INCENTIVE STRATEGIES AND INSTITUTIONAL STABILITY IN PUBLIC AND PRIVATE UNIVERSITIES IN SOUTHWEST, NIGERIA

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Abstract

This study examined the effect of incentivesn strategies on institutional stability in public and private universities in Southwest, Nigeria. Specifically, the study investigated the impact of incentive strategies on institutional stability in public and private universities in Southwest, Nigeria. the study adopted a descriptive survey research design and covered a total population for the study is 8,550. The population data for each institution was obtained from the Nigeria University Digest, 2019. To ensure manageable data, the study used the Taro Yamane (1967) formula cited in Umar and Wachiko (2021), to determine the appropriate sample size for the study which was reported to be 382 respondents. The collected data through the administered questionnaire was estimated using both descriptive and inferential statistics. Descriptive statistics involved the use of frequency tables to present demographic data of respondents while inferential statistics involved the use of Structural Equation Modeling (SEM) Technique. Analysis results showed that incentives strategies have a positive significant effect on institutional stability in public and private universities in southwest Nigeria. The study concluded that talent retention strategies statistically significantly impact institutional stability in public and private universities in Southwest, Nigeria. Therefore, it was recommended that universities should design and implement comprehensive incentive programs that align with the needs and expectations of their faculty and staff.

Keywords: Talent Retention Strategies, Incentive Strategies, Institutional Stability, Public and Private Universities

1.1 Introduction

Talent retention has become a critical concern for institutions worldwide, especially within the academic sector, as universities increasingly compete to attract and retain skilled faculty and staff. In the context of higher education, talent retention is vital for maintaining high educational standards, enhancing research output, and sustaining institutional stability. Academic talent retention not only preserves the quality and consistency of educational programs but also bolsters the institution's reputation, which is essential for attracting future talent and resources. The importance of retaining talent in universities is underscored by the impact of high turnover rates on institutional stability, which can hinder organizational growth, disrupt educational continuity, and impose additional costs on recruitment and training. According to Alam et al. (2021), talent retention strategies, such as career development programs, competitive compensation packages, and supportive work environments, are essential in sustaining the vitality of educational institutions and ensuring their longevity.

In Nigeria, the challenges related to talent retention are particularly pronounced due to various socio-economic factors. Both public and private universities face increasing difficulties in retaining academic staff, driven by issues such as inadequate funding, political interference, and limited professional growth opportunities (Alani & Kolade, 2022). These challenges are exacerbated by the "brain drain" phenomenon, where qualified Nigerian academics seek employment in more stable and financially rewarding environments abroad, leading to a significant loss of intellectual capital within the country. As reported by Okeke and Anugwom (2023), brain drain remains a persistent issue that threatens the sustainability of Nigeria's higher education sector, as institutions struggle to retain skilled academics amid attractive opportunities in other countries.

The retention of talent is essential for institutional stability, as universities rely on experienced faculty and staff to develop robust academic programs, support student development, and contribute to the institution's research reputation. Universities with high retention rates are better positioned to maintain consistent standards in teaching and research, which are critical for achieving long-term stability and growth (Nwagwu, 2021). Public universities in Nigeria face unique challenges in this regard due to underfunding, often leading to poor infrastructural development, irregular salary payments, and limited research resources. In contrast, private universities generally offer more competitive compensation and better working conditions, but they also grapple with the challenge of attracting top-tier academics who may view public institutions as more prestigious (Ajayi & Adeniyi, 2020). These differences highlight the necessity of tailored talent retention strategies that address the specific needs and challenges of each institution type.

Moreover, the implementation of talent retention strategies can significantly impact institutional stability by fostering a supportive and empowering work environment. According to a study by Ali et al. (2022), employee engagement, opportunities for professional growth, and a positive organizational culture are among the primary factors influencing retention rates. Nigerian universities must consider these factors in developing retention strategies that cater to the needs of their academic staff. Initiatives such as mentorship programs, research grants, and transparent promotion policies can enhance job satisfaction, reduce turnover rates, and ultimately contribute to institutional stability (Edeh & Ojo, 2021). Implementing such strategies within Nigerian universities is crucial for building resilient institutions capable of withstanding challenges and advancing the nation's educational goals. The increasing globalization of education and competition for academic talent worldwide necessitates Nigerian universities adopt innovative and sustainable retention strategies. By examining the distinct challenges and opportunities associated with talent retention in both public and private institutions, this study aims to provide insights into effective approaches for sustaining a stable, high-quality educational environment in Nigeria.

