

Fringe Benefit and Loyalty in Money Deposit Banks (MDBS) In South-South Edo, Nigeria

Idemudia Sunday Aliyu Ph.D.

Department of Business Management
Faculty of Management Sciences,
Ambrose Alli University, Ekpoma, Edo State

Abstract

This study investigates the relationship between fringe benefits—specifically pension schemes and employee loyalty in the form of organizational commitment in Money Deposit Banks (MDBs) located in South-South Edo, Nigeria. The study addresses the concern of high employee turnover and declining morale in the banking sector, despite statutory pension provisions. Adopting a survey research design, the study utilized complete enumeration, targeting all 84 employees of Zenith Bank and Access Bank branches in Ekpoma. Data were gathered through structured questionnaires using a 5-point Likert scale and analyzed using descriptive statistics and Spearman's Rank Correlation Coefficient. The findings revealed a moderately strong positive relationship between pension schemes and employee commitment ($\rho = 0.634$, $p < 0.05$). Employees who perceived their pension plans as structured and reliable expressed greater emotional attachment, intention to remain long-term, and willingness to recommend their employer. This supports the Social Exchange Theory, which posits that employees reciprocate organizational support with loyalty and commitment. The study concludes that well-managed pension schemes significantly influence affective and normative dimensions of employee loyalty. It recommends that MDBs improve pension transparency, increase contributions, benchmark against competitors, and continuously review pension policies. These strategies are essential to foster a committed workforce in Nigeria's competitive banking sector.

Keywords: Fringe Benefits, Pension Scheme, Employee Loyalty, Commitment, Money Deposit Banks.

Date of Submission: 12-05-2025

Date of acceptance: 24-05-2025

I. Introduction

Fringe benefits have increasingly become a critical factor in shaping employee attitudes, job satisfaction, and overall organizational loyalty, particularly in the highly competitive banking sector. These benefits which encompass pensions, health insurance, housing allowances, and paid leave extend beyond the basic salary to serve as strategic tools for attracting, motivating, and retaining talent. In Nigeria's Money Deposit Banks (MDBs), especially within South-South states such as Edo, the banking industry is marked by intense pressure, long working hours, and high turnover rates. As such, fringe benefits like pension schemes are instrumental in promoting long-term employee retention and enhancing organizational stability (Adebayo & Chukwu, 2021). Pension, as a subvariable of fringe benefits, is particularly valued due to its long-term implications for employee welfare and financial security post-retirement. A well-structured pension scheme signals an organization's commitment to employee well-being, which in turn fosters reciprocal commitment from employees. According to Okoye and Uzoechina (2022), the presence of a clear and reliable pension policy significantly increases employee satisfaction and trust in the employer, ultimately contributing to higher levels of organizational loyalty. Furthermore, Eze and Ogbonna (2023) assert that when employees feel secure about their retirement prospects, they tend to exhibit greater dedication, productivity, and long-term attachment to the organization.

Loyalty, often expressed in the form of organizational commitment, refers to an employee's psychological attachment to and identification with their organization. It encompasses affective, normative, and continuance dimensions, which collectively influence an employee's intention to remain with the organization (Nwachukwu, Anozie, & Udeh, 2020). In highly competitive and performance-driven sectors like banking, fostering such commitment is crucial. Banks that fail to create supportive work environments and implement meaningful benefit structures often experience disengagement, absenteeism, and elevated turnover rates (Ayoola & Okonjo, 2021). Conversely, banks that offer comprehensive and transparent pension schemes are more likely to cultivate loyalty, as employees perceive these benefits as a demonstration of organizational care and fairness (Olawale & Ibeh, 2024). Given these dynamics, this study investigates the relationship between fringe benefits, with a focus on pensions, and employee loyalty, represented by commitment, in MDBs located in South-South Edo, Nigeria. The study aims to determine whether pension schemes have a significant influence on employee

commitment, thereby offering insight into how MDBs can retain talent and boost employee morale through effective benefit programs.

