

**Linking Key Performance Indicators to Talent Retention in a
Developing Economy:
A Pilot Study in Nigeria's Oil and Gas Sector**

Converting Research into Practice

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28th April 2026

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Abstract

This pilot study investigates the relationship between key performance indicator (KPI)-driven performance management systems and employee retention in Nigeria's oil and gas sector. It examines how employees' perceptions of fairness, feedback, recognition, and career development opportunities within KPI-based appraisal systems influence their commitment and intention to remain with their organizations. A mixed-methods approach was employed, combining quantitative data from 20 survey participants with qualitative insights from six semi-structured interviews. The survey results indicate a positive association between effective performance management practices and retention outcomes. Employees who perceive the KPI system as fair, transparent, and development oriented report higher job satisfaction and a stronger intention to stay. In contrast, perceptions of unfair or punitive systems are linked to increased turnover intentions. Interview findings reinforce the importance of clear expectations, regular feedback, recognition, and career growth; factors identified as talent friendly practices in fostering employee loyalty. The study suggests that well designed KPI based performance management systems can serve as a strategic tool for retaining skilled talent in emerging economy contexts. It contributes to the limited literature on human resource management in developing countries by demonstrating how aligning performance management with employee expectations and cultural realities can enhance retention. The study also reflects on methodological lessons from the pilot and proposes directions for future research in strategic talent management.

Introduction

Employee retention has become a pressing concern for organizations globally, particularly in high-skill, high pressure industries. This challenge is especially pronounced in the oil and gas sector, where companies invest heavily in developing technical talent but often struggle to retain it amid intense international competition and demanding work environments. In Nigeria, a developing economy that relies significantly on oil and gas revenues, the issue of retaining skilled professionals is both a strategic necessity and a persistent challenge (Adeleye, 2020; Okeke, Eze & Nwankwo, 2021). High turnover rates among engineers, geoscientists, and other critical specialists are frequently attributed to factors such as international talent poaching, political and economic instability, and the lure of more attractive opportunities abroad (Odigie, 2025; Okeke, Eze & Nwankwo, 2021). The consequences of this attrition are extensive, including the loss of institutional knowledge, increased recruitment and training costs, and disruptions to project continuity and safety in an industry where experience is vital. As a result, improving employee retention has become a strategic priority for both industry leaders and policymakers.

In parallel, organizations across sectors have increasingly adopted Key Performance Indicators (KPIs) and structured performance management systems to drive individual performance and align employee efforts with broader business objectives (Armstrong & Taylor, 2014). Performance management typically involves setting clear goals, monitoring progress, providing feedback, and linking outcomes to rewards or development opportunities (Aguinis, 2013). KPIs, as quantifiable metrics that reflect critical success factors, are central to these systems and are often embedded within formal appraisal processes. Theoretically, when employees are given specific, challenging goals and receive regular, fair feedback, they are more likely to be motivated and productive (Locke & Latham, 2002). Empirical studies in various contexts have shown that effective performance appraisals are those marked by clarity, fairness, and employee involvement, can enhance job satisfaction and organizational commitment, thereby reducing turnover (Mensah, 2019; Belanger, Carbone & Fantaguzzi, 2024).

However, the extent to which these benefits apply in complex and volatile environments such as Nigeria's oil and gas sector remains uncertain. In such settings, performance management systems perceived as unfair, opaque, or overly complicated may have the opposite effect, eroding morale and loyalty and prompting skilled employees to seek employment elsewhere (Greenberg, 1986; Martin, Johnson & Cullen, 2018). For instance, an engineer evaluated against unrealistic KPIs or who feels that their achievements go unacknowledged may become disengaged and consider leaving. On the other hand, an employee who views the KPI process as fair, transparent, and linked to meaningful rewards such as bonuses or promotions, may develop greater trust in leadership and a clearer sense of career progression, increasing their likelihood of staying (Mensah & Bawole, 2020; Ekweozor & Omah, 2025). This dual potential of performance management systems to either support or undermine retention, forms the central focus of this study.

Retaining high performing talent is particularly critical in Nigeria's oil and gas industry. In this context, "talent" refers to individuals with both high performance and high potential, often possessing essential technical expertise, industry knowledge, and leadership capabilities. These employees represent a "critical talent pool" that is not only valuable and rare but also difficult to replace or replicate as their characteristics align with the Resource-Based View (RBV) of the firm

(Barney, 1991). Roles such as petroleum engineers, drilling specialists, geoscientists, and project managers exemplify this category. Strategic human resource management literature emphasizes the importance of identifying, developing, and retaining such individuals to sustain competitive advantage (Collings & Mellahi, 2009). Unlike broader definitions of talent that include all hardworking employees, this approach focuses on aligning the growth of high-impact individuals with organizational goals and tailoring HR practices to attract, motivate, and retain them (Mensah, 2019).

A key component of this alignment is the Employee Value Proposition (EVP), which encompasses the total rewards, opportunities, and work environment offered by an organization. High-performing employees are more likely to remain with employers who make them feel valued, challenged, and supported (Belanger, Carbone & Fantaguzzi, 2024). Therefore, talent retention requires a holistic strategy that includes competitive compensation, career development pathways, recognition, work-life balance, and a culture of fairness and inclusion. Despite the growing emphasis on these elements, one area that remains underexplored is the role of performance management systems (particularly those based on KPIs) in influencing whether talented employees choose to stay or leave.