1.2 Statement of the Problem

The talent retention problem in Nigeria's public and private universities is both complex and pressing, particularly in the context of Southwest Nigeria, where institutional stability is heavily influenced by the availability and commitment of skilled academic staff. Despite efforts to foster educational quality and research excellence, Nigerian universities face high turnover rates among faculty and staff, which disrupts academic continuity, diminishes the quality of education, and hinders the institutions' ability to meet global standards. As noted by Nwagwu (2021), universities struggling to retain talent often experience declines in academic performance, decreased morale among remaining staff, and a diminished institutional reputation, which can negatively impact student recruitment, funding, and overall institutional growth. Consequently, this study seeks to address the underlying challenges in talent retention and its implications for university stability in both public and private sectors.

A primary concern is the significant disparity in talent retention strategies and working conditions between public and private universities in Nigeria. Public universities are generally plagued by insufficient funding, leading to issues such as delayed or irregular salaries, limited research grants, inadequate infrastructure, and substandard working conditions. These factors often drive academic staff to seek employment elsewhere, either in more stable private institutions or in universities abroad, contributing to the brain drain phenomenon that weakens Nigeria's educational sector (Alani & Kolade, 2022). In contrast, while private universities may offer better remuneration and resources, they sometimes lack the job security and academic prestige that public institutions traditionally hold, leading to a different set of challenges in retaining high-caliber talent (Ajayi & Adeniyi, 2020).

The lack of effective talent retention practices has broader implications for institutional stability in Nigerian universities. High turnover rates disrupt academic programs and research continuity, leading to frequent interruptions in course delivery and reduced student satisfaction. As highlighted by Alam et al. (2021), turnover not only affects the immediate work environment but also weakens the institution's competitive position, as skilled staff are fundamental to building robust academic programs, generating research outputs, and attracting further talent and funding. These disruptions particularly impact public universities, where resource constraints and bureaucratic challenges hinder the development of supportive work environments that could improve retention rates.

Additionally, the prevailing economic conditions in Nigeria further exacerbate talent retention challenges. Economic instability, inflation, and limited career advancement opportunities within the country contribute to the appeal of international institutions for skilled academics seeking better compensation and professional growth (Edeh & Ojo, 2021). The lack of robust career development programs in Nigerian universities often leads to dissatisfaction among academic staff, who may feel undervalued and underutilized. Okeke and Anugwom (2023) emphasize that without opportunities for career advancement and professional development, universities face a continuous cycle of losing skilled individuals, which impedes knowledge transfer, reduces mentorship opportunities for younger faculty, and diminishes research productivity.

The importance of effective talent retention strategies is further underscored by the increasing competition among universities globally. Nigerian universities are now competing not only with local institutions but also with international universities that actively recruit skilled academics from developing countries. According to Nadeem and Rahman (2022), global competition for academic talent has heightened the need for robust retention strategies, as institutions worldwide seek to attract and retain skilled individuals to boost their own educational and research standards. In this globalized context, the inability of Nigerian universities to retain talent poses a risk to the country's educational development and hinders its competitiveness on the international stage.

Despite extensive research on talent retention and institutional stability, several gaps remain in the literature, particularly within the context of Nigerian universities. Most studies focus broadly on the challenges faced by public universities, often overlooking the nuanced differences between public and private institutions in terms of retention strategies and institutional needs (Ajayi & Adeniyi, 2020). Additionally, while existing literature acknowledges the impact of economic instability and brain drain on talent retention, there is limited research that addresses how specific socio-cultural and organizational factors within Nigeria uniquely affect faculty retention and turnover intentions (Alani & Kolade, 2022). Furthermore, few studies have explored the role of structured professional development, mentorship programs, and work-life balance initiatives as potential strategies tailored for Nigerian academic institutions (Nwagwu, 2021).

