

Effect of Job Promotion on Employee Retention in Deposit Money Banks in Maiduguri Metropolis, Borno State

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Abstract: *This study examined the effect of Job Promotion on Employee Retention in Deposit Money Banks in Maiduguri Metropolis, Borno State. The population of the study was 198 respondents with a sample size of 132 respondents obtained using Yamane's formula. Data was collected using structured questionnaires administered to the respondents. The data collected was analysed using multiple regression analysis with the aid of statistical package for the social sciences (SPSS). The major findings of the study revealed that there is significant effect of promotion on employee retention in deposit money banks in Maiduguri Metropolis. The study concludes that monetary reward offered to employees' in banking sector leads to timely promotion and play a critical role in determination of their level of retention, where as inadequate monetary reward is percept as major setback to employees retention and this would brought about low performance and high employees' turnover. Therefore, study recommends that management should endeavour to shows the present of fairness in their monetary rewards as employees are agents who are affected by the promotion, management should also try as much as possible to adopt good and positive retention strategies to increase the morale of the employees toward performance.*

Keywords: *Job Promotion, Monetary reward, Employee retention, Deposit Money Banks*

Introduction

Job promotion play an important role in shaping the employee's behaviour, and they are the most powerful means of communicating the organisation's value, performance standards and expectations through the stimulation and direction of employees along the path of goal accomplishment. Employee is the most significant component in any organisation (Jeronimo, 2019). Ability to attract and retain skilled and experienced employees as well as keep them highly motivated has become very imperative in today's competitive environment. Organisations are setup to achieve specific goals and that employee's is the most vital resource in the achievement of the goals. Deposit money banks as institutions that mobilize funds from surplus to deficit, act as a tool for economic growth and development, particularly for developing economy like Nigeria. One effort that retain an employee in an organisation is promotion program (Chitescu & Xandru, 2016). To retain employee's require motivation and the factors that motivate employees to stay in their job are therefore vital as its affect the performance of the organization. However, skilled employees' enable the organization to gain competitive advantage.

Similarly, promotion has been identified as essential tool that banks can use to keep skilled and experienced human resource in a desired ways. Therefore, monetary reward plays a critical role

in motivating and retaining competent employees. In Nigerian banking sector, several rewards package are provided to committed and dedicated employees, such rewards are end of year bonus, sharing the portion of organisation 's profit to employees are proved to be effective in retaining key workforce. Armstrong (2019) indicates that a monetary reward system is part of the overall strategic plan of the organization. It is also pragmatic in nature in the sense that an organizations, from time to time consider the desirability of reviewing it or not. A monetary reward therefore, is a veritable means of attracting human resources and reducing labour turnover.

In the same light, Antomioni (1999) posits that, the amount of effort employees are willing to put in their job depend on the degree to which they feel their motivational needs will be satisfied. Furthermore, employees become de-motivated if they feel their needs are not taken care up in the organisation which prevents them from attaining a set target. Though, to prevent switching of employees from one bank to another, there is a need to design a well-planned reward programs that can stimulate employees to appreciate their job. Over the years, it has been asserted that the selected deposit money banks in Maiduguri Metropolis, have made efforts to improve the rewards of their employees at all levels so as to boost their morale.

Equally, efforts to improve employee retention is a difficult task, and therefore there is a need for employee motivation by career progression, one of the component is job promotion. This is evidenced by the previous research conducted by (Vianti & Netra, 2013) entitled "The Effect of Leadership Style, Job Promotion and Financial Compensation on Employee Performance at PT Grand Mega Bali Resort & Spa Kuta Bali "where the results of his research indicate that the promotion variable has a significant effect on employee performance and retention. However, such efforts have not yielded the desired results, as lack of motivation and rewards have been identified as the major causes of high employee turnover in those banks.

Similarly, it has also been observed that job promotion is the effective motivator in those banks, as it leads to the attraction and retention of employees in the banks Employees are the most significant component in an organisation. This resulted in the relative stability of their operation. As a result, this trend has taken another dimension because system of rewards employed in the past to retaining employees may no longer persuade bank workforce of today. This is the major reasons instability of labour is looming in Nigeria's banking industry. Therefore, the selected deposit money banks have embarked on strategic measures and policies to reverse the trend. The measures include employee promotion which goes pay to all cadres of staff whenever they are due. Despite the measures and policies taken by the banks, employees' turnover is still unabated and retention of competent employees has been a major challenge. Despite these studies, there appears to be paucity of empirical evidence on the effect of job promotion on employee retention in selected deposit money banks in war ravaged communities like Maiduguri Metropolis. Borno State, Nigeria.