The growing instability in Nigeria's financial sector, coupled with increased job insecurity and dwindling morale among bank staff, has led to a crisis of employee disloyalty (Okonkwo & Ajayi, 2022). Many Money Deposit Banks (MDBs) in South-South Edo suffer from high turnover and declining commitment levels among employees, despite offering statutory fringe benefits like pensions (Eke & Oghogho, 2021). This raises a fundamental concern: Are the pension schemes offered by banks adequate to influence employee commitment? Studies have shown that while fringe benefits may be in place, their design, implementation, and perceived value significantly determine their effectiveness in fostering loyalty (Onwuka & Essien, 2023). However, there is limited empirical data specific to this region that explores how fringe benefits like pensions affect employees' loyalty in terms of commitment (Ibrahim, Adeyemi, & Okon, 2020). This gap necessitates a focused study to explore whether pension plans effectively promote employee commitment in MDBs in this locale, where competition for skilled talent and concerns about long-term job security are prevalent

Research Questions

1. To what extent does pension scheme influence employee commitment in MDBs in South-South Edo, Nigeria?

Objectives of the Study

The broad objective of the study examines the relationship between Fringe Benefit and Loyalty in Money Deposit Banks (MDBs) in South-South Edo, Nigeria

1. To examine the extent to which pension scheme influences employee commitment in MDBs in South-South Edo, Nigeria.

Hypotheses

H₀₁: Pension scheme does not significantly influence employee commitment in MDBs in South-South Edo, Nigeria.

II. Literature Review

Fringe Benefits

Fringe benefits refer to non-wage compensations provided by organizations to employees in addition to their regular salaries. These benefits may include health insurance, bonuses, paid leave, housing allowances, transportation, and notably, pension plans. Fringe benefits are not merely supplementary; they serve as strategic tools to attract, motivate, and retain skilled employees in a highly competitive labor market (Okafor & Ezenwa, 2022). This is especially true in sectors like banking, where job demands are intense and turnover rates tend to be high, making the structure and perception of fringe benefits a critical factor influencing employee morale and organizational commitment (Akinwale & Adegboye, 2023). Pension is the focal subvariable under fringe benefits. A pension is a structured retirement plan wherein the employer makes periodic contributions to a fund that supports employees financially after retirement. It provides long-term financial security and acts as a safety net, ensuring employees that their welfare is considered beyond their active service years (Adebayo & Chukwu, 2021). Pensions can generally be categorized as either defined-benefit plans, which promise a specified payout upon retirement, or defined-contribution plans, where contributions accumulate and generate retirement income based on investment performance (Eze & Ogbonna, 2023). Regardless of type, the underlying principle remains the same: providing future financial protection to employees (Onwuka & Essien, 2023). The value of pension schemes extends beyond mere financial benefits. It symbolizes the employer's commitment to employee welfare and demonstrates organizational support, which has been linked to increased job satisfaction and loyalty. Okoye and Uzoechina (2022) found that transparent and reliable pension schemes significantly predict higher levels of employee commitment in Nigeria's banking sector. Employees who trust their pension arrangements are more likely to reciprocate this support with increased loyalty, reduced absenteeism, and enhanced job performance (Ayoola & Okonjo, 2021). This reciprocal relationship aligns with Social Exchange Theory (Blau, 1964), which posits that when employees perceive organizational support, they respond with positive attitudes and behaviors toward the employer. Furthermore, in the Nigerian context, especially within Money Deposit Banks (MDBs) in South-South Edo, economic volatility and job insecurity heighten the importance of pension benefits as a source of reassurance and long-term stability (Ibrahim, Adeyemi, & Okon, 2020). Banks offering comprehensive and dependable pension plans are better positioned to retain skilled personnel, thereby reducing turnover costs and fostering organizational continuity (Olawale & Ibeh, 2024). In summary, pension schemes as a fringe benefit serve not only as a financial security mechanism but also as a critical relational bond that strengthens the psychological contract between employers and employees, encouraging loyalty and commitment within MDBs.

