

# Assessing the Impact of Perceived Job Insecurity during the Pandemic Era on Organizational Commitment among Employees in a Telecommunication Industry, Ibadan, Nigeria

Isiaka kolawole Egbewole<sup>a</sup> Iyiola Tomilayo Akindele<sup>b</sup>

Babalola Raphael Adesunloro<sup>c</sup>

<sup>a</sup>Department of Public Administration, Faculty of Management Sciences, Federal University Oye Ekiti, Ekiti State, Nigeria.

<sup>b</sup>Department of Public Administration, University of Ilorin, Ilorin, Kwara State, Nigeria.

<sup>c</sup>Department of Accounting, Faculty of Management Sciences, Federal University Oye-Ekiti, Ekiti State, Nigeria.

Corresponding Author: kolawole.egbewole@fuoye.edu.ng

## Abstract

*The end of 2019 witnessed the emergence of a virus in Wuhan, China and the effect was felt throughout the globe. By the last count (WHO, 2021) in December, 2019 more than three million people have been tested positive to the virus and more than two hundred thousand people have passed on. The virus was medically identified as Coronavirus and generally called COVID-19 in recognition of the year of the emergence. The infection of the virus was so virulent and initially defied any form of medical intervention and the various governments had to design measures to keep the virus from its boundaries by way of lockdown of activities thus having trimmed effects on businesses and governmental operations. In the light of these challenges, the study examined the perceived job insecurity in the Covid-19 period on organizational commitment among employees in a Nigerian telecommunication company. This was with a view to assessing the impact of perceived job insecurity during the pandemic era on organizational commitment among employees in the telecommunication company, Ibadan, Nigeria. The study population (131) consists of all members of staff of the Globacom Limited. A total number of 100 staff members of the Globacom Limited were randomly selected using cluster sampling technique. The study revealed that overall perceived job insecurity ( $x=54.00$ ) during Covid-19 has significant effect on organizational commitment on employees of the telecommunication company. The study further revealed that telecommunication employees with low overall perceived job insecurity ( $x=65.75$ ) reported more overall commitment than employees with high overall perceived job insecurity ( $x=50.50$ ). The study concluded that perceived job insecurity in the Covid-19 period contributed positively to organizational commitment.*

**Keywords:** Corona Virus, Perceived job insecurity, organizational commitment, telecommunication and job insecurity

## Introduction

Since December 2019, Wuhan City, Hubei Province, a central city in the People's Republic of China where transportation is incredibly convenient to connecting all other places in China and abroad, has experienced a sudden outbreak of coronavirus disease 2019 (COVID-19) caused by infection

with severe acute respiratory syndrome, medically represented by (SARS-CoV-2). Approximately 80,813 confirmed cases were recorded as of 7 March 2020 throughout all of China's provinces, while 21,110 cases had been reported in 93 nations, territories, and regions on six other continents (WHO, 2021). Numerous cases, in particular, have been proven in several African nations, including Ghana, Algeria, Egypt, and Nigeria. Since the elimination of the Ebola, Zika, and severe acute respiratory syndrome (SARS) viruses, COVID-19 remains the largest infectious illness epidemic in Africa. Since the disease is prevalence and spreading quickly, it is the largest struggle, and everyone in the nation has to work together to stop the spread. While on a worldwide scale, all nations must establish a policy and coordination mechanism as soon as feasible to regulate COVID-19 (WHO, 2021)

The globe is currently dealing with an unprecedented health catastrophe caused by the COVID-19 pandemic. Along with its effects on people, there are also important worldwide socio-economic and political effects. Since viruses have no regard for borders, their effects will keep spreading. In reality, COVID-19 interruptions are already having an impact on Nigerian firms. As with previous cases of pandemic, we anticipate that the COVID-19 threat will soon subside. In memory of the year of its discovery, the virus was officially named COVID-19 and classified as a coronavirus by medical authorities (WHO, 2021).

Various countries had to devise ways to restrict the virus from its bounds by way of lockdown of activities, having limited effects on companies and governmental operations. The viral infection was so ferocious and first contaminated any sort of medical intervention. The different sectors looked to technology for relief, but Nigeria's corporate and economic sector was essentially caught off guard. The coronavirus, spread rapidly and it severely disrupted society and industry in Nigeria and the world at large. However, social and economic effects continued to be felt long after the virus disappears. Organizations must keep on top of the target audience while the nation struggles to deal with the uncertainties of this catastrophe and corporations continue to implement their pandemic response strategies.

Most businesses, especially those in the telecommunications industry, are affected by the competitive climate and market dynamism on a global scale, which significantly impedes employee career growth. The purchase of technological and mechanical resources is given greater attention in the corporate sector nowadays than the acquisition of human resources. As a result, businesses arrange their operations in favor of the market economy while paying little to no regard to the wellbeing of their employees to fulfil emerging market demand (Thompson, Gamble, and Strickland, 2009).

