



# Training and Development, Succession Planning and Employee Retention: Empirical Evidence from the Retail Sector in Lagos State, Nigeria

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**Abstract.** This study examines the impact of training and development and succession planning on employee retention in Lagos State's retail sector, a major employer and economic pillar that remains critically underexamined compared to banking and manufacturing. Drawing on Social Exchange Theory, a quantitative survey was conducted with 235 employees selected through stratified random sampling from two major retail firms in Ikeja, Lagos State. The findings reveal that both training and development and succession planning have statistically significant positive effects on employee retention. These results underscore the strategic importance of structured employee development and transparent career pathways for workforce stability. The study provides actionable insights for retail managers and contributes empirical evidence to the limited literature on talent management in Nigeria's competitive retail sector.

**Keywords:** employee retention, emerging economy, retail sector, succession planning, training and development

**JEL Classification:** J24, M54

## **1. Introduction**

The Nigerian retail sector, particularly in Lagos State, the country's commercial hub, operates within a challenging environment marked by intense competition, economic volatility, and rapidly evolving consumer preferences. In this context, the ability of retail organizations to maintain a stable and competent workforce is critical to achieving sustainable performance and growth. Employee retention, defined as an organization's capacity to retain its employees over a significant period (Madurani and Pasaribu, 2022), presents a persistent strategic challenge. High employee turnover disrupts operational continuity, incurs substantial recruitment and training costs, and leads to the erosion of valuable institutional knowledge and customer relationships (Phan et al., 2022).

The retail sector in Nigeria plays a vital role in the national economy, contributing approximately 16.2% to the country's Gross Domestic Product (GDP) and serving as a major source of employment, with the trade sector accounting for over 12% of the total workforce (National Bureau of Statistics, 2023; PwC Nigeria, 2024). Lagos State, as the commercial epicentre, hosts the highest concentration of retail activity, accounting for an estimated 35% of the nation's retail establishments and employing over 1.5 million people across formal and informal retail operations (Lagos State Bureau of Statistics, 2023). Despite its economic significance, the sector operates within a challenging environment characterized by intense competition, persistent economic volatility, and rapidly evolving consumer preferences. Industry reports indicate that employee turnover rates in the Nigerian retail sector average between 25% and 35% annually, significantly higher than the global retail average of approximately 18% (KPMG Nigeria, 2023; Jobberman Nigeria, 2024). This elevated turnover imposes substantial costs, with estimates suggesting that replacing a single retail employee can cost between 50% and 150% of their annual salary when recruitment, training, and productivity losses are considered (Deloitte, 2023).

Globally, research underscores talent management as a pivotal strategy for mitigating turnover and enhancing retention. Studies across various sectors and regions, including IT (Kumar, 2022), government-linked companies (Ebrahim et al., 2021), and small and medium-sized enterprises (Ismail et al., 2021), have demonstrated that strategic investments in human capital through systematic talent management practices can significantly influence an employee's decision to remain with an organization. Practices such as structured training and development and clear succession planning are frequently cited as mechanisms that build employee commitment, enhance job satisfaction, and signal long-term organizational investment in personnel (Owolabi and Adeosun, 2021; Urme, 2023).

However, the empirical landscape within the Nigerian context reveals a significant gap. While emerging studies have begun to explore this relationship in sectors like banking (Fatuase et al., 2025; Ojo and Alli, 2024) and manufacturing

(Owolabi and Adeosun, 2021), the retail industry, a major employer and economic pillar in Lagos State, remains critically underexamined. The prevailing issues in Nigeria's retail sector, including demanding work conditions, often limited career progression pathways, and intense competition for skilled staff, create a unique context where the efficacy of generic talent management models cannot be assumed. The specific impact of targeted practices like training and development and succession planning on retention within this distinct environment is not well understood. Consequently, retail managers and policymakers lack context-specific, evidence-based guidance on which talent management levers are most effective in stabilizing their workforce.

This study, therefore, seeks to address this critical gap in the literature. Its primary objective is to empirically test the effect of two core talent management practices, training and development, and succession planning on employee retention within selected retail firms in Lagos State, Nigeria. In doing so, the study makes several contributions to the existing literature. First, it extends the application of Social Exchange Theory and the Resource-Based View to the under-researched context of Nigeria's retail sector, demonstrating whether the positive retention effects of talent management practices observed in the banking, manufacturing, and IT sectors hold true in this distinct environment. Second, it provides empirical evidence on the relative explanatory power of training and development versus succession planning for employee retention, offering clarity on which practice may be more salient in the retail context. Third, by focusing on Lagos State, the commercial hub accounting for approximately 35% of Nigeria's retail establishments, the study generates context-specific, actionable insights for retail managers and policymakers in an emerging economy facing high turnover rates. Finally, the study responds to calls in the literature for more empirical talent management research within the African retail sector, thereby contributing to the diversification of a field traditionally dominated by Western and Asian contexts.