Pension Scheme

A pension scheme is a formal retirement plan established by an organization or government to provide employees with financial security after they leave active employment. It is designed to accumulate funds during

the employee's working years, which are then paid out as regular income upon retirement. Pension schemes serve as critical fringe benefits that safeguard employees' welfare by ensuring financial stability in their post-retirement life (Adebayo & Chukwu, 2021). There are generally two primary types of pension schemes: defined-benefit and defined-contribution plans. In a defined-benefit pension plan, the employer guarantees a specific retirement income based on factors such as salary history and length of service. This type offers employees predictable retirement benefits but places the investment risk largely on the employer. Conversely, a defined-contribution pension plan involves the employer and sometimes the employee contributing fixed amounts into an individual account, with retirement benefits dependent on the investment returns of these contributions. Here, the investment risk shifts to the employee (Okafor & Ezenwa, 2022). In the context of Nigeria's Money Deposit Banks (MDBs), pension schemes are often mandatory due to regulatory frameworks, yet their design and administration vary in effectiveness (Eke & Oghogho, 2021). A well-managed pension plan not only assures employees of financial support after retirement but also reflects the organization's commitment to employee welfare, thereby fostering trust and loyalty (Okoye & Uzoechina, 2022). Moreover, the transparency and timely disbursement of pension benefits are crucial for maintaining employee confidence. Studies have shown that perceived inadequacies or delays in pension payment can lead to dissatisfaction and diminished organizational commitment (Onwuka & Essien, 2023). Therefore, pension schemes function as both a financial safety net and a strategic tool in employee retention and motivation, especially in sectors characterized by high stress and turnover like banking.

Loyalty

Loyalty, often expressed through organizational commitment, is a psychological attachment that an employee develops toward their organization. It reflects the degree to which employees identify with, are involved in, and feel emotionally connected to their workplace, resulting in a strong desire to remain with the organization and contribute meaningfully to its success (Meyer & Allen, 1991). This commitment manifests in various ways, including consistent attendance, dedication to job roles, willingness to go beyond basic responsibilities, and resilience during challenging times (Nwachukwu, Anozie, & Udeh, 2020). Organizational commitment is generally conceptualized as comprising three components: affective, normative, and continuance commitment (Meyer & Allen, 1997). Affective commitment is based on emotional attachment, where employees remain because they want to. Normative commitment arises from a sense of obligation to stay, often rooted in personal values or organizational culture. Continuance commitment refers to employees' recognition of the costs associated with leaving, such as loss of benefits or job security (Ayoola & Okonjo, 2021). In the context of Money Deposit Banks (MDBs), especially in South-South Edo, Nigeria, fostering affective and normative commitment is critical given the high job pressures and competition for skilled workers. Empirical studies emphasize that when employees perceive their organizations as supportive and trustworthy through mechanisms such as pension schemes they tend to develop stronger commitment (Okoye & Uzoechina, 2022). This psychological attachment translates into increased loyalty, reduced turnover intentions, and higher productivity (Eze & Ogbonna, 2023). Disengaged employees, conversely, are more likely to exhibit absenteeism and reduced performance, which negatively impacts organizational goals (Olawale & Ibeh, 2024). Thus, loyalty expressed through commitment is not only vital for employee retention but also serves as a foundation for sustainable organizational growth, especially in the competitive and demanding banking industry in Nigeria.

Commitment

Commitment in organizational behavior refers to the psychological bond and attachment an employee has toward their organization, which influences their decision to remain employed and engage fully in their work roles (Meyer & Allen, 1991). It is a key indicator of employee loyalty and plays a vital role in enhancing organizational performance, especially in sectors like banking where retention of skilled staff is critical (Nwachukwu, Anozie, & Udeh, 2020). Commitment is typically conceptualized into three distinct but interrelated components: affective, normative, and continuance commitment (Meyer & Allen, 1997). Affective commitment reflects an employee's emotional attachment to, identification with, and involvement in the organization. Employees with strong affective commitment stay because they want to, driven by positive feelings and alignment with organizational values. Normative commitment arises from a sense of obligation or moral duty to remain with the organization, often influenced by cultural or social norms. Finally, continuance commitment relates to the awareness of the costs associated with leaving the organization, such as loss of benefits or job security (Ayoola & Okonjo, 2021). In the banking sector of South-South Edo, Nigeria, where competition for talent is intense, fostering high levels of employee commitment is crucial for reducing turnover and maintaining service quality (Okoye & Uzoechina, 2022). Research shows that when banks provide supportive work environments and offer reliable benefits such as pension schemes, employees' commitment levels tend to increase, leading to higher loyalty and productivity (Eze & Ogbonna, 2023). Conversely, lack of commitment can result in absenteeism, disengagement, and higher turnover intentions (Olawale & Ibeh, 2024). Therefore, commitment is not only a reflection of employee loyalty but also a strategic resource that organizations must nurture through effective human resource practices, including transparent and fair benefit systems.

