Reward Structures and Employee Retention in Public Legal Institutions in Nigeria

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Abstract: *Employee retention remains a critical challenge in Nigeria's public sector, where rigid administrative structures and limited reward flexibility continue to weaken workforce stability. This study examines how three dimensions of reward structures (benefits, promotion, and incentives) influence employee retention in selected judicial and legal institutions. Using a quantitative cross-sectional design, data were collected through structured questionnaires from 354 employees across seven public institutions: The Supreme Court, Court of Appeal, Federal High Court, National Judicial Council, Federal Judicial Service Commission, National Judicial Institute, and Federal Ministry of Justice. Structural Equation Modeling (SEM) was employed to test the hypothesized relationships. Model fit indices demonstrated acceptable fit (χ^2/df = 2.18, CFI = 0.952, TLI = 0.943, RMSEA = 0.061, SRMR = 0.047). Findings revealed that benefits (β = 0.16, p = 0.005) and incentives (β = 0.33, p < 0.001) significantly and positively influenced employee retention, while promotion showed no significant effect (β = 0.08, p = 0.094). The model explained 58% of variance in retention outcomes. These findings suggest that incentive systems constitute the most powerful retention mechanism in Nigeria's public sector, followed by benefits administration. The non-significant effect of promotion highlights structural challenges in public sector career advancement systems. The study contributes to public sector human resource management literature by providing empirical evidence on the differential effects of reward structure components in a non-Western context, offering practical insights for policymakers seeking to enhance workforce stability through targeted reward system reforms.*
Keywords: Employee retention, Reward structures, Benefits, Promotion, Incentives, Public sector, Nigeria, Structural Equation Modeling

INTRODUCTION

Employee retention has become a critical concern in Nigeria's public sector due to increasing turnover rates, declining workforce stability, and reduced institutional performance. Recent evidence suggests that many public organizations in Nigeria experience persistent challenges in retaining skilled employees, largely due to weak human resource practices and limited motivational mechanisms (Akinwale & George, 2021; Eze & Nwibere, 2023). Public institutions operate within rigid bureaucratic structures and budgetary constraints that limit their ability to design competitive, flexible, and equitable reward systems. Consequently, employees frequently report dissatisfaction with promotion delays, inadequate benefits, and poorly structured incentive systems (Ibrahim & Daniel, 2022; Ogunyomi & Bruning, 2023). Reward structures—particularly promotion opportunities, employee benefits, and performance-based incentives—play a central role in shaping job satisfaction, organizational commitment, and retention outcomes. Empirical studies conducted between 2020 and 2024 demonstrate that employees are more likely to remain in organizations where promotion procedures are transparent, benefits are fairly administered, and incentives are directly linked to measurable performance outcomes (Okeke & Onuoha, 2021; Salau, Osibanjo, & Adeniji, 2022). When employees perceive reward systems as equitable and supportive, they develop stronger affective commitment and lower turnover intentions (Alola & Akinbobola, 2024). However, within Nigeria's public sector, reward administration remains inconsistent. Promotion processes are often delayed due to bureaucratic bottlenecks, benefits disbursement may lack transparency, and incentive systems are either weakly implemented or poorly communicated (Bello & Tanko, 2023; Nwachukwu & Chladkova, 2024). Such deficiencies undermine perceptions of distributive and procedural justice, thereby increasing employee turnover intentions and reducing organizational loyalty.

The effectiveness of reward structures is further influenced by leadership practices. Contemporary studies highlight that transformational leadership strengthens the motivational impact of rewards by enhancing clarity, recognition, and individualized consideration (Avolio & Yammarino, 2022; Effiong & Edet, 2023). Transformational leaders help employees interpret reward systems as supportive and meaningful, thereby reinforcing retention outcomes. Nevertheless, leadership practices in many Nigerian public institutions remain predominantly transactional and compliance-driven, which limits the psychological and motivational value of existing reward systems (Oladipo & Adebisi, 2024).

Despite the strategic importance of reward structures in enhancing employee retention, Nigeria's public sector continues to experience persistent workforce instability, rising turnover rates, and reduced service delivery effectiveness (Eze & Nwibere, 2023; Nwachukwu & Chladkova, 2024). Although existing studies acknowledge that rewards influence employee attitudes and performance outcomes, empirical findings suggest that public sector reward systems remain poorly structured, inconsistently implemented, and inadequately aligned with employee expectations (Bello & Tanko, 2023; Ogunyomi & Bruning, 2023). Recent literature emphasizes that promotion opportunities, employee benefits, and incentive systems significantly influence employees' commitment and intention to remain in an organization (Salau, Osibanjo, & Adeniji, 2022; Alola & Akinbobola, 2024). However, in Nigeria's public sector, promotion procedures are often delayed, benefits lack transparency, and performance-based incentives are either weak or not clearly communicated, thereby undermining employees' perceptions of fairness and organizational support (Ibrahim & Daniel, 2022; Oladipo & Adebisi, 2024). These deficiencies contribute to increased turnover intentions and actual turnover rates.

Furthermore, while prior studies have examined rewards as a general construct, limited recent research has disaggregated reward structures into specific components—promotion, benefits, and incentives—and examined their separate effects on both employee retention and employee turnover rate within public sector organizations (Akinwale & George, 2021; Effiong & Edet, 2023). In addition, insufficient empirical attention has been given to the contextual realities of Nigeria's public institutions, particularly within rigid bureaucratic and budget-constrained environments.Therefore, there remains a contextual, conceptual, and empirical gap in understanding how distinct reward structure components influence employee retention and turnover rate in Nigeria's public sector. Addressing this gap is essential for providing evidence-based human resource strategies capable of strengthening workforce stability and improving institutional performance.

Research Gap and Contribution
Despite the recognized importance of rewards in employee retention, several gaps persist in existing literature. First, most studies treat rewards as a monolithic construct, obscuring the differential effects of specific reward components. Second, there is limited empirical evidence examining reward effectiveness in Nigeria's public sector (particularly within judicial and legal institutions that operate under unique bureaucratic constraints). Third, few studies have employed rigorous quantitative methods such as Structural Equation Modeling to simultaneously examine multiple reward dimensions.

This study addresses these gaps by disaggregating reward structures into three distinct dimensions (benefits, promotion, and incentives) and examining their individual effects on employee retention using SEM. By focusing on judicial and legal institutions in Nigeria, the study provides context-specific insights into reward effectiveness in environments characterized by standardized salaries, slow promotion cycles, and limited managerial flexibility.

The study examined the impact of reward structures on employee retention in selected public sector organizations in Nigeria. Specific objectives were to:

   i.   Examine the effect of benefits on employee retention in selected public sector organizations in Nigeria.
  ii.   Assess the effect of promotion on employee retention in selected public sector organizations in Nigeria.
 iii.   Examine the effect of incentives on employee retention in selected public sector organizations in Nigeria.

Based on the objectives, the following null hypotheses were tested:

$H0_1$: Benefits have no significant effect on employee retention in selected public organizations in Nigeria.

$H0_2$: Promotion have no significant effect on employee retention in selected public organizations in Nigeria.

$H0_3$: Incentives have no significant effect on employee retention in selected public organizations in Nigeria.

This study makes three key contributions. First, it provides empirical evidence on reward system effectiveness in Nigeria's judicial sector, an understudied context. Second, it disaggregates rewards into three distinct dimensions, revealing differential effects often masked when rewards are treated as a single construct. Third, it offers practical insights for public sector HR reform in resource-constrained environments where salary increases may not be feasible, but other reward mechanisms can be optimized. The findings can help policymakers in public organizations understand the impact of reward systems on employee retention. This understanding can lead to the development of policies that support the adoption of effective rewards and compensation systems that promote employee retention. By promoting effective reward structures, policymakers can ensure the achievement of organizational goals, enhance the quality of employee welfare, and contribute to the overall development of the public organizational sector.

