

## Human Resources Management Practices and Employees Retention in Competitive Business Environments

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### Abstract

The study examined human resources management practices and employees retention in competitive business environments in Ogun State. Four research questions and two hypotheses were raised and tested. A descriptive survey design with a sample of 300 staff was purposively selected from six business organisations. Self-constructed instrument titled Human Resources Management Practices and Retaining Employees Questionnaire was used to collect data and analysed using regression analysis. Findings revealed that job security, on-the-job training, promotion and compensation directly influence retaining employees. The study recommended among others that management should make sure that the promotion of deserving employees is quickly done and they should always implement proactive human resource management strategies based on emerging requirements.

**Keywords:** Human Resources Management Practices, Employees Retention, Job Security, Promotion, Compensation, On-the-Job Training

### 1. Introduction

Every organisation desires to retain its employees, primarily talented ones, to keep going and compete in the market environment. Employee retention is saving competent well-performing workers in the establishment for a more extended period to accomplish an economical benefit. Different definitions have been provided for employee retention. For instance, Allen (2018) defines employee retention as an organisation's ability to retain its essential workers. Every organisation must employ qualified people and stick them with its business portfolio (Freyer, 2014). Sheridan (2019) contended that variety in workers retention across organisations might be connected with organisational culture values. This author opined that an organisation's cultural principles impact its methodologies and strategies for business, position, advancement, improvement and promotion frameworks. This will create a psychological climate that will promote human resources commitment and retention in any organisation.

Human dimension is often considered in management since an organisation cannot do without human resources input; that is why there should be a formal design that will guarantee the effective and efficient use of their talent in turn preserve their loyalty which is the requirements to accomplishing organisational goals (Chukwuka, 2016). Proficient and successful human resource management in an industry to accomplish the organisational goals devoid of forfeiting the wishes of the organisational component diminishes workers turnover. Turnover of Employees significantly affects performance, and it increases business running cost. For that reason, a consistent expansion in turnover of skilful human resources in an organisation often creates gaps that sometimes finds it difficult to fill and affect their pre-determined objectives.

Human resources management is significant for viable execution and evaluation, ensuring improved and economical worker execution for accomplishing the organisational objectives. The productive and powerful usage of these assets has the effect amid well-managed and inadequately managed organisations (Chukwuka, 2016). Furthermore, Azeez (2017) asserted that employee retention is the

effort by a business to keep alluring workers with a particular ultimate objective to meet business targets. Employee turnover is a side consequence of more profound concerns that poor people have been settled, including "low staff morale, failing to provide a distinct career path, lack of recognition, terrible worker-manager relationships" etc. An absence of fulfilment and obligation to the organisation can likewise make an employee pull out and look for different open doors. Pay does not necessarily in all cases assume a critical part in prompting turnover as is commonly believed (Allen, 2018). All managers should develop strategies that will induce new and old employees to be high performer (Azeez, 2017).

Furthermore, in this information-based era, employees are viewed as a fundamental asset and key to the survival of organisation. The 21st century is where abilities and proficient specialists are viewed as fundamental instruments of competitive advantage and survival. In this way organisations cannot disregard the significant duty of drawing in and holding gifted workers. Generally, the improvement of any country on the planet relies upon the capacities and abilities of its human resources (Silas et al., 2020).

The reason that human asset is the most significant of all organisational assets expects the requirement for organisation to foster a suitable human resource practice that energizes worker's retention. It has been recommended that workers will leave organisation in the event that they are not contented with various elements connected with the organization. Employees leave organizations for a variety of reasons, including "lack of recognition, inadequate benefits, futile jobs, and restricted opportunities for promotion, ineffective management, unreliable leadership, and unhealthy work cultures". Identifying the association among HRM policies and employee retention is critical for firms seeking to come up with informed decisions and maintain optimal resource allocation. This study aimed to examine the effectiveness of HRM practices as predictors for retaining employees in a competitive environment.

