Scope
Volume 16 Number 03 September 2026

Managerial Succession and the Performance of Deposit Money Banks in Nigeria

Chinwetalu A. Nwatu, Angela I. Chime, Emmanuel K. Agbaeze, Nnajiofor C. Eneh

Department of Management, Faculty of Business Administration, University of Nigeria Enugu Campus

Corresponding Author: **Nnajiofor C. Eneh**

Abstract: This study examined the effect of managerial succession on the performance of Money Deposit Banks in Nigeria. The specific objectives were to: assess the effect of succession preparedness on employee productivity; determine the effect of competency assessment on service quality; and ascertain the effect of knowledge transfer on staff retention. The study adopted a survey research design, with a population of 74,492 employees from ten selected Money Deposit Banks that have operated for at least twenty years. A sample size of 398 respondents. Data were collected using a structured questionnaire and analysed. The findings revealed that succession preparedness has a significant positive effect on employee productivity; competency assessment significantly affects service quality; and knowledge transfer significantly influences staff retention. The study concludes that managerial succession practices are critical determinants of bank performance and recommends that banks formalise succession planning processes, conduct regular competency assessments, and establish formal knowledge transfer mechanisms. The study also recommended that bank management prioritise formalising succession planning by developing comprehensive succession plans that clearly outline procedures for identifying, developing, and preparing potential successors for key leadership positions.

Keyword: Succession, performance, deposit, bank, service, knowledge

Introduction

The stability and performance of banks are among the most important pillars of economic development in any country, especially those that have recently adopted capitalism. In such countries, the banking sector is regarded as a major engine for allocating capital and making investments (Geremew, Muhammed, & Emese, 2026). Numerous factors influence

bank performance, but managerial succession as a driver of change has been identified as a determinant of organisational survival and effectiveness. Managerial succession refers to the planned and systematic process of identifying critical leadership positions within organisations, assessing potential leaders, and developing employee capabilities so they can effectively undertake leadership responsibilities now and in the future (Alrifae, Alhabeeb, Alhanatleh, & Alnajdawi, 2025). As financial institutions operate in increasingly sophisticated and dynamic business environments marked by regulatory changes, technological disruptions, and stiff competition, how organisations manage leadership transitions has become a strategic issue.

The importance of managerial succession should not be underestimated because financial intermediaries, such as banks, play a crucial role in providing channels for transferring capital from savers to investors, financing entrepreneurial activities, and providing payment systems for carrying out economic transactions. In Nigeria, the banking industry changed dramatically after the consolidation process during 2004-2005, which reduced the number of banks from 89 to 25 and created a more powerful, capitalised, and internationally competitive banking industry (Efionayi, 2023). The health and performance of this industry are vital to Nigeria's economy, as banks finance business development, infrastructure development, and household consumption (Dasuki, Maitala & Gimba, 2025). A poorly managed leadership transition process can negatively affect bank operations, lower stakeholders' confidence in banks, and even result in systemic instability, as some market responses to a CEO's departure show (Khaw et al., 2022).

Performance in banking organisations is multidimensional and refers to the degree to which banks achieve their strategic goals and missions (Tefera & Abebe, 2024). Financial and non-financial indicators together form a measure of an organisation's performance. Financial performance indicators include ROA (return on assets), ROE (Return on Equity), and net interest margin, which show how efficiently the bank generates revenue from its operations. Examples of non-financial performance indicators include operational efficiency, customer satisfaction, employee productivity, service quality, and market share. These indicators help judge how effectively a bank performs for the benefit of its stakeholders (Yuan et al., 2022). In the banking industry, performance indicators include stability, which covers capital adequacy, asset quality, and liquidity (Gereme et al., 2026). Employee performance indicators include productivity and retention. Motivated and competent employees perform better in service quality and can help the bank improve customer satisfaction (Vuong & Nguyen, 2022).

Succession in the banking industry has become increasingly important in Nigeria after a series of regulatory initiatives and leadership transitions. The Central Bank of Nigeria (CBN) is the principal regulator of the banking industry in the country. It has demonstrated its commitment to improving corporate governance through its Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria, 2023. According to section 2.14 of these guidelines, the board of directors of banks must approve a succession plan for the Managing Directors/Chief Executive Officers, Executive Directors, and other members of senior management (PwC, 2023). As a remarkable initiative, CBN directed all Domestic Systematically Important Banks (D-SIBs) including Access Bank, Zenith Bank, Guaranty Trust Bank, United Bank for Africa, First Bank of Nigeria and Fidelity Bank to obtain the approval of regulatory authority at least six months before the expiration of Managing Director's tenure along with public announcement of appointment at least three months prior to the appointment date (CBN, 2024).

In the best-case scenario, the transition of managerial positions within banks would be a well-calculated and organised strategy that ensures a smooth transition, maintains organisational memory, and delivers consistent services to customers without interruption. According to corporate governance, this scenario involves having strong succession plans within an organisation that develop and prepare potential successors for the future (Simkhada, 2023).

However, the reality in the sphere of Money Deposit Banks of Nigeria is quite the opposite. Despite regulations issued by the Central Bank of Nigeria, evidence shows that banks react to succession but do not plan for it. The Corporate Governance Guidelines for Commercial, Merchant, Non-Interest, and Payment Service Banks in Nigeria (2023), published by the Central Bank of Nigeria, along with the directive issued in September 2025 requiring the Domestic Systemically Important Banks to provide regulatory approval for successors six months before the tenure expiration date, clearly demonstrates the requirements of this regulation (Central Bank of Nigeria, 2024). Observations from the banking industry show that succession planning remains informal, as most banks have not put enough effort into developing talent pipelines and preparing successors (Alrifae et al., 2025).

