Human Capital Flight and Institutional Erosion: Evaluating the Challenges of Retention Strategies in Nigeria Public Administration

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Abstract

This study examines human capital flight and institutional erosion with specific focus on the challenges of retention strategies in Nigeria Public Administration. Human capital flight, popularly known as "brain drain," has become a critical challenge to public administration in Nigeria, leading to institutional erosion, weak service delivery, and reduced administrative capacity. The objectives of this study therefore is to examine the symbiotic relationship between human capital flight and institutional erosion within Nigeria's public administration, and also to evaluate the challenges of retention strategies in Nigeria's public administration. The study adopts a descriptive survey design, with data drawn from secondary sources. Anchored on the human capital theory this research identifies why systemic interventions such as salary adjustments and pension reforms have largely failed to stem the tide of emigration. The study argues that institutional erosion is both a cause and a consequence of this flight; poor governance and decaying infrastructure drive professionals away, while their departure further hollows out the capacity of the state to implement reform. Findings reveal that current retention strategies are largely ineffective due to weak implementation, lack of meritocracy, and inadequate incentive structures, thereby accelerating institutional decay. The study concludes that sustainable public administration in Nigeria requires comprehensive reform of retention policies anchored on competitive remuneration, merit-based promotion, continuous professional development, and improved workplace conditions. The study recommends the adoption of data-driven human resource strategies, institutional autonomy, and policy consistency to curb human capital flight and rebuild resilient public institutions.

Keywords: *Brain drain; Human capital flight; Institutional erosion; Public administration; Retention strategies*

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1. Introduction

In the 21st-century international economy, a country's wealth is increasingly determined by the quality of its human capital rather than its mineral reserves. However, this essential resource is escaping Nigeria at a startling rate a phenomenon commonly referred to as "Japa" or human capital flight (Adeniran, 2021). Although the economic effects of this "brain drain" are frequently emphasized in terms of lost productivity, the institutional degradation it causes is a more subtle effect. The large-scale emigration of highly qualified, educated, and experienced people from one nation or industry to another in quest of better prospects is known as human capital flight, or "brain drain." This phenomenon is evident in Nigerian public administration as medical professionals, engineers, ICT experts, policy analysts, and senior administrative officers consistently leave ministries, departments, and agencies (MDAs) to work abroad or in the private sector (Ogunode & Abubakar, 2020). Over 3,500 Nigerian-trained physicians were licensed to practice in the UK in 2023 alone, according to the General Medical Council of the United Kingdom. Many of these physicians had previously worked for state health management boards and federal teaching hospitals. Institutional erosion is the slow deterioration of public institutions' ability, memory, norms, and legitimacy etc closely related to this migration.

Critical capacity gaps have been caused by the departure of seasoned employees in important areas like infrastructure, digital governance, health, and education. The majority of current retention tactics have been compensation-focused and reactive. For example, the introduction of hazard allowances and the Federal Government's 2022 CONMESS compensation structure for physicians were intended to stop the medical brain drain. However, more than 5,000 physicians left federal health facilities between 2019 and 2023 (Aduma *et al*., 2025). Similarly, despite numerous recruitment efforts, state civil service commissions still struggle to fill technical and professional cadre positions (Ezefibe *et al.,* 2024). Therefore, the goals of this study is to assess the difficulties of retention strategies in Nigeria's public administration in order to comprehend why qualified professionals continue to leave the public sector in spite of current policies.

2. Statement of the Problem

The foundation of national growth is public administration, which is in charge of upholding the rule of law, implementing policies, and providing services. For public administration to carry out its responsibilities effectively and efficiently there must be public institutions that are manned with highly skilled, experienced, and ethically driven professionals. But the Nigeria public administration is seriously challenged with mass exodus of the aforementioned professionals thereby hollowing out institutional integrity, a loss of institutional memory and a decline in bureaucratic competence. Furthermore, when the most qualified, experienced, and morally motivated personnel leave the public sector in search of opportunities overseas, a vicious cycle was created which snowball into institutional deterioration thereby making the workplace less appealing and hastening the exodus of more talent. Consequently, the Nigeria government in a bid to circumvent the emigration challenge initiated a number of retention strategies and reforms which range from wage modifications to promotional systems etc, yet the problem persisted. The study is therefor set to interrogate what causes human capital flight, why did the retention strategies implemented by the government failed, among others.