Literature Review

Concept of Monetary Reward

Monetary Reward is Financial Incentives that an employee earns as a result of good performance. These rewards are aligned with organization goals when an employee helps an organization in the achievement of the goals. According to Merchant (2007) monetary reward generally awarded for a job well done and is often something that the employee can strive for. He also asserts that monetary rewards tend to be more effective when the employee is actually motivated by cold, hard cash or additional form of payment that therefore money is an important form of reward. He further stated that a basic condition of organisation to satisfy and fulfil

employee's needs at work is through monetary rewards. In a nutshell monetary reward is effectively used to attract and retain competent employees. Employees are highly driven when the means of financial incentives is in place. It boost the morale of the employees to become more efficient, effective, result oriented and passionate to deliver expectation and perhaps beyond expectations in every given task. Similarly, in Nigerian banking sector, employees want to be motivated by the organizations they work for, while the organizations on the other hand need motivated workforce. In the same vein, Armstrong (2007), suggests that monetary reward is a motivator because it fulfils needs. It is a factor which needed to satisfy the basic needs of survival and security. This is further supplement from the views of Agarwal (2010), who stated that money is still the most vital motivating factors for employees. Agarwal agrees that non-monetary rewards motivate individuals but, after a certain point in a career, money seem to have greater importance. Most banks, in their deliberate efforts to influence the performance of their employees however initiates a system of monetary rewards such as pay for performance bonus, timely promotion, profit sharing, employee stock option and other types of financial rewards that increases an employee's compensation. Therefore, monetary reward are the most effective reward system used in Nigerian Banking Industry to attract and retained competent employees.

Concept of Employee Retention

Employee retention involves taking measures to encourage employees to remain in the organization for maximum period of time (Griffeth and Hom, 2001). In Nigeria, organisations are facing a lot of problem on employee retention these days, having knowledgeable people for the job is essential for an organization. Similarly, there is no dearth of opportunities for a talented employee. There are many organisations that are looking for such employees. If an employee is not contented by the work he's doing, he may switch over to some other more suitable work. However, in today's competitive environment it becomes very essential for bank to retain their employees. The reason may be personal or professional (Fombrum & Shanley, 1990).

Furthermore, Zineldin (2000), defined retention as an obligation to continue to do business or exchange with a particular organization on an ongoing basis. He also asserts that organizations today take great care in retaining its good and valuable employees as they are increasingly becoming more difficult to find. In the same vein, Walker (2001), opined that managing and retaining promising employees is an important means of achieving competitive advantages among organisations. He further stated that most important demand of management today in any organization is to keep the most crucial and dynamic human resource, it is not important to see who the organisation hires but what counts, is that who are kept in the bank. According to Acton (2001), opined that human resource department plays an active role in retaining its employees. He asserts that it is a responsibility of human resource department to motivate and retain competent employees.

Concept of Job Promotion

Promotion is used as reward and an inducement to better work performance and other organizationally approved forms of behaviour. Promotion is an increase in rank which goes along with appraisal and accompanied with recognition and increment in pay. Similarly, Mathis (2013) argued that, promotion occurs when an employee is transferred from one position to another in a higher. Employees will work harder if they feel this will lead to promotion, because majority of employees worked towards the aims of getting promoted at work. Promotion can serve as an important mechanism for banks to keep their workers happy and reduce turnover. For any organization to succeed, human resource must be rewarded because they are the precious assets of any effective organizations.

In addition, Robbins and Judge (2013) state that job promotion will provide opportunities for personal growth, more responsibility, and increased social status. If job promotion is good, it provides satisfaction to employees. Job promotion is an increase in workforce or employees in better jobs, compared to previously greater responsibilities, achievements, facilities, higher status, higher proficiency demands, and additional wages or salaries and other benefits (Neck et al., 2018).

