this kind of study.
Also, other researchers approached this issue by either making use of the qualitative or quantitative method. And it is the opinion of the researcher that using one approach might be detrimental to the study has the results might be skewed in favour of the selected respondents. This study has adopted the mixed method – Interviews and Survey. This would give the study a bird’s eye view of the issues under study and will help the researcher understand things from the perspective of both the staff and management of Nigerian banks.

From the study of literature on the relationship between staff evaluation and staff retention, the researcher found out that there is a dearth of literature in this regard. The researcher was hard pressed to find just one study that focused primarily on evaluation and staff retention and found none. Rather studies have focused on staff satisfaction amongst others (Malik, et al, 2010; Al-Hussami, 2008; Bhatti & Qureshi, 2007; Karimi, Malik & Hussain, 2011). This study therefore aims to find out the relationship between staff appraisal or evaluation and staff retention in the banking industry.

Also a lot of researchers (Hitsaz-Isfahani & Boustani, 2014) as seen in the review of literature suggested that further research needs to be done on ascertaining the relationship between training and staff commitment or retention which this study hopes to address.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0. Introduction

This chapter presents the scientific and analytical framework for the study. This involves the approach and methodology adopted and used for the study. The research design adopted and the processes used in conducting the research are also presented and discussed. It also provides data requirements, forms, and sources. Data collection and analysis tools and instrument used as well as methods for presentation and reporting of findings are presented in this chapter.

3.1. Research Design

The study adopted descriptive research design. According to Cooper and Schindler (2006), a descriptive research deals with the what, how and who of a phenomenon. Considering that the study specifically examines the effect of Human Capital Development on Retention, thus, descriptive research design is appropriate. This is because descriptive survey design is ideal for studies relating to attitudes, behavior, and characteristics.

Since the study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, it is important to be holistic in approach to be able to address the research objectives satisfactorily. Accordingly, the study employs a mixed method approach, where qualitative and quantitative approach shall be used in data collection.

Qualitative approach deals with research interviews. The study will carry out interviews to elicit information on Human Capital Development and the level of commitment of staff in the Nigerian banking industry. The respondents that will be interviewed shall be determined through purposive sampling and comprises of management staff of ten (10) commercial banks in Nigeria. Namely, First bank, Union bank, Wema Bank, Skye bank, Sterling Bank, Access Bank, United Bank for Africa, Guarantee Trust Bank, Standard Chartered Bank and Stanbic IBTC.

The quantitative approach involves the use of questionnaire, which was the main source of data for this study. Questionnaires were administered to staff of the selected banks.
working in different departments, and simple random system will be used to select respondent.

3.2. **Study Population**

The population of any research is made up of the individual units or an aggregate, that is the unit or the individuals that form the population whereas a sample is a section of the population selected randomly or otherwise to represent the population (Punch, 2000). This study aims to investigate the effect of human capital development on employee retention in the Nigerian banking industry. The population of this study comprised staff – operational, marketing and other cadres- of banks in Nigeria. According to the National Bureau of Statistics (NBS), the total number of employees in the Nigerian banking industry as at 2017 is 77,690. Therefore the study population for this research is 77,690.

3.3. **Sample Size**

The sample size is 400 and was arrived at by using the Slovene formula. 450 questionnaires were however distributed to account for damaged and incorrectly filled questionnaires.

\[ n = \frac{N}{1 + n(e)^2} \]

Where;

\( n = \) sample size number

\( N = \) total population

\( e = \) constant of 0.05

\[
\frac{77,690}{1 + 77,690 (0.0025)} = 399.99 \text{ respondents Approximately 400}
\]
The total number of questionnaires that were distributed was 450 questionnaires, because the researcher wanted to make sure there won’t be errors, in case some questionnaires were not answered, some not submitted and some weren’t answered properly. That’s the reason for the distribution of 450 questionnaires. 20 top management staffs were interviewed, using purposive sampling. They have the information that will be needed for this research.
Table 3.3.1.: Showing the sample size distribution

<table>
<thead>
<tr>
<th>S/N</th>
<th>Bank</th>
<th>Sample size</th>
<th>Sampling technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>First Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>2</td>
<td>Union bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>3</td>
<td>Wema Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>4</td>
<td>Skye bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>5</td>
<td>Sterling Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>6</td>
<td>Access Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>7</td>
<td>United Bank for Africa</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>8</td>
<td>Guarantee Trust Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>9</td>
<td>Standard Chartered Bank</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td>10</td>
<td>Stanbic IBTC</td>
<td>45</td>
<td>Stratified random Sampling</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>450</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.4. **Sampling Techniques**

Sampling is very important as far as collecting data from primary sources are concerned. Stratified random sample was used to select the respondents and distribute the questionnaires. While purposive sampling was used to select the key informants that shall be interviewed during the course of this study. Purposive sampling is done by selecting the participants who have the required information according to the objectives of the study the participants are selected according to the researcher’s interest in them, but the researcher must have a specific procedure for choosing the participant.

3.5. **Source of Data**
Two main sources of data were consulted for this study - primary and secondary data.

**3.5.1. The primary data**

Primary data is defined as consisting of materials that the researcher has gathered him/herself through systematic observation, information from archives, the results of questionnaires and interviews and case study which have been compiled (Cooper et al., 2006). Primary data have not been published yet, drawn from original source and are more reliable, authentic and objective. Primary data have not been changed or altered through any study and therefore their validity is greater than secondary data.

**3.5.2. Secondary data**

Secondary data are also known as’ second hand’ data. They are data which already exist and might have been used before. The secondary data used in this research work helped the researcher reviewed literature on the topic of the study.

**3.6. Data Collection Method**

Both questionnaire and interview will be used.

**3.6.1. Questionnaire**

A questionnaire was developed to elicit information on human capital development and employee retention. Questionnaires were personally administered to the respondents. Questionnaires were used because data collected using questions can be stable, constant and has uniform measure without variation. It also reduces bias caused by the researcher’s presentation of issues.

The questionnaire consisted of 4 sections. The first section was the demographic section and aimed to gather data on gender, age, level of education, employment status and other demographic information. Section 2 of the questionnaire made use of Likert scale ranging from 1= Strongly Disagree to 5= strongly agree. This section aimed to find out the respondents’ view on human capital and organizational commitment. Section 3 also making use of the same Likert scale aimed to find out the respondents’ perception of human capital development practices in the banking sector. Using a scale of 1-5 with 1
being Not well at all and 5= very well, section 4 of the questionnaire tried to find out the respondents’ efficiency at the work place.