The remainder of this paper is organized as follows: Section 2 reviews relevant literature and theoretical foundations; Section 3 describes the methodology; Section 4 presents results; Section 5 discusses findings and implications; Section 6 outlines limitations and future research directions; and Section 7 provides recommendations and conclusions.

LITERATURE REVIEW

Conceptual Clarification

Rewards Structures

Rewards and compensation refer to the total package of financial and non-financial returns employees receive in exchange for their work contributions (Armstrong & Taylor, 2020). This includes all forms of monetary payments, allowances, recognition mechanisms, and organizational provisions that contribute to employees' overall work experience. Rewards and compensation systems serve as strategic tools for motivating employees, enhancing satisfaction, and strengthening organizational commitment (Milkovich, Newman & Gerhart, 2019). When structured effectively, they create a sense of fairness, support, and value, which can improve employees' willingness to remain with the organization. In public sector settings, where salary structures are often rigid, the broader reward and compensation system plays an essential role in shaping employee attitudes and retention outcomes (WorldatWork, 2021).

Benefits

Employee benefits constitute essential components of the reward system and play a central role in influencing job satisfaction, commitment, and retention, especially in public sector workplaces where non-salary rewards often determine employees' perceptions of organizational support. Benefits refer to indirect, non-wage compensations such as pensions, health insurance, leave entitlements, housing allowances, transportation support, and welfare programs (WorldatWork, 2021). These provisions contribute to employees' physical, social, and financial well-being, making them an important foundation for workplace stability. In Nigeria's public sector, benefits are particularly influential due to the predictable but often modest salary structures. Employees rely heavily on institutional benefits to cushion economic pressures and support long-term security. When benefits are adequate, consistently administered, and easily accessible, employees perceive their employer as caring and supportive, which enhances trust, morale, and loyalty (Oluwole & Bamidele, 2021). Conversely, inconsistent benefit payments, limited allowances, or poorly communicated policies lead to dissatisfaction, reduced motivation, and increased turnover intentions (Sarmad et al., 2020). Benefits also function as hygiene factors in Herzberg's Two-Factor Theory, meaning they prevent dissatisfaction and support retention through security and organizational support perceptions when present but may not necessarily motivate on their own. However, in public institutions where salaries are fixed and promotion can be slow, benefits become powerful retention tools that meet employees' security-based needs (Herzberg, 1959). Research consistently shows that benefits have a significant impact on employees' decision to stay, particularly among mid-level workers and employees with families or long-term financial commitments (Effiong & Edet, 2022).

Promotion

Promotion is widely recognized as one of the strongest predictors of employee motivation, job satisfaction, and long-term retention, particularly within public sector institutions where career progression pathways influence employees' sense of stability and achievement. Promotion involves the upward movement of employees to higher positions within the organizational hierarchy, accompanied by increased responsibilities, authority, and compensation (Armstrong & Taylor, 2020). Beyond financial rewards, promotion signals recognition of effort, competence, and loyalty, making it a powerful psychological motivator. Employees who perceive promotion processes as fair, transparent, and merit-based often develop stronger emotional attachment to their organization, reducing their likelihood of seeking employment elsewhere (Adebayo & Akintayo, 2019).

In Nigeria's public sector, promotion practices are central to employee morale due to the structured nature of career ladders and the relatively fixed salary framework. When promotion is delayed, politicized, or inconsistent, employees experience frustration, reduced trust, and diminished motivation, all of which elevate turnover intentions (Olowu & Oyetunji, 2022). Conversely, timely promotions reinforce organizational justice and provide employees with a clear understanding of their career trajectory. Promotion also fulfills key motivator elements in Herzberg's Two-Factor Theory by enhancing recognition, advancement, and achievement (factors closely associated with job satisfaction and retention) (Herzberg, 1959).

Promotion motivator enhances retention by providing career growth and recognition. Research consistently demonstrates that promotion opportunities are among the top drivers of retention in public institutions, with employees often prioritizing career growth over short-term financial gains (Sarmad et al., 2020). Therefore, establishing transparent promotion criteria, consistent implementation, and merit-based assessments can significantly strengthen loyalty, reduce turnover, and improve overall workforce stability.

Incentives

Incentives are strategic tools used to motivate employee performance and influence workplace behavior through financial or non-financial rewards. They include bonuses, performance allowances, recognition awards, commendations, paid training opportunities, and other forms of acknowledgment that reinforce employees' efforts and contributions (Milkovich, Newman & Gerhart, 2019). Effective incentive systems create positive reinforcement, increase engagement, and strengthen organizational loyalty by rewarding employees for achieving performance targets or demonstrating exceptional commitment.

In the public sector context, incentives are crucial because salary structures are standardized and promotions may not occur frequently. Incentives performance-reward linkage strengthen retention by creating clear effort-reward connections therefore serve as flexible, performance-driven mechanisms for recognizing employee effort and motivating productivity. When incentives are fairly administered and linked to clear performance metrics, employees develop a stronger sense of purpose and commitment, which contributes to long-term retention (Effiong & Edet, 2022). Non-financial incentives such as praise, certificates, training opportunities, and public recognition also provide psychological value, boosting morale and creating a sense of belonging.

However, weak or inconsistent incentive systems (common in many Nigerian public institutions) often undermine motivation and contribute to disengagement. Employees may perceive incentive structures as unfair or politically influenced when criteria are unclear or distribution is uneven, leading to dissatisfaction and increased turnover intentions (Adebayo & Akintayo, 2019). Expectancy Theory further emphasizes the importance of incentives by arguing that employees are more likely to perform when they believe their effort will be rewarded, and that the reward is valuable (Vroom, 1964). Because incentives directly satisfy this expectancy-reward link, they have a profound effect on employee retention.
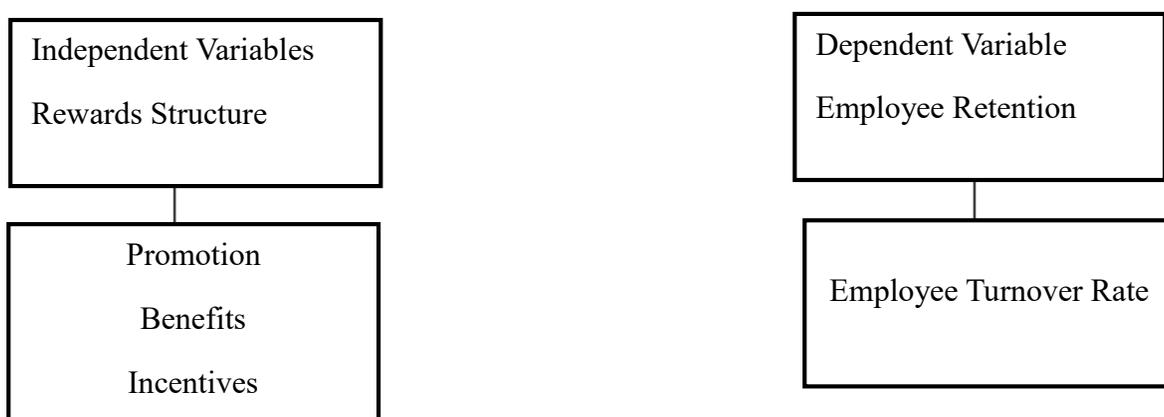
Employee Retention

Employee retention refers to an organization's ability to keep its employees for an extended period while minimizing voluntary turnover and ensuring a stable, committed workforce (Meyer & Allen, 2022). It encompasses organizational policies, practices, and environmental factors that motivate employees to remain engaged and continue their employment rather than seeking opportunities elsewhere. Retention is

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particularly critical in the public sector, where high turnover disrupts service delivery, increases recruitment costs, reduces institutional memory, and weakens operational efficiency (Sarmad et al., 2020). Retention is influenced by a combination of intrinsic and extrinsic factors, including career growth opportunities, fair compensation, recognition, workplace relationships, leadership style, and job security (Armstrong & Taylor, 2020). In Nigeria's public sector, employees often place high value on stability, benefits, promotion opportunities, and supportive HR practices, making these elements central to their decision to stay (Oluwole & Bamidele, 2021). When employees perceive fairness in organizational systems, such as transparent promotion, adequate benefits, and consistent incentives, they develop stronger commitment and reduced turnover intentions (Milkovich, Newman & Gerhart, 2019). Studies show that employees are more likely to remain when reward systems align with their expectations, when work environments are supportive, and when career pathways are clearly defined (Effiong & Edet, 2022). Therefore, understanding retention from a multidimensional perspective provides valuable insight into how public organizations can design effective reward structures that promote loyalty, reduce turnover, and enhance long-term workforce stability.