Considering the conceptual framework and context of this study, it is essential to explore how key elements of human resource management practices influence employee retention in competitive business environments. Specifically, the research seeks to determine whether job security serves as a significant predictor of employee retention. Furthermore, it examines the extent to which on-the-job training contributes to employees' willingness to remain within an organization. The study also investigates how promotional opportunities impact retention and evaluates the role of compensation in shaping employees' long-term commitment. Together, these inquiries aim to provide a comprehensive understanding of the relational dynamics between HRM practices and workforce sustainability in a highly competitive landscape (Abubakar, 2019).

## **2. Literature Review**

Employee retention has emerged as a critical dimension in strategic human resource management, particularly within competitive business environments. In recent years, scholars have underscored the interplay between organizational practices and employees' decision to remain within firms (Andriani & Rizky, 2024; Carnevale & Hatak, 2020). Job security, on-the-job training, promotion, and compensation are frequently highlighted as decisive factors influencing employee loyalty and long-term commitment.

Job security is recognized as a fundamental aspect of organizational stability. Chukwuka (2016) posits that formal mechanisms that assure effective deployment of human capital can foster psychological safety and enhance loyalty toward organizational objectives. This view aligns with Silas et al. (2020), who found that job stability significantly contributes to employees' willingness to stay, particularly in high-turnover sectors.

The importance of on-the-job training has been widely acknowledged as a catalyst for skill development and employee engagement. According to Azeez (2017), training initiatives demonstrate an organization's commitment to workforce growth, which, in turn, reinforces employees' sense of

belonging. Empirical evidence by Abba & Babanmairam (2021) further supports this claim, revealing that learning opportunities are strong predictors of retention, especially in dynamic organizational contexts.

Promotion practices serve not only as rewards but also as markers of career progression and recognition. Allen (2018) argues that while financial incentives are important, acknowledgment of performance and transparent advancement pathways are often more powerful in retaining talent. Sheridan (2019) echoes this sentiment, suggesting that organizational culture and values—particularly those embedded in promotion systems—can deeply influence retention outcomes.

Compensation remains a pivotal factor within retention frameworks, albeit with nuanced implications. Amaeshi (2014) contends that competitive financial rewards are instrumental in retaining skilled labor. However, Freyer (2017) cautions that remuneration alone may not mitigate turnover if other motivational dimensions, such as respect and development, are absent.

Beyond individual HRM practices, scholars have examined the cumulative impact of these components on organizational performance (Adagbabiri & Okolie, 2020; Adil, 2015; Alsafadi & Altahat, 2021; Amin & Ismail, 2019). Aguta & Balcioglu (2015) demonstrate that integrative HRM strategies—those that synthesize training, recognition, and reward—significantly enhance organizational competitiveness and employee retention. Their findings emphasize the need for adaptive and responsive human resource frameworks, especially in rapidly evolving business landscapes.

Grounded in the theoretical premise that strategic human resource management practices may influence workforce stability, this study evaluates the relationship between selected HRM dimensions and employee retention within competitive business contexts. Accordingly, the following null hypotheses were formulated:

- H1:** There is a significant composite contribution of human resources management practices (job security, on-the-job training, promotion and compensation) to employees' retention in a competitive environment.
- H2:** There is a significant relative contribution of human resources management practices (job security, on-the-job training, promotion and compensation) to employees' retention in a competitive environment.