This study addresses a critical gap in the literature: the limited understanding of how KPI-driven performance management systems affect talent retention in developing economies. While there is substantial research on performance management and employee retention as separate domains, their intersection is less frequently examined, especially in non-Western contexts (Budhwar & Debrah, 2013; Mensah & Bawole, 2020). Nigeria's oil and gas sector presents an interesting case for such an investigation. The industry's challenging working conditions, ranging from remote and hazardous locations to intense production pressures make retaining experienced staff both essential and difficult (Nyberg et al., 2016; Okeke, Eze & Nwankwo, 2021). Many firms in the sector have adopted formal performance appraisal systems, often modelled after international standards, with the aim of enhancing accountability and performance through KPIs (Ojiako, Maguire & Johnson, 2018). However, evidence not yet verified suggests a disconnect between these systems and employee expectations. Common concerns include a lack of transparency, perceived bias or favouritism, and weak links between performance outcomes and rewards (Ejiogu, 2019). According to organizational justice theory, such perceptions can diminish trust and commitment, increasing the likelihood of turnover (Greenberg, 1986; Martin et al., 2018). A recent survey by Odigie (2025) found that over 60% of oil and gas service employees who felt unfairly evaluated also reported high turnover intentions.

On the other hand, global research indicates that when employees perceive appraisals as fair and developmental, their engagement and affective commitment improve, which in turn supports retention (Al Zefeiti & Mohamad, 2017; Mensah, 2019). This highlights both a practical need and a theoretical gap: understanding whether and how performance management systems can be leveraged to retain talent in Nigeria's oil industry. By exploring employees' lived experiences and perceptions, this study aims to generate evidence-based insights that can inform both academic conversations and organizational practice. If KPI-based performance management systems can be aligned with the retention of key talent, they offer a powerful, controllable lever for addressing the sector's persistent brain-drain. If, however, these systems are found to contribute to turnover

through mechanisms such as stress, perceived inequity, or lack of recognition, then organizations must reconsider their design and implementation to avoid inadvertently driving talent away.

This study was chosen based of my professional experience and continued academic interest in the best way to use KPI-driven performance management systems within Nigeria's oil and gas sector in retaining talent, considering the retention challenges. In practice, KPIs are widely applied as formal performance tools, yet their effectiveness in supporting employee retention remains unclear. This disconnect between performance measurement and retention outcomes informed the decision to explore how employees actually experience and interpret KPI-based appraisal systems.

The relevance of this research is heightened by increasing competition for skilled talent and ongoing economic uncertainty in developing-economy contexts. By focusing on employees' perceptions, this pilot study contributes context to a limited body of literature and highlights how aspects of performance management within managerial control such as fairness, feedback, recognition, and linkage to development.

The aim of this pilot study is to evaluate how employees' perceptions of a KPI-driven performance management system relate to their intention to remain with the organization, specifically within Nigeria's oil and gas sector. It further aims to provide both theoretical and practical impact. Theoretically, it contributes to the limited literature on performance management and retention in developing economies. Practically, it offers actionable insights for HR practitioners on how KPI systems can be redesigned to better support employee retention. The central research question is: **How do employees' perceptions of a KPI-based performance management system influence their intention to remain with the organization in the Nigerian oil and gas industry?** To explore this question, the study adopts a mixed-methods approach, combining quantitative and qualitative data to examine both the measurable association between performance management and retention and the root cause that shape this relationship. The following sections present a review of relevant literature, the methodology of the pilot study, the findings from the survey and interviews, and a discussion of their implications for theory and practice. The report concludes with practical recommendations and suggestions for future research.

Literature Review

Theoretical Foundations Linking Performance Management and Retention

A range of organizational behaviour and human resource management theories provide a foundation for understanding how performance management systems, particularly those driven by Key Performance Indicators (KPIs), influence employee retention.

Goal-Setting Theory assumes that specific and challenging goals enhance performance, especially when accompanied by feedback (Locke & Latham, 2002). KPI systems operationalize this theory by translating strategic objectives into measurable targets. When employees perceive KPIs as clear and achievable, motivation and performance tend to improve. However, if goals are unrealistic or poorly communicated, they may lead to stress and disengagement. Control Theory complements this by emphasizing the importance of feedback in helping employees adjust their efforts to meet performance expectations.

Organizational Justice Theory offers another lens, distinguishing between distributive, procedural, and interactional justice (Greenberg, 1986). Employees are more likely to accept performance evaluations when they perceive the process as fair, transparent, and participatory (Colquitt et al., 2001). Perceived injustice such as biased appraisals or unclear criteria can erode trust and increase turnover intentions (Martin et al., 2018). Equity Theory (Adams, 1965) further suggests that employees compare their input-output ratios with those of peers. When high performers see no differential reward for their efforts, they may feel undervalued and seek opportunities elsewhere.

Social Exchange Theory (Blau, 1964) and Perceived Organizational Support (Rhoades & Eisenberger, 2002) explain how employees reciprocate perceived organizational care with loyalty. A performance management system that provides recognition, development, and fair treatment signals investment in employees, fostering engagement and reducing turnover. However, systems perceived as punitive or indifferent to development may weaken this reciprocal relationship.

Herzberg's Two-Factor Theory (1959) distinguishes between hygiene factors (e.g., pay, job security) and motivators (e.g., recognition, achievement). Performance management intersects both: fairness and consistency mitigate dissatisfaction, while recognition and development foster satisfaction. Similarly, Meyer and Allen's (1991) Three-Component Model of Commitment; affective, continuance, and normative suggests that well-structured performance systems can enhance emotional attachment, perceived costs of leaving, and a sense of obligation to stay.

