
The role of remote work on employees retention among Nigerian banks

Oriloye Gabriel Lola

Corresponding author: ¹ PhD, e-mail: gabriel.oriloye@gmail.com

^A Department of Political Science and Public Administration Babcock University, Ilishan-Remo, Nigeria

Received: August 2, 2023 | **Revised:** September 21, 2023 | **Accepted:** September 30, 2023

DOI: 10.5281/zenodo.8400337

Abstract

The paper examines the role of telecommuting in employee retention in Nigerian banks. The COVID-19 pandemic has disrupted the traditional work model arrangement between employees and their employers and significantly altered the relationship nature that existed between employers of labour and their employees across the globe. The sudden change has been profound and revolutionary. The study investigated the role of telecommuting work arrangements among Nigerian Banks and its effect on employees' retention strategies. The study was descriptive, phenomenology research design was adopted to investigate the phenomenon. The study found no evidence that remote work has led to improved employee retention among Nigerian banks. The study further revealed that young employees consider issues like career progression and compensation packages to be more important when deciding to stay alone or quit their jobs. The paper nevertheless found no empirical evidence that supports the notion that employees will necessarily stay longer in their jobs because of the benefits offered by remote work arrangements.

Key words: remote work, employee retention, pandemic, work arrangement.

Introduction

The COVID-19 pandemic brought about a sudden change in the work model. Remote work arrangement is a revolutionary approach to modern work arrangements between employers and employees. The advent of information and communication technologies (ICT) meant that the world was not caught unaware by the sudden outbreak of the COVID-19 pandemic towards the last quarter of 2019 (Tanpipat, Lim & Deng, 2021). The rise in the number of Nigerians working from home over the past two years has introduced a new 'normal' to employers and employee relations. The banking sector has been mostly affected by this practice and it has positively impacted work-life balance employees' retention strategy and their overall happiness. Soroui (2021) submitted that developments in technological infrastructures have led to a rise in remote work arrangements with significant implications for work-life balance.

Remote work arrangement is not a new concept in employees' performance management. Many businesses around the world have routinely adopted this practice before the advent of COVID 19 pandemic to drive home their quest for work-life flexibility in a bid to improve performance and employees' welfare. Samuel & Chipunza, (2009) opined that remote work arrangement is a modification of work arrangement between employees and employers from direct employee management to distance employee management. The objective may be to give employees more flexibility and work-life balance. Remote work arrangement is usually implemented in an organization for the following reasons. These include the need to respond to the challenge of urban industrialization; to change the method of work arrangement considering the rapid rise of

digitalization, and another could be to ensure work-life balance.

Soroui (2021) argued that remote work and telecommuting are frequently interchangeably used, in recent times, they have acquired different meanings. Remote work refers to a work arrangement in which an employee's physical location holds no relevance to the performance of his job. Conversely, telecommuting is a work-from-home arrangement that allows either complete or partial replacement of a workday commute. Again, an employee's geographic location has no relevance to the performance of his/her job.

The Nigerian banking sector suffers from a high incidence of employees' turnover. Literature abounds on the cause(s) of high staff turnover. Olaniyan & Olaniyan (2019) attributed this to the increased competitiveness in the business environment partly because of the new entrants(banks) entrance into the industry and the unavoidable incidence of education tourism that continues to plague Nigeria's industries across different sectors over the past few years. Lozie and Oganezi (2017) observed that high human capital attrition is systemic in the banking sector. As a result, Nigerian banks today spend a lot of financial resources to keep their talented employees across different cadres. Nevertheless, employees continue to leave their jobs in their numbers in search of greener pastures either locally or abroad. This problem has constituted an existential threat to the stability of the Nigerian banking industry and is threatening to erode the 2009 post-merger benefits such as the human capital boom of the last decade that put the industry on a global banking map.