The issue of job insecurity has been worrisome by practitioners in the human resource management industry during the pandemic. This is essential since a worker's mood and level of dedication to their job may suffer if they worry about having their appointment terminated. Employee commitment is currently being considered by management of companies as an afterthought for organizational success due to the strain the global economy is placing on market dynamics. Lack of focus on the workforce may lead to occupational stress among workers, according to the implication. Management actions regarding employee retention have a significant impact on employees'

dedication to and attitudes about their jobs (Harshana, 2018), this is due to the fact that when employee performance and working circumstances are out of balance, it devalues and instills dread in workers (ILO, 2016). These impressions, however, are concerning for employee emotional disturbances, behavioral changes, and physical and mental health problems.

It is beyond dispute that our social environment is not a fixed structure; rather, it depends on how a particular person sees it. An organization is a type of social setting where individuals are methodically organized for certain goals. As if an employee's opinion of a company influences how they react to new events including workplace pressures. Organizations have been less concerned with job uncertainty as a way to increase employee engagement and loyalty over time.

However, an employee's level of engagement may be assessed based on how well he accepts the organization's principles and goals, how much he cares about its advancement or goodness, and how seriously he intends to stay a part of it. Above all, the belief that organizational commitment is a worker's connection to a certain company and his identity with that company is the one that is most frequently recognized. As a result, management in businesses has to understand the tremendous value that work devotion adds to the company. Additionally, dedicated staff members guarantee appropriate proactive goal support, high productivity, and knowledge of quality services, all of which will provide the business a competitive advantage.

Due to developments in the global economy, organizational downsizing or decline has been a common occurrence in recent decades. Organizational restructuring, which is seen as a strategic human resource technique, can have negative effects on employees due to non-adjustment and unfavorable environmental conditions. The topic of unstable working circumstances has gained attention due to the changing nature of work in today's world; this is true even for individuals who are employed or have weathered organizational transformation (Hellgren and Sverke, 2003). As a result, management must prevent job instability among employees in order to encourage effort and dedication that will be advantageous to the firm.

## **Literature Review**

### ***Conceptual Review***

Shoss (2017), asserts that work insecurity is the feeling that one's employment will not be stable or continue indefinitely. While to Dachapalli and Parumasur (2012), work insecurity extends beyond the simple perception of job loss and also includes concerns about losing important employment perks like compensation, prestige, career advancement, and resource access. This is the case because it is possible to lose some characteristics while keeping organizational membership. But if you lose your entire job, you risk losing your employment or your chance to develop in your profession. As a result, employees' physical and psychological responses to organizational activities, such as job satisfaction, motivation, loyalty, or job dedication, among others, may be negatively impacted by perceived job instability.

Since the introduction of John and Natalie's commitment component models some 30 years ago, organizational commitment has gained significant attention from many human resource

professionals. According to Jaramillo (2005), organizational commitment describes a person's interest in his or her organization as well as their connection to it as well as their sense of belonging to it. More specifically, Cullen (2003) defined organizational commitment as an employee's level of relative identification with and engagement in an organization.

### ***Job Insecurity***

A subset of workplace pressures known as "job insecurity" raises concerns in employees' minds about the future viability and duration of their employment. It is the psychological expectation that employees would lose their jobs as a result of organizational restructuring, outsourcing, financial situation, and other factors that firms look for in order to survive. Sverke & Hellgren (2002) defined work insecurity as an all-encompassing worry about the future viability of the employment. Although there are many theories on the topic of employee perception, the subjectivity of employee perception, which instills elements of stress and fear and causes reactions to employee performance and commitment, is the general focus of all of them (Shoss, 2017; Dachapalli & Parumasur 2012; Kmosena & Nekoranec 2015). As a result, workers who are uncertain of their jobs are consumed by worry of losing their jobs and being laid off. As a result, the terms and conditions of an employee's retention might be viewed as job instability.

The feeling of threat by an employee is the fundamental cause of work insecurity (ILO, 2016), because it relates to working persons who fear losing their jobs. Job insecurity is positioned between employment and unemployment (Hartley et al., 1991). Like other professional stresses, job uncertainty has a number of negative repercussions on both the person and the business. According to Forbes, Thomas, and Cornelius (2010) and Aboladem (2018), job instability is primarily a role in corporate inefficiencies, high employee turnover, absenteeism, lower quality and quantity of production, emotional disturbances, behavioural difficulties, and dangers of mental or physical sickness.

### ***Commitment***

The meaning of commitment extends much beyond unquestioning allegiance to a cause. It has a direct line of communication with the organization. For instance, in a commitment-based workplace, people are motivated personally to contribute to the business and make it better. In the industrialized world during the past several decades, there have been numerous economic developments that have altered the labor market (Mauno and Kinnunen, 1999). Organizations have turned to re-organizational operations including outsourcing, downsizing, and mergers in order to adapt to the new circumstances in a quickly changing environment marked by increased competition and growing expectations for flexibility and adaption (Mauno and Kinnunen, 1999). On the other side, organizational commitment is a key motivator that aids companies in maintaining loyalty and organizational competence.