Conceptual Framework Variables and Subvariables

Variable	Subvariable	Definition
Independent Variable	Pension (Fringe Benefit)	A retirement benefit plan financed by the employer for employee's post-service period.
Dependent Variable	Commitment (Loyalty)	The psychological attachment and dedication an employee exhibits toward the organization.

Source: *Author's conceptualization (2025)*

Theoretical Framework

This study is anchored on the Social Exchange Theory (SET) developed by Blau in 1964. SET posits that social behavior is the result of an exchange process between two parties, where individuals seek to maximize benefits and minimize costs in their relationships (Blau, 1964). In the workplace context, this theory explains the reciprocal nature of the employer-employee relationship. Employees assess the tangible and intangible benefits provided by their organizations such as fringe benefits like pension schemes and respond with attitudes and behaviors that reflect their perception of fairness and value in the exchange (Cropanzano & Mitchell, 2005). According to SET, when employees perceive that their organization is investing in their welfare through comprehensive pension plans, they feel valued and supported. This perception encourages employees to reciprocate by demonstrating higher levels of loyalty, commitment, and effort toward the organization (Nguyen, 2021). In other words, pension schemes are not only financial safety nets but also symbolic gestures of organizational care that strengthen the psychological contract, which is the unwritten set of expectations between employer and employee (Rousseau, 1995). In the context of Money Deposit Banks (MDBs) in South-South Edo, Nigeria, where job stress and competition for skilled labor are high, SET provides a robust framework for understanding how pension benefits can enhance employee commitment. Studies have shown that when banks implement transparent and reliable pension schemes, employees' affective and continuance commitment improve, resulting in reduced turnover and enhanced performance (Okoye & Uzoechina, 2022; Eze & Ogbonna, 2023). Moreover, SET highlights that if employees perceive pension schemes as inadequate or unfair, this can lead to decreased trust and weakened commitment, ultimately increasing turnover intentions (Onwuka & Essien, 2023). Therefore, MDBs must ensure that pension benefits are well-structured and communicated clearly to maximize positive employee responses. In summary, Social Exchange Theory provides a valuable lens to examine how pension schemes (as fringe benefits) influence employee commitment (loyalty) in MDBs, emphasizing the mutual obligations that sustain productive employment relationships.

Empirical Review

Okafor & Musa (2021) conducted a quantitative study to examine the relationship between fringe benefits and job satisfaction among bank employees in Lagos State, Nigeria. The study adopted a cross-sectional survey design, targeting five commercial banks. A total of 120 questionnaires were administered to randomly selected bank employees across managerial and non-managerial levels. The instrument consisted of closed-ended items structured on a 5-point Likert scale. Data were analyzed using multiple regression analysis via SPSS version 25. The results showed a statistically significant positive relationship between pension schemes and job satisfaction ($p < 0.05$), indicating that comprehensive pension plans contribute to higher satisfaction levels among banking staff.

Edozie (2020) investigated the effect of pension schemes on employee retention in the banking sector in Enugu. The researcher used a descriptive correlational research design and distributed 85 structured questionnaires to employees of three selected Money Deposit Banks (MDBs) in the state. The sampling technique was convenience-based, targeting staff with a minimum of two years of service. Using Pearson correlation analysis, the study found a positive and significant relationship between the presence of robust pension schemes and increased employee retention and commitment ($r = 0.72$, $p < 0.01$).

Akinyemi & Adegoke (2019) adopted a stratified random sampling technique to select 100 employees from six major commercial banks in Ibadan. The research explored the impact of retirement benefits on organizational loyalty using a survey design. Data collection was done using a validated self-administered questionnaire. Analysis techniques included ANOVA to compare loyalty across banks and Spearman's rho to test the strength of association. Findings confirmed a significant correlation between structured retirement benefits (especially pensions) and organizational loyalty ($\rho = 0.61$, $p < 0.01$).