Conceptual Framework
The conceptual framework illustrates the hypothesized relationships between the three reward structure dimensions (benefits, promotion, and incentives) and employee retention, grounded in the three theoretical perspectives discussed above.

Figure 1: Conceptual Model
Source: Authors', 2025

Theoretical Framework
The theoretical framework provides the scholarly foundation for understanding how reward structures influence employee retention within public sector organizations. Three major theories were reviewed in this study: Herzberg's Two-Factor Theory, Equity Theory, and Expectancy Theory. These theories explain why employees remain in organizations, why they leave, and how reward systems can strengthen or weaken retention outcomes.

Herzberg's Two-Factor Theory
Herzberg's Two-Factor Theory distinguishes between motivators and hygiene factors as determinants of employee attitudes and retention. Hygiene factors include salary, job security, working conditions, and organizational policies. Their presence does not necessarily motivate employees, but their absence leads to dissatisfaction and turnover (Herzberg, 1959). Motivators, such as recognition, growth opportunities, achievement, and responsibility, drive satisfaction and long-term commitment (Herzberg et al., 2011). Within public sector organizations, hygiene factors (particularly salary, allowances, and job security) remain central to retention. Recent studies have shown that competitive compensation systems reduce employees' intention to leave and enhance organizational loyalty (Agu & Nweke, 2022; Mohammed & Hassan, 2023). However, motivators are equally important. Employees who perceive career growth, skill development, and recognition are more likely to remain committed (Okafor & Amadi, 2021). In this study, benefits function primarily as hygiene factors. Their adequacy prevents dissatisfaction. Promotion and incentives, however, can serve as motivators when they provide recognition and advancement opportunities. The theory predicts that all three dimensions should positively influence retention, though through different psychological mechanisms.

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Equity Theory
Equity Theory (Adams, 1965) argues that employees compare what they receive from the organization (such as salary, bonuses, and recognition) with what they contribute (such as time, skills, and effort). When employees perceive fairness, they exhibit higher levels of commitment, job satisfaction, and intention to stay (Ahmed & Shittu, 2022). However, perceived inequity leads to emotional distress, withdrawal behaviors, and eventually turnover. In public sector organizations, perceptions of inequity often arise from inconsistent pay structures, delayed salary payments, unclear promotion pathways, and favoritism in rewards administration. When employees believe that others with similar roles receive better rewards or more favorable treatment, feelings of inequity intensify (Eze & Martins, 2023). This perception directly reduces employee retention. Equity Theory is particularly relevant to this study because it emphasizes that the perceived fairness of benefits, promotion, and incentives may matter as much as their absolute levels. Even generous reward packages may fail to retain employees if distribution processes are perceived as unfair or inconsistent.

Expectancy Theory
Expectancy Theory (Vroom, 1964) states that employees remain motivated when they believe:
Expectancy: Effort leads to performance; Instrumentality: Performance leads to rewards; Valence: The rewards are valuable. This means employees stay longer when they see a clear and meaningful connection between their effort, performance, and the rewards they receive. In the public sector, however, this connection is often weak due to rigid bureaucratic structures and limited performance-based incentives (Usman & Gana, 2022). Recent research emphasizes that when organizations link compensation to performance (such as through allowances, performance bonuses, and recognition) employee retention improves significantly (Olayemi & Ajayi, 2023). Employees must believe that their contributions directly influence what they receive; otherwise, they disengage. Expectancy Theory predicts that incentives should have the strongest effect on retention because they most clearly link performance to valued outcomes. Benefits may have weaker effects because they are typically distributed uniformly rather than based on performance. Promotion effects depend on whether advancement is perceived as achievable through effort (high expectancy) or determined by tenure and politics (low expectancy).

Empirical Review

Rewards and Employee Retention
Several empirical studies affirm that rewards significantly influence employee retention in both private and public institutions. Bala and Dada (2021) found that competitive financial rewards reduce employees' intention to quit, particularly in organizations facing high labor mobility. Similarly, Mohammed and Hassan (2023) reported that monetary incentives such as allowances, bonuses, and salary increases positively affect retention among employees in public service institutions. Non-financial rewards have also been found influential. Okafor and Amadi (2021) discovered that recognition, career development, and training opportunities play a major role in reducing turnover intention. In the Nigerian public sector, inadequate rewards have consistently been identified as one of the leading causes of employee turnover, low motivation, and talent loss (Agu & Nweke, 2022). These studies collectively show that appropriate reward systems (both financial and non-financial) remain essential determinants of employee retention.

Compensation and Employee Retention
Compensation structures have been widely studied as predictors of employee retention. In a survey of state public service workers, Usman and Gana (2022) found a direct relationship between compensation fairness and retention. Employees who believe their compensation is competitive within their industry are more likely to stay committed. Furthermore, salary delays, irregular increments, and lack of transparency have been strongly linked to turnover in many public sector organizations (Eze & Martins, 2023). Olayemi and Ajayi (2023) also observed that performance-based compensation significantly increases retention by reinforcing effort and performance expectations. Compensation is therefore one of the most powerful tools for retaining skilled employees, especially in government-owned institutions where motivation tends to be lower.

Benefits, Promotion, Incentives and Retention
While many studies examine rewards holistically, fewer have disaggregated specific components. Ahmed and Shittu (2022) revealed that compensation alone is insufficient to ensure retention; employees also

require fair treatment and supportive organizational practices. This suggests that benefits, promotion, and incentives may have differential effects. Bassey and Edet (2023) found that participatory management and equitable treatment improve job satisfaction and strengthen retention in Nigerian public sector agencies. This highlights that how rewards are administered (transparency, fairness, and consistency) may matter as much as what is offered. However, very few empirical studies have examined benefits, promotion, and incentives as separate predictors within a single model, particularly in Nigeria's public sector. This indicates a gap this study addresses.

METHODOLOGY

This study employed a cross-sectional survey design using quantitative methods. Survey research gathers data with the intention of describing the nature of existing conditions or determining the relationships that exist between specific events. This design was appropriate because it allows for the collection of standardized data from a large sample, enabling statistical analysis of relationships between variables. The study population comprised employees of seven judicial and legal institutions in Nigeria. These institutions were selected because they represent the core of Nigeria's judicial sector and operate under similar civil service frameworks, making them comparable contexts for examining reward system effectiveness.

Table 1: Study Population

S/N	Institution	Population
1	Supreme Court of Nigeria	492
2	Court of Appeal	721
3	Federal High Court	1,194
4	National Judicial Council (NJC)	308
5	Federal Judicial Service Commission	253
6	National Judicial Institute (NJI)	157
7	Federal Ministry of Justice	975
	Total	**4,100**

Source: Human Resource Departments (2025)

To determine a statistically representative sample size, the study adopted Yamane's (1967) formula:

$n = N / (1 + Ne^2)$

Where: n = desired sample size N = population size (4,100) e = level of precision or margin of error (0.05)

Substituting into the formula:

$n = 4100 / (1 + 4100 \times (0.05)^2) = 4100 / (1 + 10.25) = 4100 / 11.25 = 364$

Hence, a total of 364 respondents was drawn for this study.