These theories collectively highlight that the effectiveness of KPI-based performance management in supporting retention depends on how it is implemented and perceived. Fairness, clarity, feedback, and alignment with employee development are critical to ensuring that performance systems motivate rather than alienate employees.

Empirical Evidence on Performance Management and Retention

Recent empirical studies reinforce the theoretical link between performance management and employee retention. Memon et al. (2019), in a study of Malaysian oil and gas firms, found that performance appraisal satisfaction significantly predicted work engagement, which in turn reduced turnover intentions. This mediating role of engagement suggests that performance systems influence retention indirectly by shaping how connected employees feel to their work.

A systematic review by Sinisterra et al. (2024) confirmed that talent management practices, including fair performance evaluations, enhance engagement and reduce turnover intentions. The review emphasized that engagement mediates the relationship between talent practices and retention, highlighting the importance of designing performance systems that foster employee involvement and support.

In the Nigerian context, Ekweozor and Omah (2025) examined oil and gas servicing firms and found that strategic talent management practices including structured appraisals, significantly influenced job commitment and employee loyalty. Their findings showed that such practices accounted for over 50% of the variance in retention outcomes. Similarly, Moriah (2025) reported that while performance appraisal had a weaker direct effect on retention compared to training and compensation, it remained a relevant factor, particularly when integrated with broader HR strategies.

These findings suggest that performance management systems are most effective when embedded within a comprehensive talent management framework. Appraisals should not function in isolation but should inform development plans, succession strategies, and reward systems. When employees see a clear link between performance and career progression, they are more likely to remain committed to the organization.

Strategic Talent Management and the Role of KPIs

Strategic Talent Management (STM) involves identifying, developing, and retaining individuals in roles critical to organizational success (Collings & Mellahi, 2009). The Resource-Based View (Barney, 1991) and Human Capital Theory (Becker, 1964) underpin STM by framing talent as a source of competitive advantage. In knowledge intensive sectors like oil and gas, retaining skilled professionals is essential for operational continuity and innovation.

Performance management plays a central role in STM by identifying high performers and informing decisions about development and succession. When KPI based appraisals are used to recognize and reward talent, they reinforce the psychological contract between employee and employer. Mensah and Bawole (2020) found that in Ghanaian public sector organizations, aligning performance management with career development significantly reduced turnover intentions. Similarly, Collings, Mellahi, and Cascio (2019) emphasized that performance systems must be integrated with talent pipelines to retain high potential employees.

In Nigeria's oil and gas sector, where competition for skilled labour is intense, STM practices are particularly relevant. Ekweozor and Omah (2025) highlighted that firms with structured recruitment, training, and appraisal systems experienced stronger employee loyalty. However, many organizations still treat performance management as a tick the box compliance exercise rather than a strategic tool. This disconnect limits the system's potential to influence retention.

Contextual Considerations in Developing Economies

Much of the literature on performance management and retention originates from Western contexts. In developing economies like Nigeria, cultural and institutional factors can shape how employees perceive and respond to appraisal systems. High power distance cultures may discourage employees from questioning appraisal outcomes, even when they perceive them as unfair (Budhwar & Debrah, 2013). Historical issues such as nepotism and favouritism can also undermine trust in formal systems (Ejiogu, 2019).

Economic volatility, regulatory uncertainty, and security challenges further complicate retention efforts. During downturns or crises, even well designed performance systems may not prevent attrition if employees fear layoffs or see limited future prospects (Holtom et al., 2008). Nonetheless, internal HR practices remain influential. Odigie (2025) found that employees who felt unfairly evaluated were significantly more likely to express turnover intentions, while those who perceived appraisals as fair and developmental were more likely to stay.

A systematic review by Eleogu et al. (2023) noted that while Nigerian oil and gas firms emphasize pay and career growth in their retention strategies, they often overlook the role of day-to-day performance management. This suggests a gap between strategic intent and operational practice.

By focusing on the employee experience of performance management, clarity of KPIs, fairness of evaluations, and linkage to development, organizations can strengthen their retention outcomes.

Conceptual Framework

Drawing from the literature, I developed a conceptual model (Figure 1) that illustrates the hypothesized relationship between KPI based performance management and employee retention. The model proposes that when performance management is implemented in a talent friendly manner characterized by fairness, clarity, feedback, recognition, and development, it enhances job satisfaction and commitment, thereby reducing turnover intentions. On the other hand, when performance systems are perceived as unfair, punitive, or disconnected from career outcomes, they may contribute to disengagement and attrition.

This framework guides the present pilot study, which seeks to explore how employees in a Nigerian oil and gas company perceive their KPI based performance management system and how these perceptions relate to their intention to remain with the organization. By examining this relationship in a developing economy context, the study contributes to a more nuanced understanding of how performance management can be leveraged as a strategic tool for talent retention.

