

Employee Retention Strategies and Organizational Performance in Nigerian Federal Inland Revenue Service Abuja

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Abstract: *This study examines the nexus between employee retention and organization performance of Federal Inland Revenue Service, FCT, Abuja, Nigeria. This is with the view of examine the impact of training program, reward system and work environment on organization goal of Federal Inland Revenue Service, FCT, Abuja, Nigeria. The study employed survey research design. The target Population for this study comprised of 501 staff of Federal Inland Revenue Service, Abuja. The data collected was analysed using multiple regression. The outcome of the study indicates that training program, reward system as well as work environment has a positive and significant impact on organization goal of Federal Inland Revenue Service, FCT, Abuja, Nigeria. That is, training programs, the reward system, and a conducive working environment play crucial roles in enabling the Federal Inland Revenue Service (FIRS) to retain its best employees. It is therefore recommended that Federal Inland Revenue Service (FIRS) should institutionalize continuous professional development programs and align reward systems with employee performance metrics to foster a supportive work environment, enhance job satisfaction, and improve employee retention rates.*

Keywords: training program, reward system, work environment, organization goal, employee retention, organizational performance

INTRODUCTION

There are continued discussions and purposeful actions toward how to attain performance and continuously improve upon it in any social grouping such as organization (Princewill & Umoh, 2022; Singh & Singh, 2015). This is because performance outcome has been adjudged to be the

basis for which organizational fulfil their essence of being (Aguilera et al., 2023). Formal organization like Federal Inland Revenue Service of Nigeria exists to generate revenue for the government of Nigeria and the extent to which the yearly targeted revenue is achieved is used to describe the organization performance (Ordu & Ogbonna, 2024). Therefore, what can cause variation between the expected and actual performance becomes anti-performance except it is towards exceeding the expected performance level. Available studies (Ado, 2023; Isallah, 2023) on the revenue generating organization of Nigeria suggests variation in performance over the years in some States in the country like Nasarawa, and Osun, among others and revenue streams like withholding tax, and petroleum tax, among others (Ado, 2023). Existing differences in the revenue target against actual revenue remains a challenge to government and the agency in charge with moves to close the gap.

As the concerns continued in their search for what can keep this organization in her top performance level, others continued to search for what will improve their performance level beyond what it is. Stakeholders (organizational analysts, performance managers, and consultants, among others) have suggested various ways through which this agency of government can pursue and attain peak performance against all odds. Top issues in their suggestions are deployment of modern technology in revenue collection, performance driven strategies, termination of fraudulent staff, sensitization of the public on the necessity to pay taxes, and handsome reward for staff, among others (Isallah, 2023; Adewole, 2016). However, there are claims that the human factor (employees) in the agency remains the core challenge as some staff are easily compromised thereby reducing what gets to the government purse (Isallah, 2023).

It thus becomes important to separate the wheat from the chaff if anticipated revenue often fall short of the actual revenue as a result corrupt and fraudulent practices of the employees (Shehu et al., 2023). By this, not all the employees of the agency deserve to be in her service. This suggests that the management of employees to determine retention and separation is imperative. While employee retention is attempts to keep employees in an organization for a reasonable period (Opwondo & Kiiru, 2024), employee separation is to put end to employment contract between an employee and her employer (Mathimaran & Kumar, 2017). In as much as high employee turnover is not good for any entity, it will not be bad if the corrupt and fraudulent employees leave the organization (Osaremwinda, Avinyeze & Eguavoen, 2024). In this regard, functional employee retention is what should be embraced. According to Igbino et al., (2022), this aspect of employee retention is positive as it only allows the good employees/uncorrupt employees to remain in the employment service of organization.

Over the years, organizations with functional employee's retention mindset have pursued it as a strategy. Such organizations have evolved what is called functional employee retention strategies that keeps honest and smart employees in their entity. Extant studies (Ojeyemi & Egbuta, 2024; Opwondo & Kiiru, 2024; Kamselem et al., 2022) suggest that such strategies are developed around

what can keep faithful employees in the organization such as competitive compensation, conducive work environment, regular organization funded training programs, and regular promotion, among others.