There is also a notable lack of empirical studies that compare the effectiveness of talent retention strategies across public and private universities in Southwest Nigeria, a region known for its diverse institutional challenges and opportunities. This gap limits the understanding of how different strategies may be implemented and adapted for maximum effectiveness in these varying institutional contexts (Edeh & Ojo, 2021). Addressing these gaps is crucial to developing a comprehensive and context-specific approach to talent retention that can support long-term stability and growth in Nigerian higher education

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Talent Retention

Talent management refers to the implementation of processes and cultural norms within an organisation to effectively attract, develop, deploy, and retain talent in order to achieve strategic objectives and meet future business needs. Talent management poses a significant challenge to achieving comprehensive development across various sectors of the economy. The authors also suggested that global organisations, including educational institutions, are currently grappling with the dual challenges of talent management and retention (Oyadiran, Musa, & Agunbiade, 2023). Talent management (TM) is a process that involves the identification, development, and retention of talented individuals in order to achieve the desired level of performance within a company, enabling an effective response to business challenges (Karunathilaka, Yajid, & Khatibi, 2016). It has been suggested that the primary goal of businesses is not only to recruit and hire suitable employees but also to attract and retain them for an extended period of time (Oyadiran, et al., 2023).

Talent retention refers to the actions taken by a business entity to create a conducive working environment that encourages current employees to stay within the organisation . They further said that organisations employ talent retention strategies to address employee needs, enhance job satisfaction, and reduce costs associated with employee turnover. The primary concern for the private sector currently is talent retention, as employee behaviour has shifted and young talents are more inclined to switch jobs when presented with new opportunities Various resources, such as financial capital, human capital, and physical assets, contribute to enhancing a firm's effectiveness. Among these resources, human capital is considered the most crucial (Kehinde, 2012).

According to Kissoonduth (2017), talent retention is a strategic process aimed at attracting, developing, and retaining individuals who possess the necessary skills and abilities to effectively address both present and future challenges within an organisation. Employee retention refers to the practise of encouraging employees to stay with an organisation for an extended duration, either until the completion of a specific project or for the longest possible period. An effective employer should possess the ability to both attract and retain employees. Employee retention is of greater significance than the process of recruitment. Organisations actively seek talented employees and invest resources in their development, anticipating future benefits. In Musakuro (2022), employee retention refers to the processes by which employees are encouraged to remain with an organisation for an extended duration, either until their retirement or the completion of a specific project. Retaining talented employees and ensuring their commitment is essential for achieving both individual and organisational goals.

2.1.1.1 Incentive Strategies

Incentives are crucial for motivating workers to enhance their productivity and exert greater effort. Rewards and compensation programmes influence workers' motivation to enhance their performance and contribute to the organization's goals. Incentives are motivating factors that encourage employees to behave in specific ways within their work setting, typically resulting in increased effort. Rewards are intended to enhance employee efficiency and retain the most productive workers (Ali et al., 2021).

According to Mabaso (2017), incentives are external factors that motivate individuals to increase their effort and productivity. These incentives are provided as a result of the individual's exceptional performance, as they are more likely to work harder and be more effective when they feel satisfied within the organisation. Furthermore, incentives can be defined as rewards given for exceptional performance, with the assumption that the salary is sufficient to make the worker recognise the job's value and meet their basic needs (Nnubia, 2020).

Murad, Ladika, Mustika, Cakranegara, and Jayanto (2022) categorise incentive compensation based on achievement or production. Firstly, full bonus, namely one-time cash payment/cash or right to buy company shares based on performance; secondly, profit sharing, namely the provision of bonuses based on company profits; thirdly, revenue sharing, namely the provision of bonuses for successfully exceeding the set performance targets or work efficiency occurs and lastly payment for the knowledge they have, namely the provision of an increase in wages/salaries for new skills or jobs they master (Murad et. al., 2022).