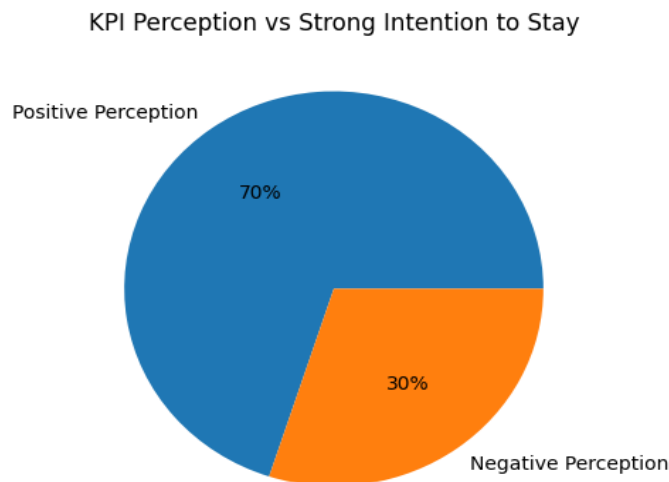


Figure 1

Methodology

Research design: This pilot study adopted a mixed-methods approach, combining quantitative and qualitative data to explore how employees' perceptions of a KPI-based performance management system relate to their intention to remain with their organization. The rationale for this design was to capture both measurable patterns and deeper insights into employee experiences. The quantitative component provided a snapshot of general trends, while the qualitative interviews allowed for a richer understanding of the underlying reasons behind those trends. Given the

exploratory nature of the study and the practical constraints of time and access, a cross-sectional design was used. Data was collected at a single point in time at the end of March.

Ethical considerations were central to the research process. Participation was entirely voluntary, and all respondents were informed of the study's purpose and their right to withdraw at any time. No identifying information was collected, and all data were anonymised. Although formal university ethics approval was not required for this pilot study, I adhered strictly to the university's ethical guidelines on the school website, ensuring confidentiality and respectful engagement throughout.

Research Context and Sampling

The study was conducted within a Nigerian oil and gas servicing company, referred to here as "Company A" to preserve anonymity. Company A operates in the upstream segment of the industry and employs a diverse workforce of technical professionals, engineers, and mid level managers. The organization has a formal KPI based performance appraisal system, making it a suitable context for examining the research question.

For the quantitative phase, I distributed an online survey to a targeted group of professional level employees within Company A. These included individuals whose roles are directly evaluated using KPI metrics, such as engineers, operations staff, and team leads. The survey was shared via a professional networking platform commonly used by oil and gas professionals in Nigeria. A total of 20 completed responses were received, representing approximately 67% of those invited. While some may say this is small, this sample size was considered adequate for a pilot study aimed at testing the research instrument and identifying preliminary trends. Participants included both male and female employees, with a range of tenures from two to fifteen years. The average tenure was 5.5 years, providing a mix of perspectives from both newer and more experienced staff.

The qualitative component involved six semistructured interviews with a smaller group of participants who volunteered to participate further. I used selective sampling to ensure a diversity of roles and experiences. The interviewees included two line managers (who conduct appraisals), two senior technical professionals (with over eight years of experience), and two junior staff members (with less than three years of tenure). This mix allowed me to capture the views of both those being appraised and those responsible for conducting appraisals, as well as perspectives from different career stages. All interviews were conducted in English via video calls, each lasting between 15 and 20 minutes. With participants' consent, the interviews were audio recorded and later transcribed verbatim. To protect confidentiality, I assigned anonymised identifiers (e.g., "Participant A – Production Engineer") when quoting participants in the findings.

Data Collection Instruments

The survey instrument consisted of three sections. The first gathered demographic information, including gender, role, and tenure. The second section focused on perceptions of the KPI based performance management system. I adapted items from established scales on performance appraisal satisfaction and organizational justice (Moorman, 1991; Schleicher et al., 2019). Respondents rated their agreement with statements on a five point Likert scale (1 = strongly disagree to 5 = strongly agree). Key dimensions included:

- Clarity of KPIs (e.g., “I clearly understand the performance criteria used to evaluate my job performance”)
- Fairness of appraisal (e.g., “The way my performance is evaluated is fair and unbiased”)
- Feedback and support (e.g., “I receive useful feedback on my progress toward performance goals”)
- Recognition and rewards (e.g., “Good performance on my KPIs is recognised and rewarded by the organisation”)

An overall satisfaction item (“Overall, I am satisfied with how performance is managed here”) was also included.

The third section assessed retention related attitudes. I used two items to measure turnover intention: one direct (“I intend to continue working at this company for the next two years or more”) and one reverse scored (“I frequently think about seeking employment elsewhere”), adapted from Cohen (1993) and Michaels and Spector (1982). I also included a specific item to assess the perceived influence of performance management on retention: “The way my performance is managed in this company affects my decision to remain or leave.”

Before full deployment, I pilot tested the survey with three professionals outside the target organisation to ensure clarity and relevance. Minor adjustments were made to improve the wording of a few items.

The interview protocol was semi structured, allowing for consistency across interviews while providing flexibility to explore emerging themes. Key questions included:

- “How do you feel about the KPI targets set for you (or your team)?”
- “Can you describe a recent performance review and how it affected your motivation or commitment?”
- “In what ways does the performance management process influence your decision to stay or consider leaving?”
- “What aspects of the system work well, and what could be improved?”

I encouraged participants to share specific examples and experiences, which helped to surface subtle insights into how the KPI system was perceived and how it influenced their retention decisions.

Data Analysis

Quantitative data was analysed using basic descriptive statistics. I calculated frequencies, percentages, and mean scores to summarise responses. Given the small sample size, the analysis was exploratory rather than logical. However, I did examine patterns across subgroups, such as comparing responses from those with positive versus negative perceptions of the KPI system. I also created an index of “Positive KPI Perception” by aggregating responses across the clarity, fairness, feedback, and satisfaction items. This index was then compared with the “Intention to Stay” score. A simple correlation analysis revealed a moderate positive relationship (approximately $r = 0.6$), suggesting that favourable perceptions of the KPI system were associated with stronger retention intentions.