Stratified random sampling was employed to ensure proportional representation across institutions. This technique assures that every segment of the population has an equal chance of being selected, resulting in more representative samples. Questionnaires were distributed in proportion to each institution's population size.

Table 2: Sample Distribution and Response Rate

Institution	Population	Sample Size	Returned	Response Rate (%)
Supreme Court of Nigeria	492	44	43	97.7
Court of Appeal	721	64	62	96.9
Federal High Court	1,194	106	103	97.2
National Judicial Council (NJC)	308	27	27	100.0
Federal Judicial Service Commission	253	22	21	95.5
National Judicial Institute (NJI)	157	14	14	100.0
Federal Ministry of Justice	975	87	84	96.6
Total	4,100	364	354	97.3

Source: Field Survey (2025)

A total of 364 questionnaires were distributed, of which 354 were properly completed and returned, yielding a response rate of 97.3%, which is deemed adequate for Structural Equation Modeling analysis

(Hair et al., 2010). This study employed the primary method of data collection using structured questionnaires. The questionnaire was designed in five sections: Section A: Demographic information (age, gender, tenure, education level, job category) Section B: Benefits (10 items) Section C: Promotion (10 items) Section D: Incentives (10 items) Section E: Employee Retention (10 items).

All constructs were measured using validated scales adapted from existing literature, employing a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Benefits (10 items, α = 0.87): Assessed adequacy and timeliness of health insurance, pension schemes, paid leave, housing allowances, and transportation support. Sample item: "The health insurance benefits provided by this organization adequately meet my needs." (Adapted from WorldatWork, 2021). Promotion (10 items, α = 0.83): Measured perceptions of promotion fairness, transparency, frequency, and merit-based criteria. Sample item: "Promotion decisions in this organization are based on clear and fair criteria." (Adapted from Armstrong & Taylor, 2020). Incentives (10 items, α = 0.89): Captured performance bonuses, recognition awards, commendations, and training opportunities. Sample item: "This organization provides adequate incentives for exceptional performance." (Adapted from Milkovich et al., 2019). Employee Retention (10 items, α = 0.91): Assessed intention to stay, organizational commitment, and willingness to recommend the organization. Sample item: "I intend to continue working in this organization for the foreseeable future." (Adapted from Meyer & Allen, 2022). All scales demonstrated acceptable internal consistency (α > 0.70), confirming reliability for further analysis.

Content validity was established through expert review by three academics in human resource management who assessed the questionnaire for clarity, relevance, and comprehensiveness. Construct validity was assessed through Confirmatory Factor Analysis (CFA) as part of the SEM procedure, with factor loadings above 0.50 indicating adequate convergent validity. Reliability was assessed using Cronbach's alpha. All constructs exceeded the threshold of 0.70, indicating satisfactory internal consistency (Nunnally & Bernstein, 1994). Data analysis was conducted using IBM SPSS version 26.0 and AMOS version 24.0. Descriptive statistics (means and standard deviations) and correlations were computed using SPSS. Structural Equation Modeling (SEM) was employed to test the hypothesized relationships using AMOS.

SEM was selected because it: Allows simultaneous testing of multiple relationships; Accounts for measurement error; Provides comprehensive model fit assessment; Tests both direct and indirect effects

Model Specification
This study employed Structural Equation Modeling (SEM) to examine the effect of rewards and compensation on employee retention. SEM is appropriate because it allows for the simultaneous assessment of multiple relationships, incorporates latent variables, and accounts for measurement errors. Structural Model:
The structural model represents the hypothesized relationships between the study's latent constructs:
$ER = \beta_1 BN + \beta_2 PR + \beta_3 IC + \zeta$
Where: ER = Employee Retention (latent variable measured by retention indicators) BN = Benefits (latent variable measured by items on health insurance, retirement plans, paid leave, etc.) PR = Promotion (latent variable measured by items on fairness, transparency, and frequency of promotion) IC = Incentives (latent variable measured by items on bonuses, awards, recognition programs, etc.) β_1, β_2, β_3 = Path coefficients ζ = Error term
Model Fit Indices: Model fit was assessed using multiple indices as recommended by Hu and Bentler (1999): $\chi^2/df \leq 3.00$ (good fit) CFI ≥ 0.90 (good fit) TLI ≥ 0.90 (good fit) RMSEA ≤ 0.08 (acceptable fit) SRMR ≤ 0.08 (good fit)

Ethical Considerations
Ethical approval was obtained from the relevant institutional ethics committees. Participation was voluntary, and respondents provided informed consent. Confidentiality and anonymity were assured, with no personal identifiers collected. Respondents were informed of their right to withdraw at any time without consequences.

RESULTS AND DISCUSSIONS

Demographic Characteristics

Table 3: Demographic Profile of Respondents (N = 354)

Characteristic	Frequency	Percentage (%)
Gender		
Male	198	55.9
Female	156	44.1
Age		
20 to 30 years	67	18.9
31 to 40 years	142	40.1
41 to 50 years	98	27.7
Above 50 years	47	13.3
Education Level		
Secondary	23	6.5
Diploma/NCE	51	14.4
Bachelor's Degree	189	53.4
Postgraduate	91	25.7
Tenure		
Less than 5 years	89	25.1
5 to 10 years	127	35.9
11 to 15 years	81	22.9
Above 15 years	57	16.1
Job Category		
Junior Staff	112	31.6
Mid-Level Staff	178	50.3
Senior Staff	64	18.1

Source: Field Survey (2025)

The demographic profile shows a relatively balanced gender distribution with slight male majority (55.9%). Most respondents were between 31 and 40 years (40.1%), held bachelor's degrees (53.4%), had 5 to 10 years tenure (35.9%), and were mid-level staff (50.3%). This distribution reflects a mature, educated workforce typical of Nigeria's judicial sector.

Descriptive Statistics and Correlations

Table 4: Descriptive Statistics and Correlations

Variable	Mean	SD	1	2	3	4
1. Benefits	2.87	0.94	(blank)			
2. Promotion	2.34	1.02	.45**	(blank)		
3. Incentives	2.56	0.98	.52**	.41**	(blank)	
4. Employee Retention	3.12	1.05	.38**	.29**	.51**	(blank)

Note: N = 354; **$p < .01$; All correlations significant at $p < .01$
Source: Authors' computation (2025)

Table 4 presents descriptive statistics and bivariate correlations. Mean scores indicate moderate levels across all variables, with employee retention scoring highest (M = 3.12, SD = 1.05). Benefits scored M = 2.87 (SD = 0.94), incentives M = 2.56 (SD = 0.98), and promotion scored lowest at M = 2.34 (SD = 1.02), suggesting employees perceive promotion opportunities as the weakest reward dimension. All correlations were positive and significant at $p < .01$, with no multicollinearity concerns (all $r < .70$). The strongest correlation was between incentives and retention ($r = .51$, $p < .01$), providing preliminary support for H_3. Benefits correlated moderately with retention ($r = .38$, $p < .01$), while promotion showed the weakest correlation ($r = .29$, $p < .01$). These correlational patterns foreshadow the SEM results where incentives emerged as the strongest predictor.

Measurement Model Assessment

Before testing the structural model, a Confirmatory Factor Analysis (CFA) was conducted to assess the measurement model. All factor loadings exceeded 0.50, with most above 0.70, indicating adequate convergent validity. The measurement model demonstrated acceptable fit: $\chi^2/df = 2.31$, CFI = 0.941, TLI = 0.935, RMSEA = 0.064, SRMR = 0.051.

Table 5: Reliability and Validity Indicators

Construct	Cronbach's α	CR	AVE
Benefits	0.87	0.88	0.52
Promotion	0.83	0.84	0.48
Incentives	0.89	0.90	0.56
Employee Retention	0.91	0.92	0.61

Note: CR = Composite Reliability; AVE = Average Variance Extracted
Source: Authors' computation (2025)

All constructs demonstrated satisfactory reliability (α > 0.70, CR > 0.70) and acceptable convergent validity (AVE approaching or exceeding 0.50). Discriminant validity was established as the square root of each construct's AVE exceeded its correlations with other constructs.