Notably, employee effort and morale have a direct impact on an organization's success or failure. Employees, nevertheless, are a result of corporate dedication. Due to their low pay and lengthy work hours, certain companies are regarded as the hardest to work for. The consequence of this explains why people become worn out and felt undervalued in the companies they work for, which are mostly in the private sector (Kmosena & Nekoranec 2015).

As a result, different workers may exhibit varying levels of commitment, such as emotional commitment, normative commitment, and continuation commitment, when confronted with the same events. The term "affective commitment" relates to an employee's emotional connection to, identification with, and engagement in the company and is based on personal, structural (organizational), job-related, and work-related factors. A sense of duty to keep working is reflected in normative commitment. Employees that exhibit a high level of normative commitment believe they should remain around the company.

## Methodology

The survey design was adopted for the study. Surveys are used to study vastly populated areas where the entire population cannot be easily obtained. The target population for the study comprises all employees in the Globacom Limited, Ibadan. Simple random sampling technique was used to select a sample of 100 (comprising of staff from Administration, Planning and Operation units) from the total population of 131 staff. The questionnaire was used to collect information made up of two variables to be measured; they are perceived job insecurity and organizational commitment. The questionnaire items in this study were similar to previous studies in view of their importance to this study. These include perceived job insecurity and Organizational commitment from Goodman and John Meyer and Natalie Allen et al., (1990). 98 questionnaires out of 100 were returned representing a response rate of 76%.

## Discussion of Findings

### *Test of Hypothesis*

Ho: Telecommunication employees who are high on overall perceived job insecurity would report less organizational commitment than telecommunication employees who are low on overall perceived job insecurity.

Table 1: A Summary Table of t-test for Independent Measures showing the influence of Overall Perceived Job Insecurity on Organizational Commitment

<b>Overall perceived job insecurity</b>	<b>N</b>	<b>x</b>	<b>SD</b>	<b>Df</b>	<b>t</b>	<b>P</b>
Higher	48	65.75	12.51	98	14.27	< .01
Lower	52	50.50	8.95			

Source: Author's Fieldwork, 2019

The result in table 1 reveals that overall perceived job insecurity significantly influenced organizational commitment among telecommunication employees {t (98) = 14.27, p< .01}. However, the result showed that telecommunication employees who were higher on overall perceived job insecurity (X=65.75) reported more organizational commitment than telecom employees who were lower on overall perceived job insecurity (X=50.50). Therefore, the hypothesis one was not supported in the stated direction, though it was significant.

H<sub>0</sub> : Telecommunication employees who are high on perceived cognitive job insecurity would report less organizational commitment than Telecommunication employees who are low on perceived cognitive job insecurity

Table 2: A Summary Table of t-test for Independent Measures showing the Influence of Perceived Cognitive Insecurity on Organizational Commitment among telecom employees

Perceived cognitive job insecurity	N	x	SD	Df	T	P
Higher	56	54.00	8.71			
Lower	44	47.20	10.68	98	10.29	< .01

Source: Author's Fieldwork, 2019

The result in table 2 above showed that perceived cognitive job insecurity significantly influenced organizational commitment among telecom employees {t (98) = 10.29, p < .01}. However, the result specifically revealed that telecom employees who were higher on perceived cognitive job insecurity (x=54.00) reported more organizational commitment than telecom employees (x=47.20) who were lower on perceived cognitive job insecurity.

Therefore, the hypothesis two was supported by the result of the study but not in the stated direction.

## Conclusion and Recommendations

The study concluded that for an employee to be fully committed especially during the pandemic period, a good job security and prevention of job loss must be put in place and properly managed. Any organization can benefit from an increase in job dedication and organizational productivity, goodwill and public perception (recognition), and other benefits from a favorable association between the two factors.

The study makes the following recommendations:

The management should prioritize the policy on perceived job insecurity and be open to implementing it using fresh concepts.

The health of an organization's human resources must be given a lot of attention because they are the main factor in attaining its goals and objectives.

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# Retention Strategy and Customer Loyalty: An Analysis of the selected 2<sup>nd</sup> Generation Banks, Ilorin, Nigeria

Olowo Ahmed AbdulGaniyu<sup>a</sup>, Jimoh, AbdulRasaq Taiye<sup>b</sup>,  
Jatto Adewale AbdulMjeed<sup>c</sup> and Bello, Kamal Asola<sup>d</sup>

<sup>acd</sup>Department of Marketing, Faculty of Management Sciences, University of Ilorin, Ilorin.