3.6.2. Interviews

For the interview, a structured Interview guide was developed to help the researcher ask pertinent questions in an efficient and effective manner. The interview guide was used to gather qualitative data. This approach provided the researcher the opportunity to carry an in-depth study, through fieldwork, to gain insight and vision into the views of the respondents on the relationship between human capital development and employee retention. Open ended questions were used, where the researcher asked the questions and the respondents were allowed to answer in any way they deemed fit. The target respondents for interview were drawn from the head offices’ staff that work in the Human resource department of the selected commercial banks in Nigeria. The reason for choosing these respondents to interview is because they have a unique perspective on human capital development – what it means in the banking sector, its implementation and how it affects staff retention.

3.7. Reliability and Validity

3.7.1. Validity

To test for validity the following test were conducted on the questionnaire:

1. Face validity: this refers to how well the questionnaire answers the questions it was developed to answer. The point of this is to show that the questionnaire is capable of achieving the research objectives and answering the research questions or hypothesis. To conduct this test, the research showed the questionnaire to senior colleagues in the department and faculty and asked them for feedback. The experts were given the research questions and objectives and asked to ascertain whether or not the questionnaire was adequate in answering them.

Three experts including the researcher’s supervisors were shown the questionnaire and the feedback received showed that the questionnaire is sufficient in answering the research questions and achieving the stated objectives.
2. A content validity index will then be calculated and if its coefficient is 0.70 or above, the instrument will be declared valid. CVI =

\[
CVI = \frac{\text{No. of Items declared Valid}}{\text{total no. of items}}
\]

Therefore the CVI = \(\frac{57}{59}\)

\[CVI = 0.96\]

Therefore the instrument is valid

3.7.2. Reliability

Reliability refers to the degree to which the instrument is consistent with whatever it is measuring. A research instrument is said to be reliable if it actually measures what it is supposed to measure. To test for reliability of the questionnaire, standard tests were carried out. The reliability testing involved a “test and retest” exercise. This means the instrument was given to a representative sample multiple times. The same questions were asked and if they answered the same way or in a similar way, then the instrument is considered reliable.

Cronbach Alpha was used to test the reliability of the questionnaire. The Cronbach Alpha was calculated based on 100 respondents from the pilot study. The results showed a Cronbach Alpha of 0.855 which implies the instrument is reliable

**Table 3.7.2.1.: Reliability Test Results**

Based on the Cronbach Alpha the questionnaire has a high level reliability of .855 and as such is suitable for use in this research. The test was conducted on the Likert section of the questionnaire as to conduct this test all the options/variables must be similar to each other. 100 questionnaires were used for the pilot test and it was based on this pilot, that the reliability test was conducted.
Reliability

Scale: ALL VARIABLES

Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Excludeda</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.855</td>
<td>.851</td>
<td>50</td>
</tr>
</tbody>
</table>

3.8. Data analysis

Quantitative data involved using correlation analysis, descriptive and inferential statistics in the SPSS version 16.0 processed. Frequency tables were used to present and analyze respondent’s characteristics. Mean and Standard deviation was used to present and analyze respondent responses on the quantitative data and correlation analysis was used to test the hypothesis.

The table below shows how the responses from the questionnaire shall be analysed.
Table 3.8.1: Mean Range analysis for quantitative data

<table>
<thead>
<tr>
<th>Mean Range</th>
<th>Response</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.26 – 4.00</td>
<td>Strongly Agree</td>
<td>Very Good</td>
</tr>
<tr>
<td>2.51 – 3.25</td>
<td>Agree</td>
<td>Good</td>
</tr>
<tr>
<td>1.75 – 2.50</td>
<td>Disagree</td>
<td>Poor</td>
</tr>
<tr>
<td>1.00 – 1.74</td>
<td>Strongly Disagree</td>
<td>Very Poor</td>
</tr>
</tbody>
</table>

Qualitative data was analysed using thematic analysis. After the data were collected, all responses in the same category were grouped together and their similarity to the quantitative data ascertained and included in the analysis.

3.9. Ethical considerations

1. The study was conducted after getting permission and an introductory letter from the graduate school, department of Human Resource and supply of Kampala International University.

2. In addition informed consent of the respondents was obtained from the study participants to confirm their willingness to participate in the study after explaining to them the objectives of the study.

3. The respondents were notified of their right to refuse or terminate at any point of the interview.

4. The information provided by each respondent was kept confidential. No name of any respondent was revealed to anybody.

5. Responses were coded and reported in a generalized manner, without mentioning who said what.
6. Works of other people used in this study were duly recognized through full referencing using the APA reference style.
CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter presents the results of data analyzed based on the data collected. The results of the data collection are presented based on the research objectives and testing of the hypotheses put forward. In all a total of 450 questionnaires were administered, however only 400 were retrieved giving a response rate of 90%. This has been used throughout the analysis. The first part of this chapter describes the demographic and social economic characteristics of respondents in terms of age, gender, education and work duration with the bank. The second section contains the summary of the inferential statistics of the various hypotheses tested.

Pearson correlation was used to analyze all the hypotheses stated. This is because there is more than one independent variable (reward system, performance evaluation, recruitment practices, staff training and development) and one dependent variable which is the employee’s retention and the study seek to examine the relationship between these variables. Also the hypotheses as stated above seek to examine any correlation or relationship if exist, and how significant is this correlation between the variables. The chapter goes on to discuss the results.

4.1. Response Rate

The researcher distributed 450 questionnaires but was able to retrieve 400 questionnaires that were correctly filled and answered. This gave a retrieval rate of 88.9%. This is appropriate because the sample size calculated using Slovene’s formula was 399.9 (Approximately 400) which means that the lowest generalizable sample size is 400 which this study achieved.

4.2 Demographic Characteristics of the Respondents

This portion analyses issues concerning gender, age, education and work duration with the company.

<p>| Table 4.2.1: Gender Distribution of Respondents |
|-------------------------------|----------------|----------------|----------------|</p>
<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
</table>

39
Male 208 52.0 52.0
Female 192 48.0 100.0
Total 400 100.0
Source: Field Data 2018

From Table 4.2.1, it was identified that majority representing 52% of respondents from whom information was sought to enrich the study were males as compared with a minority of respondents of 48% who were females. This implies that the banks surveyed are not biased in their employment but rather have a considerable proportion of male to female employees. Also the study ensured no bias in selecting the gender of respondents in order to receive a fair response concerning their view of the employee retention in the banks from both gender.

