Acta Universitatis Danubius
ŒCONOMICA

Corporate Practice and Financial Stability of Listed Deposit Money Banks in Nigeria

Ali- Momoh Betty Oluwayemisi[1], Fajuyagbe Bamikole Samson[2], Deji-Oyeleye Bosede Oluwaseun[3], Aduwo Ayomikun Elizabeth[4], Suleiman Taiwo Moses[5]

Abstract: This study examines the effect of corporate practices on the financial stability of listed Deposit Money Banks (DMBs) in Nigeria. Utilizing a quantitative approach, secondary data from the annual reports of ten selected DMBs between 2014 and 2023 were analyzed using statistical tools such as descriptive statistics and a panel regression model of Random effect. The results reveal significant positive effect of, corporate social responsibility expenditure and ethical compliance demonstrates a positive and statistically significant influence on earnings per share, suggesting that increased investment in CSR activities correlates with improved financial performance. Conversely, a negative but significant relationship is observed between employee turnover rate and EPS, indicating adverse effects on financial stability. Furthermore, ethical compliance exhibits a positive association with EPS, underscoring the importance of adherence to ethical standards for financial well-being. Implications of the findings extend to academia and banking practitioners, emphasizing the necessity of integrating CSR initiatives into corporate strategies to enhance financial stability. Mitigating high employee

[1] Department of Accounting, Faculty of Management Sciences, Federal University Oye-Ekiti, Nigeria, Address: Ekiti State, Nigeria, Tel: +2347038048538, E-mail: oluwayemisi.alimomoh@fuoye.edu.
[2] National Identity Management Commission, Nigeria, Address: Akure, Ondo State, Nigeria, Tel: +2348064643303, Corresponding author: kolesamson@gmail.com.
[3] Department of Accounting, Faculty of Management Sciences, Federal University Oye-Ekiti, Nigeria, Address: Ekiti State, Nigeria, Tel: +2348034451154, E-mail: oyeleyeseunbo@gmail.com.
[4] Department of Accounting, Faculty of Management Sciences, Federal University Oye-Ekiti, Nigeria, Address:Ekiti State, Nigeria, Tel: +2348143807650, E-mail: ayomikunaduwo@yahoo.com.
[5] Department of Accounting, Faculty of Management Sciences, Federal University Oye-Ekiti, Nigeria, Address: Ekiti State, Nigeria, Tel:+2348063137260, E-mail: staiwomoses@gmail.com.

Copyright: © 2024 by the authors.
Open access publication under the terms and conditions of the
Creative Commons Attribution-NonCommercial (CC BY NC) license
(https://creativecommons.org/licenses/by-nc/4.0/)

turnover rates and maintaining ethical standards are recommended strategies for bolstering financial performance. Methodologically, the study contributes by employing rigorous statistical methods and model selection techniques. In conclusion, this research sheds light on the relationship between corporate practices and financial stability within Nigerian DMBs, offering empirical evidence and methodological advancements. Recommendations include increasing CSR investment, addressing turnover issues, and upholding ethical standards to bolster financial stability and overall performance in the banking sector.

Keywords: Corporate Practice; Financial stability; Deposit Money banks in Nigeria

JEL Classification: G 30; G 01; G 21

1. Introduction

Corporate practices in Nigeria, particularly within the banking sector, have garnered significant attention due to their impact on the economy and society at large. As one of the key drivers of economic growth and development, the banking industry plays a pivotal role in shaping the financial landscape of the country. Understanding the dynamics of corporate practices within this sector is crucial for policymakers, regulators, investors, and other stakeholders. Nigeria's banking sector has undergone significant reforms and regulatory changes in recent years, making it essential to examine how corporate practices influence financial reporting in this context.

Stable and well-functioning financial markets are essential for financial stability of banks and other business organizations. This involves efficient price discovery, liquidity provision, risk transfer mechanisms, and fair and transparent trading practices. Regulatory frameworks and supervisory mechanisms play a crucial role in maintaining financial stability by promoting market integrity, protecting consumers, and mitigating systemic risks (Hassan & Mollah, 2018). This includes prudential regulations, market conduct rules, and macro prudential policies. Economic stability, including stable inflation, low unemployment, and sustainable growth, is closely linked to financial stability (Spiceland, Sepe, Nelson & Tomassini, 2019). Monetary and fiscal policies aimed at maintaining price stability, promoting full employment, and managing economic imbalances contribute to overall financial stability.