The qualitative data was analysed using thematic analysis (Braun & Clarke, 2006). After transcribing the interviews, I read each transcript multiple times to familiarise myself with the content. I then conducted open coding, identifying segments of text that related to motivation, satisfaction, and retention. Codes were grouped into broader themes that recurred across participants. Four key themes emerged:

1. Fairness and transparency of the KPI process
2. Feedback and managerial support
3. Recognition versus punishment orientation
4. Career growth and talent development

These themes are explored in detail in the Findings section. I also noted contextual factors such as economic uncertainty and work life balance that participants mentioned as influencing their retention decisions, even if these were outside the formal performance management system.

Findings

This section presents the results of the pilot study, drawing on both the quantitative survey responses and the qualitative interviews. The aim was to explore how employees perceive the KPI based performance management system in Company A and how these perceptions relate to their intention to remain with the organisation. The findings are presented in two parts: a summary of the survey results, followed by key themes that emerged from the interviews.

Quantitative Findings: Survey Summary

The survey was completed by 20 employees across various roles within Company A. Table 1 summarizes the percentage of respondents who agreed or strongly agreed with selected statements related to performance management and retention.

Survey Statement	% Agree/Strongly Agree
I clearly understand the performance criteria (KPIs) for my role.	78%
The KPIs used to evaluate my performance are fair.	62%
Good performance on my KPIs is recognised and rewarded by the organisation.	55%
The way my performance is measured motivates me to perform at my best.	65%
Overall, I am satisfied with our performance management process.	58%
I intend to continue working here for the next two years or more.	55%
I frequently think about leaving this company. (reverse-scored)	30%
The performance management system influences my desire to stay or leave.	80%

Table 1. Summary of Survey Responses (N = 20)

The results suggest that most employees have a clear understanding of their KPIs, with 78% agreeing that the performance criteria are well communicated. However, only 62% felt the evaluation process was fair, and just over half (55%) believed that good performance was adequately recognised and rewarded. This points to a potential gap between performance and recognition, which may affect motivation and retention.

While 65% of respondents agreed that the KPI system motivates them to perform at their best, a significant minority expressed ambivalence or disagreement. Similarly, only 58% reported overall

satisfaction with the performance management process. Concerning retention, 55% indicated a strong intention to stay for at least two more years, while 30% admitted to frequently thinking about leaving. Notably, 80% of respondents agreed that the way their performance is managed influences their decision to stay or leave, reinforcing the central premise of this study.

To explore the relationship between performance management perceptions and retention, I compared responses from employees with generally positive views of the KPI system to those with more negative views. Among those who rated the system highly in terms of fairness, clarity, and satisfaction, approximately 70% expressed a strong intention to stay. In contrast, only about 30% of those with negative perceptions reported similar intentions. This two-to-one ratio suggests a meaningful association between favorable performance management experiences and employee retention, even within the limitations of a small sample.

Qualitative Findings: Themes from Interviews

The six interviews provided deeper insight into how employees experience the KPI-based performance management system and how it shapes their motivation and retention decisions. Four key themes emerged consistently across the interviews:

1. Fairness and Transparency of the KPI Process

Participants repeatedly emphasized the importance of fairness and transparency in how KPIs are set and evaluated. When employees understood the rationale behind their targets and felt involved in the process, they were more likely to accept the system and engage with it positively. For example, Participant A (Production Engineer) noted, “Targets are fine when they make sense. If I understand how my goals were set and I feel they’re realistic, I’m on board.” In contrast, Participant B (Field Technician) described a situation where a KPI was raised by 15% without explanation: “They just increased my target... no discussion. It made me think, ‘do they even care if I can reach it?’” This lack of communication led to frustration and a sense of being set up to fail.

These accounts suggest that when employees perceive the KPI process as arbitrary or biased, it undermines trust and may prompt them to consider leaving. On the other hand, transparency and participation in goal-setting appear to foster a sense of fairness and commitment.

2. Feedback and Managerial Support

Another strong theme was the need for regular, constructive feedback. Participants expressed a desire for ongoing conversations about performance, rather than a single annual review.

Participant C (Operations Officer) shared, “Aside from the yearly review, we rarely hear how we’re doing... If I’m falling behind on a KPI, I’d like to know earlier so I can fix it.” This lack of interim feedback left some employees feeling unsupported and uncertain about their progress. In contrast, Participant D (Maintenance Manager) described a more positive experience: “My supervisor checks in monthly. We talk about where I’m at with my KPIs and where I need to improve. It makes me feel like they care about my growth.” This kind of support was linked to increased confidence and a stronger desire to stay with the company.

These insights suggest that feedback is not just a performance tool but also a signal of organisational support. When managers engage with employees regularly and constructively, it strengthens the employee-employer relationship and enhances retention.

3. Recognition Versus Punishment Orientation

The way performance outcomes are handled, whether through recognition or criticism also influenced retention attitudes. Participants valued being acknowledged for their efforts and achievements. Participant E (Senior Technician) recalled, “Last year, I passed my targets and my manager announced it in a team meeting and I got a small bonus. I felt proud and valued.” This kind of recognition reinforced the employee’s sense of value and belonging. In contrast, Participant F (Project Engineer), who had already decided to resign, said, “They only notice you when you mess up. I hit my goals most of the time, but nobody cares unless I slip up. It’s demoralizing.” This comment highlights how a punitive culture, where mistakes are highlighted but achievements are ignored, can drive even high performers to leave.