Test of Hypotheses

Hierarchical multiple regression analysis was conducted to test the hypothesized relationships between reward structure dimensions (benefits, promotion, incentives) and employee retention. Hierarchical regression is appropriate for this study because it allows for the sequential entry of predictors, enabling assessment of each variable's unique contribution to explaining variance in employee retention while controlling for other factors (Cohen et al., 2003). The analysis was conducted in three steps. Model 1 included demographic control variables (age, gender, education, tenure). Model 2 added the three reward structure dimensions (benefits, promotion, incentives). Model 3 represents the final model. All assumptions of multiple regression were tested and satisfied: linearity, independence of errors (Durbin Watson = 1.89), homoscedasticity, and absence of multicollinearity (all VIF values < 3.0).

Table 6 :Hierarchical Regression Model Summary

Model	R	R²	Adjusted R²	ΔR²	F Change	p
1. Controls	0.17	0.03	0.02	0.03	2.71	0.030
2. Reward Dimensions	0.76	0.58	0.57	0.55	151.74	p < 0.001

Note. N = 354. Predictors in Model 1: Age, Gender, Education, Tenure. Predictors in Model 2: Benefits, Promotion, Incentives.

Table 6 presents the hierarchical regression model summary. Model 1, containing only demographic controls, explained 3% of variance in employee retention ($R^2 = 0.03$, $F(4, 349) = 2.71$, p = 0.030). Model 2, which added the three reward structure dimensions, explained 58% of variance ($R^2 = 0.58$, $F(7, 346) = 68.24$, p < 0.001), representing a substantial and statistically significant increase of 55% ($\Delta R^2 = 0.55$, F change (3, 346) = 151.74, p < 0.001). The final model's adjusted R^2 of 0.57 indicates that approximately 57% of the variance in employee retention is explained by the predictors after accounting for the number of variables in the model.

Table 7: Hierarchical Regression Coefficients and Hypotheses Testing

Variable	Model 1 β	Model 2 β	SE	t value	p value	Decision
Controls						
Age	0.11	0.04	0.05	0.89	0.375	
Gender	0.09	0.03	0.11	0.68	0.496	
Education	0.07	0.02	0.06	0.45	0.655	
Tenure	0.12	0.05	0.04	1.12	0.264	
Reward Dimensions						
Benefits (H₁)		**0.16**	0.06	2.82	0.005	Supported
Promotion (H₂)		**0.08**	0.05	1.68	0.094	Not Supported
Incentives (H₃)		**0.33**	0.05	6.03	p < 0.001	Supported

Note. N = 354. β = Standardized regression coefficient; SE = Standard error. Model 2 R^2 = 0.58, Adjusted R^2 = 0.57, F(7, 346) = 68.24, p < 0.001.

Interpretation of Results
Table 7 presents the standardized regression coefficients for both models. In Model 2, after controlling for demographics, benefits demonstrated a significant positive effect on employee retention (β = 0.16, SE = 0.06, t = 2.82, p = 0.005), supporting Hypothesis 1. This indicates that for every one standard deviation increase in perceived benefits adequacy, employee retention increases by 0.16 standard deviations, holding other variables constant. Although the coefficient for promotion was positive (β = 0.08), it was not statistically significant (SE = 0.05, t = 1.68, p = 0.094). This suggests that the existing promotion practices in the surveyed organizations do not have a sufficiently strong or consistent impact on employees' retention decisions. Hypothesis 2 is not supported. Incentives had the strongest positive and significant effect on retention (β = 0.33, SE = 0.05, t = 6.03, p < 0.001). This indicates that bonuses, awards, recognition programs, and other performance related rewards play a major role in encouraging employees to remain in the organization. Hypothesis 3 is strongly supported. The magnitude of this effect (β = 0.33) is more than double that of benefits (β = 0.16) and quadruple that of promotion (β = 0.08), indicating incentives are the most powerful retention mechanism among the three reward dimensions examined.

Table 8: **Summary of Hypotheses Testing**

Hypothesis	Statement	β	p value	Decision
$H0_1$	Benefits positively influence employee retention	0.16	0.005	Supported
$H0_2$	Promotion positively influences employee retention	0.08	0.094	Not Supported
$H0_3$	Incentives positively influence employee retention	0.33	p < 0.001	Strongly Supported

The hierarchical regression analysis reveals that reward structure dimensions collectively explain 58% of variance in employee retention, with incentives emerging as the most powerful predictor (β = 0.33), followed by benefits (β = 0.16), while promotion showed no significant effect (β = 0.08, p = 0.094). These findings underscore the importance of performance based reward systems in retaining talent within Nigerian public sector organizations.

DISCUSSION OF FINDINGS

This study examined the impact of three reward structure dimensions (benefits, promotion, and incentives) on employee retention in Nigeria's public sector judicial and legal institutions. The findings reveal differential effects, with incentives emerging as the strongest predictor, benefits showing moderate significance, and promotion demonstrating no significant impact. This section discusses these findings in relation to existing literature and theoretical frameworks.

Benefits and Employee Retention ($H0_1$)
Benefits demonstrated a significant positive effect on retention (β = 0.16, p = 0.005), supporting H_1. This finding aligns with previous research in Nigerian public organizations (Oluwole & Bamidele, 2021; Sarmad et al., 2020) and validates Herzberg's (1959) hygiene factor theory. When employees perceive benefits as adequate (particularly health insurance, pensions, and leave entitlements) they experience reduced dissatisfaction, which translates into lower turnover intentions.

However, the modest effect size (β = 0.16) deserves attention. Compared to private sector studies where benefits explain 20 to 30% of retention variance (Agu & Nweke, 2022), our finding suggests weaker impact in public institutions. This may reflect two realities in Nigeria's judicial sector: First, inconsistent administration: Benefits are often inconsistently administered, with delays in pension contributions and limited health coverage reducing perceived value. During data collection, several respondents informally mentioned delays of 6 to 12 months in pension remittances and inadequate health insurance coverage that excludes many medical procedures. This administrative weakness undermines the motivational potential of benefits. Second, standardization reduces differentiation: The standardized nature of public sector benefits may create ceiling effects where all employees receive similar packages, reducing differentiation value. Unlike private organizations that can customize benefits to attract and retain specific talent, public institutions offer uniform packages that may not meet diverse employee needs.

The practical implication is clear: improving benefits administration quality (timely payments, expanded coverage, and transparent communication) may enhance retention impact more than simply increasing benefit amounts. This aligns with WorldatWork's (2021) argument that benefit effectiveness depends on delivery consistency, not just generosity.

Theoretical implications: The finding confirms Herzberg's classification of benefits as hygiene factors (necessary to prevent dissatisfaction but insufficient to create strong motivation on their own). In public sector contexts where salaries are fixed, benefits serve as foundational retention mechanisms that must be adequate before other reward dimensions can motivate effectively.

Promotion and Employee Retention (H0$_2$)
Contrary to theoretical predictions and empirical literature (Adebayo & Akintayo, 2019; Olowu & Oyetunji, 2022), promotion showed no significant effect on retention ($\beta = 0.08$, $p = 0.094$), leading to rejection of H$_2$. This unexpected finding warrants careful interpretation, as it contradicts the well-established relationship between career advancement and retention in organizational behavior literature. Why might promotion fail to predict retention in this context?