2.1.2 Institutional Stability

To clarify the concept of organisational stability, it is prudent to begin by defining the term "stability" itself. According to Merriam-Webster (2018), stability is defined as the state or level of being stable, such as having the ability to withstand or endure. According to MusinessDictionary.com (2018), stability refers to the capacity of a substance to remain unaltered over a period of time when subjected to specified or reasonably anticipated storage and usage conditions. Management is a field characterised by a multitude of theories, wherein concepts often possess varying interpretations within the same discipline. Scholars argue that organisational stability is a stage of maturity characterised by both stability and growth. According to Brainmass.com (2018), organisational stability refers to the point at which a company's financial, human resources, and production have achieved consistent growth in terms of profitability, employee evaluation, and advancement. Francis and Imiete (2018) defines institutional stability in this study as the presence of stable laws and practices that enable universities to maintain effective administration, a reliable management information system, stable decision-making and planning processes, and an efficient human resource management system.

2.2. Theoretical Review

2.2.1 Human Capital Theory

Human capital theory emphasises that individuals possess inherent abilities, behaviours, and personal energy, which collectively constitute the human capital they contribute to their work, (Choudhary, Memon, & Mishra, 2020). The value generated is a result of the knowledge, skills, and abilities possessed by individuals. Therefore, it is crucial to prioritise strategies for attracting, retaining, and developing human capital. According to Armstrong (2009), individuals possess and utilise human capital, which includes knowledge and skills, to create intellectual capital. The interactions between individuals, known as social capital, contribute to their knowledge and also contribute to the institutionalised knowledge that organisations possess, known as organisational capital.

Work involves a reciprocal exchange of value rather than the unilateral exploitation of an asset by its owner. According to Adamides and Karacapilidis, (2018), the value created in organisations is primarily attributed to the knowledge, skills, and abilities of individuals. Therefore, it is crucial to prioritise strategies for retaining, developing, and managing the human capital they possess. The human capital theory views individuals as valuable assets and emphasises that organisations can achieve significant returns by investing in their development. Adam Smith (1723–1799) proposed the Human Capital Theory, which posits that individuals possess valuable skills and abilities that can be considered fixed capital, similar to machines.

Becker made a significant contribution to employee development theory in the area of training. According to Becker (1964), investments in education and training have a positive impact on productivity. However, the responsibility for funding these investments, whether it falls on the employee or the firm, depends on the type of training. Teodorovicz, Lazzarini, Cabral and McGahan, (2024), argued that firms lack adequate incentives to invest in their workers' skills due to the possibility of trained employees leaving to work for other employers who can utilise these skills.

2.3 Empirical Review

The research of Ogini, Ogunlusi and Faseyiku (2014) was on retention strategies and organisational survival. The study identified retention strategies that were in existence in the private universities in Nigeria and investigated the extent to which existing employee retention strategies affect organisational survival in the private universities. Primary and secondary data were used for the study. Random sampling technique was adopted with reference to the stratified sampling procedure which ensures proportional representation of the population sub-group to select 600 respondents (100 respondents from each university) from the population of 3,634 academic staff of six private universities in the Southwestern Nigeria. The questionnaire was developed with reference to Likert five rating scale where the respondents were provided with optional responses from which to select one that applied to their opinion. Out of 600 questionnaires administered, 549 were found useful for the research work representing 92%. The secondary data were extracted from the records of the selected universities and journals as well textbook relating to the variables (Independent and dependent). Competitive pay, facilities, dignity and respect, job security, training support, recognition and reward were identified as the retention strategies commonly adopted as practice in the private universities in Nigeria.

In the work of Aibieyi and Oghoato (2015) found that organizations are run by people, processes, technology and capital but it is the aspect of the human side of the organization that makes decision. The quality of employees at the disposal of an organization determines result. The competitiveness of Nigerian universities and shortage of competent staff makes it pertinent for universities to attract, retain and motivate highly talented employees. The purpose of this paper is to examine the relationship between talent management and employee retention. Talent management is represented by performance management, employee’s empowerment, compensation and reward. While employees retention is represented by organizational culture.