Effective risk management practices are essential for financial stability, including identification, measurement, and mitigation of various risks such as credit risk, market risk, liquidity risk, and operational risk (Uadiale, 2018). Building resilience to potential shocks and disruptions is also critical. Transparency and disclosure standards enhance market confidence and reduce information asymmetries, contributing to financial stability (Osagioduwa, 2019, Ezejelue, 2017). Timely and accurate reporting of financial information, including financial statements, risk exposures, and corporate governance practices, fosters trust and accountability (Ogunmuyiwa & Abiola, 2019).

However, deposit money banks (DMB) play a crucial role in the country's economy, serving as a key intermediary between savers and investors. Over the years, the sector has witnessed significant changes, including regulatory reforms, technological advancements, and increased competition. Amidst these developments, the issue of corporate practices and their impact on financial reporting has gained prominence. From a landscape dominated by traditional banking institutions, Nigeria's banking sector has evolved to embrace innovation, competition, and globalization. Banks operating in Nigeria are required to adhere to a wide range of regulatory requirements set forth by the CBN, SEC, and other relevant authorities. These requirements cover areas such as capital adequacy ratios, loan classification and provisioning, anti-money laundering (AML) measures, corporate governance principles, internal controls, audit standards, and financial reporting obligations (Securities and Exchange Commission Nigeria, 2021).

Despite the critical role of the banking industry in Nigeria's economy, there have been persistent challenges and issues related to corporate practices (Aigbovo & Abudu, 2018). These challenges range from governance failures and ethical lapses to regulatory compliance issues. Instances of corporate scandals and financial misconduct have raised concerns about the integrity and transparency of banking institutions (Agboola & Adegbie, 2019). Moreover, the evolving regulatory landscape and technological advancements present new challenges and complexities for banks in upholding sound corporate practices. Thus, there is a pressing need to identify and address the underlying problems affecting corporate practices within the Nigerian banking sector.

The purpose of this study is to analyze the effect of corporate practices on the financial stability of Deposit money banks (DMB) in Nigeria, focusing on social responsibility, governance structures, ethical considerations and staff welfare polices of DMB, shedding light on various aspects such as governance, risk management, and corporate social responsibility. By examining these aspects comprehensively, the study aims to provide insights into the current state of corporate practices and financial stability in Nigerian banks, identify areas for improvement, and offer recommendations for enhancing industry standards and regulatory frameworks.

1.1. Objective of the Study

The broad objective of this study is to examine the effect of corporate practices on the financial stability of listed deposit money banks (DMB) in Nigeria. The specific objectives are to:

a. Assess the effect of corporate social responsibility expenditure on the financial stability of listed deposit money banks in Nigeria;

b. Analyze the effect of employee turnover rate on the financial stability of listed deposit money banks in Nigeria; and

c. Determine the effect of ethical compliance on the financial stability of listed deposit money banks in Nigeria.

2. Literature Review

2.1. Financial Stability

Financial stability to an individual implies having sufficient income, savings, and assets to meet current and future financial obligations without undue stress or reliance on borrowing (Spiceland, Sepe, Nelson & Tomassini, 2019). It also involves prudent financial planning, including budgeting, saving, investing, and managing debt, to achieve long-term financial security and well-being (Spiceland, et. al, 2019). In the corporate context, financial stability refers to a company's ability to generate consistent profits, manage cash flow effectively, maintain a healthy balance sheet, and withstand financial challenges such as economic downturns or industry disruptions (Spiceland, et. al, 2019) It involves factors such as sound business strategy, efficient operations, prudent financial management, and risk mitigation practices (Agwor & Okafor, 2018).

Therefore, financial stability is a multifaceted concept that encompasses individual, corporate, national, and global dimensions. It is characterized by the ability to withstand financial shocks, promote sustainable economic growth, and mitigate systemic risks. Achieving and maintaining financial stability requires a comprehensive approach involving sound financial institutions, stable markets, effective regulation, macroeconomic stability, risk management practices, transparency, and international cooperation. By fostering financial stability, individuals, businesses, and societies can enhance resilience, prosperity, and well-being.