Reviewing why employees leave their jobs, Quadri (2022) stated that an employee will leave his job for several reasons. These reasons may be personal, voluntary, or involuntary. Existing literature has attempted to deepen the understanding of the relationship between remote work arrangement and employee retention in Nigerian Banks; however, most of the existing studies focused on developed countries while the few studies that were conducted locally focused on the relationship between remote work arrangement and employees' performance.

The increase in the number of Nigerian bankers working from home over the past two years has introduced a new 'normal' to employers and employees' relationships and thereby created a huge dilemma in employee relations. High employee turnover is a recurrent issue among Nigerian Banks. The overall implication of retaining employees for a long time in banks is still an issue for investigation. Nigerian employees change jobs often, sales and customer base decrease, and the company's public image fades gradually.

One may be forced to ask if this is customary in the industry or if it is a result of other deeply rooted systemic issues. Organizations with high rates of employee turnover may also have poor service delivery, poor public image, inability to satisfy customers, reduced profit, poor work culture, consistently poor and below-average employee-management relationships, and unproductive employee career development.

Theoretical background

2.1 The Concept of Remote Work

For much of the past decades, man's understanding of work was described in terms of a full-time employment model where his/her physical presence is needed daily. Ashford et al. (2007) cited in Spreitzer, Cemerón & Garrett (2017) concluded in their review of alternative work arrangements that remote work has come to stay because of the rapid advancement in information technology and the effect of the post-COVID pandemic. They noted further that remote work arrangement is deeply rooted in the new world work order. Not necessarily, a temporary diversion caused by the COVID-19 pandemic.

Bahago and Nduji (2021) opined that remote work arrangements played an important role in helping employees navigate the challenges caused by the unforeseen changes to the conventional work model prior to the outbreak of the global pandemic. In addition, the traditional work model

and collaborative skills of the workforce are required to move to the virtual model was greatly assisted by the availability of enormous resources available to the modern workforce through technology (Grandey et al., 2021). Bankers mostly work from home as the pandemic intensified in 2020 while a few others were designated as essential workers by the government to enable them to carry out operational maintenance of their facilities. The traditional boundary between work and family was effectively removed and perhaps led to the exit of many employees.

Scandura and Lankau (1997), in their review of work flexibility literature, found that employees with flexible work schedules like remote work arrangement enjoy work benefits like more job enrichment, greater job satisfaction, less stress and higher productivity. This is because it gives the opportunity for employees to work in line with their biological clock, reduce costs of transportation such employee spends more quality time on family. Improved job satisfaction coupled with reduced work-family conflict, are especially appealing to employees and serve as the main motivators for their decision to stay in a given job and opt for flexible working arrangements.

2.2 The Concept of Employees' Retention

Shekshnia (1994) opined that employee retention is deliberate organizational human resource strategy aimed at attracting and keeping its best employees. Nwagbara, Oruh, Ugorji & Ennsra (2013) went further by arguing that employee retention is a non-stop process that starts with the recruitment of the right people and continues with strategic programs aim at keeping employee committed to the organization for as long as possible.

Chaminade (2007) aptly defined the concept as a voluntary strategy by an organization to create an atmosphere that engages employees over a medium to long term basis. Mansora and Idrisb (2015) believed that employee retention is a long-term initiative by managers to ensure that they recruit the best available employees for their organizations and that such employees are committed to the organization goals and vision for as long as possible.

According to Samuel & Chipunza (2009) employees' retention is central to the ability of an organizations to maintain its competitive advantage in any business environment. This is because the loss of brilliant and productive employees can be detrimental to the long-term ability of a company to compete in the future. Additionally, a great deal of financial resources goes into recruitment and training of new hires, it is a crucial consideration when organizations project for the future. Hence, over the past few decades, employee retention strategies have been a key topic among human resource scholars and professionals.