Table 4.2.1: Age Distribution of Respondents

<table>
<thead>
<tr>
<th>Age of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 years</td>
<td>270</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>31-40 years</td>
<td>135</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>41-50 years</td>
<td>45</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>450</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Source: Field Data 2018

Table 4.2.1 shows the age groupings of the respondents. Age range of 20 to 30 was the age range that recorded the highest percentage of 60. Age range of 31-40 recorded the second highest percentage of 30 followed by age range 41-50 that represented 10%. This means that the banks selected have young and energetic people in the company that are ready to serve for long time provided they are motivated and encouraged enough to stay.

Table 4.2.2: Educational Qualification of Respondents

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>99</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>First Degree</td>
<td>306</td>
<td>68</td>
<td>90</td>
</tr>
<tr>
<td>Masters</td>
<td>45</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>450</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Source: Field Data, 2018
With respect to the educational attainment of respondents from Table 4.2.2, 68% of the respondents were identified to have successfully completed their First degree programme as compared with 10% of respondents as minority who have completed their masters. A further 22% of remaining respondents were identified to have completed their Higher National Diploma education. It was observed that all respondents were literate and at least had duly completed second cycle education. The findings show that greater percentage of employees in the company is well educated and are familiar with employee retention and practices in the banks.

**Table 4.2.2: Respondents Work Duration**

<table>
<thead>
<tr>
<th>Work Duration</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>232</td>
<td>58.0</td>
<td>58.0</td>
</tr>
<tr>
<td>6-10 years</td>
<td>144</td>
<td>36.0</td>
<td>94</td>
</tr>
<tr>
<td>11-15 years</td>
<td>24</td>
<td>6.0</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>450</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, 2018

From Table 4.2, 58% of the respondents had spent 1-5 years with the banks, 36% had spent 6-10 years while 6% had spent 11-15 years with the banks. This implies that majority of the employees have spent many years with the organizations and have enough knowledge about the leadership practices in the organization that can reduce or increase staff retention. From the result, it can be said that the banks are doing well in retaining its staff as considerable number of total of 42% had spent within 6-15 years with the banks.

**4.3. Human Capital Development**

**Table 4.3: Human Capital Development**

Source: Primary Date (2018)

The Independent Variable (IV) for this study is Human Capital and this was further broken down into Training and Development, and Reward system. The table below ranks the mean responses of the respondents for quantitative data.
Employee reward scored an average mean of 3.03 which indicates that the reward system

**TD: Training and Development**

<table>
<thead>
<tr>
<th>Item</th>
<th>Average</th>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff are normally given on the job training</td>
<td>2.53</td>
<td>Good</td>
<td>15</td>
</tr>
<tr>
<td>Any staff who apply to further his/her studies is granted Study Leave With Pay</td>
<td>1.70</td>
<td>Very Poor</td>
<td>17</td>
</tr>
<tr>
<td>Only staff who apply to further their studies in relevant programs are granted Study Leave With Pay</td>
<td>2.80</td>
<td>Good</td>
<td>14</td>
</tr>
<tr>
<td>Staff do not enjoy any type of Study Leave (With or Without Pay)</td>
<td>1.52</td>
<td>Very Poor</td>
<td>18</td>
</tr>
<tr>
<td>Staff understudy superiors through observation</td>
<td>3.24</td>
<td>Good</td>
<td>9</td>
</tr>
<tr>
<td>Staff easily get approval for their application to further their education</td>
<td>3.01</td>
<td>Good</td>
<td>12</td>
</tr>
<tr>
<td>Staff normally receive the necessary training to do the job</td>
<td>3.80</td>
<td>Very Good</td>
<td>1</td>
</tr>
<tr>
<td>Training opportunities are fairly allocated across employees</td>
<td>3.56</td>
<td>Very Good</td>
<td>4</td>
</tr>
<tr>
<td>Supervisors support my efforts to learn outside the job</td>
<td>3.62</td>
<td>Very Good</td>
<td>3</td>
</tr>
<tr>
<td>Management are highly committed to human capital development</td>
<td>3.28</td>
<td>Very Good</td>
<td>7</td>
</tr>
<tr>
<td>There is a complete training programme for employees</td>
<td>3.23</td>
<td>Good</td>
<td>10</td>
</tr>
<tr>
<td>Creativity among employees are encouraged</td>
<td>3.00</td>
<td>Good</td>
<td>13</td>
</tr>
</tbody>
</table>

**Average mean** 3.04 Good

**ER: Employee Reward**

<table>
<thead>
<tr>
<th>Item</th>
<th>Average</th>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organization pays a fair wage</td>
<td>3.28</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Salaries in my organization is similar to what other banks pay</td>
<td>3.05</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Reward is commensurate with the level of work I do</td>
<td>2.53</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Apart from monetary rewards, my organization provides other incentives</td>
<td>3.02</td>
<td>Good</td>
<td>4</td>
</tr>
<tr>
<td>Financial reward is the major reason I remain with my organisation</td>
<td>3.27</td>
<td>Very Good</td>
<td>2</td>
</tr>
</tbody>
</table>

**Average Mean** 3.03 Good

**Overall Mean** 3.17 Good

in the industry is good. This implies that employees in the Nigerian banking industry are paid well and most staff are happy willing to stay.

The table clearly shows that there is a relationship between Human Capital Development and staff retention. Majority of the respondents strongly agree that the truthfulness of information given during the recruitment process influences their decision to remain on the job. Also a majority of the respondents strongly agree that due to Human capital development activities of their bank, they now feel like they have a future with the bank and are less likely to leave. This shows that Human Capital development activities like recruitment, training and development further reaffirms potential staff’s decision to remain on the job or not. Therefore it can be concluded that there is indeed a relationship between recruitment practices and staff retention in the Nigerian banking industry and the relationship is based mostly on the information provided during the recruitment process.
and the willingness of bank management to fulfill all promises made during the recruitment process.

1. **Employee Retention**

The dependent variable for this study is employee retention. The table below shows the ranking of questions relating to retention in the questionnaire.