2.2. Corporate Practices and DMBs Financial Stability

Corporate practices play a pivotal role in shaping the stability, efficiency, and credibility of Nigeria's banking sector. Effective corporate practices help banks navigate regulatory requirements, mitigate risks, enhance performance, and foster long-term relationships with stakeholders (Central Bank of Nigeria, 2020). Understanding the dynamics of corporate practices within this sector is crucial for policymakers, regulators, investors, and other stakeholders. These practices encompass various aspects of governance, ethics, transparency, staff welfare and stakeholder engagement, all of which are essential for maintaining public trust, attracting investments, and ensuring sustainable growth (Osagioduwa, 2019).

Meanwhile, the board of directors plays a crucial role in overseeing the strategic direction, risk management, and performance of banks. In Nigeria, boards are typically composed of executives, independent directors, and representatives of major shareholders (Azona, 2019). Responsibilities include setting corporate objectives, appointing senior management, monitoring financial performance, ensuring compliance with regulations, and safeguarding the interests of shareholders (Central Bank of Nigeria, 2018). Executive and staff compensation practices in Nigerian DMB vary but generally include a combination of fixed salaries, bonuses, stock options, and other incentives tied to performance metrics such as profitability, asset quality, and risk management (Spiceland, et. al, 2019). These practices aim to align the interests of executives and other staff with those of shareholders while attracting and retaining top talent (Uadiale, 2018).

Besides, maintaining integrity and professionalism is fundamental to the banking industry's reputation and credibility (Ezejelue, 2017). Banks are expected to adhere to high ethical standards in their dealings with customers, employees, regulators, and other stakeholders. This includes honesty, fairness, confidentiality, conflict of interest avoidance, and adherence to codes of conduct and industry best practices (Smith, 2019). Ethical dilemmas may arise in various aspects of banking operations, including lending practices, investment decisions, customer service, product marketing, and employee relations (Ogunmuyiwa & Abiola, 2019). These dilemmas often involve balancing competing interests, such as profit maximization versus customer welfare, risk-taking versus prudence, and short-term gains versus long-term sustainability (Hassan & Mollah, 2018).

Additionally, Corporate Social Responsibility (CSR) Initiatives: Many Nigerian DMB actively engage in corporate social responsibility (CSR) initiatives aimed at addressing societal needs, promoting sustainable development, and enhancing their public image (Ogbor, Ugherughe & Veronica, 2020). These initiatives may include philanthropy, community development projects, environmental sustainability efforts, financial literacy programs, and support for education, healthcare, and poverty alleviation (Osagioduwa, 2022).

However, Nigerian banks are required to prepare and disclose financial statements in accordance with applicable accounting standards, such as International Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council of Nigeria (FRCN) (Enofe & Uwuigbe, 2017). Transparent financial reporting enhances investor confidence, facilitates capital raising, and enables stakeholders to assess banks' financial health and performance (Doutimiareye, 2022). In addition to financial reporting, Nigerian DMB are subject to disclosure requirements related to corporate governance, risk management, related-party transactions, executive compensation, and other material information (Agbaje, 2019). Timely and comprehensive disclosures promote transparency, enable informed decision-making, and reduce information asymmetry between banks and stakeholders (Al-Fawwaz & Al-Suhaibani, 2020).

2.3. Theoretical Review - The Stakeholder's Theory

This is one of the profound theories of corporate social responsibility. A stakeholder, according to Freeman (2010), is any group or individual that can affect or is being affected by the attainment of an organisation's goals. Stakeholders basically involve a range of interest groups who are affected by an organisation's operations. Freeman argues that shareholders of an organisation are the investors, who are seen as one of the various partners of an organisation. There are several other partners that have a relationship or are in contact with the organisation. The stakeholder theory attempts to explain that management of companies is not solely to focus on the demands of the owners but also takes into consideration the requirements of the stakeholders, as they also influence the organisation in one area or the other.