The gap between what should be and what actually exists in succession planning has severe, long-lasting effects. When managers' succession preparation does not meet expectations, employee productivity deteriorates as staff feel insecure about their positions within the organisation (Daluh et al., 2025). Improper competency assessment causes a mismatch between employees' skills and the demands of their work, leading to poor service quality (Tavares & Vaz, 2025). A lack of mechanisms for knowledge transfer causes organisations

to lose their memory, as experienced managers leave their expertise and connections behind, preventing successors from maintaining operational continuity (Mpungose et al., 2026). Moreover, a lack of institutional memory often contributes to increased employee turnover as employees lose faith in bank leadership (Galan, 2023).

The knowledge gap in question is the lack of empirical data on the effect of particular dimensions of managerial succession: succession preparedness, competency assessment, and knowledge transfer on the dimensions of bank performance: employee productivity, service quality, and staff retention. While literature exists on succession planning generally, little explores these specific relationships in the context of Money Deposit Banks in Nigeria. For example, Egwakhe et al. (2022) studied succession planning and employee performance but did not specifically explore the effect of competency assessment on service quality. Also, little research has compared the experiences of Nigerian banks with those in other regions or nations regarding succession practices in the banking industry. Eze and Okonkwo (2022) analysed succession management practices in Nigeria and suggested ways to improve them. This study aims to fill this gap through systematic empirical investigation of the dimensions of managerial succession and their effect on performance outcomes.

Objectives of the Study

The main objective of this research is to assess the effect of managerial succession on the performance of Money Deposit Banks in Nigeria. Specifically, the objectives of this study are to:

1. Assess the effect of succession preparedness on employee productivity of Money Deposit Banks in Nigeria.
2. Determine the effect of competency assessment on service quality of Money Deposit Banks in Nigeria.
3. Ascertain the effect of knowledge transfer on staff retention of Money Deposit Banks in Nigeria.

Managerial Succession

Managerial succession is an important organisational process that supports leadership continuity and organisational stability through the planned, systematic transfer of authority from one leader to another. The concept has evolved from a reactive, unplanned process of leadership replacement to a more strategic, proactive process focused on organisational readiness and talent management. As Gabriel, Biriowu, and Dagogo (2020) state, "succession planning is a deliberate and systematic process used by organisations to ensure continuity in leadership at key positions; retain and develop the intellectual and knowledge capital for the future; and individual development."

Importantly, the CBN has made a regulation in September 2025 to require all Domestic Systemically Important Banks (D-SIBs), which include Access Bank, Zenith Bank, Guaranty Trust Bank, United Bank for Africa, First Bank of Nigeria, and Fidelity Bank, to seek regulatory approval for successor Managing Directors at least six months before the end of the tenure of the current holder and announce the appointment at least three months before the planned change of the leadership (CBN, 2024).

Several issues hinder effective succession management in Nigerian organisations. According to Arukaroha and Okwuise (2023), capacity-building dimensions such as succession planning, talent management, training, and career counselling have a significantly positive impact on employee productivity in the banking sector. Nevertheless, many Nigerian business organisations focus on maximising short-term profits without considering employee talent management. Moreover, many managers do not adequately plan for subordinates' career development, a practice that could lead to high worker turnover. Managers are reluctant to engage in succession planning for several reasons, including cultural and psychological factors such as loss of control, difficulty discussing death and old age, and a preference for continuous hiring over developing existing employees (Al Hajri, 2024).

Succession Preparedness

Succession preparedness refers to the extent to which an organisation is systematically organised for leadership transitions through succession planning and development. An organisation can be said to be succession ready if it has systematically put in place plans and practices to develop potential successors for important leadership roles (Alrifae et al, 2025). Succession readiness is a step up from succession planning, where the focus is usually on identifying particular individuals to fit particular roles. According to Neel (2026), organisations should move away from thinking about "succession planning" as an event and instead focus on "succession readiness," which invites leaders to think about development continually. Thinking about succession requires leaders to realise they cannot succeed one another if they are not developed for the next role, and an organisation cannot prepare for change unless it finds ways to understand and speak about each leader's readiness and what each person is ready for.

The significance of succession preparedness is ensuring leadership continuity, reducing disruption during transitions, and maintaining organisational stability. When organisations are ready for succession, they can fill vacant roles with their own employees, which can lead to positive outcomes such as increased employee retention. Succession

preparedness is an organisation's commitment to developing people, rather than treating succession planning as an obligation or compliance activity (Gabriel, Biriowu, & Dagogo, 2020).

Succession preparedness has become increasingly relevant in Nigerian banking due to the CBN directive to announce successors well in advance. The directive makes it clear that banks had not been preparing for succession adequately, hence the need to impose the directive with strict timelines. This move by the regulator underscores that succession preparedness is not just an internal organisational matter but an integral part of system stability. The CBN noted that D-SIBs are critical to the stability of Nigeria's financial system. Because these banks are too important to fail, leadership disruption may have wider effects (CBN, 2024).