There are theoretical positions like expectancy theory (Vroom, 1964) and Herzberg's two-factor theory of (1987) that explains how the premised strategies of functional employee retention can influence organizational performance. It suggests the employee retention can swing towards functional (satisfiers) or dysfunctional (dissatisfiers) with possible outcomes of improved organizational performance or sluggish organizational performance respectively. Although the theory has been viewed from motivational perspective, it is found suitable for this study because the strategies in focus are meant to perform dual role starting with employee motivation and resulting into the employee's retention (Chama & Matafwali, 2024; Roopavathi & Kishore, 2020). Empirical studies (Manthena & Ravi, 2024; Ojeyemi & Egbuta, 2024; Awolaja, 2023) remains mixed on this position though as well as the fact that limited studies exist in this area with none found on the organization in focus and this makes it worthwhile to evaluate the relationship between employee retention strategies and performance of Federal Inland Revenue Service of Nigeria, Abuja.

The following specific objectives of the study are to:

- (i) analyse the impact of organization-based funded training programs on the organizational performance of Nigerian Federal Inland Revenue Service Abuja.
- (ii) assess the impact of work environment on the organizational performance of Nigerian Federal Inland Revenue Service Abuja.
- (iii) examine the impact of competitive employee reward system on the organizational performance of Nigerian Federal Inland Revenue Service Abuja.

Based on the objectives, the following hypotheses were raised:

H0₁: Organization-based funded training Programs has no significant impact organizational performance of Nigerian Federal Inland Revenue Service Abuja.

H0₂: Work environment has no significant impact on organizational performance of Nigerian Federal Inland Revenue Service Abuja.

H0₃: Competitive employee reward system has no significant impact on organizational performance of Nigerian Federal Inland Revenue Service Abuja.

LITERATURE REVIEW

Employee Retention Strategy

Employee retention is attempts to keep employee in an organization for a reasonable period (Opwondo & Kiiru, 2024), Such retention refers to the capability of the organization to keep employees serving in the job for a more extended period (Lee *et al.*, 2022). This is often

purposefully pursued with strategies and that was why Manthana and Ravi (2024) described the concept as strategic process of encouraging employees to stay with an organization for an extended period. Such strategies are in form of structured policies highlighted to forestall functional employees' attrition (Krishnamoorthy & Aisha, 2022; Sawaneh & Kamara, 2019). This was buttressed in the definition of Xiang et al. (2018) which refer to employee retention strategies to be the policies and practices that an organization have in place to prevent valuable employees from exiting their positions prematurely. The strategies are to make current employees who are assets to stay in the employment of the organization.

When good hands are kept for a reason period in an organization, the trajectory of peak performance is maintained. The danger in losing competent hands to competitors could be devastating to the survival of organization as well as the cost of getting perfect replacement for such highly valued employee might not be available to the organization (Ali, Niu, & Rubel, 2024). For this reason, retaining those competent employees is crucial to the organization (Ali, Niu, & Rubel, 2024). Studies (Ojeyemi & Egbuta, 2024; Opwondo & Kiiru, 2024; Kamselem et al., 2022; Khan, 2021) have established how employee retention strategies are attached to human resource management functions and practices. Among the strategies are competitive compensation, conducive work environment, regular organization funded training programs, and regular promotion. This study considers three of the strategies and these are briefly discussed:

- i. **Competitive employee compensation:** Valuable consideration in employment contract has been a topical issue with employee compensation described as reward given to employee by employer in recognition of efforts in employment contract (Bhattacharyya, 2014). It is a reward mix (monetary and non-monetary) of employees in exchange of their efforts in an organization subject to management philosophy, ability to pay, government minimum wage, and performance, among others (Patnaik & Padhi, 2012). Therefore, it is concerned with the formulation and implementation of strategy that aim to compensate employee fairly, equitably and consistently to achieve motivation and retention of employees (Park et al. 2021). However, the chances of achieving the objectives of compensation is subject to human nature which is naturally insatiable as better compensation will always be desired. Thus, compensation must be competitive to keep an employee (Kamselem *et al.*, 2022).