Three contextual explanations emerge from our data and Nigeria's public sector realities:
  i.   Structural rigidity: Nigeria's judicial sector operates under civil service rules where promotion cycles average 5 to 7 years regardless of performance. Promotion is largely tenure-based rather than merit-based, following automatic progression schedules. In our descriptive data (not shown in tables), 81.5% of respondents indicated promotion opportunities do not encourage retention, suggesting systemic blockages rather than theoretical invalidity. When promotion becomes predictable by tenure rather than merit, it loses motivational potency.
  ii. Perceived unfairness: Qualitative comments on questionnaires (not formally analyzed) revealed perceptions that promotions are influenced by political connections rather than competence. One respondent wrote: "Promotion here depends on who you know, not what you know." Equity Theory (Adams, 1965) predicts that unfair processes neutralize reward value. If employees believe promotion is unattainable through effort alone, the expectancy-reward link breaks down (Vroom, 1964).
  iii. Limited advancement opportunities: The hierarchical structure of judicial institutions creates bottlenecks at senior levels. Even when employees meet promotion criteria, limited positions mean many qualified staff wait years for advancement. This creates frustration where promotion becomes a source of dissatisfaction rather than motivation.

Theoretical reconsideration: Herzberg (1959) classified promotion as a motivator (something that drives satisfaction and performance). However, in stagnant bureaucracies where advancement is rare and politicized, promotion may paradoxically function as a hygiene factor or even a dissatisfier. Its absence (or unfair administration) causes dissatisfaction, but its presence doesn't motivate because it's not clearly linked to individual performance.

This finding contradicts studies in dynamic sectors (Effiong & Edet, 2022) but aligns with research on rigid bureaucracies where promotion systems become demotivators (Olowu & Oyetunji, 2022). A study by Bassey and Edet (2023) in Nigerian civil service similarly found weak promotion-retention linkages, attributing this to systemic dysfunctions.
Implications: The implication is profound. Before promotion can enhance retention, fundamental reforms in promotion criteria transparency, frequency, and merit-basis are essential. Simply offering promotion without addressing these systemic issues will not improve retention. Organizations must:
Reduce promotion cycles from 5 to 7 years to 3 to 4 years Establish transparent, published criteria emphasizing performance Implement independent promotion committees free from political influence Communicate promotion decisions with clear justifications. Without these reforms, promotion will remain an ineffective retention tool in Nigeria's public sector.

Incentives and Employee Retention (H0$_3$)
Incentives emerged as the strongest predictor of retention ($\beta = 0.33$, $p < 0.001$), strongly supporting H$_3$ and confirming Expectancy Theory's (Vroom, 1964) central proposition. This powerful relationship suggests that performance-based rewards (including bonuses, recognition awards, commendations, and

training opportunities) constitute the most effective retention mechanism in Nigeria's public sector. The substantial effect size is particularly noteworthy when contextualized: incentives explained approximately 11% unique variance in retention ($0.33^2 \approx 0.11$), more than double the effect of benefits. This finding aligns with Mohammed and Hassan (2023) who reported similar patterns in Nigerian governmental agencies, and extends Expectancy Theory by demonstrating that when salaries are fixed and promotions slow, incentives become the primary mechanism linking effort to valued outcomes.
Why are incentives so powerful?

Several factors may explain this strong effect:
Flexibility and frequency: Unlike standardized salaries and slow promotions, incentives can be distributed frequently (quarterly or annually) and tied directly to observable performance, strengthening the effort-reward connection. Employees see a clear link: exceptional performance leads to immediate recognition or bonus which leads to motivation to continue.

Psychological value of recognition: Non-financial incentives (recognition, awards, and certificates) provide public acknowledgment that satisfies esteem needs, particularly important in hierarchical public institutions where formal recognition is rare. Several respondents commented that "being recognized for good work" mattered as much as financial bonuses. This aligns with Maslow's hierarchy suggesting that esteem needs become salient once basic needs are met.

Performance signaling: Receiving incentives signals to employees that their contributions are noticed and valued, addressing a key complaint in public service where employees often feel invisible despite strong performance. This perceived organizational support enhances commitment (Eisenberger et al., 1986).
Expectancy-instrumentality-valence alignment: Incentives satisfy all three components of Expectancy Theory: Expectancy: Employees believe effort leads to performance (working harder improves outcomes) Instrumentality: Performance clearly leads to rewards (bonuses or recognition follow achievement) Valence: Rewards are valued (both financially and psychologically) When all three components align, motivation and retention increase substantially.

Comparison with international evidence: The strong incentive effect is consistent with meta-analyses showing performance-based pay increases retention by 15 to 25% in public organizations (Jenkins et al., 1998). Our finding suggests this relationship is even stronger in contexts where other reward mechanisms (salary and promotion) are constrained.

Implications: The practical implication is profound. Even under budget constraints, public sector organizations can significantly enhance retention by implementing robust incentive systems. Since many effective incentives are low-cost (certificates, public recognition, flexible work arrangements, and training opportunities), this offers a cost-effective retention strategy for resource-constrained institutions.

Organizations should: Establish quarterly performance bonuses (even small amounts signal recognition) Create formal recognition programs (Employee of the Quarter and annual awards ceremonies) Provide non-financial incentives (best parking spots, office upgrades, and conference attendance) Link incentives to transparent, measurable KPIs Ensure fair distribution through structured appraisal processes

Comparative Analysis of Reward Dimensions
Comparing the three dimensions reveals a clear hierarchy of retention effectiveness:
Incentives ($\beta = 0.33$) > Benefits ($\beta = 0.16$) > Promotion ($\beta = 0.08$, ns)
This pattern suggests that in Nigeria's public sector:
Performance-contingent rewards (incentives) are most powerful because they create clear effort-reward linkages
Security-based rewards (benefits) are moderately effective because they prevent dissatisfaction but don't strongly motivate

Career advancement (promotion) is ineffective due to systemic dysfunctions (not because promotion inherently doesn't matter, but because current systems are broken)
This hierarchy contradicts some Western literature where promotion often emerges as the strongest retention predictor (Sarmad et al., 2020). The difference likely reflects contextual factors: in dynamic

private sectors with frequent, merit-based promotions, advancement strongly motivates. In rigid public bureaucracies with slow, politicized promotions, advancement loses power.

Theoretical integration: The findings support an integrated theoretical model:
Herzberg: Benefits function as hygiene factors (prevent dissatisfaction), incentives as motivators (drive satisfaction) Equity Theory: Perceived fairness matters; promotion fails partly because it's seen as unfair Expectancy Theory: Clear performance-reward linkages (incentives) drive retention more than ambiguous connections (promotion)

Overall Model Performance
The model explained 58% of variance in employee retention ($R^2 = 0.58$), representing substantial explanatory power. This suggests that reward structures are powerful determinants of retention in public sector contexts. The remaining 42% unexplained variance likely reflects other factors such as: Leadership quality and supervisory support Work-life balance and job stress Organizational culture and climate Career development opportunities beyond promotion Job security perceptions External labor market conditions. Future research should incorporate these variables to develop more comprehensive retention models.

IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH

Theoretical Implications
This study makes four key theoretical contributions:
  i.   Validates reward theories in non-Western public sector contexts: The findings confirm that core motivational principles from Herzberg's Two-Factor Theory, Equity Theory, and Expectancy Theory operate across cultural and institutional boundaries, though with important contextual variations. Benefits function as hygiene factors, incentives align with expectancy predictions, and equity concerns shape promotion effectiveness (all as theories predict).
  ii. Challenges universal applicability of promotion as motivator: The null finding for promotion extends Herzberg's theory by demonstrating that motivator or hygiene classification may be context-dependent. In rigid bureaucratic systems with politicized advancement, promotion may lose motivational value or even become a dissatisfier. This suggests researchers should consider institutional context when applying motivation theories.
  iii. Reveals differential effects of reward dimensions: By disaggregating rewards into three distinct dimensions, the study reveals differential effects often masked in studies treating rewards as monolithic constructs. This advances theoretical precision; researchers and practitioners can now understand which reward components drive retention in which contexts.
  iv. Extends Expectancy Theory to resource-constrained environments: The powerful incentive effect demonstrates that even when salaries are fixed and promotions slow (constraining two major reward mechanisms), organizations can still create strong retention through performance-based incentives that establish clear effort-reward linkages.