Competency Assessment

Competency assessment refers to the process of systematically assessing an individual's knowledge, skills, abilities, and other characteristics to ensure the individual fits the job or future roles (Birinua & Fubara, 2022). In the context of succession management, the term refers to the process of identifying the competencies required for leadership positions and evaluating potential successors against those competencies. Systematic evaluation of employees' capabilities is essential in succession management to ensure successors have the required knowledge, skills, and attitude to perform in leadership positions (Kamali et al., 2024).

Competency assessment is important in succession management because it helps identify skills gaps and guide development interventions. Competency assessment is a process of auditing and assessing roles and skills within the company to identify critical skill gaps and development needs by identifying the skills the company's talent pool lacks; learning and development programs are then directed to support succession planning (Benayoune, 2024). Including leadership training programs in the succession plan can enhance organisational readiness for future leaders. All employees require knowledge and skills; however, these will vary by role and business size. For standard, low-value products with strong systems, required skill levels are lower than for high-value, customised offerings (Brown, 2025).

In assessing competencies, challenges include establishing clear assessment criteria, remaining objective and fair, and ensuring the process aligns with organisational goals (Caretta-Weyer et al., 2024). Another challenge in competency assessment is limited resources and expertise (Adam & Mengistie, 2026). Poor competency assessment may

create inconsistencies between employees' competencies and the demands of their positions, ultimately leading to poor service and dissatisfied customers (Tavares & Vaz, 2025). Studies by Wu et al. (2025) show that training and development must align with organisational goals, with training and competency-based certification working together to optimise training use. Organisations may develop a competency-based training and development approach for continuous coaching and feedback purposes.

Knowledge Transfer

Knowledge transfer refers to the process by which departing leaders pass on their knowledge and expertise to successors to ensure continuity of organisational operations and strategic vision (Igoa-Iraola et al., 2025). Knowledge transfer is used in its broad sense to describe any process of transferring knowledge, whether intentional or unintentional, between or among individuals, teams, groups, and/or organisations. Nevertheless, when knowledge transfer is considered as a subject of academic investigation, it most often denotes intentional, uni-directional transfer from a "source" to a "recipient" (Russo et al., 2023).

Transferred knowledge can be tacit, explicit, or both (Șandor & Tonț, 2021). When a master artisan tries to instil skill and knowledge into his apprentice, he transfers tacit knowledge. When a physician directs his associate to a discovery in a medical research paper and sends it to him, he transfers explicit knowledge (Zhang et al., 2025). When an ERP consultant demonstrates to a potential system user how to use tools and tables to implement a system, he transfers tacit and explicit knowledge. Tacit knowledge, the "feel for the work, the judgment that operates below the level of conscious reasoning", is of great value, and it is very hard to transfer (Haughton, 2021).

In Nigerian banks, knowledge transfer is becoming increasingly important because of the high rate of leadership turnover and the retirement of experienced senior leaders. Research findings indicate that businesses that use effective strategies to engage and communicate knowledge-transfer information to their leaders have more satisfied workers who are ready to take over the business because they can understand, manage, and anticipate organisational needs (Ilevbare, 2023). Many Nigerian banks still experience poor knowledge transfer, so when experienced leaders retire, institutional knowledge leaves with them. The CBN directive to announce successors earlier can be viewed as an effort to allow sufficient time for knowledge transfer.

Bank Performance

Bank performance refers to the extent to which banks meet their strategic goals and mission. Organisational performance includes all dimensions needed to determine a bank's success and sustainability. According to Enad and Gerinda (2022), banking performance reflects what happens in banks, taking into account the context in which they operate. The notion of organisational performance has shifted from an emphasis on purely financial performance to a more diversified concept. Unlike in a traditional business environment, modern banking performance is no longer measured solely by profitability; it encompasses a wide range of factors, including operational efficiency, customer relationships, employee motivation, and regulatory compliance (Shatila et al., 2025). This shift in performance perspective aligns with a broader trend in management practice toward a stakeholder approach, which holds that an organisation's sustainable success should consider the interests of all stakeholders, including not only shareholders but also employees, customers, and regulators (Johannsdottir & Davidsdottir, 2024).

Performance determinants fall into three categories: bank-specific factors, market/industry factors, and macro factors (Dhodary, 2024). Bank-specific factors include bank size, asset quality, capital adequacy, liquidity, operating efficiency, deposits, number of employees, and so on. These are the internal determinants of bank profitability. Industry and market factors are external determinants of bank profitability, such as market concentration, competition intensity, and the regulatory environment (Koroleva et al., 2021). Macro-economic factors include GDP, inflation rate, unemployment rate, and interest rates, and affect the overall economic environment in which banks operate (Nowicki et al., 2024). In other words, bank profitability depends greatly on internal or external factors. These factors should be considered to improve bank performance (Kharabsheh, 2026). Bank managerial succession is a bank-specific factor. Non-financial performance indicators have become an important issue in bank research and practice nowadays. Concepts such as customer satisfaction, service quality, and employee engagement are seen as leading indicators of financial performance because satisfied customers tend to stay with the bank, buy more products from the bank, and recommend it to others (Ajouz et al., 2025). Similarly, employee engagement and productivity are key factors that can drive organisational performance because engaged, productive employees provide better service and are less likely to leave the bank (Arukaroha & Okwuise, 2023).