The Nigerian Banking sector has been hit by a wave of resignations across different units ranging from information technology, treasury, investment banking to sales in recent years. Several reasons are responsible for staff turnover in these banks. For the sake of brevity, we will discuss them in this subheading. These factors include a severe lack of job satisfaction, feeling of stagnation among young employees, poor work culture, excessive workload, uncompetitive remuneration, and lack of career progression among others. Gustafson, 2002 augured that employees leave their jobs for different reasons. Whatever the reason may be, this researcher believe that it will definitely be to further their personal interest. Oparada (2022) stated in a Naira metric industry report that Nigerian Bankers leave their job to pursue either higher pay in American companies like Amazon, Meta (Facebook) among others while others resign to pursue higher degrees in countries like the United Kingdom or Canada. Given the rate of resignation among banks like Guaranty Trust Bank, Zenith Bank, First Bank and others, most Nigerian banks have struggled to meet up with customers' demands due to the mass resignation.

There have been cases when an entire IT unit have resigned within a week thereby creating an existential crisis. Most of these banks end up stuck in ugly situations created by years of neglect and poor human resource management. A recent Central Bank industry report showed that Nigerian banks have desperately resorted to replacing the exited employees with hurriedly trained staff in a

bid to fill this existential vacuum and raise the compensation package of the remaining employees in a bid to halt the exodus.

The report further indicated that about 1,000 critical employees have left Nigeria banks to join tech companies in the UK, US, Canada and Australia among others since the beginning of 2022 thereby disrupting the smooth operations of the local banks. The effects will be felt for decades to come if the current spate of resignation continues. It is important to note that while the report appropriately captured the problem of brain drain in Nigerian Banks, it however failed to deeply discuss the causes of this problem thereby throwing the challenge back to the academic community.

2.3 The Role of Remote Work Arrangement in Nigerian Banks

Extant studies have queried the role of remote work on employee retention strategy. The concept has continued to divide opinions among scholars and understandably so, remote work appears to make it easier for employees to wriggle their ways out of an unfavourable job. This is because of the remote supervision of their role. Mamaghani (2012) noted that remote work arrangement has attracted a great deal of scholarship and will continue to attract scholarship as the world finally adapt to the post COVID era (Emphasis mine). Since remote work is the practice of employees working from a location different from office provided for them by their employer Onyemachi (2021).

Following the national lockdown declared by the Nigerian government in a bid to curtail the spread of the corona virus in March 2020, Nigerian banks quickly adapted their operation to accommodate remote working arrangement to cater to the needs of their teeming customers across Nigeria. It has since become a regular practice for bankers to work from home thereby reducing the stress, risk and cost associated with daily commute to work by employees. Most banks responded to this national directive by quickly setting up a business continuity plan such a as creating technology platforms with individual codes that allowed employees to work remotely. With a laptop, internet access and authorization code, an employee can work without any issue. Employees are routinely paid internet access allowance to maintain their remote work status. Usually, remote work arrangement is devoid of the anxieties and stress associated with in-person work and several employees were reluctant to return to full onsite work when the pandemic began to ease out. Working remotely was just as productive but more flexible and allowed more time for family hence the difficulty in returning to on site work arrangement. Onyemachi (2021). Stated that remote work arrangement can play a key role in an individual wellbeing due to the reduced time spent in traffic, more family time, and less contact with potentially troublesome co-workers. These are the right mix for a healthier and more productive work life

Working from home arrangement is also beneficial to organizations as it helps them to reduce cost. In a recent report, the Global Workspace Analytics, stated that businesses can save about USD \$11,000 per employee annually if their employees work from home 50% of the time. Bloom, Liang, Roberts, & Ying (2015) study to see if remote works, found that attrition fell sharply among employee working from home, the study found that attrition dropped among employee working from home by 50%. Nigerian banks have sparingly utilized the benefits accruable from working from home arrangements despite scholarly evidence that it reduces the cost associated with running the office and maintaining senior executive daily. Interestingly, literature like Lee (2008) and others corroborated this position.

