



## **TALENT MANAGEMENT PRACTICES AND EMPLOYEE RETENTION IN NIGERIAN BOTTLING COMPANY PLC, ABUJA**

**Emmanuel Oladele Olaolu<sup>1</sup> & Bamigbaiye-Elatuyi Omotola<sup>2</sup>**

<sup>1</sup>**Department of Business Management & Marketing, Baze University, Abuja**

<sup>2</sup>**University of Lagos Business School, Faculty of Business Administration**

**Corresponding Author's Email: [Emmanuel.olaolu@bazeuniversity.edu.ng](mailto:Emmanuel.olaolu@bazeuniversity.edu.ng)**

---

### **Abstract**

This study examines the influence of three key talent management practices (compensation, performance appraisal, and employee empowerment) on employee retention in Nigerian Bottling Company Plc, Abuja. A quantitative research design utilizing a cross-sectional survey was employed, with data collected from 182 employees. Multiple regression analysis was conducted to test the hypotheses and the findings revealed that compensation, performance appraisal and employee empowerment significantly impact employee retention, collectively explaining 57% of its variance. Performance appraisal and employee empowerment emerged as the strongest predictors with a standard coefficient (Beta) of 0.403 and employee empowerment with a standard coefficient (Beta) of 0.412 respectively highlighting the importance of transparent feedback systems and participative decision-making in fostering employee loyalty. The findings emphasize the need for a holistic approach to retention strategies, incorporating fair compensation, developmental appraisals, and empowerment initiatives. This study recommends among others that organizations should implement an integrated approach to retention strategies by enhancing appraisal systems, empowering employees and creating a motivating work environment especially in Nigerian Bottling Company Plc.

**Keywords:** Employee retention, talent management, performance appraisal, compensation.

---

### **Introduction**

In today's competitive business landscape, human resource management (HRM) plays a crucial role in retaining employees, the most valuable assets of any organization. Malik, et al. (2020). Over the years, HRM has evolved from focusing on individual practices to implementing strategic systems that enhance organizational performance. Effective HRM practices provide organizations with a competitive edge, enabling consistent delivery of innovative, high-quality products and services.

Employee retention, defined as an organization's ability to retain its workforce, is essential for operational continuity and sustainability. Retention involves strategies aimed at ensuring employees remain loyal to the organization (Elsafty & Oraby, 2022). High retention rates contribute to increased productivity and profitability, while low retention rates often lead to significant costs associated with turnover, recruitment, and training (De Winne et al., 2019). Therefore, effective retention strategies are indispensable for organizational stability and long-term success (Paul & Vincent, 2018). Employee retention is a pressing challenge in today's competitive business environment, with high turnover rates imposing substantial costs on



organizations through decreased productivity, increased recruitment expenses, and loss of expertise (Hausknecht & Holwerda, 2013). As a global leader in the beverage industry, Coca-Cola Company faces these challenges while striving to maintain its competitive edge. Although employee empowerment, performance appraisal, and compensation are widely recognized as critical drivers of retention, there is a lack of understanding of their specific impact within Coca-Cola, particularly in the Abuja. This knowledge gap hinders the organization's ability to implement tailored strategies that effectively address employee expectations and industry competition.

Understanding how empowerment, through autonomy and decision-making authority, influences retention is vital, as studies show its potential to boost job satisfaction and loyalty (Meyers & van Woerkom, 2014). Similarly, performance appraisals, when fair and constructive, align employee goals with organizational objectives, enhancing motivation and retention (DeNisi & Murphy, 2017). Compensation, as a tangible acknowledgment of employee contributions, plays a pivotal role in incentivizing long-term commitment (Shields et al., 2015). This study addresses the existing knowledge gap by investigating the influence of these talent management practices on employee retention within Coca-Cola Abuja. The findings will provide actionable insights to strengthen retention strategies and ensure the sustainability of the organization's human resource capabilities.