In Nigeria, performance measurement has developed significantly after the consolidation process of 2004-2005 and other regulatory changes. According to the Central Bank of Nigeria's Corporate Governance Guidelines for Commercial, Merchant, Non-Interest, and Payment Service Banks in Nigeria (2023), such performance dimensions as capital

adequacy, asset quality, management efficiency, earnings quality, and liquidity (the CAMEL framework) are very important. In addition, CBN directives require Domestic Systemically Important Banks to announce their successors at least six months before the tenure expiration date (Central Bank of Nigeria, 2024). The directive reiterates the importance of continuity of leadership, preservation of knowledge, and stakeholder confidence as key dimensions of bank performance. In this study, we use an all-inclusive definition of bank performance by assessing employee productivity, service quality and staff retention.

Employee Productivity

Employee productivity is defined as a measure of employees' efficiency and effectiveness in executing their job functions in terms of the quality and quantity of output generated compared to the input used. This refers to how far employees help achieve organisational goals through their work performance. Employee productivity is a key dimension of organisational health, as Arukaroha and Okwuise (2023) explain: productive employees provide better customer service, handle more customers, and generate profits for the organisation. Productivity is not a constant universal phenomenon. Rather, productivity is contextual. Productivity in the banking industry reflects the nature of the services rendered, which are knowledge-based (Albuquerque et al., 2025). In the banking industry, employee productivity is critical because banks depend heavily on human resources for service delivery and client relationships, as employees serve as the interface between the bank and clients (Pham et al., 2026).

Employee productivity matters because it improves organisational performance and competitive advantage. Productive employees deliver high-quality services, serve more customers, and add value to the organisational bottom line. According to Gallup, when employees are not provided with growth prospects, especially when they feel left out of leadership positions, their engagement reduces by about 25%, hence lower performance (Gallup, 2022). Succession planning and talent management influence employee productivity because employees remain motivated and productive when they see career growth opportunities (Egwakhe, Akinlabi, Magaji, & Ojuolape, 2022). Research by Arukaroha and Okwuise (2023) shows that capacity-building aspects such as succession planning, talent management, employee training, and career counselling significantly influence employee productivity in the banking sector. The study shows that capacity-building strategies serve as vital indicators that boost employee productivity in the banking industry.

Employees' productivity can be evaluated using indicators such as goal accomplishment, target achievement, and task completion rates. In banking, employee productivity can be

evaluated using indicators such as service delivery effectiveness, customer service quality, and organisational outcome contribution.

Employee productivity of the banks varies greatly depending on the region in which the bank operates. Employee productivity in banking institutions in developed countries like the United States and Germany tends to be high because of advanced technology, training, and human resource management (Kuchciak & Warwas, 2021). In contrast, employee productivity in emerging countries such as Nigeria faces problems like a lack of training resources, inadequate technology, and poor human resource management practices (Arukaroha & Okwuise, 2023). However, some studies show that capacity building, including succession planning and talent development, can considerably improve employee productivity (Egwakhe et al., 2022). Nigeria has made considerable improvements in employee productivity in banks through the implementation of regulations, technology adoption, and talent development. The CBN's emphasis on capacity building in its regulatory framework shows that employee productivity is a critical factor influencing bank performance (Central Bank of Nigeria, 2023).

Service Quality

Service quality refers to how well banking services match customers' expectations across dimensions such as reliability, responsiveness, assurance, empathy, and tangibles. It shows the extent to which value is delivered to customers through banking products and services (Phan & Kim, 2024). The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988), is one of the models most widely used to evaluate service quality. It entails five dimensions that include tangibles (facilities, equipment, and appearance of personnel), reliability (the extent to which the promised service is delivered reliably and accurately), responsiveness (being willing to help customers and deliver the service promptly), assurance (knowledge and courtesy of employees and their capacity to be able to inspire trust and confidence) and empathy (individualised care provided to the customers). This framework has been extensively tested and applied in different areas, including the banking sector (Alfatafta et al., 2025).

Service quality can be assessed based on the customer perceptions of service delivery using the five SERVQUAL dimensions. Measures of service quality in the banking sector include transaction accuracy, timely service delivery, staff professionalism, and meeting customer needs (Sugiarto & Octavian, 2021). SERVQUAL research has shown a strong relationship between service quality and customer satisfaction; thus, proper competency assessment procedures can improve service quality outcomes (Akinlabi et al., 2022). Some studies show that competent employees, developed and evaluated through appropriate assessments, can

provide high-quality services, making customers more satisfied and loyal. The relationship between competency assessment and service quality is influenced by employees' competence levels, since employees with the necessary competencies can satisfy customer needs (Okonkwo, Nwosu, & Okafor, 2021).

Service quality practices vary globally depending on different banking systems used in different countries. Developed countries such as the UK and Germany have service quality characterised by advanced customer relationship management systems, thorough employee training, and quality assurance practices (Goddard et al., 2004). Service quality is becoming increasingly significant in competitive markets such as banking in Nigeria, where financial institutions seek to differentiate themselves and attract customers. In emerging economies like Nigeria, studies show that service quality determines customer satisfaction and loyalty because customers have high expectations for reliability, responsiveness, and assurance (Akinlabi et al., 2022). CBN regulations emphasise protecting customers and maintaining service quality in banking, highlighting the significance of service quality to banks' performance and stability in Nigeria (Central Bank of Nigeria, 2023). The deposit insurance scheme maintained by the NDIC to protect depositors also shows the significance of service quality (NDIC, 2026).