Malhotra (2021) described competitive compensation as total reward package made available by employer to attract, retain, motivates and satisfy employees. This type of reward drives employees to remain focused and attached to the organization without seeing any reason for intention to quit such employment (Khanam, 2021). Therefore, organizations that desire to attract and keep competent employees must design highly competitive compensation package for her workforce. Hamila (2022) remarked on the need for competitive compensation packages as a tool to attract and retain skilled employees

while Mwema (2022) established that competitive compensation design drives positive intention of employees to stay in an organization as human beings needs are met with money and most people work for money as against passion.

- ii. **Conducive work environment:** The physical, social, and psychological conditions of organization is described as work environment (Ebeloku et al., 2024). It encompasses various factors that can influence organization among which is the employees of the organization (Aggarwal et al., 2023; Olanipon et al., 2023). Therefore, work environment can be conducive or toxic with either determining outcomes of organization performance. Conducive work environment is that which has good infrastructural facilities, noiseless, internet facilities, stable power supply, good office furniture's, good ventilation and illumination, health facility, among others (Ebeloku et al., 2024). This is required because employees spend a major considerable amount of time at work, and their working environment has an impact on their performance in integrated ways (Wang, Zhang & Chun, 2022).

Employees with less interest to leave an organization appear to be satisfied with their enabling work environment because of the comfort therein (Zhenjing, Chupradit, Ku, Nassani, & Haffar, 2022). This conducive work environment has been found to provide support for employees to effectively discharge their responsibilities and tasks as well as promoting harmonious interpersonal relationships among employees, teams, and workgroups (Budiharso & Tarman, 2020). Also, such environment fosters collaboration and cordial interactions within organizations as gives room for knowledge sharing and idea exchange, which are crucial for achieving optimal productivity (Akinbode et al., 2024; Zacharias, Rahawarin & Yusriadi, 2021). Thus, with a conducive work environment, it is certain that part of what creates tension in organization is eliminated as employees work with excitement and enthusiasm, chances of remaining in employment of such organization is high (Eby & Rothrauff-Laschober, 2020).

- iii. **Funded training programs:** Training is a systematic process of transferring knowledge, skills, abilities, and attitude to employees (Al Dalahmeh, Heder & Dajnoki, 2020). In many organizations, it is a formal exercise designed to enhance the capabilities and capacity of their employees to deliver on their responsibilities having known that skills and abilities can become obsolete (Jalil, Ullah & Ahmed, 2021). Therefore, training programs are often organized to address different skill shortages from time to time. Training program can be organized within an organization or externally, depending on factors like purpose of the training, availability of training facilities, trainers, among others but whichever the option training program comes at a cost (Akinbode, 2018).

Cost of training can be on individual employee or on the organization, that is if the organization makes training budget for training programs. This set aside funds annually for funding employees training opportunities (Akinbode, 2018). According to Jalil et al., (2021) funding training entails spending on employees training activities. This reduces financial burden on employees who might have to pay for such training if their organizations have no fund for training and as result drives their chances of having a second thought to leave such organization. Schultz (1961) reiterated the importance of organization's funding training programs when he described it as a process which involves increased spending in education and training of the individuals. Many options are available to organizations to fund training programs like making budget for individual employee or departments in line with the organization training need assessment (TNA). With regular funding training of employees' studies (Jalil et al., 2021; Al Dalahmeh et al., 2020) suggest the tendencies for employee's retention in organization especially when no bonding agreement is attached to it.

Organizational Performance

The concept 'organization' is described by Aguilera et al., (2023) as ' a consciously coordinated social unit, composed of two or more people that functions as a relatively continuous basis to achieve common goals or set of goals'. There are different kinds of organization, but corporate organizations are large structure complex whole with conscious rationality established for a purpose (Manthena & Ravi, 2024; Akinbode et al., 2021). For instance, Federal Inland Revenue Service of Nigeria (FIRSN) is a corporate organization that possess those features. Contemporary views of corporate organization suggest that this type of organizations is deliberately constructed and reconstructed to seek specific goals which rest on performance (Aguilera et al., 2023). The description of what makes performance is multi-dimensional as it hangs on what the corporate organization is floated for. While performance is generally defined as the actual output or results of an organization as measured against its intended goals (Opwondo et al., 2024), the goal is entrenched in the mission of the organization. In context, the mandate or goal of Federal Inland Revenue Service of Nigeria is to generate revenue for Nigeria through tax collection (Ordu & Ogbonna, 2024).