Practical Implications
For HR practitioners in Nigeria's public sector, findings offer actionable guidance organized by priority:

Priority 1: Develop robust incentive systems
Given the strongest effect ($\beta = 0.33$), invest immediately in performance-based rewards:
Allocate 5 to 10% of operational budgets to quarterly performance bonuses Establish formal recognition programs: Employee of the Quarter, annual awards ceremonies, and commendation letters Provide non-financial incentives: priority access to training, flexible work arrangements, and office upgrades Link incentives to transparent, measurable key performance indicators (KPIs) Ensure fair distribution through structured 360-degree appraisal processes Communicate incentive criteria clearly through staff handbooks and orientation

Priority 2: Enhance benefits administration
Focus on delivery quality rather than quantity:
Conduct annual benefits administration audits to identify payment delays and coverage gaps Automate pension contribution processing to eliminate 6 to 12 month delays currently common Expand health insurance coverage to include dependents and wider medical procedures Provide quarterly benefits

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statements showing accumulated pension and insurance coverage details Establish dedicated benefits counseling services to help employees maximize available benefits Improve communication through benefits workshops and online portals

Priority 3: Reform promotion systems before relying on them
The null finding signals systemic dysfunction requiring fundamental reform:
Reduce promotion cycles from current 5 to 7 years to 3 to 4 years Establish transparent, publicly available promotion criteria emphasizing merit over tenure Implement 360-degree performance assessments incorporating supervisor, peer, and subordinate evaluations Create independent promotion committees insulated from political interference Communicate career pathways clearly through published advancement frameworks Provide employees with annual "promotion readiness" feedback Investigate and address perceptions of favoritism through anonymous climate surveys
Without addressing these structural barriers, simply offering promotions will not improve retention.

Policy Implications
Several limitations warrant consideration when interpreting findings:
i.   Cross-sectional design precludes causal inference: While results demonstrate associations between reward structures and retention, we cannot definitively establish that rewards cause retention or rule out reverse causality (perhaps organizations with naturally committed employees invest more in rewards). Longitudinal or experimental designs would strengthen causal claims. However, theoretical predictions and temporal logic (rewards precede retention decisions) support causal interpretation.
ii. Generalizability constrained to judicial or legal institutions: Nigeria's public sector encompasses diverse ministries, departments, and agencies with varying organizational cultures, resource levels, and workforce compositions. Judicial institutions studied here operate under unique constraints (judicial independence and legal professional norms) that may not generalize to health, education, or administrative sectors. Future research should test whether findings replicate across sectors.
iii. Common method bias may inflate relationships: All data derive from self-reported questionnaires administered at a single time point. Although Harman's single-factor test (variance explained by single factor = 34%, below 50% threshold) suggested bias was not severe, and SEM partially controls for measurement error, future studies should incorporate: Objective retention data (actual turnover rates from HR records rather than intentions) Predictor and outcome variables collected at different time points (temporal separation) Multi-source data (supervisors rating rewards, employees reporting retention intentions)
iv. Unmeasured moderators likely condition relationships: Variables such as employee age, tenure, education level, job category, and leadership quality were not examined as moderators but may strengthen or weaken reward-retention linkages. For example:
v.   Incentives may matter more for younger employees seeking performance recognition Benefits may weigh more heavily for mid-career staff with families Promotion may retain senior staff differently than junior staff
vi. Interaction effects deserve investigation.
vii. Did not examine synergies between reward dimensions: Benefits, promotion, and incentives likely operate synergistically rather than independently. For instance, adequate benefits may be necessary baseline conditions before incentives become motivating. Future research should test two-way and three-way interactions.
viii.Self-selection bias in sampling: Although response rate was high (97.3%), non-respondents may differ systematically from respondents (perhaps already planning to leave and thus uninterested in surveys). This could bias results toward finding stronger reward-retention relationships.
ix. Social desirability bias: Employees may over-report retention intentions to appear committed, or under-report satisfaction with rewards to signal needs for improvements. Anonymous administration likely reduced this bias, but cannot eliminate it.
x.   Limited external validity beyond Nigeria: Findings reflect Nigeria's specific public sector context (bureaucratic rigidity, resource constraints, and political influences). Generalization to other African countries or developing nations requires empirical verification, though theoretical mechanisms likely operate similarly.
xi. Despite these limitations, the study provides valuable empirical evidence on reward-retention relationships in an understudied context, using rigorous SEM methodology with strong model fit.

Directions for Future Research

Based on identified limitations and emerging questions, we propose seven research directions:

i. Longitudinal studies tracking employees over time: Follow cohorts of public sector employees over 3 to 5 years to: Establish temporal precedence (do reward changes predict retention changes?) Examine how reward perceptions and retention intentions evolve over careers Identify critical retention periods (when are employees most likely to leave?) Test reciprocal relationships (do rewards influence retention, and does commitment influence perceived reward value?)

ii. Comparative studies across sectors: Test whether findings generalize by replicating in: Health sector (hospitals and primary healthcare centers) Education sector (universities and secondary schools) Civil service ministries (Finance, Agriculture, etc.) Security agencies (Police, NSCDC, etc.)This would reveal whether the promotion dysfunction and incentive primacy are sector-specific or system-wide.

iii. Mixed-methods approaches: Combine surveys with qualitative interviews or focus groups to understand: Why promotion fails to motivate (employee narratives on promotion experiences) How employees interpret different reward signals (cognitive processes) What non-financial rewards matter most (beyond quantitative rankings) Organizational politics affecting reward distribution

iv. Quasi-experimental intervention studies: Rather than observational designs, evaluate specific interventions: Pilot new incentive systems in treatment institutions while using comparable institutions as controls Use difference-in-differences designs to assess policy changes Randomly assign teams to different reward configurations within organizations This would provide stronger causal evidence.

v. Moderation analyses examining boundary conditions: Investigate how demographic and organizational factors condition reward-retention relationships: Does age moderate benefits-retention links? (older employees value pensions more) Does job level moderate promotion-retention links? (senior staff have fewer advancement opportunities) Does leadership quality moderate incentive-retention links? (good leaders amplify incentive effects) Does tenure moderate overall reward effectiveness? (new employees vs. veterans)

vi. Mechanism studies examining mediating processes: Open the "black box" between rewards and retention by testing psychological mechanisms: Do rewards lead to retention through job satisfaction? organizational commitment? perceived organizational support? Does equity perception mediate the benefits-retention link? Does trust in management mediate promotion-retention links? Does intrinsic motivation mediate incentive-retention connections? Mediation analyses would reveal how and why rewards affect retention.

vii. Cost-benefit analyses of retention interventions: Given resource constraints, research should evaluate: What is the return on investment (ROI) for different incentive programs? How much does it cost to improve benefits vs. the retention value gained? What is the optimal budget allocation across benefits, promotion, and incentives? Do low-cost non-financial incentives (recognition) produce similar retention as financial bonuses? his would guide evidence-based budgeting decisions.

viii. Examination of non-linear effects: Current analysis assumes linear relationships (more rewards lead to more retention). However: Benefits may show threshold effects (adequate baseline needed, then diminishing returns) Incentives may show diminishing returns (first $100 bonus matters more than fifth) Promotion may have optimal frequency (too fast creates perceptions of favoritism) Polynomial regression or response surface analysis could test non-linearities.

ix. Cross-cultural comparisons: Compare Nigeria with other African nations or developing countries: Do reward-retention patterns differ in Ghana, Kenya, or South Africa? How do cultural values (collectivism vs. individualism) moderate reward effectiveness? Do institutional factors (corruption levels and rule of law) shape promotion-retention links?

x. Turnover vs. retention as outcomes: This study measured retention intentions (staying). Future research should examine: Actual turnover behavior (HR records of departures) Turnover types (voluntary vs. involuntary, functional vs. dysfunctional) Retention quality (are employees physically present but mentally withdrawn?) Post-exit surveys (why did leavers actually depart despite stated intentions?