Ibrahim & Lawal (2022) employed a descriptive research design to study employee commitment in North-Central Nigeria's banking industry. The population consisted of staff from three leading MDBs, and 75 respondents were purposively selected. Data were gathered using structured questionnaires and analyzed through descriptive statistics and chi-square tests to determine associations between pension benefits and types of commitment. Results revealed that pension benefits significantly influenced affective and normative commitment, with chi-square values indicating strong associations ($\chi^2 = 16.34$, $df = 4$, $p < 0.05$).

Onwuka & Egwu (2018) examined the impact of pension plans on employee loyalty at Access Bank branches across Southeast Nigeria. The researchers employed a mixed-methods approach, using both semi-structured interviews and questionnaires. A total of 60 participants were engaged—45 through surveys and 15 through interviews. Data from the surveys were analyzed using simple linear regression, while thematic analysis was used for qualitative responses. The findings indicated that organized pension schemes enhance employee trust and loyalty, particularly among senior staff with long-term career goals.

Osagie & Iyamu (2023) conducted a case study of selected bank branches in Benin City, Edo State. Using a survey design, they administered questionnaires to 60 staff members drawn from three different banks. Participants were selected using purposive sampling, focusing on departments handling human resources and finance. Data were analyzed using regression analysis, revealing that branches with structured and transparent pension plans recorded higher levels of organizational commitment ($\beta = 0.68$, $p < 0.01$), particularly in continuance and affective dimensions.

III. Methodology

This study adopted a survey research design, which is appropriate for systematically collecting data from a defined population to determine the relationship between fringe benefits—specifically pension schemes and employee commitment. The survey design allowed the researcher to obtain data directly from employees of selected Money Deposit Banks (MDBs), ensuring first-hand insight into their perceptions and experiences regarding pension benefits and organizational loyalty. The area of study covered Money Deposit Banks located in South-South Edo State, Nigeria, with a focus on bank branches in Ekpoma, a growing commercial hub in Esan West Local Government Area. Two prominent banks were selected for the study: Zenith Bank Plc (Ekpoma Branch) and Access Bank Plc (Ekpoma Branch). The total population comprised 84 employees, with 44 staff from Zenith Bank and 40 from Access Bank. Given the relatively small size of the target population, the study employed a complete enumeration (census) sampling technique. This means that all 84 employees in the identified branches were included in the study, ensuring comprehensive data collection without the risk of sampling bias. This approach enhanced the generalizability of findings within the specific context of South-South Edo. The study relied entirely on primary data, collected through a structured questionnaire designed to capture employees' opinions on pension schemes and their levels of organizational commitment. The questionnaire consisted of closed-ended items measured on a 5-point Likert scale, covering key constructs related to fringe benefits and the three dimensions of commitment—*affective*, *normative*, and *continuance*. Data were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics, specifically mean and standard deviation, were used to summarize the central tendencies and dispersion of respondents' views. To test the hypothesis and determine the strength and direction of the relationship between pension schemes and employee commitment, the study employed the Spearman Ranked Order Correlation Coefficient, an appropriate non-parametric test for analyzing ordinal data and relationships among ranked variables. This methodological approach ensured a thorough and statistically sound examination of the influence of pension schemes on employee commitment in the selected MDBs within the region.

IV. Data Analysis

Table 1: Respondents' Mean Responses on Pension and Commitment

Statement on Pension (Fringe Benefit)	Mean	Std. Dev.
My bank has a structured and reliable pension plan	4.32	0.52
I feel secure about my post-retirement income	4.01	0.60
I understand the pension policy of the bank	3.89	0.70

Source: Field Survey (2025)

The analysis presented in Table 1 highlights the perceptions of employees regarding the pension scheme offered by their respective banks and its influence on their commitment. The responses are measured using the mean and standard deviation to determine the central tendency and variability in their perceptions.

The first item, *“My bank has a structured and reliable pension plan,”* recorded the highest mean score of 4.32 with a relatively low standard deviation of 0.52. This indicates a strong agreement among respondents that their banks have put in place well-structured and dependable pension plans. The low standard deviation suggests a high level of consistency in these responses, implying that most employees across the selected banks share this positive view. This supports the assertion by Okoye and Uzoechina (2022) that a transparent and dependable pension scheme enhances employee satisfaction and organizational trust.