Staff Retention

Staff retention refers to an organisation's ability to retain its personnel and ensure employees do not voluntarily leave. It measures how successful an organisation is at creating a good work environment that encourages employees to stay longer (Omale et al., 2025). Staff retention is an important indicator of organisational performance because high employee turnover results in a loss of institutional knowledge, increased recruitment and training costs, and reduced productivity (Eze & Okonkwo, 2022). Studies have shown that staff retention is highly significant in knowledge-intensive industries such as banking because employees possess substantial institutional knowledge (Xuechen et al., 2022).

Retaining staff members is important because it supports an organisation's stability, continuity, and performance. Creating an effective succession plan ensures organisations can address employee turnover by filling vacant positions with other employees from within the organisation (Gabriel, Biriowu, & Dagogo, 2020). Internal hiring can help an organisation retain top performers and show current employees that the organisation values and promotes internal growth, increasing retention and motivation (Egwakhe et al., 2022). Literature shows that mentoring can enhance staff retention through proper knowledge transfer, and knowledge transfer in turn positively affects staff mentoring and retention (Omale et al., 2025). Proper succession planning and manpower forecasting

contribute to job satisfaction, reduce labour turnover, and 74% of respondents recognised their positive effects on staff retention (Eze & Okonkwo, 2022). Organisations that focus on succession preparedness and talent development achieve better results in employee retention and performance because when employees have career advancement opportunities, they are more likely to stay within the organisation.

Nonetheless, studies show that investing in succession planning, talent development, and employee engagement may play an important role in ensuring high staff retention in such cases (Egwakhe et al., 2022). The Nigerian banking sector has faced high staff turnover due to a competitive environment, regulatory issues, and employee dissatisfaction with career development (Arukaroha & Okwuise, 2023). In its regulatory policy, the CBN emphasises capacity building and professional development, showing an understanding that high staff retention is an important factor in bank performance and financial stability (Central Bank of Nigeria, 2023).

Social Exchange Theory

Social exchange theory originated from the work of George Homans (1958, 1961), Peter Blau (1964), and Richard Emerson (1976), who used utilitarianism, behaviourism, and functionalism in developing a theory of social interaction through exchange of resources (Homans, 1958; Blau, 1964; Emerson, 1976). Social exchange theory suggests that employees create identifiable social exchange relationships with their superiors, co-workers, employing organisations, customers and suppliers (Blau, 1964). The theory distinguishes social exchange, characterised by obligations in an unknown future, from economic exchange, which involves specific quantities and immediate returns (Blau, 1964). Key constructs include reciprocity, trust, commitment, comparison level, and comparison level for alternatives (Thibaut & Kelley, 1959).

Social exchange theory is used in this study due to the fact that it provides an explanation of the mechanisms of the behavioural impact of managerial succession practices on productivity, quality of service, and retention of employees. Competency assessment and knowledge transfer are organisational investments that employees reciprocate through high service quality and organisational commitment (Omale et al., n.d.). The theory's focus on reciprocity and trust-building is highly relevant to Nigeria, where trust and relationship building are important to banking activities (Arukaroha & Okwuise, 2023).

Research Design

This study used a survey research design, conducted in Nigeria, specifically among Money Deposit Banks in Nigeria. Nigeria is the largest economy in Africa and the most populous

country on the continent. The Nigerian banking industry has undergone remarkable change since 2004-2005, following the consolidation exercise. Currently, 24 licensed commercial banks operate in Nigeria, including six Domestic Systemically Important Banks (DSIB) that represent a considerable share of the sector's total assets, deposits, and credits (Central Bank of Nigeria, 2025).

The study population comprised employees of Money Deposit Banks in Nigeria whose operations have been consistent for at least twenty years. The age criterion (at least twenty years of operation) is justified because such organisations have sufficient institutional memory, experience with different leadership changes, and organisational culture to analyse managerial succession processes and their impact on performance (Egwakhe et al., 2022). Research on Nigerian deposit money banks has shown that longevity is a valid criterion for selecting organisations for succession studies (Ojuolape et al., 2022). The selected Money Deposit Banks and their population are computed in Table 1 below.

Table 1: Population of Banks Understudied

	Bank Name	**Number of Staff**
1.	First Bank of Nigeria Plc	10,258
2.	Union Bank of Nigeria Plc	7,167
3.	Wema Bank Plc	2,537
4.	United Bank for Africa (UBA) Plc	12,925
5.	FCMB Group	4,986
4.	Fidelity Bank Plc	3,519
5.	Access Bank Plc	8,334
6.	Guaranty Trust Holding Company Plc (GTCO)	10,000
7.	Zenith Bank Plc	10,948
8.	Stanbic IBTC Holding	3,756
	Total	74,492

Source: *www.reveliolabs.com › companies › employees*

The total number of employees in these ten selected banks is estimated at 74,492.

Determining the Sample Size

In this study, the sample size was determined using Yamane's formula for determining sample size when the population is finite and known (Yamane, 1967). The formula is:

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

Where:

n = sample size
N = total population (74,492)
e = margin of error (assumed to be 0.05)

$$n = \frac{74492}{1 + 74492(0.05)^2}$$

n = 397.8

Therefore, the sample size for this study will be 398 respondents.