<sup>b</sup>Department of Finance, Faculty of Management Sciences, University of Ilorin, Ilorin

Orcid: 0000-0003-2797-7340<sup>a</sup>, 0000-0001-9368-6686<sup>b</sup>, 0009-0004-7926-617<sup>c</sup>, 0000-0001-54161545<sup>d</sup>

Corresponding Author: ahmed.ag@unilorin.edu.ng

## Abstract

*This study examined the effect of retention strategies on customer satisfaction as evidenced by the selected 2<sup>nd</sup> generation banks within the Ilorin metropolis. Two research objectives were raised to guide the conduct of this study; (i) identify how the retention strategy (customer relationship management) adopted by the selected 2<sup>nd</sup> generation banks enhances customer satisfaction, and (ii) investigate the effect of the retention strategy (service quality delivery) on customer satisfaction of the selected 2<sup>nd</sup> generation banks. The study utilized a descriptive research design and collected data through a cross-sectional survey method. Three hundred and seventy-nine (379) validated questionnaires were distributed to the respondents, but only three hundred and sixty-three (363) were found usable, sorted, edited, and coded for the analysis. Findings revealed that customer relationship management and service quality delivery have a significant effect on customer loyalty with  $R^2 = 85.6$  and  $83.2$  respectively. The study recommended that businesses should treat customer loyalty as a priority and not an option. Also, adequate funding must be provided to achieve the customer retention program.*

**Keywords:** customer relationship management, quality service delivery, satisfaction

## Introduction

The financial industry was no exception to the increased competitiveness in the business environment, as they concentrated more on creating long-term connections with existing customers (Gangrade & Jain, 2018). The financial sector top players have not grasped the importance of retaining previous accounts because their profit and survival are mostly dependent on existing customers, rather than new customers who may switch at any time for no apparent reason (Nasir, 2017). Nasir (2017) further explained that in a competitive market, a lost customer means more than a lost sale and also the company may lose all future sales and revenues from that customer's purchases. More so, Aladejare (2020) reported that Nigerian financial sector contributed 3.6 percent to the total gross domestic product in the second quarter of 2020, up from 3.1 percent in the first quarter and 2.63 percent in the same quarter of 2019, indicating steady growth despite the economic downturn experienced by businesses during the corona pandemic surge. The lack of client retention strategy is a major threat to organizational viability (Hawkins & Hoon, 2020). According to Gangrade

and Jain (2018), the financial sector has recognized the strategic importance of customer value and is constantly seeking new ways to improve customer retention through varied service relationship tactics.

Due to existing customers' satisfaction and happiness, selling to or giving services to them is less expensive than selling to or offering services to potential customers (Aydin & Ozer, 2005; Alshurideh, Masa'deh & Alkurdi, 2012). Also, Almohaimmed (2019) opined that organizations seeking a competitive advantage over their competitors must engage in practices aimed at attracting existing profitable customers and ensuring that measures are in place to retain those customers. This author went further to say that organisations must invest in their employees' training and development in customer relationship management to ensure that customer loyalty is maintained. This is because client retention has progressed beyond the simple strategy of offering a 50% discount for seasonal purchases or enticing customers with various amount rebates to boost sales during slow seasons (Tor, Raven & Dekay, 2011). Tor, *et.al* (2011) opined that marketers go above and beyond typical measures that none of their competitors take in order to keep clients and increase product sales. As a result, customer acquisition should be secondary to customer retention (McCarthy, 1997). Nowadays, customer retention is important to a company's success, and competitors are continuously seeking for new ways to increase consumer numbers by offering better deals (Fluss, 2010). Moreover, the banking industry is saddled with the responsibility of keeping and releasing people's money and other valuable items and, currently investing in more financial and human resources to retain existing customers with the hope that customers is an asset to the organisation. According to Njoku (2019), the banking sector in Nigeria is anchored in strategic tasks and responsibilities that center on its financial operations to the economy, saving and mobilizing from excess economic activity and channeling the same fund to deficit units and other projects. The licensed banks in Nigeria are categorised into five different generations; first generation banks, second-generation banks, third-generation banks, fourth-generation banks and fifth-generation banks and the essence of this classification is to ensure customer's satisfaction for service render to them (Njoku, 2019).

Remarkably, customer satisfaction exceeds expectations and adds value while customer happiness promotes loyalty and favourable word-of-mouth about the brand's goods and services (Hansemark & A lbinsson, 2004; Kotler, 2000; Hoyer & MacInnis, 2001). One of the crucial factors that determine a nation's economic position is the Nigerian banking sector. A viable and efficient banking sector signifies a better and stable business environment where interested and potential investors can commit their resources (Kola-Oyeneyin & Kuyoro, 2020). Recently, the traditional banking sector is coming up with different retention strategies as a result of varieties of virtual financial service providers coming up on daily basis to serve the same customers by more simplified methods within the comfort of their homes. Also, Esu and Anyadighibe (2014) opined that the new financial service providers have many other alternative options to which satisfaction and comfortability are inherent in their financial operations to the target market segment. Customers are more concerned and disturbed about the inconsistency in the service charges, maintenance service charge that ought to have been borne by the financial service providers, ineffective or delay in feedback or most times no information from the financial service providers have led many customers to switch from the normal traditional banking to the virtual financial service providers who they