The second statement, *“I feel secure about my post-retirement income,”* yielded a mean of 4.01 and a standard deviation of 0.60, which also shows general agreement. Although slightly lower than the first item, the score still reflects a high level of perceived financial security among employees regarding retirement. This aligns

with the findings of Eze and Ogbonna (2023), who emphasized that pension schemes contribute to employees' sense of future financial stability, which in turn fosters organizational commitment.

The third item, "*I understand the pension policy of the bank,*" recorded a mean score of 3.89 with a standard deviation of 0.70. While still relatively high, this is the lowest among the three items, suggesting some degree of uncertainty or lack of full comprehension of the pension policies among some respondents. The slightly higher standard deviation indicates more variation in responses, possibly due to differences in communication or transparency of pension information across the banks.

Table 2: Statement on Commitment (Loyalty)

Statement	Mean	Std. Dev.
I am willing to remain with this bank long-term	4.20	0.48
I feel emotionally attached to my bank	3.98	0.63
I recommend my bank as a good place to work	4.10	0.55

Source: Field Survey (2025)

Table 2 presents respondents' mean responses on their level of organizational commitment used in this study as an indicator of employee loyalty in relation to their employment in Money Deposit Banks (MDBs) in South-South Edo, Nigeria.

The first statement, "*I am willing to remain with this bank long-term,*" recorded the highest mean value of 4.20 and a low standard deviation of 0.48. This indicates a strong agreement among respondents that they are committed to staying with their current bank for the long term. The relatively low standard deviation suggests that responses were consistent across participants. This finding aligns with Ibrahim and Lawal (2022), who noted that long-term employment intention is often associated with the presence of supportive workplace practices, such as reliable fringe benefits like pension schemes.

The second statement, "*I feel emotionally attached to my bank,*" recorded a mean of 3.98 and a standard deviation of 0.63. While still positive, this slightly lower mean score indicates moderate emotional commitment among employees. The standard deviation is higher here, suggesting some variation in how emotionally connected employees feel. This could imply that while many employees appreciate the structural benefits offered, emotional connection may require deeper relational or cultural engagement from management. As noted by Nwachukwu, Anozie, and Udeh (2020), emotional attachment is often influenced by both tangible incentives and intangible organizational culture factors.

The third item, "*I recommend my bank as a good place to work,*" yielded a mean of 4.10 and a standard deviation of 0.55, reflecting strong agreement and moderate consistency in responses. High willingness to recommend an organization reflects positive employee experience and is a strong indicator of organizational loyalty. This corroborates Osagie and Iyamu's (2023) assertion that employees who trust their employer's benefits system are more likely to serve as brand ambassadors, enhancing the organization's reputation.

Hypothesis Testing

Spearman's Rank Correlation Analysis

Variables	Spearman's rho (ρ)	p-value
Pension and Commitment	0.634	0.000

Source: SPSS v23

Interpretation: Since $p < 0.05$, there is a significant positive relationship between pension as a fringe benefit and employee commitment in MDBs.

To test the hypothesis of the study, Spearman's Rank Order Correlation Coefficient (ρ) was employed to examine the relationship between pension as a fringe benefit and employee commitment (loyalty) in Money Deposit Banks (MDBs) in South-South Edo, Nigeria.

The result in the table shows a Spearman's rho (ρ) value of 0.634 with a corresponding p-value of 0.000. The correlation coefficient ($\rho = 0.634$) indicates a moderately strong positive relationship between pension schemes and employee commitment. The p-value (0.000) is less than the standard significance level of 0.05, which means that the relationship is statistically significant.

This result provides empirical support to reject the null hypothesis (H_{01}) which stated that "*Pension scheme does not significantly influence employee commitment in MDBs in South-South Edo, Nigeria.*" Therefore, the alternative hypothesis is accepted: pension schemes significantly influence employee commitment.