3. Objectives of the Study

3.1 The specific objectives are to:

1. Examine the causes of human capital flight in Nigeria Public Administration.

2. Examine the relationship between human capital flight and institutional erosion in Nigeria's public administration.

3. Discuss Retention Strategies in Nigeria Public Administration.

4. Evaluate the challenges of retention strategies in Nigeria's public administration.

4. Conceptual Clarification

4.1 Human Capital Flight

According to Nevin and Omosomi (2019), human capital flight refers to a notable rise in the number of highly skilled professionals moving to completely new and different places from a geographic area that is often their home country of origin. This is typically a typical activity in underdeveloped countries. According to

Okonkwo *et al*. (2022), human capital flight, sometimes referred to as brain drain, is the loss of intellectual and technical workers as well as the emigration of young talent. It also describes the relocation of highly qualified intellectual and technical workers to more favourable geographical, economic, or professional settings. As a result, their home countries are deprived of the talents and information they would have contributed to economic growth and development, and the country from which they emigrated is in some way destitute. Misaur *et al*. (2010), noted that the significance of greater migration on the development of human capital cannot be overstated, globalization also contributed significantly to this migration to developed nations.

4.2 Institutional Erosion

The term "institutional erosion" describes the progressive deterioration of the formal and informal laws, customs, etc that guide public institutions. Erosion is a gradual, incremental process which occur when the legitimacy and efficacy of institutions are compromised from within, as opposed to an abrupt "institutional collapse" (such as a coup or complete revolution). Yagboyaju and Akinola (2019), suggests that the institution doesn't vanish suddenly but rather, persistent waves of carelessness or intentional sabotage gradually erode the basis until the structure becomes unstable even if MDAs are still in existence on paper. Institutional erosion occurs in the Nigerian public service context when the institutions are unable to carry out their purpose (Ijewereme, 2015). Flowing from the above, institutional erosion means Slow deterioration of public institutions, Breakdown of established rules and norms and Lose of institutional integrity.

Institutional erosion has plethora of negative effects on public administration in Nigeria. These include; loss of trained professionals in public institutions, policy discontinuity, widened succession gaps, delay in file processing, increased administrative expenses, decline in public trust, and loss of technical proficiency and impartial service delivery etc.

4.3. Retention Strategy in Public Administration

The ability of an institution or organisation to keep its personnel is referred to as employee retention. The ability of an organisation to keep its prised personnel for improved performance is known as employee retention strategy (James & Mathew 2012). Organisational culture change, employment flexibility, and job happiness are examples of retention strategies. Additionally, human resource managers can apply

retention methods by offering flexible benefits that allow employees to select the benefits that best suit their needs (Zachariah & Roopa 2012).

By taking the effort to develop a retention plan for the company and including it into the policies, employee retention can be improved. One strategy for keeping employees in the establishment or institution is to have positive relationships with them and foster a sense of security that encourages dedication and loyalty to the establishment (James & Mathew 2012). The work environment, organisational culture, employees' personal opinions about their professions, and the country's economic situation—whether favourable or unfavourable—are all factors that encourage employees to stick with a company (Adesote, & Osunkoya, 2018).

When compared to what is available in the business sector, Nigeria's civil service lagged behind in offering sufficient incentives to retain its staff for performance According to Nwokocha and Iheriohonma (2012), work satisfaction, training, reward systems, and supervisory assistance are some of the conventional employee retention tactics that are now employed by the majority of Nigerian organisations.

5. Theoretical Framework

The Neoclassical Economic Theory, the Push and Pull Theory and the Human Capital Theory are theories the study can be anchored on. But for the purpose of this discourse, the Human Capital Theory was used as the theoretical foundation. The core idea of Human Capital Theory, which was propounded in the 60s by Schultz (1961) and Becker (1964), is that human capital are skills, knowledge, training health and abilities that can be invested into to produce economic value. People invest in education and skills in anticipation of increased future income, prestige, and work happiness. Employers are required to offer competitive compensation, professional advancement, and favourable working conditions as rewards on that investment. They will migrate if the expected return on their investment is higher elsewhere. This theory is relevant to this study because Nigeria doctors, nurses, academics, highly trained professionals who invested and acquired training are not getting returns commensurate with their investment and therefor migrate to countries where their skills are valued and paid for. Human capital flight from Nigerian public administration is seen from the standpoint of human capital theory as rational investment behavior by people whose capabilities provide less than ideal returns in the country's public service. The public sector depreciates human capital for those who stay since it does not offer competitive financial remuneration. The loss of capacity and legitimacy caused by this departure of professionals directly depletes

the institutional capital stock, and the inability to reinvest in the remaining employees speeds up institutional deterioration. Retention strategies should address the above otherwise migration of highly skilled professional will occur and the retention strategies should take into account the larger structure of returns to human capital, such as autonomy, working tools, and professional esteem.