The remainder of this paper is structured as follows. Section 2 presents the theoretical background, reviewing the Resource-Based View and Social Exchange Theory, and develops the conceptual model. Section 3 reviews the empirical literature on training and development, succession planning, and employee retention, leading to the formulation of two hypotheses. Section 4 describes the research method, including the study design, population and sampling strategy, data collection instrument, scale validation, and analytical techniques. Section 5 reports the empirical results, including demographic characteristics, reliability statistics, descriptive statistics, and the hypothesis tests, and discusses the findings in the light of existing literature and theoretical frameworks. Section 6 outlines the practical implications for retail managers and policymakers. Section 7 acknowledges the study's limitations and offers directions for future research. Section 8 concludes the paper by summarizing the key findings and contributions.

## **2. Theoretical Background**

This study is grounded in the complementary theoretical frameworks of the Resource-Based View (RBV) of the firm and Social Exchange Theory (SET). While RBV explains why strategic investment in human capital constitutes a source of competitive advantage, SET elucidates how such investments translate into employees' reciprocal commitment and retention. The integration of these two perspectives provides a comprehensive lens for understanding the mechanisms through which training and development and succession planning influence employee retention.

### **Talent Management Practices: A Strategic Resource-Based Construct**

Talent Management Practices (TMPs) are defined as the integrated, strategic processes an organization employs to systematically attract, identify, develop, engage, and retain individuals with high potential or who are critical to current and future organizational objectives (Kumar, 2022; Almashyakhi, 2024). This construct transcends traditional administrative human resource functions by emphasizing a proactive, future-oriented alignment of human capital with strategic goals. Theoretically, TMPs are grounded in the Resource-Based View (RBV) of the firm, which posits that sustained competitive advantage is derived from valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Human talent, when managed strategically, constitutes such a VRIN resource.

Training and development specifically focus on enhancing current job performance and preparing employees for future roles, thereby increasing the value of the human resource stock. Succession planning, a more targeted subset, involves the systematic identification and development of internal personnel to fill key leadership and critical roles, ensuring continuity and reducing vacancy risk (Owolabi and Adeosun, 2021). The effectiveness of these practices is not merely in their existence but in their perceived quality, fairness, and strategic integration, which influence employee perceptions and attitudes (Madurani and Pasaribu, 2022).

From a social exchange perspective, TMPs represent the organization's substantive investments in the employee. They are the "benefits" offered by the organization in the implicit employment contract. When employees perceive these practices as genuine, equitable, and developmental, they signal organizational support and a commitment to a long-term relationship, which is crucial for invoking reciprocal obligations (Cropanzano and Mitchell, 2005).

## **Employee Retention: A Multidimensional Outcome Variable**

Employee Retention refers to an organization's ability to prevent voluntary turnover and maintain its workforce over a significant period (Madurani and Pasaribu, 2022). It is a critical organizational outcome representing the successful maintenance of the human capital investment. Retention is conceptually distinct from mere tenure; it implies the *voluntary and continued* membership of employees who are engaged and choose to remain, rather than those who stay due to a lack of alternatives or economic constraints (Kumar, 2022).

Theoretically, employee retention is best understood as the behavioural manifestation of deeper psychological states, primarily organizational commitment and job satisfaction, as outlined in models such as Mobley et al's (1979) turnover sequence. Retention is the positive endpoint where strong affective commitment (emotional attachment to the organization) and high job satisfaction outweigh the attractions of alternative employment or the desire to leave. Key antecedents identified in the literature include perceived organizational support, career advancement opportunities, equitable rewards, a positive work environment, and the quality of leadership (Ismail et al., 2021; Phan et al., 2022).

Retention is a vital dependent variable because of its direct link to organizational performance and stability. High retention rates are associated with lower direct costs (recruitment, selection, onboarding), preserved institutional knowledge, enhanced customer service through experienced staff, stronger organizational culture, and increased productivity (Ebrahim et al., 2021; Fatuase et al., 2025). Conversely, high turnover disrupts operations, damages morale, and imposes significant financial and knowledge-loss burdens. Therefore, retention is not merely a human resource (HR) functions metric but a key indicator of organizational health and strategic human resource management efficacy. In the context of this study, it serves as the critical outcome measure for assessing the return on investment in specific talent management practices within the challenging retail sector of Lagos State.