Precisely, organizational performance implies the actual output of an organization as measured against its intended goals. For this study, revenue generation is used as measure of organizational performance because of the organization in focus (Ordu & Ogbonna, 2024). Thus, Federal Inland Revenue Service of Nigeria is adjudged to have performed if it met and exceed target set for her in annual budget. FIRSN generates revenue through tax collection and according to the World Bank Group (2023), revenue generation is the process of collecting taxes for government use. From the revenue perspective, taxes are the primary source of government revenue. Oyinlola and Adegbe (2020) described tax revenue as the income generated by the government through taxation. It is determined through the application of a tax rate to a tax base. These taxes are

collected from both direct tax and indirect tax sources covering company income tax, petroleum tax, customs duties, personal income tax, withholding tax, and value added tax, among others (Isallah, 2023; OECD, 2023; World Bank, 2016). In this regard, tax revenue yield defines FIRSN performance which represents total tax revenue collected from different tax sources within a specific period, usually a fiscal year (Isallah, 2023).

Conceptual Framework

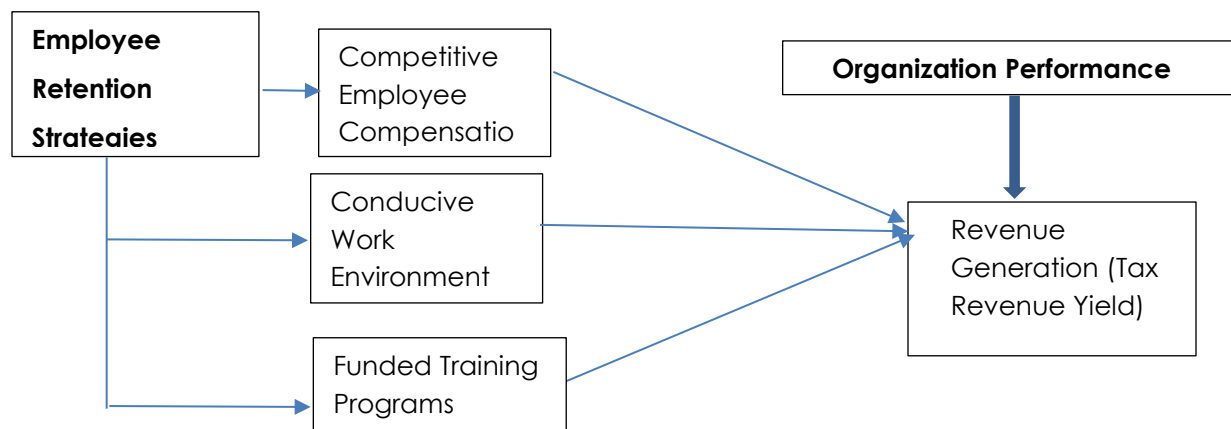


Figure 1: Conceptual framework on the link between Employee Retention Strategies and Organization Performance

This conceptual framework suggests the interaction between each of the proxies of employee retention strategies and organization performance.

Theoretical Review

The theory of expectation and Herzberg's two-factor theory are major theoretical underpinnings the nexus between employee retention strategies and organization performance.

Expectancy theory: The theory hypothesized that individuals are motivated to engage in specific actions or tasks based on their anticipations of potential outcomes (Vroom, 1964). The theory involves three key components namely; expectancy, instrumentality and valence (Kariuki & Kiiru, 2021). Therefore, individuals are driven to exert efforts when they perceive that their efforts will lead to good performance (expectancy), that results to rewards (instrumentality), and that those rewards contain personal worth to them (valence) (Ndiango *et al.*, 2024). This theory lightens how recognition contributes in shaping employees' staying intentions in the organization. This implies that, the decision of employees to remain or leave the organization may be attributed to their expectations for recognition from the organization. Thus, it highlights the need for recognizing

employees' efforts and contributions in the organization as it may facilitate their decision to remain for a long period in the organization (Ndiango *et al.*, 2024).