V. Discussion of Findings

The analysis revealed that pension plans significantly influence employees' commitment in MDBs in South-South Edo. This is consistent with SET, which posits that perceived organizational support through benefits like pensions compels employees to reciprocate with loyalty. The finding aligns with the works of Okafor & Musa (2021) and Akinyemi & Adegoke (2019), both of whom reported strong links between fringe benefits and organizational commitment. This points to a need for clearer internal communication and pension education initiatives to ensure that all employees fully understand the retirement benefits available to them. Overall, the results suggest that pension schemes are perceived positively by employees and contribute to their sense of commitment. These findings support the theoretical assumptions of Blau's (1964) Social Exchange Theory, which posits that when employees perceive value in the benefits provided by the organization, they are more likely to reciprocate with loyalty and commitment. Overall, the data suggests that MDB employees in the study area exhibit a substantial level of commitment, particularly in terms of continuance and normative loyalty dimensions. These findings further reinforce the core tenets of the Social Exchange Theory (Blau, 1964), which posits that employees are more inclined to reciprocate organizational support such as robust pension schemes with loyalty and continued service. This finding aligns with the Social Exchange Theory (Blau, 1964), which suggests that employees tend to reciprocate favorable organizational treatment with positive attitudes and behaviors, such as loyalty and commitment. When banks offer structured and reliable pension plans, employees perceive such gestures as signals of long-term organizational support, prompting them to commit emotionally and behaviorally to the organization (Okoye & Uzoechina, 2022; Eze & Ogbonna, 2023). Moreover, the moderately strong correlation supports earlier empirical findings by Akinyemi and Adegoke (2019) and Osagie and Iyamu (2023), who both observed that well-managed pension schemes lead to enhanced organizational loyalty in the Nigerian banking sector. In conclusion, the statistical analysis confirms that pension schemes play a critical role in fostering employee commitment in MDBs, making it imperative for banks to design and maintain transparent and beneficial pension policies to enhance staff retention and morale

VI. Summary

This study examined the relationship between fringe benefits specifically pension schemes and employee loyalty in the form of organizational commitment in Money Deposit Banks (MDBs) in South-South Edo, Nigeria. The research was motivated by high turnover and job insecurity in the banking sector, raising questions about the effectiveness of pensions in fostering employee commitment. Using a census approach, data were collected from 84 employees across selected MDB branches in Ekpoma. Analysis through descriptive statistics and Spearman's Rank Correlation revealed a significant positive relationship between pension and commitment ($\rho = 0.634$, $p < 0.05$). Employees who perceived their pension plans as structured and reliable were more likely to remain loyal, feel emotionally attached, and recommend their bank as a good workplace. The findings support the Social Exchange Theory (Blau, 1964), suggesting that employees reciprocate organizational support—such as secure retirement plans with increased commitment. This highlights the strategic role of pension schemes in retaining talent and enhancing employee morale in Nigeria's banking sector.

VII. Conclusion

Pension as a fringe benefit emerges as a strong determinant of employee commitment in Money Deposit Banks (MDBs). The study findings demonstrate that when employees perceive their pension schemes to be well-structured, transparent, and reliable, they are more likely to exhibit emotional attachment, long-term loyalty, and a willingness to contribute positively to the organization. This aligns with the principles of the Social Exchange Theory, which suggests that employees reciprocate perceived organizational support with commitment and loyalty. Therefore, MDBs that invest in robust pension schemes are better positioned to retain dedicated staff and reduce turnover in a competitive banking environment.

Recommendations

1. **Improve Pension Transparency:** Banks should regularly educate employees on how pension schemes work and how to access benefits.
2. **Enhance Pension Contributions:** Employers should go beyond the statutory minimum to increase commitment levels.
3. **Benchmark Against Competitors:** MDBs should study pension strategies in other financial institutions to improve theirs.
4. **Employee Feedback Loop:** Introduce feedback systems to monitor staff satisfaction with existing pension policies.
5. **Policy Review:** Regularly update pension policies to align with inflation and employee expectations.