## **3. Literature Review and Hypothesis Development**

### **Training and Development and Employee Retention**

A substantial body of literature establishes a positive link between organizational investment in training and development (T&D) and enhanced employee retention. The underlying rationale is grounded in human capital and social exchange theories. T&D initiatives increase an employee's skills, knowledge, and self-efficacy, thereby enhancing their intrinsic job satisfaction and perceived employability, both

internally and externally (Kumar, 2022). From a social exchange perspective, when an organization invests in an employee's growth, it is perceived as a significant inducement, fostering a sense of obligation and loyalty that encourages the employee to reciprocate through continued service (Cropanzano and Mitchell, 2005).

Empirical evidence across various sectors and geographies supports this relationship. In the IT sector, Kumar (2022) found that career development opportunities, often facilitated through training, were a primary factor in retention decisions. Similarly, Urme (2023) identified training as a core talent management strategy that directly reduces turnover by increasing engagement. Research in Malaysian SMEs demonstrated that talent management practices encompassing development significantly influenced retention (Ismail et al., 2021). In the service sector of Jordan, Alsakarneh et al. (2023) reported that training and development had a significant positive effect on employee retention. Furthermore, studies within Nigeria's banking industry affirm this link, indicating that employees who perceive opportunities for skill enhancement are more likely to remain with their employer (Fatuase et al., 2025; Ojo and Alli, 2024).

However, the literature also notes contingencies. The impact of T&D on retention is not automatic and can be moderated by other factors such as the relevance of the training, the perceived fairness of development opportunities, and the overall compensation and work environment (Ebrahim et al., 2021). In some cases, enhanced skills may paradoxically increase an employee's external marketability, leading to turnover if internal career paths are not clear (Phan et al., 2022). Nevertheless, the predominant scholarly consensus positions strategic and well-executed T&D as a critical retention tool. Based on this established theoretical and empirical foundation, the following hypothesis is proposed for the retail sector in Lagos State:

$H_1$ : Training and development has a significant positive effect on employee retention in selected retail firms in Lagos State, Nigeria.

## **Succession Planning and Employee Retention**

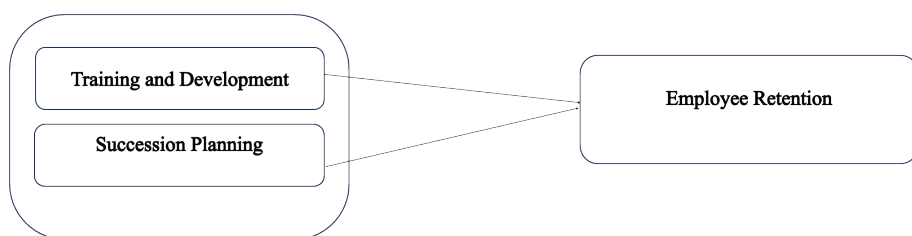
Succession planning (SP) is a strategic talent management practice focused on identifying and developing internal talent to fill key roles in the future. Its theorized link to retention is primarily through the mechanism of signalling organizational commitment and providing clear career progression pathways. Social Exchange Theory is particularly relevant here: by identifying employees as potential future leaders, the organization communicates trust, value, and a long-term investment in their future, which employees are likely to reciprocate with increased commitment and reduced turnover intentions (Blau, 1964).

Empirical research corroborates this relationship. In a Nigerian manufacturing context, Owolabi and Adeosun (2021) found that succession planning fostered

loyalty and retention by providing tangible evidence of career advancement opportunities. A study in Namibian higher education concluded that well-structured succession planning was vital for reducing turnover among administrative staff (Amushila and Bussin, 2021). In the Vietnamese healthcare sector during the COVID-19 pandemic, clear talent development and succession pathways were critical for retaining a skilled workforce (Phan et al., 2022). Research in Nigerian deposit money banks also identified succession planning strategies as having a positive effect on employee retention (Ojuolape et al., 2022).