**Table 4.4: Employee Retention**

<table>
<thead>
<tr>
<th>Items on Employee Retention</th>
<th>Mean</th>
<th>Interpretation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RP: Recruitment Practices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment practices in my organization improved employee retention</td>
<td>3.05</td>
<td>Good</td>
<td>2</td>
</tr>
<tr>
<td>The truthfulness of information provided during recruitment process influenced my decision to stay</td>
<td>3.56</td>
<td>Very Good</td>
<td>1</td>
</tr>
<tr>
<td><strong>Average Mean</strong></td>
<td>3.31</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td><strong>Training and development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel more motivated at work as a result of HCD strategies</td>
<td>3.51</td>
<td>Very Good</td>
<td>2</td>
</tr>
<tr>
<td>As a result of the HCD activities I feel more committed to the organization</td>
<td>3.63</td>
<td>Very Good</td>
<td>1</td>
</tr>
<tr>
<td>because of HCD activities I am more likely to talk positively about my job</td>
<td>3.25</td>
<td>Good</td>
<td>4</td>
</tr>
<tr>
<td>As a result of the HCD activities I now feel like there is a future for me here</td>
<td>3.29</td>
<td>Very Good</td>
<td>3</td>
</tr>
<tr>
<td><strong>Average Mean</strong></td>
<td>3.04</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td><strong>PE: Performance Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel more motivated at work as a result of the Performance Evaluation</td>
<td>3.04</td>
<td>Good</td>
<td>1</td>
</tr>
<tr>
<td>As a result of Performance evaluation I am less likely to leave</td>
<td>2.52</td>
<td>Good</td>
<td>3</td>
</tr>
<tr>
<td>As a result of performance evaluation activities I now feel like there is a future for me here</td>
<td>3.01</td>
<td>Good</td>
<td>2</td>
</tr>
<tr>
<td><strong>Average Mean</strong></td>
<td>2.86</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td><strong>ER: Employee Reward</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel more motivated to work as a result of the reward strategy</td>
<td>3.80</td>
<td>Very Good</td>
<td>1</td>
</tr>
<tr>
<td>As a result of the reward system in my organization, I feel more committed</td>
<td>3.52</td>
<td>Very Good</td>
<td>2</td>
</tr>
<tr>
<td>As a result of the reward system in my organisation I feel needed and appreciated.</td>
<td>3.30</td>
<td>Very Good</td>
<td>3</td>
</tr>
<tr>
<td><strong>Average Mean</strong></td>
<td>3.54</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td><strong>IE: Intervening Factors and Employee Retention</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My spouse and family members influences my decision to remain in my organization.</td>
<td>3.20</td>
<td>Good</td>
<td>1</td>
</tr>
<tr>
<td>Due to work-life balance in my organization, I more likely to remain</td>
<td>2.56</td>
<td>Good</td>
<td>3</td>
</tr>
<tr>
<td>My friends opinion about my organization influences my decision to remain or leave</td>
<td>2.52</td>
<td>Good</td>
<td>4</td>
</tr>
<tr>
<td>Public perception about my organization influences my behavior towards the company.</td>
<td>2.62</td>
<td>Good</td>
<td>2</td>
</tr>
<tr>
<td><strong>Average Mean</strong></td>
<td>2.75</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td><strong>Overall Mean</strong></td>
<td>3.10</td>
<td>Good</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2018)
Similarly, the average mean for Training and Development or Human Capital Development and its relationship to retention was 3.04, implying that most of the respondents confirmed that they feel training activities is a major factor for their remaining on the job. They claim that they feel better working with their organization due to the human capita development activities carried out in the company. We can therefore answer research question 2 which asks, “what is the effect of training and development of human capital on employee retention in the Nigerian banking industry?” by stating that based on the findings of this study, we can conclude that there is indeed a relationship between training and development and employee retention. Most of the respondents agree that training activities and the efforts and money spent on training them motivates them to work hard and makes them feel more involved and needed in the organization.

Employee Reward has an Average mean of 3.54 which means the majority of respondents agrees that reward is a key motivator for them to remain at the job. This clearly answers research question 5 which ask, “What is the relationship between reward system and employee retention in the Nigerian banking industry?” There is clearly a relationship between reward - which includes things like salary, benefits and other allowances – and staff retention in the banking industry as the respondents all agree that reward is a key factor when making their decision to remain or leave a job. The implication of this is that employers must make sure that they offer a competitive package if they are to attract and retain the best talents.

On the intervening variables – like peer groups, family, work-life balance and public perception about my organization – and its effects on employee retention. The table shows an average mean score of 2.75 which is good, but on the low end. Majority of the respondents confirmed that the opinion of their spouses and families strongly influences their decision to work or remain at a particular job or bank. While about half of the respondents on average agrees that work-life balance is very important when considering remaining at a particular bank opinion of friends scored lowest in the ranking system, implying that although it is important, a lot workers do not consider opinions of friends when making work related decisions. Public perception also scored low on the ranking system, indicating that a lot of staff do not think public perception about their bank will
significantly impact on their decision to remain. However, in answering research question 5 which asks, “what other factors influences employees of the banking industry to leave or stay despite the bank’s human capital development efforts?’. The answer is, a variety of factors influences employee decision other than human capital development efforts and they include: peer pressure, opinions of families and spouses, public perception about the organization and work-life balance of the job.

4.5. Hypothesis 1: There is a significant relationship between staff training and development and employee retention

Table 4.6. : Pearson Moment correlation of Staff Training and Development and Employee Retention

<table>
<thead>
<tr>
<th>Employees Retention</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
<th>Staff training and development</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Retention</td>
<td>.490**</td>
<td>.000</td>
<td>400</td>
<td>Staff training and development</td>
<td>1</td>
<td>.490**</td>
<td>1</td>
</tr>
</tbody>
</table>

Concerning the relationship or correlation between Staff training and development and employee retention, result from Pearson correlation analysis between the two variables in Table 4.4 above shows that there is a significant positive relationship between staff training and development and employee retention [r (400) = .490, p< .01]. The positive relationship means that the higher the presence of staff training and development, the higher the employee retention in the banks. It can be concluded that the hypothesis that there is a significant relationship between staff training and development and employee retention is accepted.

An interview conducted with the manager of a branch in sterling bank, he consented that when employees are given proper training and development, it helps them stay on the job.
Training helps employees to have more and broader knowledge about the job, training gives employees’ confidence on the job, and this enhance productivity. A manager at Wema bank said though, training helps employees and the organization as a whole, but employers feel that even after training employees, it is sometimes a loss on the part of the employers, because employees tend to leave the organization for better opportunities after the organization has trained them.

The Wema Bank manager’s perception is a departure from other bank managers interviewed for this study and there is a possibility that other factors like remuneration and job prestige might play a part in Wema bank employees choosing to leave other irrespective of whether or not the bank trained them.

A top management staff at Access bank when asked about the relationship between training and development and staff retention, is quoted as saying:

*training and development takes different forms in the bank, but Access bank is more employee centric than your regular bank and as such the focus is on the employee and what their needs may be….we ensure that proper care is taken to identify training needs by analyzing the strength and weaknesses of individual staff and then conducting training exercises that helps them become better at their job.*

He went on to explain that,

*I have noticed that staff that go through our training regimen and goes on to get other on-the-job trainings are usually more likely to remain on the job. The thing is all bank staff goes through this training, but the difference lies with those that are given special on the job trainings and those that are sponsored to Lagos Business School and other international schools to horn the skills. This category of employees remain very loyal to the bank and are less likely to leave the job. Also staffs that are trained regularly are generally more committed to and happy doing their jobs.*

A senior staff of UBA explained that he personally feels wanted and needed when his company spends a decent amount of money on developing him. And this feeling of being needed is important for him to remain on the job. He explained that no staff will want to work in an organization where he/she is deemed dispensable and unneeded.