In the same vein, most banks employees prefer job promotion which goes with monetary reward as a result of economic situation of the country and it would help to alleviate some economic challenges. However, timely promotion to every deserving staff would motivate and make them more loyal to the organization. Employees on the other hand have an important role to play as far as retention is concerned. Therefore, employees make the decision on whether to remain in their current organization or move to other organizations depend on way and manner organizations promote their employees. However, there are number of factors that influence these decision, these factors may either be from the employee's current organization or the next potential employee and these range from terms and conditions of service, the work environment, the reward scheme, the individuals career goals, the benefits of the employee's and any other factor perceived by the employee enough to influence the decision to leave or not.

In the same light, Kinicki and Fugate (2017), job promotion occurs when an employee moves from one job to another, which is higher in payment, responsibility and level. Job promotion is one way to motivate employees to work. Work motivation is generally as awards, prizes for past efforts and achievements. Work motivation includes unique feelings, thoughts and past experiences that are part of the company's internal and external relations. Work motivation can also be interpreted as individual encouragement to take action because they want to do it. If individuals are motivated to work, they will make positive choices to do something, because it can satisfy their desires. Scandura (2017) argues that work motivation consists of the need for achievement, the need for strength and the need for affiliation.

Similarly, Brown (2006) argued that bank employees are motivated by nominal or special promotion as a result of optimum performance which serves as compensation. He opined that promotion provide monetary incentives to initiate and continues with their jobs, increase an ambition, minimize discontent, attract capable employees, necessitates logical training and development and forms an effective reward for loyalty, cooperation and long service.

In the same light, Heathfield (2005) viewed promotion as desirable by employees because of the impact it has on pay, authority, responsibility, and the ability to influence broader organization decision making. He stated that advancement of an employee from one job position that has salary range, a higher level job title and often, more and higher level job responsibilities. Furthermore, promotion raises the status of the employee who receives a promotion which is a visible sign of esteem from the employer.

Also, Zingheim and Schuster (2008) while carried out a study on workforce retention, pay and talent, found that developing and implementing retention pay and rewards strategies, programmes and action to retain the talent, senior leadership viewed the same as a business necessity for the organization to continue to achieve the mission by way of employees' promotion through jobs skill, experience or length of services.

Therefore, evidences have deduced that promotion has a positive impact on employees' retention in Nigerian Banking Sector. This is because, timely promotion motivate workers' effort who exhibit exceptional performance which is commensurate with pay increases.

The Expectancy Theory

This theory was developed by Victor Vroom in 1964. The theory states that behaviour is a result from conscious choices among alternative. The purpose of choice is to maximise pleasure and

minimize pain. Therefore, he realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. Similarly valence is an emotional orientation which employee holds with respect to outcome (rewards). The depth of the want of an employees for extrinsic (money, promotion, free time benefit) or intrinsic (satisfaction) rewards management must discover what employee appreciate. Instrumentality states that perception of employees whether they will actually receive what they desire, even if it has been promised by a manger. Management must ensure that promised of rewards are fulfilled and that an employees are aware of that. However, expectancy theory belief that, employees are motivated to perform at a high level if they think that high performance will lead to or instrumental for attaining outcomes such as pay, job security, interesting job assignments, bonuses or a feeling of accomplishment. For many employees, pay is the most important outcome for working. For others, a feeling of accomplishment or enjoying one's work is more important than pay.

Furthermore, high motivation results from high levels of expectancy, instrumentality and valence. If any one of these factors is low, motivation is likely to be low. No matter how tightly desire outcomes are linked to performance, if a worker think it is practically impossible to perform at a high level, then motivation to perform at a high level is exceedingly low. Similarly, if a worker does not think that outcomes are linked to high performance, then motivation to perform at a high level is low. In addition, managers promote high level of instrumentality when they clearly link performance to desired outcomes. Therefore, managers must clearly communicate this linkage to subordinate by making sure that the outcomes available in an organisation are distributed to organizational members (employees) on the basis of their performance. In this way they create a motivational force, such that the employees will act in a way that brings pleasure and avoids pain.