The study employed primary source of data through administered questionnaires and Secondary sources of data were also used while reviewing related literature. Test of equality, Pearson correlation and ordinary least square regression techniques were utilized for the data analysis. The result indicated that performance management ($X1=2.09$) was significant and positively related to organizational culture. Employee empowerment ($X2$) was significant and negatively related to organizational culture. Compensation and reward ($X3=52$) was positive and had insignificant impact on organizational culture. The study therefore recommended that universities should adopt a proactive performance management system to have a more transparent and dynamic institutional culture so as to encourage and retain skillful and talented employees.

According to Steg's (2016) study, individuals may not consistently act in accordance with their biospheric values due to a lack of support or activation of these values within their respective contexts. Strategies for promoting pro-environmental actions can focus on enhancing biospheric values or modifying the decision-making context to increase the likelihood of supporting and activating these values. This approach empowers individuals to align their actions with the values they consider significant. Behaviour change strategies can leverage the human tendency to be consistent or conform to social norms. Policies promoting pro-environmental actions are more likely to gain acceptance when individuals perceive them as having favourable outcomes for their core values with fewer negative consequences. Perceived fairness is crucial in policy acceptance, as policies are more likely to be accepted when costs and benefits are distributed equitably and fair decision-making procedures are utilised.

Aremo and Olanipekun (2023), examined talent management and employee retention among selected manufacturing firms in Ogun State, Nigeria. The study was underpinned by resource-based view theory and social exchange theory. Population of the study was three hundred and seventy one (371) and a sample size of one hundred and seventy five (175) was drawn. Primary data were obtained from one hundred and fifty eight (158) respondents through multi-stage sampling techniques. Findings presented that competency mapping significantly affect employee retention with (β=.946, p=.000), employee engagement significantly affect employee retention with (β=.951, p=.000), a positive and significant relationship exists between performance management and employee retention with (r=0.983, p-value<0.05) and career development have significant connection with employee retention with(r=0.874, p-value<0.05). The study concluded that incorporating talent management strategy and effectively communicating the same to concerned parties is the foundation for talent management. It also helps employees understand that the organisations are thinking about their future and so it improves retention. Thus, management of the selected firms must ensure that process for managing talent is engraved in the business strategy by regularly analyzing talent and communicating the talent management strategies to employees.

3.0 Methodology

This study adopted descriptive survey design. The population of the study consisted of academic staff members from selected public (Federal or State) and private universities in Southwest Nigeria. The total population for the study is 8,550. The population data for each institution was obtained from the Nigeria University Digest, 2019. To ensure manageable data, the study used the Taro Yamane (1967) formula cited in Umar and Wachiko (2021), to determine the appropriate sample size for the study which was reported to be 382 respondents. The collected data through the administered questionnaire was estimated using both descriptive and inferential statistics. Descriptive statistics involved the use of frequency tables to present demographic data of respondents while inferential statistics involved the use of Structural Equation Modeling (SEM) Technique.

4.0 Result and Discussion

4.1 Descriptive Statistics Analysis of Respondents

Table 4.2 Bio-data of the Respondents

		Frequency	Percent
Gender	Male	233	72.6
	Female	88	27.4
	Total	321	100
Occupation	Academic Staff	321	100.0
	Total	321	100
Age	20-25 years	2	.6
	26-40 years	83	25.9
	41 years and above	236	73.5
	Total	321	100
Institution	ABUAD	21	6.5
	EKSU	39	12.1
	BOWEN	15	4.7
	BABCOCK	20	6.2
	Achievers University	3	.9
	FUTA	31	9.7
	OAU	41	12.8
	Lead City	16	5.0
	OOU	24	7.5
	Pan Atlantic University	5	1.6
	UI	62	19.3
	UNILAG	44	13.7
	Total	321	100
Years of Experience	1-5 years	51	15.9
	6-10 years	96	29.9
	11-15 years	72	22.4
	16 years and above	102	31.8
	Total	321	100
Level/Rank	Reader	37	11.5
	Assistant Lecturer	26	8.1
	Lecturer I	74	23.1
	Lecturer II	49	15.3
	Senior Lecturer	74	23.1
	Professor	53	16.5
	Graduate Assistant	8	2.5
	Total	321	100
Type of University	Private	80	24.9
	Public	241	75.1
	Total	321	100

Source: Data Output, 2024.