Herzberg's two-factor theory: Herzberg's theory argues about satisfaction and dissatisfaction of employees influencing the intention to stay (Herzberg, 1959). This theory lists out the motivator's factors (achievement, career growth, recognition, treatment and development) and hygiene (relationship with superiors and coworkers and salary benefits) are significantly associated with retention (Bharath, 2023). In the absence of these motivators at work, employees do not tend to be dissatisfied; they simply are "not satisfied" (Sen & Bhattacharya, 2019). The theory suggests that to enhance employee retention, organizations should focus on providing adequate conditions for employees to exert their subjective initiative and fulfill their motivational needs. This can be achieved through financial rewards, career development opportunities, job characteristics, management support, recognition, work-life balance, and leadership style (Mathimaran & Kumar, 2017). By formulating appropriate retention policies based on these motivational aspects, organizations can reduce attrition rates and improve employee commitment, leading to long-term benefits for the organization (Salau *et al.* 2018).

Empirical Review

A plethora of studies with mixed findings on the nexus between employee retention strategies and organization performance in the existing literature exist (Hosen *et al.*, 2024; Ndiango *et al.*, 2024; Opwondo & Kiiru, 2024). For instance, Opwondo and Kiiru (2024) examined the effects of retention strategies of employee on organization performance in Kenya. The study was carried out at the National Museums to test for specific employee retention strategies through a descriptive research design in a study that involved 144 participants (comprising employees in different levels at the National Museums) which had questionnaire administered on them. Primary data collected were subjected to analysis and it was found that specific employee retention strategies like employee compensation has a positive and significant influence on organizational performance. The study established the relevance of compensation structure on employee retention.

Sang-rit and Gilitwala (2024) examined the factors influencing employee retention working in construction related small-medium enterprises (SMEs) by applying purposive sampling method via questionnaire administered to 386 construction workers in Krung Thep Maha Nakhon. The result of the multiple regression suggests that task interdependence, reward and recognition significantly impact employee retention in construction-related SMEs. Hussein (2021) established that employee retention strategies such as positive working environment, employee communication, employee flexibility and freedom, development and training, management support, compensation & benefits and employee involvement have significantly affected performance of an organization in private colleges in Baghdad.

Hosen *et al* (2024) examined the link between employee training and development, career development on work performance using questionnaire administered to 6000 frontline hotel workers in Bangladesh. The result of the multiple regression suggests that organization commitment via training and career development enhance their work performance. A related study conducted by Ndiango *et al* (2024) made use of 15 logistics firms in Dodoma city, Tanzania, to evaluate the influence of employee recognition on employee retention via questionnaire administered to 237 employees of logistic firms in Tanzania. The outcome of the Partial Least Square-Structural Equation Model (PLS-SEM) revealed that suggest that employee recognition significantly influences employee retention in logistics firms in Tanzania.

The study of Abet *et al* (2024) utilized the same methodology as Ndiango *et al* (2024) to examine how organizational commitment moderates the connections between attitude, subjective norms, perceived behavioral control, and intentions to leave via self-administered questionnaires to 330 employees of manufacturing Small and Medium-sized Enterprises (SMEs) in Lagos state, Nigeria. The empirical result of the study disclosed that employees' positive attitude towards their organization and their sense of behavioral control and efficacy over situations or circumstances in the organization are more relevant for forming behavioral intentions to remain in the organization. Furthermore, the study of Ojeyemi and Egbuta (2024) which examined employee retention strategies and service quality in Lagos, Nigeria among selected five-star hotels adopted survey research design with 434 sampled participant who are employees of the hotels who had questionnaire administered on them to collect data on the subject area found that employee retention strategies have statistically Significant effect on the service quality. The aspects of employee retention strategies were not isolated. It was however concluded that employee retention strategies improved the service quality. Similarly, in a study conducted in India by Kalia, Singla and Kaushal (2024) that analyzed the influence of human resource practices (proxied by performance appraisal, training and development, compensation, grievance redressal, health and safety and employee work participation) on employee retention of Textile firms in India. The study applied quota sampling technique and online questionnaire to 425 employees of textile firms. The data was analyzed with Partial Least Squares-Structural Equation Modelling and found that fairness of compensation and performance appraisal augments positive attitudes, retention and enhances the job satisfaction level of employees of textile firms in India.