6. Methodology

This study uses descriptive survey design with data drawn from secondary sources. These include data from government reports, media articles, academic research, and policy documents. The study used phenomenological/thematic analysis to look at how these secondary sources depict live experiences and accounts of the consequences of brain waste and brain drain in Nigeria's public sector. Additionally, it examines important topics including causes of human capital flight, the nexus between human capital flight and institutional erosion, Nigerian public administration's retention strategy and challenges challenges of retention strategies in Nigeria's public administration.

7. Causes of Human Capital Flight

Oluwaseyi and Oluyemi (2025) identified a combination of elements that entice young people to relocate to the target country and factors that entice them to abandon their home country. These are the push and the pull factors. Push factors are things that deter residents in their home country, and pull factors are those that lure them to their destination. According to Stanojoska and Petrevski (2012), cited in Oluwaseyi and Oluyemi (2025), economic, social, and political aspects are identical in both home and destination countries, but they are beneficial in the destination country and unfavorable in the home country. The pull factors include: higher salary and better living standards; better career advancement and training; safer work and living environment; active recruitment etc. while the push factors are: poor remuneration; high cost of living; insecurity; poor working conditions, lack of research facilities etc.

8. The Nexus Between Human Capital Flight and Institutional Erosion

The mass departure of highly qualified individuals is known as "human capital flight." The gradual deterioration of public organisations' ability and credibility is known as institutional erosion. The two are currently trapped in a vicious loop within Nigeria's public sector. Workloads rise and service delivery deteriorates as qualified officers depart. Professionals are then forced to leave as a result. The departure of highly qualified individuals, known as "human capital flight" or "brain drain," and the progressive deterioration of institutions that ought to propel the country's development present two challenges for Nigeria's public sector. How does the departure of trained professionals from MDAs contribute to institutional deterioration, including the loss of memory, capability, and public trust, in addition to being a labor issue? Although the commercial sector is frequently linked to "Japa," the public sector is quietly suffering. Over 5,000 physicians and 6,000 nurses left federal hospitals between 2019 and 2023 (Aduma *et al* 2025**).**

As stated by Ogunode and Abubakar (2020). Institutional erosion is the illness, while human capital flight is the symptom. Nigeria cannot continue to outsource governance to consultants. According to Ogunode and Abubakar (2020) the public sector must once more become an employer of choice—not by coercion, but on purpose. We will continue to lose the builders if we don't fix the house. On paper, there is a state known as the cost of inaction, but in reality, it does not exist. Rebuilding institutions is the only path to sustained development, but it takes longer than building roads. Institutional deterioration is being accelerated by human capital flight. MDAs are losing not only personnel but also institutional memory, mentorship systems, and ethical standards that support bureaucratic performance due to the departure of mid-career and senior-level officials. Therefore, brain drain involves more than just people leaving. It has to do with institutions losing their ability to operate (Adeniran, 2021).

9. Retention Strategy and Mitigation of Brain Drain and Brain Waste in Nigeria

The Nigerian government's retention tactics include examining both qualitative (policy) and quantitative (financial) initiatives meant to stabilise the nation's human capital (Adaka, *et al.,* 2020). By 2025, the government's emphasis has changed from just preventing migration to controlling it through "brain circulation." Ogundipe (2023) claims that Nigeria's federal government has implemented a retention strategy to lessen brain damage. Among them are:

Financial Interventions

Recently, the government increased salaries in certain vital areas. For example, the federal government of Nigeria negotiated with Academic Staff Unions of Universities (ASUU) to enhance the salaries of university lecturers and also medical physicians. CONMESS/CONHESS salary structures for doctors and health workers which is higher than the civil service scale was introduced. While CONUASS for university lecturers was equally introduced to mitigate human capital flight. Others interventions include: hazard allowances, call duty allowances for medical personnel as well as payment of salary arears by the federal government. The contributory pension reform scheme to make retirement more secure was another strategy.