### 3. Method

A descriptive survey design was adopted for this study. The population comprised 2,994 permanent staff of Nigerian Breweries Plc, Nestle Nigeria Plc, International Breweries Plc., Beta Crown Plc, Elephant Portland Cement Plc, and Dangote Plc in Ogun State, Nigeria. However, Nigerian Breweries Plc has a total of 603 permanent staff, Nestle Nigeria Plc with 526 permanent staff, International Breweries Plc with 451 permanent staff, Beta Crown Plc with 207 permanent staff, Elephant Portland Cement Plc with 704 permanent staff, and Dangote Plc with 503 permanent staff. 300 staff of Nigerian Breweries Plc, Nestle Nigeria Plc, International Breweries Plc., Beta Crown Plc, Elephant Portland Cement Plc, and Dangote Plc was purposively used as sample for this study and this represented 10% of the total population. The study used a researcher-developed instrument; tagged: 'Human Resources Management Practices and Retaining Employees Questionnaire (HRMPREQ)'. The questionnaire was 5-point Likert scale types ranging from strongly agree (SA) to strongly disagree (SD). This self-constructed questionnaire was divided into sections A and B. Section A purposeful elicited the demographic description of the respondents and section B looked at the extent of respondents' job security, on-the-job training, promotion and compensation and Job employees' retention. The three experts validated the instrument (HRMPREQ) of the study. Their inputs were considered in preparing the final versions of the questionnaire. Test re-test method with two weeks interval was conducted on 15 employees. The generated data were correlated with Pearson Product Moment Correlation (PPMC) to ascertain the

instrument's reliability level, which yielded a 0.87 coefficient. All the research questions raised and the hypotheses formulated were analysed with the use of regression analysis and decisions were made at 0.05 significance level.

#### 4. Result and Discussion

##### A. Research Question 1: Can job security predict employees' retention in a competitive environment?

Table 1 showed that the independent variable (job security) significantly predicted employees' retention ( $\beta = 0.502$ ,  $t = 14.201$ ,  $p < .05$ ). This implied that about a 50.2% increase in employee retention in selected manufacturing companies in Ogun State could be attributed towards job security.

##### B. Research Question 2: How does on-the-job training predict employee retention in a competitive environment?

Table 2 showed that the independent variable (on-the-job training) significantly predicted employee retention ( $\beta = 0.787$ ,  $t = 31.175$ ,  $p < .05$ ). This implied that a 78.7% increase in employee retention in selected manufacturing companies in Ogun State could be attributed to on-the-job training.

Table 1. Extent Job Security Predicts Employees' Retention in a Competitive Environment

	Model	Unstandardized Coefficients		Standardized Coefficients	t	P
		B	Std. Error	Beta		
	Job security	.532	.037	.502	14.201	.000

a. Dependent Variable: Employee retention

Table 2. Extent of On-The-Job Training Predicts Employees' Retention in a Competitive Environment

	Model	Unstandardized Coefficients		Standardized Coefficients	t	P
		B	Std. Error	Beta		
	On-the-job training	.540	.017	.787	31.175	.000

a. Dependent Variable: Employee retention

Table 3. Extent Promotion Predicts Employees' Retention in a Competitive Environment

	Model	Unstandardized Coefficients		Standardized Coefficients	t	P
		B	Std. Error	Beta		
	Promotion	1.467	.133	.800	11.013	.000

a. Dependent Variable: Employee retention

Table 4. Extent Compensation Predicts Employees' Retention in a Competitive Environment

	Model	Unstandardized Coefficients		Standardized Coefficients	t	P
		B	Std. Error	Beta		
	Compensation	.638	.073	.426	8.772	.000

a. Dependent Variable: Employee retention

*C. Research Question 3: To what extent can promotion predict employee retention in a competitive environment?*

Table 3 showed that the independent variable (promotion) significantly predicted employee retention ( $\beta = 0.800$ ,  $t = 11.013$ ,  $p < .05$ ). This implied that an 80.0% increase in employee retention in selected manufacturing companies in Ogun State can be accredited to promotion.

*D. Research Question 4: To what extent can compensation predict employee retention in a competitive environment?*

Table 4 showed that the independent variable (compensation) significantly predicted employee retention ( $\beta = 0.426$ ,  $t = 8.772$ ,  $p < .05$ ). This implied that about a 42.6% increase in employee retention in selected manufacturing companies in Ogun State could be attributed towards compensation.