4.8. Hypothesis 2: There is significant relationship between rewards and employee retention
Table 4.7: Pearson Moment correlation of Reward System and Staff Retention

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>Staff retention</th>
<th>Reward system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff retention</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
<tr>
<td>Reward system</td>
<td>Pearson Correlation</td>
<td>.821**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

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

The result based on the Pearson r correlation analysis presented in Table 7 above shows that there is a significant positive correlation between reward system and staff retention with \[ r (400) = .821, p< .01 \]. The result means that the better the reward system the higher the employee retention in the banks. Therefore the hypothesis that there is positive relationship between reward system and staff retention is accepted.

When asked about the relationship between reward and employee retention, a top management staff of Standard Chartered Bank stated that,

*Reward is a very important determinant of whether a staff leaves or remains....in fact reward in terms of salaries and other benefits is a strong determining factor in whether or not we even recruit the best possible staff. The truth is that one of the things that sets Standard Chartered Bank apart from other banks in Nigeria, is the fact that we are employee centered and care deeply for our staff. We are one of the highest if not the highest paying banks in the country and on the continent and as such we attract and retain the very best in the industry. I can categorically state beyond other factors like work environment, trainings and staff development, reward system is a major factor in determining whether a staff remains or not.*
This sentiment is shared by a manager at Stanbic IBTC Bank who explained that,

*Reward system and package are very important in the banking industry especially when it has to do with attracting and retaining the right talent. The banking industry is very competitive and that is why after a certain level at the job, a lot of bankers seek better remuneration and benefits at other banks, because the more the experience, the higher you negotiation power in the industry. This has made staff mobility from one bank to another very high in the banking industry. So to retain the best hands, banks try very hard to match or surpass the offerings of their competitors. It is not unusual for a bank to increase a staff’s salary three times a year, if such a staff is in high demand and very productive. Reward is definitely a means by which the banking industry especially Stanbic IBTC retains the best and most productive talents.*

The Branch manager of United Bank for Africa (Abule-Egba Branch), approached this issue from another angle and stated that,

*Of course salary is important, I will not lie to you... I personally left Wema Bank 4 years ago because I was offered a better salary at UBA and since then I have been promoted twice which of course comes with higher pay. But the truth is, after a while, money stops being a motivating factor... I have gotten to a point in my career, where I want to spend time with my family, I have earned a lot of money over the years and the time has come to sit back and enjoy the fruits of my labour. If I get an offer from another bank that allows me to manage my time and does not take me too far from my family, I will leave even if the pay is slightly lower.*

From the above, it is clear that reward is used as a tool to retain staff. Reward here is seen in terms of salaries and other benefits such as housing allowances, quarterly bonuses, end and beginning of the year bonus amongst others. Banks use high salaries and benefits to attract and retain the best talents. Although, at a certain level, salary and money plays very little role in retention, as people start looking beyond the banking their years in the banking industry and start planning for their retirement. So at this point, things like work flexibility, retirement bonuses, proximity to their homes etc, are major factors in determining whether or not a top management staff remains with a bank.

Therefore the hypothesis that ‘there is positive relationship between reward system and staff retention’ is further accepted.

**4.9. Hypothesis 5: Other factors other than HC development influences employee’s decision to stay or leave an organization.**
Concerning the relationship or correlation between other factors other than HC and employee retention, result from Pearson correlation analysis between the two variables in Table 8 above shows that there is a significant positive relationship between other factors other than HC and employee retention \[r (400) = .362, p< .01\]. The positive relationship means that not only HC affect employee retention but other factors do. It can be concluded that the hypothesis that other factors other than HC development influences employee’s decision to stay or leave an organization is accepted.

The Branch manager of United Bank for Africa (Abule-Egba Branch), when asked if money, training and performance evaluation are the only factors that influences his decision to remain in the bank, stated that,

*Of course salary is important, I will not lie to you... I personally left Wema Bank 4 years ago because I was offered a better salary at UBA and since then I have been promoted twice which of course comes with higher pay. But the truth is, after a while, money stops being a motivating factor... I have gotten to a point in my career, where I want to spend time with my family, I have earned a lot of money over the years and the time has come to sit back and enjoy the*
fruits of my labour. If I get an offer from another bank that allows me to manage my time and does not take me too far from my family, I will leave even if the pay is slightly lower.

This position is supported by a staff of First Bank who agreed that other factors contributes to employees remaining on a job or leaving, such factors may include an employee’s personal attachment to a particular bank, maybe such employee has spent some tangible amount of years in that kind of bank. The employee might tend to be loyal to such bank. So this makes such employee remain in such bank. He stated that,

I have been with First bank for the past 14 years and I have no plans of leaving anytime soon, first bank is like a family bank and I have grown to love my coworkers a lot....this is not just about me, there are people here that have worked for 20 years with this bank, my immediate boss has been in first bank for the past 22 years. Sometimes money is not the only thing that motivates bankers...peace of mind is also very important.

This sentiment is echoed by a branch manager at UBA who stated that,

UBA is not the highest paying bank, but it is also one of the banks with the highest number of branches in Nigeria. What this means is that there is almost always a UBA branch close to your house and UBA has a policy of allowing staff work close to their homes. Although sometimes, this is not possible, but for most of our junior staff here, we allow them choose a branch that is closest to them. In my experience, I have found this to be a major determining factor, sometimes beyond money for some people in determining whether or not to work with or remain at UBA.

A GTB staff when asked what other factors apart from salary, performance evaluation and recruitment practices influences their decision to work and remain with the bank. She explained that;

I got to GTB exactly 3 years ago, and then I was newly wedded and had no desire to leave my husband. During the interview stage I explained this to the interviewers and they explained that GTB always considers this and will support in any way they can. I was pleasantly surprised when I got my letter and found out was posted to a branch close to my house as the customer care officer. Before the letter came, I had told my family that I will not take the job if they take me outside Oyo state, since I did not want to live apart from my husband. 3 years down the line, and now I have a baby girl who is 1 year plus. GTB allowed me go for 3 months maternity
leave and when I resumed I was allowed to close earlier than normal because I was a nursing mum. This things have adhered me to the bank so much that I do not see myself leaving such an organization in the near future.