These contrasting experiences underscore the importance of balancing accountability with appreciation. Recognition, whether financial or symbolic can be a powerful motivator and retention lever, while a lack of it may lead to disengagement.

4. Career Growth and Talent Development

Finally, participants discussed the extent to which performance appraisals were linked to career advancement. Many expressed frustration that meeting or exceeding KPIs did not always lead to promotions or development opportunities. Participant C (Operations Officer) shared, “I met all my KPIs for two years, but the promotion never came. Eventually I started applying elsewhere.” This reflects a breakdown in the psychological contract: when employees invest effort and deliver results but see no return in terms of growth, they may feel undervalued and begin to disengage. On a more positive note, Participant D (Maintenance Manager) described a case where two colleagues were sent abroad for training after consistently meeting their targets. “That kind of thing makes me want to stay and strive for the same,” he said. These examples suggest that when performance is clearly linked to development, it reinforces employees’ belief in a future with the organization.

Additional Contextual Factors

While the focus of this study was on performance management, participants also mentioned external factors that influenced their retention decisions. These included economic uncertainty, industry volatility, and work-life balance. For instance, one manager noted that during downturns, even loyal employees might consider leaving due to fears of layoffs or stagnant career prospects. Others mentioned that relentless KPI pressure, especially when coupled with limited time off, could lead to burnout and prompt them to explore other opportunities. These reflections highlight that while performance management is a significant factor, it operates within a broader ecosystem of influences. Nonetheless, the way performance is managed can either mitigate or exacerbate the impact of external pressures on retention.

Discussion

The findings from this pilot study suggest that employees' perceptions of KPI-based performance management systems are closely linked to their intention to remain with the organisation. While the sample size was limited, the patterns observed align with existing theoretical frameworks and empirical studies, particularly those focused on fairness, motivation, and organisational support.

One of the clearest insights from the data was the importance of fairness and transparency in the KPI process. Employees who felt that their performance targets were realistic, clearly communicated, and fairly assessed were more likely to express a desire to stay. This supports the principles of organisational justice theory, which assume that perceptions of fairness in both outcomes and processes influence employee attitudes and behaviours (Greenberg, 1986). In this study, participants who perceived the appraisal process as fair were more trusting of management and more committed to the organisation. However, when KPIs were changed without explanation or when evaluations were perceived as biased, employees expressed frustration and disengagement. These reactions are consistent with the findings of Martin et al. (2018), who reported that procedural injustice in performance evaluations is a strong predictor of turnover intention.

The role of feedback also emerged as a critical factor. Employees valued regular, constructive feedback that helped them understand their progress and improve their performance. This finding aligns with Control Theory and Goal-Setting Theory, both of which emphasize the importance of feedback in maintaining motivation and performance (Locke & Latham, 2002). In this study, participants who received ongoing feedback felt more supported and confident in their roles. This support appeared to strengthen their emotional connection to the organisation, reinforcing the idea that performance management can serve as a mechanism for building affective commitment (Meyer & Allen, 1991).

Recognition was another key theme. Employees who felt that their efforts were acknowledged, whether through bonuses, public praise, or career opportunities, expressed greater satisfaction and loyalty. This reflects Herzberg's Two-Factor Theory, which identifies recognition and achievement as motivators that contribute to job satisfaction and retention (Herzberg, 1959). In contrast, participants who felt that their good performance was ignored or taken for granted described feeling demoralised and undervalued. One participant's comment that "they only notice you when you mess up" illustrates how a punitive culture can erode morale and drive even high performers to leave. This finding also resonates with Equity Theory, which suggests that employees compare their inputs and outcomes with those of others and expect fair treatment in return (Adams, 1965).

Perhaps the most powerful insight from the interviews was the link between performance and career development. Several participants expressed disappointment that meeting or exceeding KPIs did not always lead to promotions or growth opportunities. This disconnect between performance and advancement undermines the psychological contract and may prompt employees to seek opportunities elsewhere. This finding is consistent with the work of Mensah and Bawole (2020), who found that high-potential employees are particularly sensitive to whether their performance is rewarded with development. In this study, when performance appraisals were tied to tangible outcomes such as training or leadership opportunities, employees felt more motivated and

committed. This supports the idea that performance management should be integrated with broader talent development strategies, as advocated by Collings and Mellahi (2009).

The survey results reinforced these qualitative insights. Employees who held positive views of the KPI system were significantly more likely to express an intention to stay. The correlation between favorable perceptions of performance management and retention intentions ($r \approx 0.6$) suggests a meaningful relationship, even within the constraints of a small sample. This finding is consistent with Memon et al. (2019), who found that performance appraisal satisfaction predicted work engagement and reduced turnover intentions in the oil and gas sector.

It is important to note that while performance management was a central focus, participants also highlighted external factors that influenced their retention decisions. These included economic uncertainty, industry volatility, and work-life balance. While these factors are beyond the direct control of HR systems, the way performance is managed can either buffer or amplify their impact. For example, in times of uncertainty, a fair and supportive appraisal process may provide employees with a sense of stability and purpose, thereby reducing the likelihood of attrition.

Overall, the findings suggest that KPI-based performance management systems can influence employee retention, but only when implemented thoughtfully. A system that is perceived as fair, transparent, and developmental can enhance motivation, satisfaction, and commitment. In contrast, a system that is seen as punitive, inconsistent, or disconnected from career outcomes may contribute to disengagement and turnover. These insights are particularly relevant in the context of Nigeria's oil and gas sector, where competition for skilled talent is intense and retention is a persistent challenge.