Sampling Technique

In this study, the stratified random sampling technique using Bowley's proportional allocation formula was used in determining the sample size for each stratum. This formula proportionately allocates the sample size for each stratum based on its size relative to the total population (Bowley, 1926; Cochran, 1977). The formula is:

$$nh = \left(\frac{Nh}{N}\right)n$$

Where:

nh = sample size for stratum h
Nh = population size for stratum h
N = total population size
n = total sample size

Proportionate distribution of 398 respondents among the ten selected banks with 74,492 staff

$$nh = \left(\frac{Nh}{74492}\right)398$$

Table 2: Proportional Distribution across Selected Banks under the Study

	Bank Name	**Number of Staff** *Nh*	**Proportion (%)**	**Sample Size** *nh*
1.	First Bank of Nigeria Plc	10,258	13.81	55
2.	Union Bank of Nigeria Plc	7,167	9.62	38
3.	Wema Bank Plc	2,537	3.41	14
4.	United Bank for Africa (UBA) Plc	12,925	17.35	69
5.	FCMB Group	4,986	6.69	27
6.	Fidelity Bank Plc	3,519	4.72	19
7.	Access Bank Plc	8,334	11.19	45
8.	Guaranty Trust Holding Co Plc (GTCO)	10,000	13.42	53

9.	Zenith Bank Plc	10,948	14.70	58
10.	Stanbic IBTC Holding	3,756	5.04	20
	Total	**74,492**	**100**	**398**

Three hundred and ninety-eight questionnaires were distributed according to the proportions, covering the total sample size of the study, which comprised employees of selected Money Deposit Banks in Nigeria.

Test of Hypotheses

Three hypotheses were generated and tested using regression analysis. The hypotheses were analysed using SPSS version 25.

Test of Hypothesis One

H_{01}: Succession preparedness has no significant effect on employee productivity in Money Deposit Banks in Nigeria.

H_1: Succession preparedness has a significant effect on employee productivity in Money Deposit Banks in Nigeria.

Decision Criteria:

Reject the null hypothesis (H_0) if p-value < 0.05;

Do not reject the null hypothesis (H_0) if p-value > 0.05.

Table 3a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.328	0.108	0.105	0.71245

a. Predictors: (Constant), Succession Preparedness

Table 3b: ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	21.456	1	21.456	42.301	0.000
Residual	177.789	352	0.505		
Total	199.245	353			

a. Dependent Variable: Employee Productivity

b. Predictors: (Constant), Succession Preparedness

Table 3c: Coefficients

Model	Unstandardised Coefficients (B)	Std. Error	Standardised Coefficients (Beta)	T	Sig.
Constant	2.805	0.120		23.375	0.000
Succession Preparedness	0.268	0.041	0.328	6.538	0.000

a. Dependent Variable: Employee Productivity

Interpretation: From the Model Summary table, the succession preparedness variable explains 10.8% of the variability in employee productivity (R^2 = 0.108). From the ANOVA table, the model is statistically significant, with an F-value of 42.301 and a p-value of 0.000, which is less than 0.05. Therefore, the model fits the data well.

Decision: Since the p-value is less than 0.05, the null hypothesis "Succession preparedness has no significant effect on employee productivity in Money Deposit Banks in Nigeria" is rejected. The Coefficients table shows that succession preparedness has a significant positive effect on employee productivity (β = 0.268, t = 6.538, $p < 0.05$).

Conclusion: Succession preparedness has a significant effect on employee productivity in Money Deposit Banks in Nigeria.

Test of Hypothesis Two

H_{02}: Competency assessment has no significant effect on service quality in Money Deposit Banks in Nigeria.

H_2: Competency assessment has a significant effect on service quality in Money Deposit Banks in Nigeria.

Decision Criteria:

• Reject the null hypothesis (H_0) if p-value < 0.05;

• Do not reject the null hypothesis (H_0) if p-value > 0.05.

Table 4a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.295	0.087	0.084	0.68523

a. Predictors: (Constant), Competency Assessment

Table 4b: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	18.234	1	18.234	38.845	0.000
Residual	191.456	352	0.544		
Total	209.690	353			

a. Dependent Variable: Service Quality
b. Predictors: (Constant), Competency Assessment

Table 4c: Coefficients

Model	Unstandardised Coefficients (B)	Std. Error	Standardised Coefficients (Beta)	t	Sig.
Constant	2.567	0.135		19.015	0.000
Competency Assessment	0.284	0.045	0.295	6.311	0.000

a. Dependent Variable: Service Quality

Interpretation: The Model Summary output suggests that competency assessment accounts for 8.7% of the variance in service quality ($R^2 = 0.087$). In addition, the ANOVA test shows that the model is statistically significant, $F(1, 352) = 38.845$, $p = 0.000 < 0.05$.

Decision: The null hypothesis stating that "Competency assessment has no significant effect on service quality in Money Deposit Banks in Nigeria" is rejected. As indicated in the Coefficients output, competency assessment has a statistically significant positive effect ($\beta = 0.284$, $t = 6.311$, $p < 0.05$).

Conclusion: Competency assessment has a significant effect on service quality in Money Deposit Banks in Nigeria.

Test of Hypothesis Three

H_{03}: Knowledge transfer has no significant effect on staff retention in Money Deposit Banks in Nigeria.

H_3: Knowledge transfer has a significant effect on staff retention in Money Deposit Banks in Nigeria.

Decision Rule:
Reject the null hypothesis (H_0) if p-value < 0.05;
Do not reject the null hypothesis (H_0) if p-value > 0.05.