According to Freeman (1984), the main purpose of the stakeholder theory is to edge on managers of organisations, if necessary, to go past business practices. According to Agbaje (2019) and Derroum and Haouati (2021), a company's intangible assets are determined by the perceptions of external individuals and stakeholders. As a result, corporate social duties carried out by enterprises provide them with a favourable image, which is an intangible asset that leads to firm prosperity (Uwuigbe, Ajagbe & Falaye, 2018).

The stakeholder theory posits that businesses have a responsibility to various stakeholder groups, including customers, employees, shareholders, communities, and the environment. By addressing the interests and expectations of these stakeholders, businesses can enhance their reputation, strengthen their relationships with stakeholders, and ultimately improve their financial performance (Sharma & Vaidya, 2022).

2.4. Empirical Review

Doutimiareye Newstyle (2022) delved deeply into the intricate interplay between Corporate Social Responsibility (CSR) and the stability of listed deposit money banks in Nigeria. The study extensive investigation unveiled a noteworthy correlation between CSR initiatives and financial outcomes. Specifically, they highlighted the impact of community development costs and training expenses, both of which exhibited a significant negative association with return on equity. Moreover, the study shed light on the pivotal role of firm size, revealing a significant moderating effect. While CSR practices were found to have a negative moderating relationship with firm size, financial performance demonstrated a positive moderating relationship.

Additionally, Many Nigerian DMB actively engages in corporate social responsibility (CSR) initiatives aimed at addressing societal needs, promoting sustainable development, and enhancing their public image (Ogbor, Ugherughe & Veronica, 2020). These initiatives may include philanthropy, community development projects, environmental sustainability efforts, financial literacy programs, and support for education, healthcare, and poverty alleviation (Osagioduwa, 2022). The study shed light on the pivotal role of corporate social responsibility on the stability of listed deposit money banks in Nigeria, the study revealing a significant effect on stability of deposit money banks in Nigeria.

Despite the existing body of literature on the effect of corporate practices on the financial performance of DMB in Nigeria, there are notable gaps that require further research. For an instance, the prior studies conducted by Uadiale (2018), Uwuigbe, Ajagbe and Falaye (2018), Agboola and Adegbie (2019), Smith (2019), Spiceland, Sepe, Nelson and Tomassini (2019), Ogbor, Ugherughe and Veronica, 2020), Al-Fawwaz and Al-Suhaibani (2020), (Doutimiareye (2022), Osagioduwa (2022) among others have not used the combined variables used in the present study to examine the effect of corporate practices on the financial stability of deposit money banks in Nigeria.

2.5. Research Hypotheses

The hypotheses of the research are stated below in null forms considering literature reviewed.

a. There is no effect of corporate social responsibility expenditure on the financial stability of listed deposit money banks in Nigeria;

b. Employee turnover rate has no effect on the financial stability of listed deposit money banks in Nigeria;

c. Ethical compliance does not affect the financial stability of listed deposit money banks in Nigeria.

3. Research Methods

This section outlines the research methodology adopted in the study, including data collection methods, sample selection, and analytical techniques. The study employed a quantitative approach, and employs secondary data sourced from the annual reports of the ten (10) selected deposit money banks between 2014 and 2023. The research utilized statistical tools like descriptive statistics and panel regression model of Random effect for data analysis.

3.1. Model Specification

This research's model stated in regression forms are these below:

$$\mathrm{EPS}_{\mathrm{it}} = \beta_0 + \beta_1 \mathrm{CRSE}_{,\mathrm{it}} + \beta_2 \mathrm{ETR}_{\mathrm{it}} + \beta_3 \mathrm{ECI}_{\mathrm{it}} + +\mathrm{e}_{\mathrm{it}} \quad \text{.............................. (1.1)}$$

Where:

EPS = Earnings per Share of DMB i in year t;

CRSE = Corporate Social Responsibility Expenditure of DMB i in year t

ETR = Employee Turnover Rate of DMB i in year t;