## **Literature Review**

### **Theoretical Review**

#### **Social Exchange Theory (SET)**

The Social Exchange Theory (SET) explains that relationships are formed through reciprocal exchanges where individuals assess the costs and benefits of their interactions. Employees are more likely to remain in an organization when the perceived benefits, such as empowerment, fair appraisals, and competitive compensation, outweigh the challenges, including work stress or unmet expectations (Blau, 1964). In Nigerian Bottling Company Plc, Abuja, the theory highlights how organizational support through practices like decision-making autonomy, transparent evaluations, and fair compensation strengthens employee loyalty and reduces turnover. When employees feel valued, they are more likely to respond with commitment and sustained effort, fostering higher retention rates (Cropanzano & Mitchell, 2005). This framework underscores the importance of aligning talent management practices with employee expectations to enhance organizational stability and success.

### **Review of Empirical Studies and Hypotheses Development**

#### **Compensation and Employee Retention**

Several studies have explored the critical role of compensation in employee retention, consistently highlighting its significance across industries. Suprayitno (2024) demonstrated that



competitive and fair compensation packages, including both direct financial rewards such as salaries and bonuses, and indirect benefits like health insurance and paid leave, significantly enhance retention by fostering employee loyalty and reducing turnover. Also, Yuniana and Hanafia (2024) emphasized that compensation acts as a recognition of employee value, with well-rounded packages incorporating non-monetary benefits like professional development opportunities contributing substantially to long-term commitment, particularly in sectors with high turnover rates. Similarly, Khan et al (2024) found that compensation is a strong indicator of organizational commitment and appreciation, especially for high-performing employees. Their study highlighted that comprehensive compensation packages, reflecting industry standards and employees' contributions, improve job satisfaction and retention by aligning organizational objectives with employees' financial needs. Likewise, Ahmed et al (2020) corroborated these findings within the manufacturing sector, where competitive compensation, including salaries, bonuses, and benefits, was shown to foster a positive work environment and reduce turnover intentions. Furthermore, in the retail and hospitality industries, Schaap and Olckers (2020) emphasized the importance of holistic compensation packages that include both financial and non-monetary rewards, such as career development opportunities and work-life balance initiatives, in retaining employees. They argued that employees who perceive their compensation as reflective of their performance and contributions are more likely to remain in their roles. Nawaz (2019) further reinforced this perspective in the banking sector, demonstrating that fair compensation packages, inclusive of bonuses, incentives, and long-term benefits, significantly enhance employee loyalty and organizational commitment. Collectively, these studies underscore the importance of well-structured, equitable compensation systems in fostering employee retention across diverse organizational contexts.

Based on the above discussions, it is hypothesized that:

**H<sub>1</sub>:** Compensation has a significant and positive impact on employee retention.

### **Performance Appraisal and Employee Retention**

Mangal and Dhamija (2024) found that transparent and constructive appraisal systems enhance employee satisfaction, motivation, and retention by fostering a sense of fairness and professional growth. Similarly, Khan et al. (2024) emphasized that appraisals promoting development, providing clear feedback, and aligning with organizational goals not only increase job satisfaction but also reduce turnover, while biased or ineffective systems can have the opposite effect.

Larbey et al. (2024) reinforced these findings, noting that development-oriented appraisals offering meaningful feedback create a sense of value and acknowledgment, particularly in high-turnover industries, but warned that inconsistency or bias in appraisals can drive employees away. In the hospitality sector, Eyoun et al (2020) demonstrated that fair and constructive appraisals positively influence retention by enhancing job satisfaction and recognizing



performance. Similarly, Malik et al. (2020) highlighted that effective appraisals in the healthcare sector not only boost morale and loyalty but also reduce turnover by meeting career expectations through opportunities for professional growth and rewards. Grounded in the preceding analysis, it is hypothesized that:

**H<sub>2</sub>:** Performance appraisal significantly and positively influences employee retention.

### **Employee Empowerment and Employee Retention**

Alajlani and Yesufu (2022) found that empowering employees in the public sector of the Middle East by providing tools, resources, and decision-making authority significantly increased retention rates by fostering a sense of value and engagement. Similarly, Tampi, et al (2022) demonstrated that empowerment in the retail sector, through granting control over work processes and encouraging initiative, positively influenced motivation and satisfaction, thereby reducing turnover. Jain and Verma (2022) emphasized that autonomy and access to resources enhanced job satisfaction and loyalty, making empowerment a crucial strategy for retaining talent.