The literature also highlights potential risks that can undermine the positive effects of SP. If the process is perceived as opaque, unfair, or prone to favouritism, it can generate dissatisfaction and conflict, potentially increasing turnover among those who feel overlooked (Setiawan and Prasajo, 2021; Ismail et al., 2021). Furthermore, an over-reliance on internal succession without external infusion can limit innovation (Phan et al., 2022). Despite these caveats, when implemented transparently and equitably, succession planning is widely recognized as a powerful mechanism for building organizational stability and retaining high-potential talent by making career futures within the company more visible and attainable. Therefore, this study hypothesizes:

$H_2$ : Succession planning has a significant positive effect on employee retention in selected retail firms in Lagos State, Nigeria.



*Source: author's own elaboration*

**Figure 1.** *Conceptual research model*

## 4. Research Method

### Research Design

This study adopted a quantitative, cross-sectional survey research design. This design was selected for its efficacy in collecting standardized data from a large sample, enabling the quantification of relationships between variables and facilitating statistical generalization (Creswell and Creswell, 2018). The survey approach is commonly employed in management research to examine perceptual

and attitudinal constructs like talent management practices and retention intentions (Alsakarneh et al., 2023; Kumar, 2022). It is appropriate for achieving the study's objective of measuring the impact of specific predictors on a dependent variable within a defined population.

## **Population, Sample, and Sampling Technique**

The target population comprised 600 employees from two strategically selected retail firms, ShopRite and Spar NG, operating within the Ikeja Local Government Area of Lagos State. Ikeja was chosen as it represents a major commercial hub with a high concentration of formal retail activity, providing a relevant context for the study (Akpa et al., 2022).

The selection of ShopRite and Spar NG was guided by several considerations. First, both firms are among the largest and most established multinational retail chains operating in Nigeria, with structured human resource functions and formalized talent management practices. This was essential for the study, as the investigation required organizations with identifiable training and development programmes and succession planning frameworks features that may be absent or less formalized in smaller or informal retail establishments. Second, the selection was influenced by accessibility: both firms have their regional headquarters and multiple branches within Ikeja, which facilitated administrative approvals and data collection logistics. Prior research in the Nigerian retail context has similarly focused on large formal retail chains to ensure the availability of structured HR practices for investigation (Akpa et al., 2022; Ogunyomi and Bruning, 2024). Third, focusing on two firms allowed for a controlled comparison by minimizing extraneous organizational variability (e.g. differences in organizational culture, HR policies, and market positioning) that would arise from including a wider range of retail formats.

Importantly, this purposive selection means the findings are most directly generalizable to large, formal retail chains with established human resource management systems. The Nigerian retail sector is highly heterogeneous, encompassing small and medium-sized enterprises (SMEs), informal market vendors, and cooperative retail models, which together constitute a substantial portion of retail employment (PwC Nigeria, 2024). The practices and retention dynamics within these segments may differ considerably due to varying levels of HR formalization, resource availability, and employment conditions. Therefore, the findings should be interpreted as reflective of the formal, organized retail subsector rather than the entirety of Nigeria's retail industry. This limitation is acknowledged and addressed further in the limitations section of the study.

To determine a statistically robust sample size, the Raosoft Online Sample Size Calculator was utilized, inputting a population size of 600, a 5% margin of error, a

95% confidence level, and a 50% response distribution. This calculation yielded a recommended minimum sample size of 235 respondents. A stratified random sampling technique was then employed to select participants. The workforce of each retail firm was stratified based on key job roles (e.g. cashiers, sales associates, supervisors, departmental managers) and departments (e.g. operations, customer service, administration). Proportional allocation was used to determine the number of respondents from each stratum, after which simple random sampling was applied within each stratum to select individual participants. This technique ensured that all significant employee subgroups were adequately represented, thereby enhancing the sample's representativeness and reducing selection bias (Saunders et al., 2019).

### **Data Collection Instrument and Measures**

Primary data were collected using a structured, self-administered questionnaire. The instrument was divided into three sections. Section A captured demographic information (gender, age, educational qualification, length of employment). Sections B and C measured the core constructs using a six-point Likert scale ranging from 1 (Strongly Disagree) to 6 (Strongly Agree). This scale was chosen to eliminate a neutral midpoint, thereby encouraging respondents to indicate a directional opinion (Babakus and Mangold, 1992).

Training and Development (TD) was measured using a 5-item scale adapted from established literature (Kumar, 2022; Urme, 2023). Items assessed perceptions of the adequacy, skill-enhancement value, regularity, support for learning, and performance impact of training, with a sample item being "The training I receive helps me improve my skills." Succession Planning (SP) was also measured with a 5-item scale, drawing from the work of Owolabi and Adeosun (2021) and Ojuolape et al. (2022). Items gauged awareness of career progression opportunities, transparency in promotion, and the clarity of the organization's leadership pipeline, exemplified by "I know there are opportunities to grow into bigger positions." Employee Retention (ER), the dependent variable, was measured using a 5-item scale adapted from studies by Ismail et al. (2021) and Ebrahim et al. (2021). The scale focused on affective and behavioural intentions, including job happiness, feeling valued, long-term stay intention, perceived fairness, and lack of turnover thoughts, with a sample item being "I see myself staying in this company for a long time."