perceived as not only cost-effective but also more efficient and reliable in terms of financial service for both local and international transactions (Kola-Oyeneyin & Kuyoro, 2020). Hence, this study aims to fill these gaps by evaluating how the retention techniques used by the selected 2<sup>nd</sup> generation banks affect customer loyalty. This study examined mainly the customers of the selected 2<sup>nd</sup> generation banks in Ilorin metropolis (Zenith bank plc and Fidelity bank plc). These banks were selected based on the retention strategies program they put in place to ensure customer satisfaction despite the strict regulations from the statutory authorities regulating money bank operations in Nigeria. Moreover, the selected 2<sup>nd</sup> generation banks over the years are vibrant and proactive in handling customer relationship management strategy as well as quality service delivery which are the major determinant of customer loyalty (Osugwu, 2004). This study is limited with regards to the population of the study which targeted only customers in Zenith Bank branches and Fidelity bank within Ilorin metropolis. Furthermore, the context of this study was restricted to customers patronizing the above 2<sup>nd</sup> generation banks within Ilorin metropolis, Kwara, State, Nigeria. The study objectives are to :

- i. identify how retention strategy (customer relationship management) adopted by the selected 2<sup>nd</sup> generation banks enhance customer satisfaction : and
- ii. investigate the effect of retention strategy (service quality delivery) on customer satisfaction of the selected 2<sup>nd</sup> generation banks

## **Literature Review, Theoretical Review/ Background and Hypothesis Formation**

### ***Concept of Retention Strategy***

Retention strategy is one of the most significant management practices that necessitate strategic thinking for the purpose of meeting present and future term organizational goals (Bender & Fish, 2000). This role is critical for two reasons according to these management experts i.e. bender and fish (2000) First, obtaining new clients in a volatile market is costly and dangerous. Second, corporations have become more profitable as long as customers remain loyal (Darzi & Bhat, 2018). Li and Zhou (2020), strategy of retention is the real strategy to manage customer churn, and according to them, it is pertinent for the business's future success and survival in the market where they operate. Also, according to Jahromi, Stakhovych and Ewing (2014) said customers' allegiance to a brand can easily be shifted to another if the brand's producers are not consistent and up-to-date in communicating information about the brand through various forms of marketing communication. Customer retention strategies can be defined as a technique that enables a business to concentrate its limited resources on the most viable opportunities for maintaining existing customers in order to boost sales and gain a long-term competitive edge over competitors in the market (Armstrong, Adam, Denize & Kotler, 2014). Customer retention methods are purposeful efforts by a firm or individual to keep customers buying their goods or services. They frequently include psychological elements aimed at getting clients to consider and see reasons why they should buy company's product (Armstrong, *et.al* 2014). In addition, Khadka and Maharjan (2017) explained that retention is not just about keeping consumers but first, it's about maintaining profitable customers for mutual benefit, which starts with creating and cultivating a genuine relationship with the target audience and Secondly, profit can only be made if clients are willing to purchase the company's goods. According to Tseng (2007), companies use a variety of customer retention strategies, including

direct mail, tangible prizes, interpersonal communication, preferential treatment, and seasonal/birthday SMS messages. Peng and Wang (2006) also looked at how retention measures, such as goodwill, price reduction perception, and credit-value offer to previous customers, were used to improve service quality.

Moreover, Griffin and Lowenstein (2001) added that management at the bank must find and improve elements that can keep customers from leaving because the longer a company keeps a customer, the more earnings the customer brings in. Considerable aspects include employee performance, professionalism, preparedness to address client issues, friendliness of sales representatives, level of marketing communication skills expertise, and selling abilities.

### *Types of Retention Strategies*

The study of retention techniques for developing and maintaining positive customer connections has drawn the interest of researchers. Customer relationship management and service quality are keys in sustaining long-term relationships in the service sector (Boadu & Achiaa, 2019). Although, Hawkins and Hoon (2020), explained that the application of retention strategy is define by a larger customer interaction model known as customer relationship management. For customer retention strategy to achieve its main purpose, organizations must pay adequate attention to customer relationship management and service provided to the target customers (Anees, Nordin, Anjum, Cavaliere & Heider, 2020). Also, Simanjuntak, Putri, Yuliat and Sabri (2020) opined that the best retention strategies for companies trying to preserve existing customers, make transaction faster, determine segmentation and increase customer satisfaction should manage its customer relationship management effectively and efficiently.