Data and methods

The study would be descriptive in nature, hence secondary sources such as textbooks, journals, reports and articles have been employed. To answer the research questions, we adopted a phenomenology research design. This enabled the researcher to describe the situation under study

creditably. According to Nathan (2021), phenomenological research seeks to describe the general essence of a phenomenon. It investigates the daily people's experiences while suspending the researcher's predetermined assumptions about the phenomenon under study. Put differently, phenomenological research investigates lived experiences to gain a deeper understanding of people's perceptions or understand those experiences. The adoption of this design, therefore, allowed the researcher the opportunity to gain deeper insight into the role remote work arrangement plays in employee retention in Nigerian banks. The population of every study is related to the important groups of individuals that help to analyze the study phenomenon. Given the focus of this study, the target population of the study was 95,026 different cadres of Nigerian bankers (Central Bank of Nigeria, 2022).

Due to the nature of this study and the phenomenon that was studied, purposive sampling which enabled the researcher to reach a target sample quickly was employed. The study purposely chose the Nigerian Banks as its case study because the Nigerian Banks have experience of remote work arrangement and at the same time has high incidence of employees' turnover. The sample size for this research work was 30 interview sessions with 2 interview sessions conducted each via telephone from the top ten banks on the subject matter.

Data was collected through in-depth interviews, and existing documentary evidence of remote work arrangement and other internet sources. The data collected from the in-depth interview session conducted were transcribed, coded, and grouped based on the themes of the study and content analyzed. This was in addition to the analysis of the secondary sources which included reports, textbooks, Journals, documentaries, periodicals, pamphlets, newspapers sources, and internet-based information about the focus of the study. This method enabled the researcher to obtain the much need data. Based on interviews with employee of remote work-utilizing banks and employees working remotely in Lagos Nigeria, theoretically, this paper draws on the theory of embeddedness to explore the role remote of remote work arrangement on employee retention in Nigeria Banks.

Result and Discussion

The paper examined the role of remote work arrangement on employee retention in Nigerian banks. The paper found no evidence that remote work improves employee retention among Nigerian banks. The study further revealed that employees, especially the younger ones consider issues like career progression and compensation package to be more important when deciding to quit their jobs. Work arrangement, and other work conditions may be considered secondarily.

Conclusions

The paper concluded based on these findings that even though remote work arrangement plays a key role in employees' wellbeing due to the reduced time spent in traffic, more family time, and less contact with potentially troublesome co-workers. The paper nevertheless found no empirical evidence that support the notion that employees will necessarily stay longer in his job because of the benefits offer by remote work arrangement. While taking cognizance of the study by Bloom, Liang, Roberts, & Ying (2015) and Lee (2008), the paper takes into consideration other important issues such as employees pay package, the purchasing power of the consumers and the overall opportunities available in the general societies as predictors of why an employee will choose to stay longer in his job. Recent trend in Nigerian Banking sector has shown an interesting trend of bank managers resigning from their jobs and migrate abroad to do menial or unskilled jobs why studying for another degree despite their prior educations and professional trainings from some of the best training institutions locally and abroad. The author believes it will take a more pragmatic and

deliberate action on the part of the government and management of Nigerian banks to address the problem of mass resignation among young and experience bankers.