### **Scale Validation and Aggregation**

To ensure the reliability and validity of the multi-item scales, a two-step process of scale validation and aggregation was undertaken. First, for reliability assessment, the internal consistency of each multi-item scale was assessed using

Cronbach's alpha coefficient. As presented in *Table 1*, all constructs demonstrated acceptable reliability, with Cronbach's alpha values exceeding the commonly accepted threshold of 0.70 (Nunnally and Bernstein, 1994). The Training and Development scale achieved a Cronbach's alpha of 0.842, the Succession Planning scale yielded 0.861, and the Employee Retention scale recorded 0.825, confirming that the items within each scale consistently measure their respective underlying constructs. Prior to the main data collection, a pilot test was conducted with 30 employees from a similar retail outlet (excluded from the main study) to assess the instrument's clarity, readability, and face validity. Feedback from the pilot test informed minor refinements to the wording of two items to enhance clarity, and the pilot test also confirmed acceptable preliminary reliability, with Cronbach's alpha values for all constructs exceeding 0.70.

**Table 1.** *Reliability statistics*

| Construct                | Number of Items | Cronbach's Alpha |
|--------------------------|-----------------|------------------|
| Training and Development | 5               | 0.842            |
| Succession Planning      | 5               | 0.861            |
| Employee Retention       | 5               | 0.825            |

*Source: field survey, 2025*

Second, for construct validity, exploratory factor analysis (EFA) was conducted using principal component analysis with varimax rotation. The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy was 0.871, exceeding the recommended threshold of 0.60, and Bartlett's test of sphericity was significant ( $\chi^2 = 1,847.632$ ,  $df = 105$ ,  $p < 0.001$ ), confirming the suitability of the data for factor analysis. The EFA extracted three factors with eigenvalues greater than 1.0, corresponding to the three theoretical constructs, and these three factors collectively accounted for 68.4% of the total variance. All 15 items loaded cleanly onto their respective factors, with factor loadings exceeding 0.65, and no significant cross-loadings were observed, providing evidence of acceptable convergent and discriminant validity. Third, for scale aggregation, composite scores for each construct were computed by averaging the responses to the constituent items. For each respondent, the Training and Development score was calculated as the mean of the five TD items, the Succession Planning score as the mean of the five SP items, and the Employee Retention score as the mean of the five ER items. The use of mean scores rather than sum scores was preferred to preserve the original scale metric (1–6), thereby facilitating the interpretation of regression coefficients (Hair et al., 2019). Descriptive statistics for these composite variables are presented in *Table 2*.

**Table 2.** *Descriptive statistics for composite variables*

| Construct                | N   | Minimum | Maximum | Mean | Standard Deviation |
|--------------------------|-----|---------|---------|------|--------------------|
| Training and Development | 235 | 1.20    | 6.00    | 4.12 | 0.94               |
| Succession Planning      | 235 | 1.00    | 6.00    | 3.89 | 1.02               |
| Employee Retention       | 235 | 1.20    | 6.00    | 4.23 | 0.89               |

*Source: field survey, 2025*

## Data Analysis Technique

Data analysis was performed using the Statistical Package for the Social Sciences (SPSS), version 26. Following data cleaning and screening, descriptive statistics (frequencies, means, standard deviations) were computed to summarize the demographic and scale data. To test the study's hypotheses, simple linear regression analysis was employed, which is a statistical technique used to model the relationship between a single independent variable and a single dependent variable (Hair et al., 2019). It is a suitable method for quantifying the individual predictive power of a specific variable and aligns with the analytical approach used in comparable talent management research (Fatuase et al., 2025; El Sayed et al., 2021). The Shapiro–Wilk test ( $p = 0.142$ ) indicated no significant deviation from normality, and the Breusch–Pagan test ( $p = 0.231$ ) confirmed homoscedasticity, satisfying key regression assumptions (Hair et al., 2019).