From the above, it is clear that other factors like proximity to the office, and other social factors play a significant role in retention. The implication is that sometimes, high salaries and benefits is not enough to attract or retain the best staff. Banks must take this into consideration during the recruitment process, if there are to attract the very best talent to work for them, especially at management level. From the analysis of this study it was observed that people that have spent a significant amount of time working and gotten to the top of the career are less motivated by money, recruitment practices or performance evaluation and are more interested in things like closeness to family, retirement benefits etc. Also young women are more likely to go to banks that allows them work close to their homes and supports nursing mothers, as the GTB staff explained earlier.

4.10. Multiple Regression Analysis to test the relationship between the IV and DV

A simultaneous multiple regression analysis was conducted to find out which of the independent variables (Human Capital development) most affects staff retention in the banking industry.

An important step in multiple regression analysis is to make sure that the assumption of no multicollinearity is met. Multicollinearity can be described as a situation where two or more Independent variables are highly correlated.

The table below shows the Pearson Correlation test conducted to find out whether or not the independent variables were highly correlated.

Table 4.10. Collinearity: Pearson Correlation
Recruitment practices | Training and development | Performance evaluation | Reward system
---|---|---|---
Training and development | .209 | .236 | .448 | .099
Reward system | | | | 

Source: Data Analysis (2018)

From the table above, it is clear that no two variables are closely related, since none of the correlations reached the threshold of .80.

The backward design method of multiple regression analyze was used to analyze the data to test for the relationship between the IV and DV. The following summary was produced based on the analysis.

Table 4.11. Model Summary
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error</th>
<th>Change Statistics</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.546 a</td>
<td>.299</td>
<td>.258</td>
<td>10.96433 .299</td>
<td>7.074</td>
</tr>
</tbody>
</table>

1. Independent variables: (Constant), Recruitment Practices, Training and development, Performance evaluation, Reward.

2. Dependent Variable: Staff Retention

It was found out that 2 of the independent variables were significant with a level of .05 (Reward .000, Training and Development .013).

The table above shows the results of the independent variables in the simultaneous backward multiple regression analysis. All the independent variables - Recruitment Practices, Training and development, Performance evaluation, Reward- are included in this model.

The R square in the multiple regression model shows the variance that be contributed to all the independent variables in a progression. The R square gives explanatory power.

The table above shows the R Squared of .299 (.299 x 100 = 29.9%) or 29.8 of the variance in the dependent variable (Staff retention), the rate of turnover, commitment, satisfaction and performance were accounted for by the independent variables in the model (F = 7.074; df1=8; df2=133; p=.000 or p < .05).

Based on the findings of the multiple regression analysis, it is therefore determined that there is indeed a significant relationship between the independent variables (Recruitment Practices, Training and development, Performance evaluation, Reward) and the dependent variable (turnover, commitment, satisfaction and performance).

The implication of this finding for this study is that there variables like recruitment, training, performance evaluation and reward will significantly impact on banking staff decision to remain in at their job or leave.
5.0 Introduction
This chapter presents the summary of the entire study. The summary outlines the research process covering the aim of the study, the literature reviewed, the methodology used for conducting the study and the key findings in the study. It then draws conclusions from the findings and makes recommendations for policies and practice. Suggestions are also made for future research.

5.1 Discussion
5.1.1. To examine the relationship between training and development of human capital and employee retention in the Nigerian banking industry.

The first objective was to examine the relationship between training and development of human capital on employee retention in the Nigerian banking industry. The outcome of hypothesis 1 showed that there is a significant positive relationship between staff training and development and employee retention. The positive relationship means that the higher the presence of staff training and development, the higher the employee retention in the banks perception of employee that their leader is democratic, the less the intention to leave the organisation. It can be concluded that the hypothesis that there is a significant relationship between staff training and development and employee retention is accepted.

The hypothesis is further supported by the analysis of interviews. Top managers in different banks were interviewed and asked questions on the effect of training on staff retention and they generally agreed that training and development is indeed instrumental to continued retention of production staff. However, some of those interviewed claim that training and development should be complemented with good remunerations otherwise other banks that offer training and also good salaries will continue to be attractive to them. This study therefore concludes that training influences staff retention but that other variables like remuneration and other benefits might impact on staff’s decision to remain. Also it was also found out that if employees do not feel they can deliver on their performance and are not trained properly, such an employee’s commitment to the organization might reduce. This supports the findings of Chen et al (2004) who claimed
that when employees are trained, it reduces frustration and anxiety brought about by the demands of their jobs. They go on to explain that lack of training can reduce staff commitment which will invariably lead to high turnover of staff. The findings of this study also showed that employees feel a sense of worth when their companies expend a lot of financial resources on developing them professionally. This sense of worth and feeling of being needed further translates into retention, as staff are less likely to resign if they feel they are needed, wanted and appreciated by their current employers.

5.1.2. The relationship between rewards and Employee Retention

The second objective of the study was to examine the relationship between rewards on employee’s retention in the Nigerian banking industry. The outcome of the second hypothesis shows that there is a significant positive correlation between reward system and staff retention. The result means that the better the reward system the higher the employee retention in the banks. Therefore the hypothesis there is positive relationship between reward system and staff retention is accepted.

The findings from the analysis of the interviews conducted in the course of this study further supports the hypothesis. The findings showed that bankers in the Nigerian banking industry considers reward as a chief motivator to remain with a particular bank. International banks like Standard chartered and Stanbic IBTC attract and retain the best hands because they pay the highest salaries and benefits to their staff in the Nigerian banking industry.

This study further supports previous research on this issue, Lockwood and Walton in their 2008 study on reward and staff retention found out that a decent compensation package is one of the ways employers retain productive talents. This is also supported by Pillay (2009) who asserts that monetary rewards was very important in order to retain staff in the health care industry. This same thing applies to the Nigerian banking industry, as it was ascertained through empirical studies that rewards in the form of bonuses and salaries is a key factor in determining whether or not employees will remain with a particular bank for long.
5.1.3. To find out whether other factors other than HC development influence employees’ retention

The third objective of the study was to find out whether other factors other than HC development influence employees’ retention. The outcome of the third hypothesis shows that there is a significant positive relationship between other factors other than HC and employee retention. The positive relationship means that not only HC affect employee retention but other factors do. It can be concluded that the hypothesis that other factors other than HC development influences employee’s decision to stay or leave an organization is accepted.