### *Determinant of Retention Strategies*

Many scholars come up with different determinants of retention strategies. Some scholars concluded that market determines the retention strategies to adopt by the organization while other marketing experts opined that value of the product determines the retention strategies. The Management-study-guide.com (2020), reveals that determinant of retention strategies based on market evidence includes the following factors such as easy accessibility of the product, customer service, value, uniqueness and suitability of the product, quality of goods and services versus customer expectation, loyalty and exit barrier. Although, Ranaweera and Prabhu (2003) opined that satisfaction and trust remain the major determinants of retention strategies, they went further to explain that satisfaction is more relevant in determining retention strategies than trust. Also, Chen and Hitt (2002) expounded that system utilization, service design, and additional corporate and individual-level variables are determinants of customer retention strategies in the service industry.

Berry and Parasuraman (1991) divided client retention methods into three categories: theoretical strategies, expert-reported best practices, and business-based tactics as three major strategies available for organization to adopt in ensuring customer churn objective. They compared insights from industrial and business-to-business marketing theories. According to Ganesh (2010), companies with strong customer retention rates can boost their image and attract prospects more easily and that customer retention is a key factor in a company's profitability and growth. According

to them, customer relationship management strategy and service quality delivery enhance customer loyalty and this leads to favourable customer retention that yield good profit to the business.

### ***Concept of Customer Relationship Management Strategy***

Srivastava (2012) explained that customer relationship management is a management strategy targeted at maximizing customer value, corporate profitability, and thus shareholder wealth. Ramanakumar (2008) defines customer relationship management as all marketing efforts targeted at generating, developing, and maintaining relational contacts. According to Ramanathan (2008), customer relationship management is a new technique that allows retail marketers to stay relevant in a changing market. Also, Buttle (2004) opined that Customer relationship management is a fundamental business strategy that combines internal and external factors to produce and deliver value to specific customers while making a profit. It is based on high-quality customer data and technological infrastructure.

### ***Concept of Service Quality Delivery***

Service is any activity or benefit that one party can offer to another, which is basically intangible and does not result in the ownership of anything (Kotler, Hayes & Bloom, 2002). Hence, in delivering service quality, there are distinct characteristics that distinguished service from physical goods e.g. intangibility, inseparability, variability and perishability. (Kotler, 2016). The assessment of quality performance for service rendered to the customer is more difficult than for the physical good due to the intrinsic variability, separation of production and consumption, perishability, and intangibility of these products (Frochot & Hughes, 2000; Roy et al., 2015). Quality of service defined by Parasuraman, Zeithaml and Berry (1985) in terms of the discrepancy between what clients anticipate from a service and how they actually perceive the business providing it. They created the SERVQUAL scale, a survey instrument designed to evaluate any type of customer service on the basis of five criteria: dependability, tangibles, assurance.

### ***Theory of disconfirmation***

The theory was propounded in 1957 by Leon Festinger. This theory is also known as expectation theory or expectancy-disconfirmation theory. Disconfirmation theory argues that satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations. Szymanski and Henard (2001) found in the meta-analysis that the disconfirmation paradigm is the best predictor of customer experience.

### ***Empirical Review***

Christopher, Cohen, Clemes, and Chong (2006) performed a survey on client retention in the New Zealand banking sector. A sample size of 23,120 customers was chosen at random from a population of customers with recorded card membership that is thought to number 120,000. To investigate the proposed association between the listed constructs, multiple regression was performed. According to study results, liberalization and globalization have considerably boosted the competition in the banking sector in recent years, and keeping an existing customer is less expensive than acquiring a new one. Findings also indicate that repeat customers spend more money and, if they are happy,

may spread good news about the institutions. It went on to say that client satisfaction strengthens their loyalty to the bank.

Choudhury (2007) looked at the characteristics of customer-perceived service quality in the Indian retail banking sector in the setting of a less prosperous environment. The four retail banks in India: National Bank, Millennium Bank, Central Bank, and Prudential Bank, made up the study's sample. From each of these banks, five branches were chosen at random. Six hundred (600) clients from each of the four banks made up the two thousand four hundred (2400) respondents who were surveyed. The SERVQUAL scores for the whole sample of customers were used in the factor analysis technique, which was then followed by a VARIMAX rotation to look at the dimensionality of the items. According to the research, customers in the Indian retail banking sector were able to discern between four different aspects of service excellence. Attitude, competence, tangibles, and convenience are the four dimensions of service quality, and each has distinctive characteristics that are part of the Indian retail banking environment. According to this study's findings, the Indian retail banking sector's two most important service quality elements are personnel' attitudes and competence.