In a study conducted by Awolaja (2023) in Osun State, Nigeria on employee retention strategies and organizational performance in private universities with survey research design and questionnaire as data collection instrument, 315 participants feedback were used for analysis and it was revealed that competitive compensation plan, opportunities for advancement, and good work-life balance positively determine performance. A related study by Igbinoba et al. (2022) on employee retention strategies and organizational performance which also used questionnaire, administered to 158 participants established that employee retention strategies has association with organizational performance with emphasis on performance-based employee retention strategy.

Also, the study of Cach'on-Rodríguez, Blanco-González, Prado-Román and Del-Castillo-Feito (2022) which explored the role of sustainable human resources management on social capital, employee loyalty and retention using survey research design via online questionnaire administered to 529 professors in 47 public Universities in Spain. The study employed Structural Equation Model (SEM) and established that strategic human resources management significantly improves employee social capital but impedes their loyalty and desire to stay in the organization. Likewise, Upadhyay, Ansari and Bijalwan's (2019) study that investigated performance appraisal, employee satisfaction and employee retention as determinants of team effectiveness using survey research design via questionnaire administered to 650 respondents working in banks, insurance firms, educational institutes, telecom service providers and hospitals in Uttarakhand, India. The authors employed Structural Equation Modelling and established that effective performance appraisal result in better team performance and help in retaining the best talents in the organization.

The study of Kamselem et al., (2022) utilized descriptive cross-sectional survey to assay the impact of reward system and job condition on employee retention of Nurses in seven General public Hospitals from Zamfara, Sokoto, Kebbi, Kano, Katsina, Kaduna and Jigawa State Nigeria. Using questionnaire administered to 560 nurses from the seven General Hospitals and analyzed with the aid of Structural Equation Modelling. The outcome of the study indicates that nurses place a high value on the awards they receive, which helped them retain their jobs. When these rewards are not provided, most nursing employees show their dissatisfaction by leaving their positions. Differently, Ali *et al* (2024) investigate the mediating role of employee engagement on the relationship between transformational and transactional leadership and employee retention using judgmental sampling technique and questionnaire administered to 650 employees serving at different levels in the pharmaceutical industry of Bangladesh. The data were analyzed with Structural Equation Modelling and discovered that transactional leadership contribute to ensuring the longer attachment of employees to the organization by communicating the goals and rewards for the accomplishment of goals which directly impact employee retention while transactional leadership style inhibit employee engagement which makes them leave the organization.

Using structural equation modelling and survey research design through structured questionnaire administered to 250 employee, Wasseem et al (2019) consider the moderating effect of employee retention on the linkage between capacity building and managers' support on employee performance of Textile firms in Pakistan. The outcome of the study disclosed that building capacity of employee improve employee performance whereas managerial support has an insignificant impact on employees' performance. Furthermore, the study found that employee retention has a significant impact on the relationship between manager support and employee performance in the textile sector of Pakistan. The retained employees are more experienced and capable of handling any situation in organizations, so their overall impact is positive on the employees' performance, which provides opportunities for organizational growth.

Fahim (2018) applied survey research design through Arabic language structured questionnaire administered to 300 staff of National Bank of Egypt (NBE) across 12 branches in Cairo to examine the influence of strategic human resources management practices and employee retention in public sector. The study employed Pearson correlation coefficient, simple linear regression and structural equation modeling and established that strategic human resources management practice encourages the retention of talented and skilled staff by National Bank of Egypt. Also, Derani and Ghani (2019) evaluated the role of employee retention (proxied by training, communication in workplace, teamwork and compensation) on bank performance in Malaysia using survey research design via structured questionnaire administered to 200 employees of commercial banks in East Coast of Malaysia. The empirical finding of the study revealed that commercial banks in East Coast Malaysia retain their staff through adequate training, effective communication and teamwork.

METHODOLOGY

In order to assay the nexus between employee retention strategies and organization performance of Federal Inland Revenue Service, Abuja, this study employed survey research design. The justification for the choice of this research design stem from the fact that survey research design provides a quantitative description of attitudes, or opinions of a population by studying a sample of that population using questionnaires or structured interviews for data collection with the intent of generalizing from a sample to a population (Fowler, 2018).