The analysis tested two regression models, effectively examining the individual contribution of each predictor. In the models, ER represents Employee Retention, TD represents Training and Development, and SP represents Succession Planning. The first model examined the effect of Training and Development on Employee Retention ( $ER = \beta_0 + \beta_1(TD) + \epsilon$ ), while the second model examined the effect of Succession Planning on Employee Retention ( $ER = \beta_0 + \beta_2(SP) + \epsilon$ ).

Further,  $\beta_0$  is the constant,  $\beta_1$  and  $\beta_2$  are the regression coefficients, and  $\epsilon$  is the error term. The significance of the beta coefficients ( $\beta$ ), t-statistics, p-values ( $p < 0.05$  threshold), and the coefficient of determination ( $R^2$ ) were interpreted to accept or reject the null hypotheses. This methodological approach aligns with similar empirical studies investigating talent management and retention outcomes (Amushila and Bussin, 2021; Durra, 2023).

## 5. Results and Analysis

A total of 280 questionnaires were distributed to employees across the two retail firms. Following data cleaning to exclude incomplete questionnaires and those with inconsistent responses, 235 valid questionnaires were retained for analysis,

yielding a response rate of 83.9%, which is considered high for organizational survey research and mitigates concerns regarding non-response bias (Baruch and Holtom, 2008). The demographic characteristics of the sample are presented in *Table 3*. The majority of respondents (57.0%) fell within the 26–35 years age bracket, representing the core workforce in the retail sector. Gender distribution was nearly equal (51.5% male, 48.5% female). In terms of tenure, 41.3% of employees had 1–5 years of service, while 28.9% had served for 6–10 years. Most respondents held an HND or BSc as their highest qualification (62.1%).

**Table 3.** *Demographic profile of respondents (N = 235)*

| Demographic Characteristic       | Category                                                     | Frequency | Percentage (%) |
|----------------------------------|--------------------------------------------------------------|-----------|----------------|
| <b>Gender</b>                    | Male                                                         | 121       | 51.5           |
|                                  | Female                                                       | 114       | 48.5           |
| <b>Age Group</b>                 | 18–25 years                                                  | 42        | 17.9           |
|                                  | 26–35 years                                                  | 134       | 57.0           |
|                                  | 36–45 years                                                  | 48        | 20.4           |
|                                  | 46 years and above                                           | 11        | 4.7            |
| <b>Educational Qualification</b> | Senior School Certificate Examination                        | 28        | 11.9           |
|                                  | Ordinary National Diploma / Nigeria Certificate in Education | 42        | 17.9           |
|                                  | Higher National Diploma / Bachelor of Science                | 146       | 62.1           |
|                                  | Postgraduate                                                 | 19        | 8.1            |
| <b>Tenure</b>                    | Less than 1 year                                             | 31        | 13.2           |
|                                  | 1–5 years                                                    | 97        | 41.3           |
|                                  | 6–10 years                                                   | 68        | 28.9           |
|                                  | Above 10 years                                               | 39        | 16.6           |

*Source: field survey, 2025*

## Test of Hypothesis

The first hypothesis that we test is  $H_1$ : Training and development has a significant positive effect on employee retention in selected retail firms in Lagos State, Nigeria. The statistical analysis used for this test, specifically simple linear regression, is presented in *Table 4*.

**Table 4.** Regression analysis for the effect of training and development on employee retention ( $N = 235$ )

| Variable                 | Unstandardized Coefficient (B) | Standard Error | Standardized Coefficient ( $\beta$ ) | t      | p-value |
|--------------------------|--------------------------------|----------------|--------------------------------------|--------|---------|
| (Constant)               | 3.240                          | .229           |                                      | 14.138 | .000    |
| Training and Development | .263                           | .050           | .252                                 | 5.209  | .000    |

Note:  $R^2 = .064$ ,  $p < .001$ . Dependent variable: Employee Retention.

## Discussion of Results

The results of the simple linear regression analysis for Hypothesis 1 are presented in *Table 4*. The model was statistically significant ( $F = 27.134$ ,  $p < 0.001$ ). The analysis revealed that Training and Development (TD) had a positive and statistically significant effect on Employee Retention (ER), with a standardized beta coefficient ( $\beta$ ) of 0.252 ( $t = 5.209$ ,  $p < 0.05$ ). This outcome supports  $H_1$ , leading to the rejection of the null hypothesis.

The coefficient of determination ( $R^2$ ) value of 0.064 indicates that approximately 6.4% of the total variance in employee retention among the sampled retail workers is accounted for by their perceptions of the organization's training and development initiatives. While this percentage may appear modest, it represents a meaningful and distinct explanatory contribution for a single organizational practice within the multifactorial domain of employee retention (Kumar, 2022). The positive beta coefficient suggests that for every one-unit increase in an employee's positive perception of training and development (on the 6-point scale), their likelihood of intending to stay with the organization increases by 0.263 units, holding other factors constant.