In the Saudi Arabian oil and gas industry, Almanie (2022) highlighted that participative decision-making and shared organizational goals fostered responsibility and long-term commitment among employees. In the Indian service industry, Sharma et al (2018) noted that empowerment, defined as autonomy and task ownership, led to higher satisfaction and reduced turnover, as employees felt valued and trusted. Bibi et al (2018) extended these findings to the manufacturing sector in Pakistan, where training, autonomy, and decision-making opportunities enhanced job satisfaction, trust, and organizational commitment. Collectively, these studies demonstrate that employee empowerment (through autonomy, participative decision-making, and opportunities for growth) is a key driver of job satisfaction, loyalty, and retention across diverse organizational contexts.

Drawing from the discussions above, it is hypothesized that:

**H<sub>3</sub>:** Employee empowerment has a significant and positive effect on employee retention.

### **Methodology**

This study adopts a quantitative research design to examine the influence of employee empowerment, performance appraisal, and compensation on employee retention. Using a cross-sectional survey approach, standardized data were collected from a sample of employees to analyze relationships and test hypotheses (Creswell & Creswell, 2018). The target population comprised all 620 employees of Nigerian Bottling Company (NBC), in Abuja, including permanent and contract staff across various roles and departments. A stratified random sampling technique was employed which involved choosing a specific number of staff per grade and function across all the departments covered by the study. This number ensure diverse



representation based on department and employment level (Bryman & Bell, 2015). Using Raosoft's sample size calculator with a 5% margin of error and a 95% confidence level, the sample size was determined to be 238 employees. Data collection involved structured, self-administered questionnaires featuring Likert-scale items designed to measure employee perceptions of empowerment, performance appraisal, compensation, and retention (Zikmund et al, 2013). The collected data were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis to evaluate the impact of the independent variables on employee retention.

### Model Specification

$$ER = \beta_0 + \beta_1COMP + \beta_2PAP + \beta_3EE + e$$

Where ER = the dependent variable = Employee Retention (Emp\_Ret) ;  $\beta_0$  = Constant or coefficient of intercept;  $\beta_1$  = Coefficient of Compensation,  $\beta_2$  = Coefficient of Performance Appraisal ;  $\beta_3$  = Coefficient of Employee Empowerment ; COMP = Compensation (Comp); PAP = Performance Appraisal ; EE = Employee Empowerment; e = Error term

## Results and Discussion

### Response Rate

A total of 182 valid responses were received out of the targeted 238 questionnaires, resulting in a response rate of 76.5% as shown in Table 1. This rate is considered sufficient for enhancing the reliability and generalizability of the study's findings, as response rates above 70% are deemed adequate for quantitative research (Baruch & Holtom, 2008; Fowler, 2013). Such a high response rate reduces the potential for non-response bias, strengthening the credibility of the results.

**Table 1: Response Rate**

Response Rate	Frequency	Percentage
Returned questionnaires	182	76.5
Unreturned questionnaires	56	23.5
<b>Total</b>	<b>238</b>	<b>100.0</b>

### Reliability Analysis

The reliability of the instrument used in the study was measured using Cronbach's Alpha. The Cronbach's Alpha value of 0.731 as shown in Table 2 indicates a good level of internal consistency, as values above 0.70 are generally considered acceptable (Nunnally & Bernstein, 1994). The instrument consisted of 4 items.



**Table 2: Reliability Analysis**

Criteria	No of Items	Cronbach Alpha
COMP	5	.726
PAP	5	.785
EE	5	.956
ER	5	.840

Source: Author's Compilation (2025)

**Table 2: Reliability Statistics**

Cronbach's Alpha	N of Items
.731	4

### Correlation Analysis

Pearson correlation coefficients were computed to examine the relationships between employee retention (ER) and the independent variables: compensation (Comp), performance appraisal (PA), and employee empowerment (EE) as displayed in Table 3.