The target Population for this study comprised of 501 staff of Federal Inland Revenue Service, Abuja. The study utilized the census sampling method to determine the sample size. Furthermore, the study employs primary method of data collection via structured questionnaire because it aids firsthand data collection and promotes originality in research (Kothari, 2004). The questionnaire will be structured with close-ended questions. The motive for the choice of this instrument is due to the high response rate and minimize intervention bias from the researcher (Zikmund, 2018).

The model of this study proposes two variables employee retention strategies (independent variable) represented as X and measured with three proxies namely competitive employee compensation (x_1), conducive work environment (x_2), and funded training program (x_3) while organization performance (dependent variable) represented as Y is measured by revenue generation. This denoted as:

$Y = f(X)$; Y = Dependent Variable; X = Independent Variable; Y = Organizational performance (OP); X = Employee Retention Strategies (ERS)

$X = (x_1, x_2, x_3)$

Where; X = Employee Retention Strategies (ERS); x_1 = Competitive Employee Compensation (CEC); x_2 = Conducive Work Environment (CWE); x_3 = Funded Training Program (FTP)

Therefore, the formulated model is:

$$OP = \beta_0 + \beta_1 CEC + \beta_2 CWE + \beta_3 FTP + \epsilon_j \text{ ----- Eqn1}$$

Lastly, this study employed descriptive statistics and inferential statistics to assess the impact of employee retention strategies on organization performance of Federal Inland Revenue Service, Abuja. Frequency distribution was used to analyze responses relating to the biographic characteristics of the respondents in simple percentages while descriptive statistics helped to provide quantitative summary of responses and the perceptions of respondents on each item in the questionnaire in form of mean and standard deviation. This is because, mean and standard deviation as a measure of dispersion helps to show how closely the individual observation clusters around the mean to determine the variation in the set of values used and to determine the consistency of the variables. The hypothesis was tested with multiple regression.

DATA ANALYSIS AND DISCUSSIONS

Reliability Test Result

Cronbach’s coefficient alpha was employed to verify the internal consistency of each variable of the dependent and independent variables in order to achieve reliability. Values of the Cronbach’s coefficient alpha range from 0 to 1, with higher values indicating greater reliability. The minimum acceptable level for the reliability coefficient is 0.7. The result of the Cronbach’s coefficient alpha is presented in Table 1. The result in Table 1 shows that the Cronbach’s alpha for employee retention constructs were: training program (0.804); reward system (0.927); and work environment (0.821). The Cronbach’s alpha for organizational goal is (0.862). Since the Cronbach’s alpha value of all the constructs of employee retention and organizational goal is greater than the recommended criterion of 0.7 which indicates that all constructs for this research have high internal consistency and reliability.

Table 1: Result of Reliability Test

Constructs	Variables	Number of Items	Cronbach’s Alpha
Employee Retention	Training Programs	5	0.804
	Reward System	5	0.927
	Work Environment	5	0.821
Organizational Performance	Organizational Goal	3	0.862

Source: Field Survey (2024)

The result of training program on organization goal of FIRS in Table 2 indicates that training program has a positive and significant impact on organization goal of FIRS ($\beta = .465, t = 3.750, p < 0.05$). The coefficient value of 0.465 suggest that training program provided by FIRS to their

employee enhance organization performance of Federal Inland Revenue Service, Abuja. This outcome corroborates the finding of Hosen *et al* (2024) whose study demonstrated that training and career development enhance their work performance.

Furthermore, the result of the multiple linear regression in Table 2 indicates that FIRS reward system exerts a positive and significant impact on organization's performance ($\beta = .214$, $t = 2.276$, $p < 0.05$). The coefficient value of 0.214 suggest FIRS reward system encourages employee commitment and stimulate organization performance. This result validates the findings of Kamaldeen (2022), Sang-rit and Gilitwala (2024) and Ndiango *et al* (2024) whose study established that organization's reward system and employee recognition significantly influence employee retention.

Also, the result of the multiple linear regression in Table 2 indicates that indicates that work environment has a positive and significant impact on FIRS organization performance ($\beta = .276$, $t = 2.442$, $p < 0.05$). The coefficient value of 0.276 suggest that conducive work environment of FIRS promotes productivity and boost organization performance of FIRS. This outcome lends credence to the findings of Derani and Ghani (2019) whose study found that revealed that commercial banks in East Coast Malaysia retain their staff through adequate training, effective communication, conducive work environment and teamwork.