According to interviews conducted, other factors like distance to the office, retirement benefits, concessions to nursing mothers, flexible working hours and others can influence staff retention. The interviews showed that sometimes reward, appraisals, and training are not enough to retain the best hands, as some staff after a certain level on the job begin to crave other things like closeness to their family and will also begin to plan for their retirement and would consider working in a place that will allow them achieve their retirement plans irrespective of what they are offering in terms of training or remuneration. This therefore further validates the hypothesis that factors other than human capital development influences staff retention.

5.2. Conclusions

In relation to objective one, the findings of this study shows that training and development activities influences staff decision to remain on the job. Hence concluding that staff retention can be improved upon by carrying our regular and important staff training activities because these activities increases the feelings of self-worth on the part of the staff.

In relation to objective two of the study, the findings showed that there is indeed a relationship between reward systems and employee retention. It was found out that bankers are constantly seeking better pay and are more likely to leave a bank if they are offered increased benefits and remuneration elsewhere. Hence, it is concluded that to attract and retain the best hands in the banking industry, banks must pay a competitive salary and offer benefits that match or surpasses industry standards.
According to the findings, factors like peer pressure, spouse/family’s opinions, work-life balance offer by the bank and public perception of the bank all play a role in influencing a staff’s decision to leave or remain with a particular bank. It was also found out that women care about maternity leave and the banks willingness to accommodate new mothers. Also after a certain level, money is no longer a factor, things like retirement benefits, flexible working hours and proximity to the family might influence staff decision to remain at or leave a bank.

5.3. Recommendations

The following recommendations are made based on the result from the study and have been explained in accordance with the specific objectives of the study:

**Objective 1: To examine the relationship between training and development of human capital on employee retention in the Nigerian banking industry.**

Based on the study by Amman (2015) on “the causes and effect of turnover” revealed one of the causes of turnover as inadequate training and supervision. He added that employees need guidance and direction and the absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking. The study recommends that leaders in organizations should be trained on how to effectively manage their employees and employees should be trained on how to effectively carryout their duties as they are an important asset of any organization. Leadership training, seminars and workshop should be done periodically to strengthen the leadership skills of corporate leaders. This will equip leaders in organizations with the needed skill to build a healthy relationship with their subordinate. Also since employees are committed to organization where they have opportunity to develop their skill (Amman, 2015), corporate leaders should invest more in manpower development as a means of increasing their commitment to stay with the organization.
Objective 2: To examine the relationship rewards and employees retention in the Nigerian banking industry.

It is also recommended that the reward system in terms of salaries and remunerations should be competitive and comparable to what is paid in top banks in Nigeria if banks will attract and retain productive staff.

Objective 3: To find out the intervening influence of social factors, work-life balance and time flexibility on the relationship between human capital development and employee retention.

Finally banks should take into consideration things like their corporate image as it has an effect on their ability to attract and retain productive staff. Also if possible banks should make accommodations for nursing mothers, so they can bring their child to work and still be productive. A lot of newly wedded women will be more willing to remain with their banks if their facility is provided. Also banks should as a matter of policy ensure that staff are posted to locations closest to their homes if possible because another major factor that contributes to staff retention is the ability of staff to have a decent work-life balance and this cannot be possible if staff are posted very far from their families.

5.4. Limitations

Conducting research is without limitations. The researcher addressed the challenges encountered while collecting the data needed for the study. First, not all the respondents agreed to fill the questionnaire. Because of the busy nature of the work in the organization, it is usually difficult getting their full cooperation in participating in the study. In the light of this, the researcher made the questions on the questionnaire multiple choice and easy to comprehend. Also some of the respondents refuse to participate because of the fear that their response may be used against them. The researcher addressed this challenge by explaining the reason for conducting the study, and they are assured of confidentiality. Despite the steps taken to address this challenge, some respondents did not return questionnaires given to them, stating there is lack of time.
5.5. Areas for Further Research

Future research in this area should be widened to cover areas not covered in this study. Future research can take into account other variables that influence employee retention in organization, such as gender, organizational climate, job involvement and job efficiency. Since the study used only the banking sector, a comparative study can be done to examine employee turnover in multiple sector. There is also the need to increase the sample size of the study to increase its external validity.

5.6. Contribution to Knowledge

The main purpose of this study was to examine the relationship between human capital development and staff retention in the Nigerian banking sector. However to achieve this, the research developed some objectives that if achieved will help in achieving the purpose of the study. The objectives included:

1. To assess the relationship between recruitment practices on employee retention
2. To examine the relationship between training and development of human capital on employee retention in the Nigerian banking industry.
3. To assess the relationship performance evaluation on employee retention.
4. To examine the relationship reward system on employees retention in the Nigerian banking industry.
5. To find out whether other factors other than HC development influences employees’ retention.

This researcher has examined the relationship between human capital development and staff retention in the Nigerian banking industry and the findings of the research has further reaffirmed the fact that human capital developmental activities does in fact influence employee retention. The study went a step further by asking a fundamental question, what happens when a company carries all necessary human capital development activities but yet still fail to retain productive staff? The findings of this study showed that there are other variables such as work-life balance, opinions of peers/family/spouses and public perception about the organization definitely influences employees decision to remain with an organization. This particular assertion lends credence to the theory of planned
behavior propounded by Azjen Icek in 1991. The theory claims that there is a link between intention and behavior. Intentions here mean motivational forces that influences behavior. According to this study, those motivational forces includes human capital development activities as well as the intervening variables such as family opinions, public perception etc. what this means is that sometimes, the extraneous factors that have nothing to do with our organization might influence our decision to leave or remain at a particular organization.

This study also helps further prove the human capital theory propounded by Bouillon, Doran, and Orazem in 1996. They measured human investment capital and linked it positively with long-term return on investment for the organization. Bouillon et al. (1996) asserts that there are three conditions organizations need in order to record “human capital” as an investment asset: future potential, the benefit must be subject or controlled by the firm, and the benefit must be measurable. This study has shown that a company that invest in its staff (i.e. sees them as an investment) will definitely get the commitment of such staff who in turn become more productive for the organization in question and are less likely to resign or leave the company.

The study have also improved on previous studies carried out on this issue, by studying the Nigerian banking sector in general. By doing this, the findings of the research can be generalized to the whole Nigerian banking industry, because the study takes a holistic approach to the research. The research made use of a mixed method, which means every major stakeholder’s opinions on the issue of staff retention in the banking sector is captured in the analysis and discussions of this findings. Therefore, this research has provided a road-mad for understanding and future studies into human capital development and staff retention.

Based on the findings of this study, the Nigerian banking industry and other major industries in the country and in sub-Saharan Africa can use the findings of this study to make informed decision about their recruitment practices, performance appraisals amongst others which have been discussed properly in the recommendations. The research provides a basis for human resource departments and management of top
organizations to formulate a robust and all-inclusive human capital development strategy that can help organizations attract and retain the best and productive staff.