This finding aligns with the theoretical expectations of Social Exchange Theory (Blau, 1964; Cropanzano and Mitchell, 2005). Employees interpret organizational investment in their skills and competencies as a valuable benefit. In line with the norm of reciprocity, they reciprocate this investment with increased loyalty and a stronger intention to remain, thereby fulfilling their side of the implicit social contract (Ebrahim et al., 2021). Empirically, this result corroborates previous research in diverse contexts, such as the IT sector (Kumar, 2022), Malaysian SMEs (Ismail et al., 2021), and the Jordanian service industry (Alsakarneh et al., 2023), confirming that the mechanism of skill-enhancement and perceived organizational support through T&D is a consistent, though partial, driver of retention across sectors, including the Nigerian retail environment.

However, the  $R^2$  value also underscores a critical practical insight, while T&D is a significant lever, as it operates in conjunction with numerous other factors. This finding resonates with literature noting that the efficacy of training is contingent on

complementary factors like fair compensation, a supportive work environment, and clear career paths (Phan et al., 2022). For retail managers, this implies that T&D should be viewed as a necessary, but not sufficient, component of a holistic retention strategy.

The second hypothesis that we test is  $H_2$ : Succession planning has a significant positive effect on employee retention in selected retail firms in Lagos State, Nigeria. The statistical analysis used for this test, specifically simple linear regression, is presented in *Table 5*.

**Table 5.** Regression analysis for the effect of succession planning on employee retention ( $N = 235$ )

| Variable            | Unstandardized Coefficient (B) | Standard Error | Standardized Coefficient ( $\beta$ ) | t      | p-value |
|---------------------|--------------------------------|----------------|--------------------------------------|--------|---------|
| (Constant)          | 3.222                          | .208           |                                      | 15.493 | .000    |
| Succession Planning | .280                           | .045           | .296                                 | 6.190  | .000    |

Notes:  $R^2 = .087$ ,  $p < .001$ . Dependent variable: Employee Retention.

## Discussion of Results

The regression analysis for Hypothesis 2 is summarized in *Table 5*. The model was statistically significant ( $F = 38.316$ ,  $p < 0.001$ ). The results demonstrate that Succession Planning (SP) exerted a positive and statistically significant influence on Employee Retention (ER), with a standardized beta coefficient ( $\beta$ ) of 0.296 ( $t = 6.190$ ,  $p < 0.05$ ). This finding provides strong empirical support for  $H_2$ , leading to the rejection of the corresponding null hypothesis.

The coefficient of determination ( $R^2$ ) of 0.087 indicates that approximately 8.7% of the variance in employee retention is explained by employees' perceptions of the organization's succession planning practices. This explanatory power is notably stronger than that of training and development, suggesting that in the context of the studied retail firms, the clarity and promise of future career paths may be a slightly more potent signal of organizational commitment than the current skill development alone. The beta coefficient of 0.280 implies that a one-unit improvement in an employee's perception of the firm's succession planning is associated with a 0.280-unit increase in their retention intention.

This result offers robust validation for the application of Social Exchange Theory (Homans, 1958; Blau, 1964) to career advancement practices. Succession planning represents a high-value, long-term organizational inducement. By identifying and grooming employees for future leadership or key roles, the firm communicates a significant investment in their long-term future within the organization. This action fosters a powerful sense of perceived organizational support and psychological contract fulfilment. In reciprocal exchange, employees respond with heightened affective commitment and a reduced propensity to seek employment elsewhere, as

leaving would forfeit these anticipated future benefits (Owolabi and Adeosun, 2021). The finding is consistent with empirical research in the Nigerian manufacturing sector (Owolabi and Adeosun, 2021), the Namibian higher education (Amushila and Bussin, 2021), and the Nigerian banking industry (Ojuolape et al., 2022), which collectively affirm that visible and credible internal career ladders are critical for retaining talent.

The stronger  $R^2$  value for succession planning, compared to training and development, may reflect a specific dynamic within the retail workforce. Employees in this sector may perceive skill development as a baseline expectation, whereas a transparent succession plan directly addresses common concerns about career stagnation and limited upward mobility in retail, thereby having a more substantial impact on their long-term commitment (Setiawan and Prasajo, 2021).