Employee Retention (ER) and Compensation (Comp): The correlation between ER and Comp is **0.455** ( $p < 0.01$ ), indicating a moderate positive relationship. This suggests that higher compensation is associated with higher employee retention.

Employee Retention (ER) and Performance Appraisal (PA): The correlation between ER and PA is **0.553** ( $p < 0.01$ ), showing a moderate to strong positive relationship. This implies that effective performance appraisal practices are positively associated with employee retention.

Employee Retention (ER) and Employee Empowerment (EE): The correlation between ER and EE is **0.609** ( $p < 0.01$ ), indicating a strong positive relationship. This suggests that increased employee empowerment is strongly linked with improved employee retention.

**Table 3: Correlations**

		ER	Comp	PA	EE
ER	Pearson Correlation	1	.455**	.553**	.609**
	Sig. (2-tailed)		.000	.000	.000
	N	182	182	182	182
Comp	Pearson Correlation	.455**	1	.178*	.417**
	Sig. (2-tailed)	.000		.016	.000
	N	182	182	182	182
PA	Pearson Correlation	.553**	.178*	1	.271**
	Sig. (2-tailed)	.000	.016		.000
	N	182	182	182	182
EE	Pearson Correlation	.609**	.417**	.271**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	182	182	182	182

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

\* Correlation is significant at the 0.05 level (2-tailed).



## Multiple Regression Analysis

### i. Model Summary

A multiple regression analysis was conducted to examine the combined effect of compensation, performance appraisal, and employee empowerment on employee retention as demonstrated in Table 4. The R-squared value of 0.570 suggests that 57% of the variance in employee retention can be explained by the independent variables (compensation, performance appraisal, and employee empowerment). The adjusted R-squared value of 0.563 further supports the fit of the model, while the Durbin-Watson statistic of 1.528 indicates no significant autocorrelation of residuals (values between 1.5 and 2.5 are considered acceptable).

**Table 4: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.755 <sup>a</sup>	.570	.563	2.033	1.528

a. Predictors: (Constant), EE, PA, Comp

b. Dependent Variable: ER

### ANOVA

The ANOVA table (Table 5) indicates that the overall regression model is statistically significant ( $F = 78.618$ ,  $p < 0.001$ ), suggesting that the independent variables (compensation, performance appraisal, and employee empowerment) significantly predict employee retention.

**Table 5: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	974.716	3	324.905	78.618	.000 <sup>b</sup>
	Residual	735.619	178	4.133		
	Total	1710.335	181			

a. Dependent Variable: ER

b. Predictors: (Constant), EE, PA, Comp

### Regression Coefficients

The unstandardized coefficients as presented in Table 6 indicate the expected change in employee retention for a one-unit increase in each predictor:

Compensation (Comp): For each unit increase in compensation, employee retention is expected to increase by 0.177 units. This relationship is significant ( $p < 0.001$ ), with a standardized coefficient (Beta) of 0.211, indicating a moderate effect.

Performance Appraisal (PA): For each unit increase in performance appraisal, employee retention is expected to increase by 0.403 units. This relationship is significant ( $p < 0.001$ ), with a standardized coefficient (Beta) of 0.403, indicating a strong effect.



Employee Empowerment (EE): For each unit increase in employee empowerment, employee retention is expected to increase by 0.321 units. This relationship is significant ( $p < 0.001$ ), with a standardized coefficient (Beta) of 0.412, indicating a strong effect.

**Table 6: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	2.720	1.393		1.953	.052		
	Comp	.177	.045	.211	3.890	.000	.821	1.218
	PA	.403	.051	.403	7.875	.000	.921	1.086
	EE	.321	.043	.412	7.427	.000	.786	1.273

a. Dependent Variable: ER

## Discussion of Findings

This section highlights the relationship between key variables and employee retention based on the study's results and existing literature.

### Compensation and Employee Retention

Research consistently demonstrates that competitive and fair compensation packages play a vital role in enhancing employee retention. Compensation, including direct rewards like salaries and bonuses, and indirect benefits such as health insurance and professional development opportunities, fosters loyalty and reduces turnover. Suprayitno (2024) and Yuniana and Hanafia (2024) highlight that well-rounded compensation packages that recognize employee value significantly contribute to long-term commitment, particularly in high- turnover sectors. The findings showed that compensation has a significant positive impact on employee retention.