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APPENDICES
APPENDIX 1: QUESTIONNAIRE

1. INTRODUCTION

The researcher is a Masters of Human Resource Management student at Kampala International University, Uganda, conducting academic research on Human Capital Development and Employee Retention in Selected Commercial banks in Nigeria. Your answers in this brief survey would go a long way in helping the researcher in gathering relevant data for the research and shall be used only for survey purposes. All information provided in this survey shall remain confidential and shall not be used for any other purposes apart from research purposes. Please direct all your questions regarding the survey to omodolapoogundele@gmail.com

Thank you very much for your time.

SECTION I (BIODATA)

DIRECTIONS: Please indicate your answers by marking X against any of the options available. Only one answer can be marked per question. If you would rather not answer any question, please feel free to skip such question. Endeavour that all answers reflect your thoughts and is not misleading.

1. Age:
   (a) 20-24
   (b) 25-29
   (c) 30 and above
   (d) Other________

2. Sex: (a) Male
   (b) Female
   (c) Other________

3. Ethnicity: (a) Yoruba
   (b) Igbo
   (c) Hausa

   Other________

4. Marital status: (a) Single
   (b) Married
   (c) Other________
5. Educational background:
   1. OND
   2. HND
   3. Bachelor’s degree
   4. Post Graduate
   6. Name of Organisation

5. Religion: (a) Christianity
   (b) Islam
   (c) Traditional
   (d) Other

6. Income: a. Less than 50,000
   1. Less than 50,000
   2. 50,001-100,000
   3. 100,001-150,000
   4. 150,001-200,000
   5. 200,001 and above

SECTION I: Human Capital Development and Staff retention

Instructions: Kindly Mark (X) where appropriate, with SD=SD D NS A SA
Strongly Disagree D= Disagree NS= Not Sure A= Agree SA=
Strongly Agree

TD: Training and Development

1. Staff are normally given on the job training
2. Staff are given the opportunity to further their education
3. Any staff who apply to further his/her studies is granted Study Leave With Pay
4. Only staff who apply to further their studies in relevant programs are granted Study Leave With Pay
5. Only staff who apply for Study Leave Without Pay are granted approval
6. Staff do not enjoy any type of Study Leave (With or Without Pay)
7. Staff understudy superiors through observation
8. Staff easily get approval for their application to further their education
9. Staff normally receive the necessary training to do the job
10. Training opportunities are fairly allocated across employees or work units
11. Supervisors support my efforts to learn outside the job (e.g., conferences, continue education, etc.)
12. Management are highly committed to human capital development
13. There is a complete training programme for employees
14. Creativity among employees are encouraged

**TDR: Training and Development and Retention**

1. I feel more motivated at work as a result of human capital development strategies
2. I feel more de-motivated at work as a result of human capital development strategies
3. As a result of the HCD activities I feel more committed to the organization and I am less likely to leave in the near future.
4. As a result of the HCD activities I feel better about the organization and am more likely to talk positively about it outside of my workplace.
5. As a result of the HCD activities I now feel like there is a future for me here

**Section II: Reward and staff retention.**
Instructions: Kindly Mark (X) where appropriate, with SD= Strongly Disagree D= Disagree NS= Not Sure A= Agree SA= Strongly Agree

**ER: Employee Reward**

1. My organization pays a fair wage
2. Salaries in my organization is similar to what other banks pay
3. Reward is commensurate with the level of work I do
4. Apart from monetary rewards, my organization provides other incentives
5. Financial reward is the major reason I remain with my organization

**RR: Reward and Retention**

1. I feel more motivated to work as a result of the reward strategy of my organisation
2. I feel more de-motivated at work as a result of the reward strategy of my organisation
3. As a result of the reward system in my organization, I feel more committed to the organization and I am less likely to leave in the near future.
4. As a result of the reward system in my organization, I feel better about the organization and am more likely to talk positively about it outside of my workplace.
5. As a result of the reward system in my organisation I feel needed and appreciated.

**IE: Intervening Factors and Employee Retention**
1. My spouse and family members influences my decision to remain in my organization.

2. My organization allows me to have a good work-life balance

3. Due to the work-life balance in my organization, I more likely to remain with them

4. My friends opinion about my organization influences my decision to remain or leave

5. Public perception about my organization influences my behavior towards the company.

Thank You
APPENDIX 2: INTERVIEW SCHEDULE

Dear Respondent,

I am Ogundele, Dolapo Afolakemi a Masters student of Human Resource Management, Kampala International University Uganda. I am currently conducting a study on, Human Capital Development and Employee Retention. I humbly request you to spare some time and answer these questions. All information provided shall be treated with utmost confidentiality unless the researcher is permitted to.

Gender: (1) Male (     ) (2) Female (     ) (3) Age (     ) (4) Education level (     )

Name of Respondent………………………………………………………………………

Designation/Position at Organization……………………………………………………

Period in Designation/Position at Organization………………………………………

Who do you report to? ………………………………………………………………

Who reports to you?................................................................................................

Q1. Do you think training and staff development is necessary?

Q2. Do you think training or lack of influences staff members’ decision on either to move on to a different organization or remain with your organisation?

Q3. What is the effect of training of Human Capital on employee retention?

Q4. What is the effect of succession planning on human capital?

Q5. What is the effect of teambuilding on staff retention?
APPENDIX 3: MAP OF NIGERIA
APPENDIX 4

INTRODUCTION LETTER FROM DIRECTORATE OF HIGHER DEGREES
Directorate of Higher Degrees and Research  
Office of the Director

Our ref. 1164-05196-09165

Tuesday 4th September, 2018

Dear Sir/Madam,

RE: INTRODUCTION LETTER FOR OGUDELE DOLAPO AFOLAKEMI  
REG. NO. 1164-05196-09165

The above mentioned candidate is a student of Kampala International University pursuing a Master’s degree in Human Resource Management.

She is currently conducting a research for her dissertation titled, “Human Capital Development and Employee Retention in the Nigerian Banking Industry”.

Your organization has been identified as a valuable source of information pertaining to the research subject of interest. The purpose of this letter therefore is to request you to kindly cooperate and avail the researcher with the pertinent information she may need. It is our ardent belief that the findings from this research will benefit CIU and your organization.

Any information shared with the researcher will be used for academic purposes only and shall be kept with utmost confidentiality.

I appreciate any assistance rendered to the researcher.

Yours Sincerely,

Dr. Claire M. Mugasa
Director

C.c. DVC, Academic Affairs
Principal CEM