## **6. Implications for Managers and Policy Makers**

The findings of this study yield several practical implications for human resource managers and organizational leaders within the Nigerian retail sector, as well as for broader industry policy considerations.

For retail managers and organizational leaders, the results underscore a strategic imperative: systematic investment in human capital through formalized talent management practices is a critical driver of workforce stability. The significant positive effects of both training and development (T&D) and succession planning (SP) indicate that these are not peripheral HR activities but core strategic functions. Regarding training and development, managers should transition from ad-hoc, generic training to structured, competency-based development programmes that are personalized and offer continuous feedback mechanisms (Kumar, 2022; Ojo and Alli, 2024). Such programmes signal a tangible investment in the employee's present capabilities and future potential, fulfilling a key component of the social exchange that fosters retention (Cropanzano and Mitchell, 2005). Furthermore, and perhaps more critically, the findings highlight the paramount importance of transparency and fairness in succession planning. An opaque or perceived inequitable succession process can erode trust, breed perceptions of favouritism, and ultimately increase turnover among high-potential employees who feel overlooked (Setiawan and Prasajo, 2021; Ismail et al., 2021). Therefore, managers must institutionalize clear, merit-based criteria for advancement and communicate these pathways openly to all employees. This involves not only identifying potential successors but also providing them with the targeted developmental experiences needed to prepare for future roles, thereby making the succession pipeline a visible and credible aspect of the organizational culture (Owolabi and Adeosun, 2021).

For industry associations and policy makers concerned with the retail sector's development and stability, this research suggests a need to promote best-practice guidelines in talent management. Given the sector's role as a major employer, fostering a culture of formal human capital development can enhance overall sector productivity and service quality. Policy initiatives could include facilitating partnerships between retail firms and educational institutions for tailored vocational training or creating forums for sharing best practices in career pathing and internal mobility. Encouraging firms to move beyond a short-term, transactional view of employment to a long-term, developmental perspective is essential for building a resilient and skilled retail workforce in Nigeria's competitive economy.

## **7. Limitations and Directions for Future Research**

A primary limitation is the narrow geographic and sectoral scope, as the sample was drawn exclusively from two large retail firms in the Ikeja area of Lagos State. Consequently, the findings may not be fully generalizable to small and medium-sized retail enterprises (SMEs), which may have less formalized HR structures, or to retail firms in other Nigerian regions with different socio-economic dynamics (Akpa et al., 2022; Durra, 2023). Furthermore, the cross-sectional survey design captures perceptions and intentions at a single point in time, which limits the ability to infer causality definitively or to understand how the relationship between talent management practices and retention evolves over an employee's tenure or in response to organizational changes (Phan et al., 2022). Regarding future research directions, longitudinal studies are needed to examine the long-term effects of training and development and succession planning on actual retention rates rather than intentions alone, as well as on career progression. Additionally, expanding the research scope to include a more diverse sample encompassing SMEs, retail firms across multiple Nigerian states, and comparative studies with other service industries like hospitality or banking would enhance the external validity of the findings (Alsakarnef et al., 2023; Kalia et al., 2024). Finally, researchers should develop and test more complex models that include mediators such as employee engagement and organizational commitment, as well as moderators such as leadership style and organizational culture, to unravel the contingent conditions under which talent management practices are most effective for retention.

## **8. Conclusions**

This study examined the impact of training and development and succession planning on employee retention within the retail sector in Lagos State, Nigeria.

Drawing on Social Exchange Theory and the Resource-Based View, the study addressed a critical gap in the literature by focusing on the retail industry, a major employer and economic pillar that has remained underexamined relative to the banking and manufacturing sectors. The findings from 235 employees across two major retail firms in Ikeja reveal that both training and development and succession planning have statistically significant positive effects on employee retention, with succession planning ( $\beta = 0.296$ ,  $R^2 = 0.087$ ) demonstrating slightly stronger explanatory power than training and development ( $\beta = 0.252$ ,  $R^2 = 0.064$ ). This suggests that transparent career pathways may be a particularly potent signal of organizational commitment in the retail context. The study makes several theoretical and practical contributions. Theoretically, it extends the application of Social Exchange Theory to the Nigerian retail sector, demonstrating that employees reciprocate organizational investments in their development and career progression with increased retention intentions. Practically, the findings underscore the strategic imperative for retail managers to institutionalize structured training programmes and transparent, merit-based succession planning. For policymakers, the study highlights the need to promote best-practice guidelines in talent management to enhance workforce stability across Nigeria's retail sector.

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