### Performance Appraisal and Employee Retention

Effective performance appraisal systems are pivotal in improving employee satisfaction, motivation, and retention. Transparent and constructive feedback fosters fairness, professional growth, and alignment with organizational goals, as noted by Mangal and Dhamija (2024). Conversely, biased or ineffective appraisals can increase dissatisfaction and turnover, as emphasized by Khan et al. (2024). The findings showed that performance appraisal significantly and positively influences employee retention.

### Employee Empowerment and Employee Retention

Employee empowerment strongly correlates with retention by promoting a sense of value and engagement. Providing tools, resources, and decision-making authority enhances employees' commitment and reduces turnover, as evidenced by Alajlani and Yesufu (2022). This



relationship holds true across industries and regions, particularly in sectors requiring high levels of engagement. The findings showed that employee empowerment has a significant positive effect on employee retention.

### **Conclusion and Recommendations**

The study concluded that compensation, performance appraisal, and employee empowerment significantly influence employee retention, collectively accounting for 57% of the variance in retention rates. Performance appraisal emerged as the strongest predictor (Beta = 0.403), emphasizing the need for fair, transparent, and developmental feedback systems to enhance satisfaction and loyalty. Employee empowerment, with a Beta value of 0.412, underscores the importance of providing resources, decision-making authority, and fostering a sense of value to strengthen employee engagement and commitment. Compensation, though moderate in its effect (Beta = 0.211), remains a crucial factor, affirming that competitive and equitable remuneration, including financial rewards and non-financial benefits, is essential for retention.

The study recommends as follows:

- i. Organizations should implement an integrated approach to retention strategies by enhancing appraisal systems, empowering employees, offering competitive compensation, and creating a motivating work environment especially at Nigerian Bottling Company Plc, Abuja.
- ii. Regular evaluation of turnover trends and feedback mechanisms should be put in place to ensure continuous improvement in retention practices and to maintain a loyal, high-performing workforce.
- iii. The company should improve the compensation mechanism of employees to attract loyalty and productivity of the workforce
- iv. The company should implement an objective and seamless performance appraisal system devoid of favoritism and partiality to ensure enhanced productivity of employee.

### **References**

- Ahmed, Z., Othman, N. B., & Yean, T. F. (2020). Impact of Human Resource Management Practices on Employee Retention: A Study of Public Healthcare Sector of Pakistan. *IOSR Journal of Business and Management (IOSR-JBM) e-ISSN*, 09-15.
- Alajlani, S., & Yesufu, L. O. (2022). The impact of human resource practices on employee retention: A study of three private higher educational institutions in the United Arab Emirates. *SA Journal of Human Resource Management*, 20, 1823.
- Almanie, M. (2022). The effect of employee empowerment on employee retention in the oil and gas industry. *International Journal of Business and Management*, 10(2), 45-58.
- Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. *Human Relations*, 61(8), 1139–1160.
- Bibi, S., Ahmad, Z., & Majid, M. (2018). The effect of employee empowerment on employee