Herzberg's Two-Factor Theory

This theory was postulated by Herzberg in 1959. According to the theory there are two factors that exist related to motivation i.e. hygiene and motivator factors. Hygiene factors consist of job related factors that needed to be presented to ensure a reasonable level of satisfaction. Banks are expected to provide job security, timely promotion, payment of wages and salaries fringe benefits, quality supervision as well as working condition. If these factors are not taken care of properly by the banks, it leads to job dissatisfaction. While motivator factors are based more on employees' needs and lead more to job satisfaction; element such as opportunity for growth, achievement, recognition and responsibilities fall into this factors. Truthfully neither motivational or hygiene factors should be absents in the banks as both plays a pivotal role in motivating employees: By incorporating motivational factors in the banks to ensure that proper incentives exist so that employees are motivated. By incorporating hygiene factors in the banks, employees' reduce these de-motivating elements that are detrimental to satisfaction and ultimately productivity falling to incorporate both characteristics leads to suboptimal satisfaction and performance. As banking environment continues to remain volatile due to macro-economic factors such as government policies and competitors actions, as a matter of policy banks are expected to give more emphasises to extrinsic rewards to increase the performance of their employees.

Furthermore, from the stated theories, Herzberg's two factor theory is most relevant. The theory stated that extrinsic (financial rewards) are driven by several factors, such as cash bonus for

outstanding performance, timely promotion for hard working staff and sharing of organization’s profit to all cadres of staff, instead of distributing solely to managers and owners of the organizations in other to attract and retained skilled and experienced workforce. Therefore, study adopted Herzberg’s two factor theory; this is in line with the contribution made toward employee’s jobs satisfaction and performance which in turn lead to employee retention in the study area.

Methodology

This research work is restricted to the six (6) selected deposit money banks in Maiduguri Metropolis, Borno State, Nigeria. Six deposit money banks were selected out of eighteen (18) deposit money banks using simple random sampling technique. These banks are Eco Bank Plc., Fidelity Bank Plc, FCMB Plc, First Bank of Nigeria Plc, Access Bank Plc and Zenith Bank Plc) was selected based on financial strength of the banks. The population of this study was (198) employees. The sample size is determined based on a formula developed by Yamani (1967). i.e. $n = N/(1+N(e^2))$ where n = sample size, N = population, e = level significance (5%), 1 = constant. From the data given, N = 198, e = 5%, $n = 198/(1+198(0.0025)) = 132$. Questionnaires were distributed to 132 respondents and 129 questionnaires were retrieved. The data was analysed with the aid of multiple regression analysis using statistical package for social sciences (SPSS) and model was specified in line with the hypothesis.

Hypothesis

Ho₁: There is no significant effect of promotion on employee retention in deposit money banks in Maiduguri Metropolis.

Table 1.1 Model Summary

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1.	.673 ^a	.562	.0524	2.9256

Source: Field Survey, 2022

R-square had a value of .673 (67.3%) and adjusted R-square value is .0524 which is 52.4% (appropriately 5% of the dependent variable was explained by the independent variables).

- a. Predictors (constant). Promotion
- b. Dependent variable. Employee Retention

Table 1.2 Regression Coefficients^a

Model	Unstandardized coefficient		Standard Coefficient	T	Sign.
	B	Std. Error	Beta		
Constant	19.772	1.989		19.743	.000
Promotion	.398	.298	.081	1.3852	.000

Source: Field Survey, 2022

Table 1.2 shows that standardized beta weight of r correlation, and part correlation between profit sharing and employee retention with a probability (p- value < 0.05) which implies that

promotion has positive significant effect on employee retention in deposit money banks in Maiduguri Metropolis, Borno State, Nigeria.

Discussion of Results

This study revealed that R- square value of (.673) which represents 67% by which the variables explain the model. However, T value of the coefficient of multiple regression is 1.3852. Therefore, the Beta value of coefficient which represent 81% of regression coefficient in response to p-value of the regression are all significant at level of (0.000) which is less than alpha value of (0.05), that is $p < 0.000 < p < 0.05$. This concludes that null hypothesis is rejected and the result shows that, there is significant effect of promotion on employee retention in deposit money banks in Maiduguri Metropolis, Borno State, Nigeria.

Conclusion

The study concludes that, there is a growing needs for organisations to retain their employees with the increase in competitive business environment, and finding of the study revealed that monetary reward are crucial in influencing employees decision to either leave or remain in the banking sector depend timely promotion by employees in the bank which is a major motivating factors that can keep them in their jobs.

Recommendations

Management of the bank should endeavour to shows the present of fairness in their monetary rewards as employees are agents who are affected by promotion of the bank. Similarly, management should also try as much as possible to adopt good and positive retention strategies to boost the morale of the workers toward their timely promotion. This guarantees the retention of employees in deposit money banks in Maiduguri Metropolis, Borno State, Nigeria.

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