References

- Ashford S, George E, Blatt R. (2007). Old assumptions, new work: the opportunities and challenges of research on nonstandard employment. *Acad. Manag. Ann.* 1(1): 65–117
- Bahago, S. B. & Nduji, R. (2021). Employee Counselling Amidst Coronavirus Pandemic (COVID-19) and Human Resource Challenges: A Case Study of Some Commercial Banks in Abuja, Nigeria. *African Scholar Journal of Management Science and Entrepreneurship. (JMSE)*. 23(7) 155-184.
- Bloom, N., Liang, J., Roberts, J., & Ying, Z. J. (2015). Does working from home work? Evidence from a Chinese experiment. *The Quarterly Journal of Economics*, 130(1), 165-218.
- Chaminade, B. A (2007). Retention Checklist: How do you rate? Retrieved from: <https://www.hcamag.com/au/archived/a-retention-checklist-how-do-you-rate/133815>
- Global Place Analytics., (2020) Work from Home Experience Survey Results. Retrieved from: <https://globalworkplaceanalytics.com/global-work-from-home-experience-survey>
- Grandey, A. A., Sayre, G. M., & French, K. A. (2021). “A blessing and a curse”: Work loss During coronavirus lockdown on short term health changes via threat and recovery. *A journal of occupational health psychology*
- Klindžić, M., & Marić, M. (2019). Flexible work arrangements and organizational performance – The difference between employee and employer-driven practices. *Društvena istraživanja*, 28(1), 89-108.
- Mansor, M., Idris, A. (2015). Do Employee retention in the Malaysian banking industry flexible practices work?, *South African Journal of Business Management*, Vol. 46, Iss. 1, pp. 1-9, <https://doi.org/10.4102/sajbm.v46i1.78/>
- Mamaghani, F. (2012). Impact of telecommuting on organization productivity. *European Journal of Management*, 12(3), 175-182.
- Nwagbara, U., Smart Oruh, E., Ugorji, C., & Ennsra M. (2013). The Impact of Effective Communication on Employee Turnover Intension at First Bank of Nigeria. *Economic Insights-Trends & Challenges*, 65(4).
- Ianiyan, O & Olaniyan S. (2019). Analysis of Employees' Engagement and Retention of Selected Banking Industry in Lagos State, Nigeria.
- Oganezi, B & Lozie, R (2017). Employee Retention Strategy and Performance of Commercial Banks in Ebonyi State, Nigeria. *Funai Journal of Accounting, Federal University business and finance (FUJABF) Ndufu-Alike Ikwo Ebonyi State Nigeria Vol. 1. NO. 1. 2017. Pp 279-287.*
- Onyemachi., (2021). A day in the lives of Nigerian remote workers. Retrieved from: <https://businessday.ng/business-economy/article/a-day-in-the-lives-of-nigerian-remote-workers/>
- Olaoluwa, J. (2022). Resignation wave in banking sector an opportunity, not crisis – Suleiman, Sterling Bank CEO. Retrieved from: <https://www.icirnigeria.org/resignation-wave-in-banking-sector-an-opportunity-not-crisis-suleiman-sterling-bank-ceo/>
- Oparade, P., (2022). Nigerian Banks Witness Mass Resignation of Tech Engineers, as They move to Amazon, Others Retrieved from: <https://legit.ng/business-industry/1481985-nigerian-banks-witness-mass-resignation-tech-engineers-move-amazon-others/>
- Ola-Ade, E., Onososen, A., Akinola, G., Zakariyyah I., & Olorunda, O. (2022). Remote Working in the Face of the Pandemic: Current Issues, Technological Impacts and Future Implications.

-
- Quadri, L. A. (2022). Supervisor and Co-Workers Relationship and Employee Engagement of Law Firms in Port Harcourt, Nigeria. *International Journal of Academic Accounting, Finance & Management Research (IJAAFMR)*, Vol. 6, Issue 2, 1-10
- Samuel, M. O., Osinowo, H. O., & Chipunza, C. (2009). The relationship between bank distress, job satisfaction, perceived stress and psychological well-being of employees and depositors in Nigeria's banking sector. *African journal of business management*, 3(11), 624-632.
- Soroui, S. T. (2021). Understanding the drivers and implications of remote work from the local perspective: An exploratory study into the dis/reembedding dynamics. *Technology in Society*, 64, 101328.
- Scandura, T. A., & Lankau, M. J. (1997). Relationships of gender, family responsibility and flexible work hours to organizational commitment and job satisfaction. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 18(4), 377-391.
- Shekshnia, S. (1994). Managing people in Russia: Challenges for foreign investors. *European Management Journal*, 12(3), 298-305.
- Spreitzer, G. M., Cameron, L., & Garrett, L. (2017). Alternative work arrangements: Two images of the new world of work. *Annual Review of Organizational Psychology and Organizational Behavior*, 4, 473-499
- Tanpipat, W., Lim, H. W., & Deng, X. (2021). Implementing remote working policy in corporate offices in Thailand: strategic facility management perspective. *Sustainability*, 13(3), 1284.