- retention in the manufacturing industry of Pakistan. *International Journal of Business and Social Science*, 9(5), 47-56.
- Blau, P. M. (1964). *Exchange and Power in Social Life*. New York: Wiley.
- Bryman, A., & Bell, E. (2015). *Business Research Methods* (4th ed.). Oxford University Press.
- Creswell, J. W., & Creswell, J. D. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (5th ed.). SAGE Publications.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874-900.
- DeNisi, A. S., & Murphy, K. R. (2017). Performance appraisal and performance management: 100 years of progress? *Journal of applied psychology*, 102(3), 421.
- De Winne, S., Marescaux, E., Sels, L., Van Beveren, I., & Vanormelingen, S. (2019). The impact of employee turnover and turnover volatility on labor productivity: a flexible non-linear approach. *The International Journal of Human Resource Management*, 30(21), 3049-3079.
- Elsafty, A., & Oraby, M. (2022). The impact of training on employee retention: Empirical research on the private sector in Egypt. *International Journal of Business and Management*, 17(5), 58-74.
- Eyoun, K., Chen, H., Ayoun, B., & Khelifat, A. (2020). The relationship between purpose of performance appraisal and psychological contract: Generational differences as a moderator. *International Journal of Hospitality Management*, 86, 102449.
- Field, A. (2018). *Discovering Statistics Using IBM SPSS Statistics* (5th ed.). SAGE Publications.
- Fowler, F. J. (2013). *Survey research methods* (5th ed.). Sage Publications.
- Hausknecht, J. P., & Holwerda, J. A. (2013). When does employee turnover matter? Dynamic member configurations, productive capacity, and collective performance. *Organization Science*, 24(1), 210-225.
- Jain, N., & Verma, P. (2022). The mediating effect of talent retention on resilience, proactive personality, employee empowerment, and business performance: A conceptual framework and review. *Journal of Positive School Psychology*, 6(5), 9117-9123.
- Khan, M. A., Farooqi, M. R., Ahmad, M. F., Haque, S., & Alkhuraydili, A. (2024). Influence of Compensation, Performance Feedback on Employee Retention in Indian Retail Sector. *SAGE Open*, 14(2), 21582440241236615.
- Larbey, D., Kwasira, J., & Nambuswa, E. (2024). Human Resource Employee Appraisal Analytic and Employee Retention in Public Health Sector in Ghana. *International Journal of Business Management and Processes (ISSN 2616-3209)*, 6(2), 145-157.
- Malik, E., Baig, S. A., & Manzoor, U. (2020). Effect of HR practices on employee retention: The role of perceived supervisor support. *Journal of Public Value and Administrative Insight*, 3(1), 1-7.
- Mangal, V., & Dhamija, S. (2024). Impact of appraisal systems on employee retention in the FMCG sector in India: a review. *Sustainability in Digital Transformation Era: Driving*



- Innovative & Growth*, 256-264.
- Meyers, M. C., & Van Woerkom, M. (2014). The influence of underlying philosophies on talent management: Theory, implications for practice, and research agenda. *Journal of World Business*, 49(2), 192-203.
- Nawaz, M. (2019). The impact of compensation on employee retention in the banking sector: Evidence from Pakistan. *International Journal of Economics, Management, and Accounting*, 27(1), 85-102.
- Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). McGraw-Hill.
- Paul, A. K., & Vincent, T. N. (2018). Employee motivation and retention: issues and challenges in startup companies. *Int. J. Creat. Res. Thoughts*, 6(1), 2050-2056.
- Schaap, P., & Olckers, C. (2020). Compensation and employee retention: Exploring the role of work-life balance and career development in the retail sector. *Journal of Organizational Behavior*, 41(5), 488-507.
- Sharma, M., Gupta, S., & Sharma, P. (2018). Impact of employee empowerment on retention of knowledge workers in higher education sector. *International Journal of Research in Humanities, Arts and Literature*, 6(4), 1-6.
- Shields, J., Brown, M., Kaine, S., Dolle-Samuel, C., North-Samardzic, A., McLean, P., ... & Robinson, J. (2015). *Managing employee performance & reward: Concepts, practices, strategies*. Cambridge University Press.
- Suprayitno, D. (2024). Assessing the Effect of Compensation Packages, Work-Life Balance Policies, and Career Development Opportunities on Employee Retention: A Case Study of MSME Employee. *International Journal of Business, Law, and Education*, 5(2), 1592-1561.
- Tampi, P. P., Nabella, S. D., & Sari, D. P. (2022). The influence of information technology users, employee empowerment, and work culture on employee performance at the Ministry of Law and Human Rights Regional Office of Riau Islands. *Enrichment: Journal of Management*, 12(3), 1620-1628.
- Yuniana, S., & Hanafia, F. (2024). The Influence of Training, Career Development, and Compensation on Employee Retention at PT. Seiwa Indonesia. *Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)*, 7(3), 5084-5107.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods* (9th ed.). Cengage Learning.