The bio-data of the respondents presents a detailed demographic profile of the academic staff surveyed. Among the respondents, 233 are male, representing 72.6% of the sample, while 88 are female, constituting 27.4%. This gender distribution indicates a significant male predominance within the academic staff of the participating universities. The implication of this finding might suggest that male academic staff are more represented in the sample, which could influence the study's results and interpretations, potentially reflecting gender-specific perspectives and experiences in the academic environment.

All 321 respondents are academic staff, which ensures consistency in the professional background of the sample. This uniformity eliminates variability related to professional roles outside academia and provides a focused view on academic staff experiences. The implication is that the findings are directly applicable to academic staff and their specific concerns, rather than being influenced by other occupational roles.

The age distribution shows that the largest group is those aged 41 years and above, totaling 236 respondents or 73.5%. This is followed by the 26-40 years age group with 83 respondents (25.9%), and a very small group of 2 respondents (0.6%) aged 20-25 years. The predominance of older, more experienced staff suggests a mature academic workforce, which may impact perspectives on institutional policies and practices. This age distribution could imply that the experiences and opinions reflected in the study are shaped by long-term involvement in academia, potentially providing insights into established practices and long-term trends.

Regarding institutional representation, University of Ibadan (UI) has the highest number of respondents at 62 (19.3%). Obafemi Awolowo University (OAU) follows with 41 respondents (12.8%), and University of Lagos (UNILAG) has 44 respondents (13.7%). Other institutions such as Ekiti State University (EKSU) and Lead City University have fewer respondents, 39 (12.1%) and 16 (5.0%), respectively. This distribution indicates that some institutions are more heavily represented in the sample, which could influence the overall findings and their applicability to less-represented institutions. It highlights the need for careful consideration of institutional diversity when interpreting the results.

The years of experience data reveals that 102 respondents (31.8%) have 16 years and above of experience, followed by 96 respondents (29.9%) with 6-10 years of experience. The 11-15 years group comprises 72 respondents (22.4%), while 51 respondents (15.9%) have 1-5 years of experience. The presence of a significant proportion of highly experienced academic staff alongside a notable group of mid-career professionals suggests a wealth of expertise within the sample. This distribution implies that the study benefits from a broad range of experience levels, providing a balanced view of both seasoned and relatively newer perspectives in academia.

In addition, the distribution of academic ranks shows that 74 respondents (23.1%) are Lecturers I, and 74 are Senior Lecturers (23.1%). Professors make up 53 respondents (16.5%), while Readers account for 37 (11.5%). Assistant Lecturers and Graduate Assistants are less represented, with 26 (8.1%) and 8 (2.5%), respectively. This rank distribution indicates a diverse representation across different academic levels, which can provide a comprehensive understanding of perspectives across the academic hierarchy. The implication is that the findings are reflective of a range of academic positions, which may influence the study's insights into institutional and rank-specific issues. Finally, the distribution of the types of universities shows that 80 respondents

(24.9%) are from private universities while 241 respondents (75.1%) are from public universities.

4.2 Analysis of the Research Objectives

Objective 1: Effect of incentive strategy on institutional stability in public and private universities in southwest Nigeria

The estimated effect of incentive strategy on the institutional stability in private and public universities is presented in this sub-section. The structural equation model path was used to estimate the result. The construct fits the SEM specification, according to the model's diagnosis (Table 4.2). For instance, the chi-square/df of the model is 2.916, indicating the correctness of the model. Also, the model's comparative fit index (CFI) is 0.969, whereas the Normed Fit Index (NFI) is estimated to be 0.945. other model indices such as Relative Fit Index (RFI) (0.908), Incremental Fit Index (IFI) (0.977), Tucher-Lewis Fit Index (TLI) (0.961) and Root Mean Square Error (RMSEA) (0.041), all show that the model specification is appropriate.