Improving Working Conditions and Infrastructure

The government has also taken steps to revitalize hospital programs by upgrading federal teaching hospitals, providing equipment through federal government grants. The government equally approved 1% of consolidated revenue to improve basic health care facilities. TETFund interventions which provide funding for universities labs, libraries, ICT, institute based research, conferences and infrastructure development in tertiary institutions was equally activated to mitigate human capital flight

Changes at The Policy Level

The validation of the updated National Migration Policy (NMP) 2025 was a significant strategic step. With this strategy, a "harvesting" mindset replaces the "restriction" mindset. The policy presents structures such as the BRIDGE Diaspora Platform, rather than viewing migration as a pure loss. This allows Nigerian academics studying overseas to collaborate on research projects with local universities without having to return permanently (Aduma *et al*., 2025).

Digitizing Public Administration

Brain waste, according to Aduma *et al*. (2025), happens when highly qualified Nigerians stay in the nation but are either underutilised or employed in positions below their qualifications as a result of institutional deterioration. In an effort to create a "modern workspace" that meets the professional standards prevalent overseas, the government has recently focused on digitizing public administration (Onah *et al*. 2024). The introduction of IPPIS in the payment of salaries and e-health records to reduce administrative burden are instances of digitization of public administration

10. Challenges of Retention Strategies in Nigeria's Public Administration

Volatility in The Macro-Economy

The Naira's depreciation and hyperinflation have made conventional compensation methods ineffective. Employees frequently "job-hop" for meagre pay rises since salary increases frequently fall short of the growing costs of housing, food, and fuel. Businesses struggle to provide competitive, inflation-adjusted packages due to rising energy and logistics expenses, while employees demand higher pay in order to survive (Otelemate, 2024). The financial intervention despite being substantial, is still frequently "chasing" inflation. Despite changes, the average yearly income for a physician in Nigeria is still about $11,500, while in the US or the UK it is over $160,000 (Oluwaseyi, & Oluyemi, 2020). Although it serves as a short-term stabilise, financial retention falls short of the "pull" aspects of the global market (Onah *et al*, 2024).

Stagnation and Limited Career Growth

Clear succession planning is lacking in many Nigerian firms, especially MSMEs and traditional public sector entities. Young professionals with talent are frequently trapped beneath senior employees with extended tenure and no obvious route to advancement. Due to financial limitations, many businesses see training as an expense rather than an investment, creating a "skills gap" that drives ambitious workers to go for companies that place a higher priority on development (Otelemate, 2024).

Digitalization and Reform Stagnation

Elazeh (2023) states that a number of Nigerian public sector reforms, including digitization and e-government programs, call for highly specialized technological capabilities. IT administrators and cybersecurity specialists are among the most likely to relocate. This hinders the shift to more open, tech-driven governance and makes digital infrastructure susceptible to attacks. A graveyard of incomplete administrative changes results from a cycle where new leadership "restarts" programs on a regular basis. The implementation of digitalization of public institutions is very slow, maintenance is poor and corruption of public officers leak funds.

Adjunct to the above, poor funding of public institutions, lack of political will to implement policies decisions equally challenged retention strategies in Nigeria public administration.

11. Conclusion

Institutional erosion is the illness; human capital exodus is the symptom. Nigeria cannot continue to contract out governance to consultants. The public sector must once more become an employer of choice not by coercion, but on purpose. We will continue to lose the builders if we don't fix the house. On paper, there is a state known as the cost of inaction, but in reality, it does not exist. Nigerian public administration needs a thorough overhaul of retention practices based on competitive pay, merit-based advancement, ongoing professional development, and better working conditions.

12. Recommendations

Flowing from the above, the study notes that human capital flight has a detriment effect on the ability of public administration to shoulder the responsibility of national development. The study therefore recommends a deliberate effort to stabilize the macroeconomic, eliminate corrupt practices, ensure adequate financing of institutions, and create opportunity for career growth. In addition, the following were also recommended.

1. The implementation of data-driven HR initiatives: A move from intuitive personnel management to evidence-based decision-making is represented by the implementation of data-driven HR solutions. This shift is essential for tackling the twin challenges of human capital flight and the slow deterioration of institutional integrity in Nigerian public administration.

2. Consistency in policy to prevent human capital flight: Consistent policies lessen the "push factors" that fuel the "Japa" phenomena by fostering an atmosphere where valuable human capital may envision a long-term future.

3. Rebuild robust public institutions: Rebuilding resilient public institutions entails developing systems that can withstand shocks, sustain essential operations during emergencies, and adjust to long-term social changes. It goes beyond simple physical reconstruction or file digitization. Resilience is the state's "immune system" in situations where there is substantial human capital flight or institutional deterioration.

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