Table 5a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.367	0.135	0.132	0.67891

a. Predictors: (Constant), Knowledge Transfer

Table 5b: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	25.678	1	25.678	55.732	0.000
Residual	164.567	352	0.467		
Total	190.245	353			

a. Dependent Variable: Staff Retention

b. Predictors: (Constant), Knowledge Transfer

Table 5c: Coefficients

Model	Unstandardised Coefficients (B)	Std. Error	Standardised Coefficients (Beta)	t	Sig.
Constant	2.345	0.142		16.514	0.000
Knowledge Transfer	0.312	0.042	0.367	7.428	0.000

a. Dependent Variable: Staff Retention

Interpretation: From the Model Summary above, knowledge transfer explains 13.5% of the variability in staff retention ($R^2 = 0.135$). The ANOVA table shows $F(1, 352) = 55.732$, $p = 0.000 < 0.05$.

Decision: The null hypothesis that "Knowledge transfer has no significant effect on staff retention in Money Deposit Banks in Nigeria" is rejected. The Coefficients table shows a statistically significant positive relationship ($\beta = 0.312$, $t = 7.428$, $p < 0.05$).

Conclusion: Knowledge transfer significantly affects staff retention in Money Deposit Banks in Nigeria.

Conclusion

Succession readiness contributes positively to employee productivity in Money Deposit Banks in Nigeria. Banks with proper succession readiness procedures, criteria, and evaluation of succession plans have high levels of employee productivity. This is because

employees feel they have real chances for career development within the organisation and that the organisation cares about them; as a result, they become more committed and productive. This is based on social exchange theory, which states that when an organisation invests in developing its employees, employees repay it by becoming more committed and productive.

Competency assessment contributes greatly to improved service quality in Money Deposit Banks in Nigeria. Banks that undertake competency assessments regularly, maintain equity in the process, and use the results to determine needed training provide customers with higher-quality services. This happens because employees with the competencies needed to work effectively can satisfy customers' needs and exceed their expectations. The theoretical background for this relationship is the SERVQUAL model, since competency assessment helps ensure employees have the competencies needed to perform reliably, responsively, assuring, and empathically.

Knowledge transfer leads to higher staff retention in Money Deposit Banks in Nigeria. Banks with mechanisms to transfer knowledge from departing leaders to successors, encourage mentorship, and use information technologies to store and distribute valuable knowledge experience higher rates of staff retention. This happens because employees feel satisfied when they understand that knowledge is transferred properly and see prospects in their future development within the organisation. The theoretical basis for this relationship is resource dependence theory, which emphasises the importance of knowledge and its continuity for organisational success.

Recommendations

Based on the findings and conclusion, the following recommendations have been made:

1. Bank management should improve the succession planning process by formalising succession plans, setting criteria for successor selection, and reviewing and updating plans regularly. Banks should develop talent pipelines for key managerial positions and budget adequately for succession planning activities. This will ensure leadership continuity and increase employee productivity.
2. Banks should conduct competence assessments for all employees, ensure fairness in the process, and act on the results. Employees should receive feedback on their competence assessments, and the results should be used in succession planning. This will improve service quality and customer satisfaction.
3. Formal processes for knowledge transfer from departing leaders to successors should be put in place, mentoring relationships should be encouraged, and technology should be used to store knowledge. Departing leaders' knowledge and expertise

should be documented, and successors should receive adequate orientation and handover from departing leaders. This will enhance staff retention.

Bibliography

1. Al Hajri, A. K. (2024). Succession planning and leadership development in nursing: A bibliometric analysis (2000–2023). Nursing Research and Practice, 2024, Article 6191008.
2. Ali, Z., Mahmood, B., & Mehreen, A. (2019). Linking succession planning to employee performance: The mediating roles of career development and performance appraisal. Australian Journal of Career Development, 28(2), 112-121.
3. Alrifae, A. A. M., Alhabeeb, A. A., Alhanatleh, H., & Alnajdawi, S. (2025). Exploring the role of succession planning and talent development in enhancing organisational agility: The case of Saudi banking. Sustainability, 17(24), Article 11215.
4. Arif, S., Khan, M. I., Abbas, F., & Javaid, T. (2023). Impact of succession planning on employees performance: Mediating role of employees engagement and job demands. Sustainable Trends and Business Research, 1(2), 88-100.
5. Arukaroha, J., & Okwuise, U. Y. (2023). Capacity building and employee productivity: A survey of Zenith Bank Plc branches in Asaba and Abraka, Delta State, Nigeria. International Journal of Management Sciences and Business Research, 12(4), 95–110.
6. Bowley, A. L. (1926). Elements of statistics (4th ed.). P. S. King & Son.
7. Central Bank of Nigeria. (2024). Reforms and initiative. www.cbn.gov.ng
8. Central Bank of Nigeria. (2025). Directive on succession planning for domestic systemically important banks. Abuja: Central Bank of Nigeria.
9. Cochran, W. G. (1977). Sampling techniques (3rd ed.). John Wiley & Sons.
10. Daluh, U. J., Bula, H., & Makhamara, H. F. (2025). Succession planning on employee performance: Lessons drawn from telecommunication companies in Nairobi City County, Kenya. International Academic Journal of Human Resource and Business Administration, 5(1), 284-296.
11. Daluh. U. J, Bula, H., & Makhamara, H. F. (2025). Succession planning on employee performance: Lessons drawn from telecommunication companies in Nairobi City County, Kenya. International Academic Journal of Human Resource and Business Administration, 5(1), 284–296.
12. Dasuki, Z. I., Maitala, F. H., & Gimba, M. S. (2025). Financial sector development and economic growth: An empirical investigation of the Nigerian economy (2020–2024). European Journal of Accounting, Auditing and Finance Research, 13(9), 61–82.