H<sub>01</sub>: customer relationship management has no significance on customer satisfaction;

H<sub>02</sub>: service quality delivery has no significance on customer satisfaction

## Methodology

This study is purely a quantitative technique employed a cross-sectional research design to gather information from the walk-in-customers of selected 2nd generation banks within the Ilorin metropolis. The study populations are the walk-in customers from two branches of Zenith bank (Unity Road branch and AbdulAzeez Attah Road branch) and the only Fidelity bank branch within Ilorin metropolis. These banks were selected because of their outstanding performance during the year 2021 despite the advent of the Covid-19 pandemic that altered all business operations globally (Kola-Oyeneyin & Kujoro, 2020). The study sample size derived from the Guilford and Fruchter (1973) formulae

$$n = \frac{N}{1+e^2N}$$

Where n= sample size, e= margin error N= population

$$n = \frac{7,390}{1 + 7,390 (0.05)^2}$$

$$= \frac{7,390}{1 + 18.48}$$

$$= \frac{7,390}{19.48}$$

19.48

$$= 379.36 \text{ approximately } 379$$

$$\text{Zenith bank} = 6640/7390 * 379 = 340 \text{ respondents}$$

$$\text{Fidelity bank} = 750/7390 * 379 = 39 \text{ respondents.}$$

For this study, a multi-stage sampling procedure was adopted. The two banks in Ilorin, Kwara State, were initially chosen using the purposive sampling technique. Then, stratified sampling was employed to determine the number of respondents in each bank as follows: Zenith bank- three hundred and forty (340) respondents and Fidelity bank-thirty- nine (39) respondents and then the convenience sampling procedure was finally used to select the individual respondents to which the instruments were administered. To answer the study research questions and hypotheses, an instrument was developed. After conducting a literature search, two variables of the customer retention strategy—customer relationship management and service quality delivery—were discovered. Based on the constructs derived from the review of the literature, measurement scales for each of the discovered variables were created. The constructs developed for customer relationship management are; client security, customer data, ethics, trust and customer orientation. Also, constructs developed for service quality delivery; SERVQUAL, courtesy, communication, access and credibility.

## Results

Table 1: Presentation of Demographic Data of the study

		Frequency/Percentage (%)
Respondents' gender	Male	161 (44.35%)
	Female	202 (55.65%)
	Total	363 (100)
Respondents' age:	Below 21years	77 (21.21%)
	21 – 30years	87 (23.97%)
	31 – 40years	111 (30.58%)
	41 – 50years	42 (11.57%)
	Above 50years	46 (12.67%)
	Total	363 (100)
Respondents' educational qualification	WASC/GCE	117 (32.23%)
	B.Sc./BA/HND	134 (36.91%)

	M.Sc./MA/MBA.	98 (27.00%)
	Ph.D.	14 (3.86%)
	Others	-
	Total	363 (100)
Respondents' marital status	Single	127 (34.98%)
	Married	191 (52.62%)
	Widow/Widower	31 (8.54%)
	Divorced	14 (3.86%)
	Others	-
	Total	363 (100)
Respondents' religion	Christian	127 (34.99%)
	Islam	236 (65.01%)
	Others	-
	<b>Total</b>	<b>363 (100)</b>

**Source:** Authors Computation, 2022

From the demographic table 4.1, six (6) major variables were considered: respondents' gender, age, educational qualification, marital status, religion, and bank name. The descriptive analysis shows that 44.35% of the respondents are male while 55.65% are female, and this implies that the majority of the respondents are female. Also, 21.21% of the total respondents are below 21 years of age, 23.97% are between 21 and 30 years of age, 30.58% are between the ages of 31 and 40, 11.57% are between 41 and 50 years of age, and 12.67% are above 51 years of age. The higher proportion of 30.58% with age brackets of 31–40 years indicated that the majority of the respondents were of active age. For the educational qualifications, the highest percentage of 36.91% was for the B.Sc./BA/HND degree holders, followed by 32.23% for the WASC/GCE holders, and 27.01% for the M.Sc./MA/MBA degree holders, representing 3.86% of the respondents. The highest proportion of 36.91% implies that the majority of the respondents patronising Zenith Bank Plc and Fidelity Bank Plc in the Ilorin metropolis are B.Sc./BA/HND degree holders. The marital status shows 34.98% of the respondents are single, 52.62% are married, 8.54% are widowed or widowers and the divorced percentage stand at 3.86%. This result revealed that 34.99% are Christians and 65.01% are Muslims which implies that the majority of the respondents are Muslims. Also, 89.81% represents the respondents from Zenith Bank Plc, while the remaining 10.19% are respondents from the Fidelity Bank Plc, hence majority of the respondents are from Zenity Bank Plc.