Table 2: Multiple Linear Regression on the impact of Employee Retention on Organizational Performance of Federal Inland Revenue Service, Abuja.

Model Summary					
Model	R	R ²	Adjusted R	Standard Error	
1	.791 ^a	.740	.715	0.52731	
Predictors, Constant,					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.016	0.326		3.116	0.002
Training program	0.465	0.124	0.463	3.750	0.000
Reward system	0.214	0.094	0.225	2.276	0.025
Work Environment	0.276	0.113	0.321	2.442	0.016
a. Dependent Variable: Organizational Goal F=17.702, Sig.: 0.0000					

Source: Field Survey, 2024.

Hypothesis Testing

Hypothesis 1

H0₁: Organization-based funded training programs has no significant impact organizational performance of Nigerian Federal Inland Revenue Service Abuja. The result of training program on organization goal of FIRS in Table 4.5 indicates that training program has a positive and significant impact on organization goal of FIRS ($\beta = .465$, $t = 3.750$, $p < 0.05$). The coefficient value of 0.465 suggest that training program provided by FIRS to their employee enhance organization performance of Federal Inland Revenue Service, Abuja. Since the probability value of the coefficient of training program is less than 5% significance level, it is therefore concluded that there is a significant relationship between training program and organization performance of Federal Inland Revenue Service, Abuja. Therefore, the null hypothesis that there is no significant relationship between training program and organization performance of Federal Inland Revenue Service, Abuja is rejected and the alternative hypothesis that there is a significant relationship between training program and organization performance of Federal Inland Revenue Service, Abuja is accepted.

Hypothesis 2

H0₂: Competitive employee reward system has no significant impact on organizational performance of Nigerian Federal Inland Revenue Service Abuja.

The result of the multiple linear regression in Table 4.5 indicates that FIRS reward system exerts a positive and significant impact on organization's performance ($\beta = .214$, $t = 2.276$, $p < 0.05$). The coefficient value of 0.214 suggest FIRS reward system encourages employee commitment and stimulate organization performance. Given that the probability value of the coefficient of reward system is less than 5% significance level, based on this, we conclude that there is a significant relationship between reward system and organization performance of Federal Inland Revenue Service, Abuja. Consequently, we rejected the null hypothesis that there is no significant relationship between reward system and organization performance of Federal Inland Revenue Service, Abuja and accept the alternative hypothesis that there is a significant relationship between reward system and organization performance of Federal Inland Revenue Service, Abuja.

Hypothesis 3

H0₃: Work environment has no significant impact on organizational performance of Nigerian Federal Inland Revenue Service Abuja.

The result of the multiple linear regression in Table 4.5 indicates that indicates that work environment has a positive and significant impact on FIRS organization performance ($\beta = .276$, $t = 2.442$, $p < 0.05$). The coefficient value of 0.276 suggest that conducive work environment of FIRS promotes productivity and boost organization performance of FIRS. In view of the fact that the probability value of the coefficient of work environment is less than 5% significance level, it is therefore concluded that work environment has a significant impact on organization performance of Federal Inland Revenue Service, Abuja. Hence, the null hypothesis that work environment has

no significant impact on organization performance of Federal Inland Revenue Service, Abuja is rejected while the alternative hypothesis that work environment has a significant impact on organization performance of Federal Inland Revenue Service, Abuja is accepted.

CONCLUSION AND RECOMMENDATIONS

This study examines the nexus between employee retention and organization performance of Federal Inland Revenue Service, FCT, Abuja, Nigeria. This is with the view of examine the impact of training program, reward system and work environment on organization goal of Federal Inland Revenue Service, FCT, Abuja, Nigeria. The outcome of the study indicates that training program, reward system as well as work environment has a positive and significant impact on organization goal of Federal Inland Revenue Service, FCT, Abuja, Nigeria. that training programs, the reward system, and a conducive working environment play crucial roles in enabling the Federal Inland Revenue Service (FIRS) to retain its best employees. The study therefore recommended that Federal Inland Revenue Service (FIRS) should institutionalize continuous professional development programs and align reward systems with employee performance metrics to foster a supportive work environment, enhance job satisfaction, and improve employee retention rates.

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