REFERENCES

- [1]. Adebayo, T., & Chukwu, L. (2021). Fringe benefits and employee satisfaction in Nigeria's banking sector. *Journal of Human Resource Management*, 12(3), 55–67.
- [2]. Akinwale, A., & Adegboye, T. (2023). Strategic compensation and employee retention in Nigerian financial institutions. *West African Journal of Business Studies*, 11(1), 45–59.
- [3]. Akinyemi, R. O., & Adegoke, A. A. (2019). Retirement benefits and organizational loyalty among employees in Nigerian commercial banks. *Ibadan Journal of Management Studies*, 6(2), 78–94.
- [4]. Ayoola, F., & Okonjo, R. (2021). Organizational commitment in Nigerian banks: Role of fringe benefits. *Nigerian Journal of Industrial Relations*, 8(2), 89–102.
- [5]. Blau, P. M. (1964). *Exchange and power in social life*. New York: John Wiley & Sons.
- [6]. Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874–900. <https://doi.org/10.1177/0149206305279602>
- [7]. Eke, A. C., & Oghogho, O. (2021). Compliance and challenges of contributory pension schemes in Nigerian banks. *Nigerian Financial Review*, 9(3), 42–55.
- [8]. Edozie, A. C. (2020). The effect of pension schemes on employee retention in the Nigerian banking sector. *Enugu Journal of Management and Social Sciences*, 5(1), 66–79.
- [9]. Eze, N., & Ogbonna, A. (2023). Pension schemes and employee retention: Evidence from Nigerian banks. *Journal of Management and Strategy*, 14(1), 33–48. <https://doi.org/10.5430/jms.v14n1p33>
- [10]. Ibrahim, M., & Lawal, S. (2022). Fringe benefits and affective commitment among bank staff in Nigeria. *African Journal of Business Studies*, 10(1), 78–92.
- [11]. Ibrahim, Y. A., Adeyemi, T., & Okon, L. B. (2020). Employee motivation and commitment in Nigerian financial institutions. *Journal of African Economic Research*, 7(2), 50–67.
- [12]. Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61–89. [https://doi.org/10.1016/1053-4822\(91\)90011-Z](https://doi.org/10.1016/1053-4822(91)90011-Z)
- [13]. Meyer, J. P., & Allen, N. J. (1997). *Commitment in the workplace: Theory, research, and application*. Thousand Oaks, CA: Sage Publications.
- [14]. Nguyen, T. M. (2021). The role of social exchange in HRM practices and employee outcomes: A review and research agenda. *Asia Pacific Journal of Human Resources*, 59(2), 145–168. <https://doi.org/10.1111/1744-7941.12243>
- [15]. Nwachukwu, C., Anozie, D., & Udeh, P. (2020). Organizational commitment in Nigeria's banking industry: Drivers and outcomes. *Journal of Organizational Behavior in Africa*, 8(1), 23–36.
- [16]. Okafor, H. C., & Ezenwa, R. O. (2022). Fringe benefits and employee morale in Nigerian deposit money banks. *Nigerian Journal of Business and Leadership*, 9(4), 104–116.
- [17]. Okafor, J., & Musa, I. (2021). Pension and job satisfaction among bank workers in Lagos State, Nigeria. *Journal of Applied Social Science Research*, 13(2), 115–128.
- [18]. Okonkwo, U., & Ajayi, T. (2022). Financial sector instability and employee turnover in Nigeria. *Journal of African Management Studies*, 6(3), 29–44.
- [19]. Okoye, U. C., & Uzoechina, A. (2022). Pension benefits and psychological contract in Nigerian banks. *Journal of Banking and Finance Studies*, 9(4), 101–114.
- [20]. Onwuka, A., & Essien, J. (2023). Perception of pension schemes and employee trust in Nigerian MDBs. *International Journal of Finance and HR Management*, 11(2), 72–85.
- [21]. Onwuka, L., & Egwu, J. (2018). Impact of pension plans on employee loyalty in Access Bank Nigeria. *South-East Journal of Banking Studies*, 4(2), 56–68.
- [22]. Osagie, A., & Iyamu, S. (2023). Employee loyalty and fringe benefit structure in Edo State banking sector. *Benin Journal of Business and Economics*, 5(2), 120–135.
- [23]. Olawale, S., & Ibeh, C. (2024). Organizational culture and employee retention in Nigerian banks. *Contemporary Issues in Human Capital Management*, 7(1), 88–102.
- [24]. Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. Thousand Oaks, CA: Sage Publications