As a pilot study, these findings are not intended to be generalised across the entire industry. However, they do provide useful direction for further research and practical reflection. They also highlight the value of combining quantitative and qualitative methods to explore complex HR issues. By listening to employees' voices and examining their real life experiences, I was able to uncover not just whether performance management influences retention, but how and why it does so. The study is unique, in that it links employees' views on KPI based performance systems to whether they stay or not. Instead of treating performance management and retention as different issues, it combines them.

Practical Implications

The findings from this pilot study offer several practical implications for HR practitioners and line managers, particularly in the context of Nigeria's oil and gas sector. While the study was exploratory, the insights gathered point to actionable steps that organisations can take to strengthen employee retention through more effective performance management.

First, it is clear that fairness and transparency in KPI setting and evaluation are non-negotiable. Managers should ensure that performance targets are realistic, clearly communicated, and aligned with employees' roles. Involving employees in the goal-setting process, or at least explaining the rationale behind KPIs, can increase buy-in and reduce perceptions of bias. Equally, they are actionable levers that can be adjusted without any change to the structure of the organization.

Second, feedback must be ongoing and developmental. Rather than relying solely on annual reviews, managers should adopt a culture of continuous feedback. Regular check-ins not only help employees stay on track but also signal that their growth and performance matter to the organisation. This kind of support can enhance engagement and reduce uncertainty.

Third, recognition should be embedded into the performance management process. Acknowledging achievements, whether through formal rewards or informal praise can reinforce positive behaviours and strengthen employees' emotional connection to the organisation. Recognition does not always require financial incentives; timely and sincere appreciation can be equally powerful.

Finally, performance appraisals should be linked to career development. Employees need to see a clear pathway from strong performance to growth opportunities. When appraisals are used to identify and invest in high-potential talent, they become a tool not just for evaluation, but for retention.

By implementing these practices, organisations can transform performance management from a compliance exercise into a strategic lever for retaining skilled and motivated employees.

Limitations and Future Research

As a pilot study, this research was limited in scope and scale. The sample size was small, comprising 20 survey and six interview participants from a single organisation. While the findings offer useful insights, they are not generalisable to the broader oil and gas sector. The study also relied on self-reported data, which may be subject to bias. A cross-sectional design was used, capturing perceptions at a single point in time, which limits the ability to assess causality or changes over time (Creswell, 2014).

Another limitation is the absence of objective performance or retention data. Although turnover intention is widely recognised as a strong predictor of actual turnover (Tett & Meyer, 1993), future studies could benefit from tracking real retention outcomes or incorporating supervisor assessments.

Further research should expand the sample size and include multiple organisations across the industry. A longitudinal design would help to explore how perceptions of performance management evolve and influence retention. Additionally, examining moderating variables such as tenure, job role, or generational differences could provide a more nuanced understanding of how different employee groups experience KPI-based appraisal systems.

Conclusion

This pilot study explored how employees' perceptions of a KPI-based performance management system influence their intention to remain with their organisation, using a mixed-methods approach within a Nigerian oil and gas servicing company. The findings suggest that when performance management is perceived as fair, transparent, and supportive (particularly in terms of feedback, recognition, and career development) it can enhance employee motivation, satisfaction, and

commitment. However, when the system is viewed as punitive, inconsistent, or disconnected from growth opportunities, it may contribute to disengagement and turnover intentions.

Although the study was limited in scale, the insights gained highlight the potential of performance management as a strategic tool for talent retention, especially in high-pressure, skill-intensive sectors. The results also underscore the importance of aligning appraisal systems with broader talent development strategies to retain high-performing employees.

By focusing on the employee experience of performance management, this study contributes to the growing body of research on HRM in developing economies. It also offers practical guidance for organisations seeking to improve retention through more thoughtful and employee-centred appraisal practices. Future research should build on these findings with larger, multi-site studies to deepen understanding and inform policy and practice.

PART 2: Reflective Account

Introduction – Overview of the Research Process

This pilot research project was both challenging and enlightening. In this reflective account, I explain how I conducted my study, why I made key decisions, how I addressed the ethical concerns as no school approval, the main challenges I encountered, and what I learned. The assignment comprised an academic journal style article (Part 1) and this reflective piece (Part 2), both of which needed to reflect a *pilot* study rather than a full scale project. I chose this topic due to both professional observation and academic relevance. In my experience, KPI-driven systems are widely used, yet organizations still struggle with retaining skilled talent. This raised a critical question about whether performance management systems are truly supporting retention or unintentionally contributing to turnover. This gap between practice and outcome motivated the focus of this study. With clear objectives in hand, I planned the work in stages: conducting a focused literature review, executing a small empirical study, analyzing the data, and writing up the findings. I carried out a small scale investigation into the relationship between KPI driven performance management systems and employee “talent” retention in Nigeria’s oil and gas sector. Throughout the process, I kept notes and aimed to maintain an authentic voice while meeting academic standards.

Justification of Key Decisions

With the limited scope of a pilot, I made deliberate choices to ensure the project was feasible yet insightful:

Research Design and Scale: I chose a mixed-methods approach, combining a small survey (quantitative data) with a few interviews (qualitative insights). This provided both breadth and depth: the survey highlighted general patterns, and the interviews allowed me to explore underlying reasons and context. A purely quantitative approach would have been difficult to execute with the small sample, and a purely qualitative approach might not have captured the broader picture. The mixed method design struck a balance appropriate for an exploratory pilot study.