H<sub>01</sub>: there is no relationship between retention strategy (customer relationship management) and customer loyalty

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925 <sup>a</sup>	.856	.549	.43911

a. Predictors: (Constant), customer relationship management

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.223	1	39.227	184.095	.000 <sup>b</sup>
	Residual	31.809	147	.211		
	Total	69.032	148			
a. Dependent Variable: Customer loyalty						
b. Predictors: (Constant), Customer Relationship Management						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.618	.109		5.251	.000
	Customer relationship management	.884	.042	.713	11.642	.000
a. Dependent Variable: Customer Loyalty						

Source: SPSS Output, 2022

H<sub>02</sub>: there is no relationship between retention strategy (service quality delivery) and customer loyalty

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.912 <sup>a</sup>	.832	.569	.48141		
a. Predictors: (Constant), service quality delivery						
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.117	1	39.227	186.097	.000 <sup>b</sup>
	Residual	31.629	149	.211		
	Total	69.746	150			
a. Dependent Variable: Customer loyalty						
b. Predictors: (Constant), Service quality delivery						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.131		1.614	.000

Service quality delivery	.761	.062	.771	15.024	.000
a. Dependent Variable: Customer Loyalty					

Source: SPSS Output, 2022

### Discussion of Findings

The correlation coefficient R is 0.925 (i.e.  $R = 0.925$ ) in the model summary table above, indicating that there is a very strong relationship between customer loyalty (dependent variable) and customer relationship management (independent variable). The data also shows that the  $R^2$ , or coefficient of determination, is 0.856, approximately 86 percent. This means that a shift in the customer relationship management for the selected 2<sup>nd</sup> generation banks understudy will account for an 86 percent shift in customer loyalty. The remaining 14% can be explained by other factors not considered in the analysis. The ANOVA table is analyzed to see if any of the variables are significant. The ANOVA table, p-value = 0.000 which is less than 0.05 (sig) and since p-value < 0.05, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_1$ ) is accepted that there is relationship between retention strategy (customer relationship management) and customer loyalty from the selected 2<sup>nd</sup> generation banks in Ilorin metropolis. The coefficient of the individual variable reveals that (.884) customer relationship management has a positive relationship with the customer loyalty of the chosen 2<sup>nd</sup> generation banks in Ilorin city. Furthermore, because the alpha level of 0.05 is greater than the p-value, the p-value and t-statistics value of 0.000 explains that there is a relationship between customer relationship management and customer loyalty. Hence, the retention strategy (customer relationship management) has a significant effect on customer loyalty from the selected 2<sup>nd</sup> generation banks within the Ilorin metropolis, and this finding was in agreement with the study conducted by Hawkins and Hoon (2020) that keeping existing customers above gaining new ones is cost-effective and more profitable to the business.

The coefficient R is 0.912 (i.e.,  $R = 0.912$ ) in the model summary table, indicating that there is a strong positive relationship between customer loyalty (dependent variable) and service quality delivery (independent variable). The data show that the  $R^2$ - or coefficient of determination, is 0.832, approximately 83 percent. This shows that a change of 83 percent in the service quality delivery will lead to 83 per cent change in the level of customer loyalty for the selected 2<sup>nd</sup>-generation banks under study. The remaining 17 per cent can be explained by other factors that were not part of the analysis. The ANOVA table is analyzed to see if the variables are significant. From the ANOVA table, p-value = 0.000 which is less than 0.05 (sig) and since p-value < 0.05, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_1$ ) accepted i.e. there is significant relationship between service quality delivery and customer loyalty of the selected 2<sup>nd</sup> generation banks within Ilorin metropolis. The coefficient of individual variable reveals that (.761) service quality delivery has significant effect on the customer’s loyalty. In addition, the p-value= .000 further explained that there is significant relationship between service quality delivery and customer loyalty since alpha level of 0.05 is greater than the p-value, which shows the independent variable (service quality delivery) have significant effect on the dependent variable (customer loyalty) for the selected 2<sup>nd</sup> generation banks within Ilorin metropolis. This study is consistent with the study conducted by Gangrade and Jain (2018), that customers can compare different banks' services in terms of eleven key factors, such as responsiveness, consistency in services, loyalty, credibility, reliability,

courteous behavior, conflict resolution, customer orientation, convenience, seasonal promotional campaigns, and service orientation..

### **Conclusion and Recommendations**

Every day, the Nigerian financial sector grows in size, structure, and complexity, and customers now have a wide range of options (Kola-Oyeneyin & Kujoro, 2020). Conclusions were drawn in accordance with the research objectives and questions based on the results of the data analysis and hypothesis testing. With a p-value less than 0.05, the two null hypotheses under test were found to be false. For the chosen 2nd generation banks in the Ilorin metropolitan, the study thus concluded that retention methods (customer relationship management and quality service delivery) have a significant effect on customer loyalty (Al Zaydi et.al,2018; Tsafarakis et.al,2018; Roy et.al, 2015; & Choudhury, 2007). As a result, a successful retention plan is essential to address customer loyalty at all time, and management should allocate a suitable budget to this end. Therefore, the study recommends that Management should establish a culture that makes customers feel heard, valued, and welcome at all times in order to achieve a sustainable relationship with customers. There must certainty sense of perceived positivity in terms of service quality delivered to the customers. Management's commitment to customer loyalty should be a priority and not an option. Effective communication and feedback must be monitored and controlled in order to avoid a vacuum between management and the customer so as to sustain a long term relationship.

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### *Competing Interests*

The authors declare no conflict of interest

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