Table 4.2 Diagnostic of the incentive strategy and institutional stability model

Indicators	Values
Chi-Square/df	2.916
RMSEA	0.041
NFI	0.945
RFI	0.908
IFI	0.977
TLI	0.961
CFI	0.969

Source: Data Analysis, 2024.

4.2.1 Estimated Effect of incentive strategy on institutional stability

Results in Figure 4.1 and Table 4.3 show the estimated effect of incentive strategy on institutional stability in public and private universities in Southwest, Nigeria. Results in Figure 4.1 shows the estimated effect on institutional stability. The result shows that extrinsic rewards, intrinsic rewards and flexible work arrangements have a positive and significant effect on institutions' stability ($\beta = 0.173$, $p < 0.05$) for extrinsic reward, ($\beta = 0.241$, $p < 0.05$) for intrinsic reward and ($\beta = 0.188$, $p < 0.05$) for flexible work arrangement. The result suggests an increase in extrinsic reward, intrinsic rewards and flexible work arrangement practices would engender institutional stability of both public and private universities in Southwest, Nigeria. Though, the magnitude of intrinsic reward is higher relative to that of extrinsic reward and flexible work arrangement, suggesting that the effect of intrinsic reward on institutional stability is higher. Hence, it was established that incentive strategy has a positive significant effect on institutional stability in public and private universities in Southwest, Nigeria.

Table 4.3 Path Analysis of the CFA of the incentive strategy and institutional stability model

	Estimate	C.R	P
Ec1 <------ Extrinsic Rewards	0.645	3.265	***
Ec2 <------ Extrinsic Rewards	0.453	3.193	***
Ec3 <------ Extrinsic Rewards	0.475	4.384	***
Ec4 <------ Extrinsic Rewards	0.392	2.984	.001
In1 <------ Intrinsic Rewards	0.526	3.942	***
In2 <------ Intrinsic Rewards	0.826	3.874	***
In3 <------ Intrinsic Rewards	0.764	2.763	.005
Fl1 <------ Flexible Work Arrangement	0.644	2.598	.003
Fl2 <------ Flexible Work Arrangement	0.573	4.284	***
Fl3 <------ Flexible Work Arrangement	0.827	3.926	***
Institutional Stability <------ Extrinsic Reward	0.173	3.182	***
Institutional Stability <------ Intrinsic Reward	0.241	4.163	***
Institutional Stability <------ Flexible Work Arrangement	0.188	3.526	***

Source: Data Analysis, 2024.