Sampling and Data Collection: I used convenience sampling for the survey and selective sampling for the interviews to ensure a range of perspectives. I distributed the survey via an internal company channel (with permission) and a LinkedIn professional group in the oil and gas industry. These channels allowed me to reach participants quickly without complex formal approvals. I understood this method could introduce bias and limit representativeness, but for a pilot my goal was to gather enough data to test my approach rather than to achieve a statistically representative sample. For the interviews, I invited volunteers from those who completed the survey, aiming for a mix of managerial and junior staff. These choices kept the project manageable within time and access constraints.

Methodological Simplicity: I decided to keep the methodology straightforward. Initially, I considered advanced techniques (like regression or other statistical tests as I heard in class), but such complexity I felt was unnecessary for a pilot with a small sample. Instead, I focused on descriptive statistics (e.g., the percentage of respondents who agreed with each survey statement) for the quantitative data and manual thematic coding for the interview transcripts. This emphasis on simplicity ensured that my analysis was appropriate for the data and allowed me to clearly

interpret the findings. It was more important to extract useful insights than to employ sophisticated methods for their own sake.

Ethical Considerations

Even without a formal ethics board review, I abided by the fundamental ethical principles. Participants were informed about the study's purpose and took part voluntarily with informed consent. I ensured anonymity and confidentiality by not collecting personal identifiers in the survey and by using pseudonyms for interviewees (e.g., "Participant A") in my notes and report. I made it clear that no individual respondent would be identified in any report or discussion of the findings. These measures helped build trust and encouraged participants to share openly about topics like their satisfaction with management and any intentions to leave. By prioritizing transparency and confidentiality, I believe the quality of the data collected was honest and not tainted.

Challenges Encountered and Mitigation Strategies

The project presented several challenges, each offering lessons for the future:

Managing Scope and Focus: I initially drafted a literature review and methodology that were too broad for a pilot. With feedback from class presentations and Professor, I narrowed the scope to the most relevant theories and recent studies, and I cut out unnecessary details. This was difficult at first, but it kept the project tightly aligned with the research question and within the required word count. I learned the value of focusing on key objectives and not trying to cover everything.

Data Collection Constraints: Securing participant responses was a big challenge. I initially invited around 30 colleagues to take the survey, and 20 ultimately responded, a 67% response rate, which was within my target range (15–30 responses) but still lower than I had hoped. I used strategies like keeping the questionnaire concise and sending friendly reminders to achieve this turnout. Leveraging my professional network (with appropriate permissions) was helpful, but I had to accept a smaller sample for this pilot. For interviews, I remained flexible with scheduling and patient with participants' availability. These efforts underlined the importance of making participation as convenient as possible. I learned that we must often balance the ideal sampling method with the realities of time and access.

Time Management: Managing the pilot project required careful scheduling and discipline. I established milestones for each phase: literature review, data collection, analysis, and writing, and worked to stay on track. Some tasks, such as transcribing interviews, took longer than anticipated, which meant I had to adjust my timeline and re-prioritise certain activities. Starting early and breaking the work into manageable steps proved essential. This experience reinforced the importance of structured planning, while also highlighting the need for flexibility to accommodate unforeseen delays.

Analyzing a Small Sample: With limited data, I had to be cautious in my analysis. I avoided complex analytics and used simple quantitative summaries and qualitative themes to describe my findings. For example, I observed that employees who viewed the KPI system positively were more likely to express a desire to stay, but I presented this as a tentative insight rather than a firm

conclusion. In a pilot study as I have learned, it's better to highlight indicative patterns and propose questions for further study than to overstate results. I learned to extract value from a small dataset and to be transparent about its limitations.

Key Learning Outcomes

This pilot study has influenced my development in researching and as a professional.

Sharpened Research Focus: I learned that a clear, well-defined research focus is essential. It guided all stages of the project and ensured that each component was aligned with the primary question. Keeping a tight scope made the study more coherent and manageable.

The Power of Feedback: I realized how crucial it is to seek and apply feedback. Implementing my peers and supervisor's suggestions to simplify methods and clarify writing significantly improved my pilot study. This demonstrated that being open to revision and willing to adapt are vital for producing high-quality research.

Effective Communication: I gained confidence that I can maintain an academic tone while using clear, straightforward language. Prioritizing clarity over jargon made my arguments stronger and my findings more understandable. This experience confirmed that knowledge learning depends on how well one can communicate complex ideas in an understanding way.

Connecting Theory to Practice: Conducting research on a real workplace issue showed that the concepts learnt academically are important tools to solve problems. I saw how theories about performance management and organizational justice translated into actual employee experiences and decisions. This not only enriched my academic understanding but also gave me insights that can be used further in my DBA work as well as professional life.

Conclusion

Executing and reflecting on this pilot study has been a rewarding introduction to my DBA journey. It pushed me to think critically about how to design a study that was both meaningful and manageable, and it challenged me to stay focused and adaptable when things didn't go exactly as planned. I've grown more confident in my ability to use academic research to explore real world problems, and I've learned how to communicate my findings in a way that is both clear and grounded in evidence. More than anything, this experience reminded me that research is rarely a straight line. It's an ongoing process of asking questions, making decisions, adjusting course, and learning along the way. From this pilot study, I am able to move on to the next phase of my DBA research, expanding on the findings and challenges faced. I would be able to refine the conceptual framework and further examine how performance management as a strategic tool will help retain talent across organizations.

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