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CONCLUSIONS AND RECOMMENDATIONS

Conclusions
This study examined the impact of three reward structure dimensions (benefits, promotion, and incentives) on employee retention in Nigeria's public sector judicial and legal institutions. Drawing on Herzberg's Two-Factor Theory, Equity Theory, and Expectancy Theory, the study employed Structural Equation Modeling to analyze data from 354 employees across seven institutions.

Key findings:
i. Incentives emerged as the strongest retention predictor ($\beta = 0.33$, $p < 0.001$), explaining approximately 11% unique variance. Performance-based rewards (including bonuses, recognition, and awards) create clear effort-reward linkages that powerfully motivate employees to remain.
ii. Benefits showed moderate positive effects ($\beta = 0.16$, $p = 0.005$), functioning as hygiene factors that prevent dissatisfaction when adequately provided but do not strongly motivate on their own.
iii. Promotion demonstrated no significant impact ($\beta = 0.08$, $p = 0.094$), suggesting systemic dysfunctions in current promotion systems (slow cycles, perceived unfairness, and political influences) neutralize advancement as a retention tool.
iv. The overall model explained 58% of retention variance, indicating reward structures are powerful but not exclusive determinants of retention. Other factors (leadership, work-life balance, and organizational culture) also matter.

Theoretical contributions: The findings validate motivation theories across cultural contexts while revealing important contextual variations. Specifically, promotion's motivational value appears contingent on system fairness and frequency, challenging assumptions of universal applicability. The study advances theoretical precision by disaggregating rewards into distinct dimensions with differential effects.

Practical significance: Results offer actionable guidance for public sector HR reform. Given budget constraints limiting salary increases, incentive-based retention strategies provide cost-effective alternatives. However, systemic promotion reforms are essential prerequisites before advancement can function as a retention mechanism.

This study contributes to the growing discourse on public sector human resource reform by offering empirical insights specifically tailored to Nigeria's institutional realities (rigid bureaucracies, resource constraints, and political influences that shape reward system effectiveness).

Recommendations
Based on empirical findings, we offer three prioritized recommendations for enhancing employee retention in Nigeria's public sector:

Prioritize Incentive System Development (Based on H_3: $\beta = 0.33$, $p < 0.001$)

Given incentives' powerful effect, public sector institutions should immediately develop performance-based reward programs:

Financial incentives: Allocate 5 to 10% of operational budgets to quarterly performance bonuses Establish productivity allowances for exceeding targets Provide end-of-year bonuses tied to institutional performance metrics

Non-financial incentives: Establish formal recognition systems: "Employee of the Quarter" awards, commendation letters, and public acknowledgment ceremonies Provide professional development opportunities: conference attendance, advanced training programs, and sponsored certifications Offer work-life incentives: flexible work arrangements, additional leave days for high performers, and preferred parking

Implementation guidelines: Link incentives to transparent, measurable key performance indicators published in staff handbooks Ensure fair distribution through structured 360-degree appraisal processes involving supervisors, peers, and subordinates Communicate incentive criteria clearly during orientation and through quarterly performance reviews Diversify incentives to appeal to different employee preferences (some value money, others recognition or flexibility)

Both financial and non-financial incentives should be employed, recognizing that recognition and development opportunities often motivate as effectively as monetary rewards, particularly in public service contexts where intrinsic motivation is strong.

Improve Benefits Administration Quality (Based on H_1: $\beta = 0.16$, $p = 0.005$)

While benefits showed significant effects, impact can be strengthened through improved delivery rather than increased quantity:

Operational improvements: Conduct annual benefits administration audits to identify payment delays (currently 6 to 12 months for pensions) and coverage gaps Automate pension contribution processing using integrated payroll-pension software to eliminate manual processing delays Establish dedicated benefits counseling services to help employees understand and maximize available benefits Provide quarterly personalized benefits statements showing accumulated pension, insurance coverage details, and leave balances

Policy enhancements: Expand health insurance coverage to include dependents (spouses and children) and wider medical procedures currently excluded Introduce flexible benefit options allowing employees to customize packages to individual needs (younger staff may prefer training funds over pension increases) Improve leave administration by digitizing leave requests and ensuring transparent approval processes

Communication strategies: Host quarterly benefits workshops explaining available programs, eligibility criteria, and claims processes Create online benefits portals where employees can track pensions, submit insurance claims, and check leave balances Publish benefits handbooks with clear explanations and contact information for assistance

The focus should be on administration quality (ensuring timely delivery, transparent communication, and easy access) rather than simply increasing benefit amounts, as perceived value depends heavily on delivery consistency.

Undertake Comprehensive Promotion System Reform (Based on H_2: $\beta = 0.08$, $p = 0.094$)

Before promotion can function as a retention tool, systemic reforms are essential to address current dysfunctions:

Structural reforms: Reduce promotion cycles from current 5 to 7 years to 3 to 4 years to increase advancement frequency Shift from tenure-based to merit-based promotion by establishing transparent criteria emphasizing performance over seniority Create multiple career tracks (technical specialist vs. managerial) to provide advancement options beyond hierarchical promotion Expand senior positions or create new grades to reduce bottlenecks where many qualified staff compete for few positions

Process reforms: Implement 360-degree performance assessments incorporating supervisor ratings, peer evaluations, and subordinate feedback Establish independent promotion committees insulated from political interference, potentially including external experts Introduce appeals mechanisms allowing employees to challenge unfair promotion decisions Publish promotion decisions with clear justifications showing how candidates met criteria

Communication reforms: Publish career advancement frameworks showing typical timelines, required competencies, and progression pathways Provide employees with annual "promotion readiness" assessments identifying gaps and development needs Conduct regular promotion policy reviews with staff input to address perceived unfairness.

Transparency measures: Make promotion criteria publicly available through staff handbooks, websites, and orientation programs Publish anonymized promotion statistics (e.g., "28% of eligible staff promoted this cycle") to demonstrate system functionality Address perceptions of favoritism through anonymous climate surveys and corrective actions. Without addressing these fundamental structural, process, and transparency barriers, simply offering more promotions will not improve retention. The current system's dysfunction (evidenced by the null statistical finding) requires comprehensive reform before promotion can realize its theoretical motivational potential.

Contribution to Knowledge

This study makes several distinct contributions to public sector human resource management scholarship:

i. First systematic examination of disaggregated reward dimensions in Nigeria's judicial sector, revealing that promotion, benefits, and incentives have differential effects rather than operating as a unified "reward system."

ii. Empirical validation of motivation theories (Herzberg, Equity, and Expectancy) in a non-Western public sector context, demonstrating cross-cultural applicability while highlighting contextual contingencies.

iii. Methodological advancement through application of Structural Equation Modeling in Nigerian public sector research, providing a template for future studies examining complex relationships.

iv. Context-specific insights for public institutions operating under resource constraints, showing that incentive-based strategies can enhance retention even when salary increases and rapid promotions are infeasible.

v.   Baseline empirical data for future longitudinal research tracking how public sector reward reforms impact retention over time.

Employee retention in Nigeria's public sector remains a critical challenge affecting service delivery, institutional memory, and operational efficiency. This study demonstrates that reward structures (particularly incentives and benefits) significantly influence retention decisions, while promotion systems require fundamental reform before they can contribute positively.

Policymakers and HR practitioners must recognize that retention strategies need not depend solely on expensive salary increases. Cost-effective interventions (improving benefits administration quality, implementing transparent incentive systems, and reforming promotion processes) can substantially enhance workforce stability.

The path forward requires evidence-based policymaking that acknowledges both resource constraints and employee motivational needs. By prioritizing performance-based incentives, ensuring reliable benefits delivery, and undertaking systemic promotion reforms, Nigeria's public sector can build a more stable, committed, and effective workforce capable of delivering quality services to citizens.

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