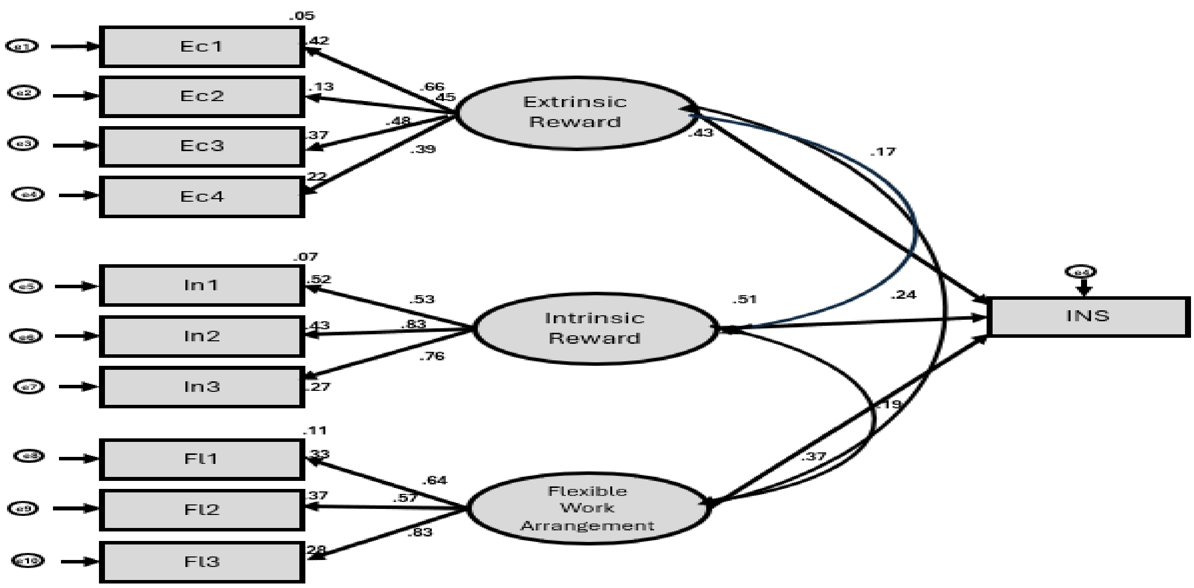

Figure: 4.1: Path analysis of incentive strategy and institutional stability model

4.3 Discussion of Findings

It was established that incentive strategies have a positive significant effect on institutional stability in public and private universities in southwest Nigeria. This implies that an increase in the incentive strategies, the institutional stability of both private and public universities in Southwest Nigeria would increase significantly. These incentive strategies are pivotal in ensuring that faculty and administrative staff remain motivated, engaged, and committed to their institutions. The positive and significant effect of incentive strategies on institutional stability can be attributed to three primary categories: extrinsic rewards, intrinsic rewards, and flexible work arrangements. Extrinsic rewards, such as salary increases, bonuses, and other financial incentives, directly impact employees' motivation and job satisfaction.

For universities in Southwest Nigeria, these tangible rewards are essential for reinforcing performance and achieving institutional goals. When faculty and staff receive financial incentives tied to their performance as and when due, they are more likely to engage in activities that enhance the university’s stability and growth. In contrast, intrinsic rewards encompass non-tangible benefits such as recognition, personal growth opportunities, and job satisfaction. These rewards address employees’ internal motivations and desires, playing a significant role in fostering a positive work environment. In the context of universities, intrinsic rewards can greatly enhance job satisfaction and morale. When faculty and staff feel valued and recognized for their efforts, their sense of accomplishment and loyalty to the institution strengthens. Flexible work arrangements, which include options such as telecommuting, flexible hours, and sabbaticals, also contribute significantly to institutional stability. These arrangements address employees' work-life balance needs, reducing stress and burnout. In Nigerian universities, flexible work arrangements have become increasingly important in maintaining staff well-being and productivity.

Empirical studies provide support for these findings. For example, research by Akinbode and Akinlabi (2021) highlighted the positive impact of extrinsic rewards on job satisfaction and organizational commitment in Nigerian universities, affirming the importance of financial incentives in maintaining institutional stability. Similarly, studies by Ojo and Ogunleye (2022) demonstrated that intrinsic rewards, such as recognition and opportunities for professional growth, significantly enhance job satisfaction and organizational loyalty among university staff. However, some studies, such as those by Adeyemi and Oyebode (2023), have challenged the notion that financial incentives alone lead to long-term stability, suggesting that the effectiveness of these incentives can vary depending on the institutional context and the perceived fairness of the reward system.

5.0 Conclusion and Recommendation

The findings from this study affirm that strategies like effective incentive packages and a strong alignment with institutional norms and values are essential for fostering stability and resilience in academic institutions. Addressing factors such as creating advancement opportunities, and engaging stakeholders can collectively strengthen institutional stability. Supported by frameworks like Human Capital Theory and Equity Theory, these strategies provide both theoretical and empirical insights into their role in achieving sustainable institutional success. The continuous implementation and refinement of these approaches are vital for universities to remain adaptable and resilient amidst changing challenges. Based on the findings of this study, the following recommendations were made:

i. Universities should design and implement comprehensive incentive programs that align with the needs and expectations of their faculty and staff. This includes offering competitive extrinsic rewards such as salary increases, bonuses, and performance-based incentives to recognize and motivate high achievers.

ii. In addition, intrinsic rewards (such as opportunities for professional growth, recognition programs, and meaningful work) should be emphasized to foster a deeper sense of satisfaction and engagement among employees.

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