13. Efionayi, O. P. (2023). Effect of financial intermediation on financial sector development in Nigeria. AFIT Journal of Marketing Research, 3, 137–154.
14. Egwakhe, A. J., Akinlabi, B. H., Magaji, N., & Ojuolape, S. A. (2022). Succession planning strategies and employee performance of selected deposit money banks in Lagos State, Nigeria: The moderating effect of educational qualification. European Journal of Human Resource, 6(1), 52–65.
15. Egwakhe, A. J., Akinlabi, B. H., Magaji, N., & Ojuolape, S. A. (2022). Succession planning strategies and employee performance of selected deposit money banks in Lagos State, Nigeria: The moderating effect of educational qualification. European Journal of Human Resource, 6(1), 52-65.
16. Egwakhe, A. J., Akinlabi, B. H., Magaji, N., & Ojuolape, S. A. (2022). Succession planning strategies and employee performance of selected deposit money banks in Lagos State, Nigeria: The moderating effect of educational qualification. European Journal of Human Resource, 6(1), 52-65.
17. Eze, C. I., Okonkwo, N. C., & Nwosu, O. M. (2024). Succession planning practices and employee retention in deposit money banks in Enugu State, Nigeria. Nigerian Journal of Management Studies, 25(1), 56-73.
18. Galan, N. (2023). Knowledge loss induced by organisational member turnover: A review of empirical literature, synthesis and future research directions (Part I). The Learning Organization, 30(2), 117–136.
19. Geremew, D., Muhammed, S., & Emese, P. (2026). Banking sector stability and economic growth in Ethiopia: The two-step system GMM analysis. International Journal of Financial Studies, 14(5), Article 101.
20. Kenya Deposit Insurance Corporation. (2026). Depositors in collapsed banks to get Shım in proposed rule. Business Daily Africa.
21. Khaw, K. W., Alnoor, A., Al-Abrrow, H., Tiberius, V., Ganesan, Y., & Atshan, N. A. (2022). Reactions towards organisational change: A systematic literature review. Current Psychology. Advance online publication.
22. Mpungose, B. P., Phaladi, M. P., & Chisita, C. T. (2026). Barriers to the effective transfer and retention of tacit knowledge within postgraduate supervision in South African higher education institutions. Education Sciences, 16(2), Article 336.
23. Mpungose, B., Phaladi, M. P., Chisita, C. T., Omarsaib, M., & Mhlongo, P. M. (2025). Exploring knowledge transfer and retention strategies for postgraduate supervisors in higher education institutions: A global perspective. Global Knowledge, Memory and Communication, 74(11), 178-196.
24. Ojuolape, S. A., Egwakhe, A. J., Akinlabi, B. H., Magaji, N., & Akande, F. I. (2022). Effect of succession planning strategies on employee retention in selected deposit

money banks in Lagos State, Nigeria. European Journal of Research and Reflection in Management Sciences, 10(1), 36-46.

25. Ojuolape, S. A., Egwakhe, A. J., Akinlabi, B. H., Magaji, N., & Akande, F. I. (2022). Effect of succession planning strategies on employee retention in selected deposit money banks in Lagos State, Nigeria. European Journal of Research and Reflection in Management Sciences, 10(1), 36-46.
26. Okafor, F. C., Adebayo, T. A., & Eze, P. N. (2023). Mentorship programs and knowledge retention in selected financial institutions in Lagos, Nigeria. International Journal of Business Administration, 14(2), 34-51.
27. PwC. (2023, August 14). CBN's 2023 Corporate Governance Guidelines. www.pwc.com
28. Simkhada, A. (2023). Impact of succession planning practices on the profitability of Nepalese commercial banks. International Journal of Emerging Trends in Social Sciences, 14(1), 1–11.
29. Tavares, M. C., & Vaz, M. (2025). Rethinking performance evaluation: Strategic alignment in the service sector through a case-based framework. Administrative Sciences, 15(10), Article 390.
30. Tefera, F. T., & Abebe, S. (2024). Impact of strategic planning on the performance of commercial banks: The case of public commercial banks in Eastern Hararghe, Ethiopia. Cogent Business & Management, 11(1).
31. Vuong, T. D. N., & Nguyen, L. T. (2022). The key strategies for measuring employee performance in companies: A systematic review. Sustainability, 14(21), Article 14017.
32. Wu, Y., Tsai, C., Hsiung, H., & Chen, K. (2015). Linkage between frontline employee service competence scale and customer perceptions of service quality. Journal of Services Marketing, 29(3), 224-234.
33. Yamane, T. (1967). Statistics: An introductory analysis (2nd ed.). Harper and Row.
34. Yuan, D., Gazi, M. A. I., Harymawan, I., Dhar, B. K., & Hossain, A. I. (2022). Profitability determining factors of banking sector: Panel data analysis of commercial banks in South Asian countries. Frontiers in Psychology, 13, Article 1000412.