*E. Testing of Hypotheses*

Table 5 showed that there was a significant composite contribution of job security, on-the-job training, promotion and compensation to employees' retention ( $R = 0.889$ ;  $R^2 = 0.79$ ;  $F(3, 296) = 1131.131$ ,  $p < .05$ ). This implies that about 79% of the variance in employees' retention was accounted for by the linear combination of the predictor variables. The hypothesis is hereby rejected.

Table 6 indicated that the coefficients for job security, on-the-job training, promotion, and compensation were all positive which means that any improvement in any of these independent variables will be a predictor of employee retention. Positive and significant enough to predict employee retention were the signs of compensation ( $\beta = .01$ ,  $t = 1.59$ ,  $p < .05$ ), promotion ( $\beta = .03$ ,  $t = 4.88$ ,  $p < .05$ ), on-the-job training ( $\beta = .46$ ,  $t = 13.43$ ,  $p < .05$ ), and job security ( $\beta = .02$ ,  $t = 2.68$ ,  $p < .05$ ).

Table 5. Composite Contribution of Human Resources Management Practices (Job Security, On-The-Job Training, Promotion, and Compensation) To Employees' Retention

R = .889					
R <sup>2</sup> = .791					
Adj R <sup>2</sup> = .791					
Std. Error = 2.29302					
ANOVA					
Source of Variation	SS	df	MS	F-ratio	Value
Regression	11894.88	3	5947.4	1131.13	.000
Residual	3138.997	296	5.258		
Total	15033.865	299			

Table 6. Relative Contribution of Human Resources Management Practices (Job Security, On-The-Job Training, Promotion, and Compensation) to Employees' Retention

Model	Unstandardized Coefficients		Standardized Coefficients	t	P value
	B	Std. Error	Beta		
(Constant)	1.578	.400		3.946	.000
Job security	.025	.009	.021	2.680	.008
On-the-job training	.654	.049	.468	13.431	.000
Promotion	.084	.017	.034	4.8850	.000
Compensation	.010	.006	.010	1.5950	.111

a. Dependent Variable: Employee retention

The study's findings revealed a significant composite contribution of job security, on-the-job training, promotion and compensation to employee retention. It revealed that job security, on-the-job training, promotion and compensation were positive, implying that a change in any of these independent variables will be a predictor of employee retention. This is in line with the humanistic management approach which believed that workers will do their best if they are treated justly and fairly, given recognition, and their working conditions are pleasant. This approach often makes employees have feelings of solidarity, security and loyalty. These findings correlate with Abba & Babanmairam (2021) that found that learning opportunity positively affects employee retention. Silas et al. (2020) also discovered that employee retention is often affected by instruction and growth, job security, and compensation benefits, while industrial relations and performance appraisal negatively control nurses' retention. However, this contradicted the findings of Chukwuka & Nwakoby (2018) who revealed that human resource management practices had an insignificant force on employee retention in the Nigerian insurance industry. Odunayo (2021) uncovered that human asset enlistment and determination rehearses essentially affect workers in SMEs in Lagos State.

## 5. Conclusion

Having examined the human resources management practices and employees' retention in competitive business environments in Ogun State, Nigeria, the study concluded that there was a significant composite and relative contribution of human resources management practices (job security, on-the-job training, promotion and compensation) to employees' retention in competitive business environment.

Based on the findings of this study, several practical recommendations are proposed to enhance employee retention through effective human resource management. Organizations should ensure that promotion processes are timely and merit-based, particularly for employees who have fulfilled the necessary criteria. It is equally important for management teams to adopt proactive strategies that respond to emerging organizational needs and dynamics. Recognizing employees as vital contributors to organizational growth requires sustained engagement with their perspectives on retention, and addressing their concerns beyond financial incentives. Demonstrating care for employee well-being and implementing responsive HRM practices can significantly influence workforce commitment. Furthermore, the institution of merit awards can foster a culture of excellence and serve as a motivational tool. Finally, employees should be actively encouraged to participate in on-the-job training programs, which support both professional development and organizational competitiveness.

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