ECI = Ethical Compliance Index of DMB i in year t;

e_{it} = Stochastic error terms

β_0 = Constant intercept

β_1-β_3 = Coefficient of variables

Table 1. Variable Selection and Measurement

Variables	**Variable Proxy & Measurement**	**Source**
Dependent Variables		
Financial Reports	Earnings per Share (EPS) measures as profit before tax/number of outstanding ordinary shares	Al-Fawwaz and Al-Suhaibani (2020)
Independent Variables		
Corporate Practices	Corporate Social Responsibility Expenditure (CSRE) measures the amount of money a company allocates towards CSR activities to total revenue	(Doutimiareye (2022)
Levels of Board Independence (LBI)	Employee Turnover Rate (ETR) expressed as a percentage numbers of employees who left the company to total numbers of employees	(Doutimiareye (2022)
Ethical Accounting Practices (EAP)	Ethical Compliance Index (ECI) measures as binary number 1 for	Osagioduwa (2022)

	compliance and 0 for non-compliance	

Source: Data compilation, 2024

4. Results and Discussion

Table 2. Panel Unit Root Test: @ Level

Variable	t-statistics	Probability
EPS	103.570	0.000
CSRE	96.7516	0.000
ETR	98.0124	0.000
ECI	86.1604	0.000

Source: Data Analysis, 2024

This study in Table 2 utilizes the ADF-Fisher for panel unit root testing. The findings at level reveal significant t-statistic values across various variables. The earnings per share (EPS), the proxy for financial stability exhibits a t-statistic value of 103.570, with a probability of 0.00, indicating stationary behavior at the level without a unit root. Similarly, corporate social responsibility expenditure (CSRE) record a t-statistic value of 96.7516, with a probability of 0.00, suggesting a lack of unit root at the level. Employee turnover rate (ETR) display a statistic value of 98.0124, with a probability of 0.00, affirming its stationary status at the level without a unit root. Moreover, ethical compliance index (ECI) registers a statistic value of 86.1604, with a probability of 0.0002, confirming its stationary behavior at the level without a unit root.

Table 3. Descriptive Analysis

Variable	EPS	CSRE	ETR	ECI
Mean	0.698000	0.704000	0.027000	0.671000
Median	0.755000	0.770000	0.755000	0.755000
Maximum	0.970000	0.970000	0.970000	0.970000
Minimum	0.360000	0.360000	0.030000	0.090000
Std. Dev.	0.244280	0.260543	0.00841	0.291095
Skewness	-0.348563	-0.286487	-0.496057	-0.691615
Kurtosis	1.459106	1.339542	1.717038	2.169830
Jarque-Bera	11.91808	12.85592	10.95951	10.84379
Probability	0.002582	0.001616	0.004170	0.004419
Sum	69.80000	70.40000	62.70000	67.10000
Sum Sq. Dev.	5.907600	6.720400	10.83610	8.388900

Source: Data Analysis, 2024

Table 3 offers a analysis of descriptive statistics. The result reveals that the mean of earnings per share (EPS), the proxy for financial stability at 0.698000, indicating an average better financial stability of Deposit money banks (DMB) in Nigeria is 69%. The findings also disclose the mean value of 0.704000 for corporate social responsibility expenditure (CSRE), showing 709% contribution of DMBs to social and environmental development in Nigeria. The Moreover, the mean of employee turnover rate (ETR) score is 0.027000, suggesting a 2.7% rate of employee turnover in DMBs in Nigeria. Additionally, the mean percentage of ethical compliance index (ECI) is 0.671000, indicating a potential 67% high level of ethical compliance of DMBs in Nigeria.

Table 4. Models Selection and Stability Tests

Tests	Statistics	Probability	Decision	Selected Model/Conclusion
F-restricted	F =0.000	1.0000	Accept H_0	POLS
Breusch-Pagan	X^2=5.556	0.0184	Reject H_0	Random Effect
Cross-sectional dep.	Z = 21.21	1.0000	Accept H_0	Not present

Source: Data Analysis, 2024

Table 4 presents the outcomes of model selection and other tests. The F- test between the pooled least squares (PLS) method and the fixed effect (FE) model, yielded a statistics value of =0.000, with a probability value of 1.000 accepting the null hypothesis that the FE model is not suitable. Furthermore, the Breusch-Pagan test between the PLS method and the random effect (RE) model, produced a statistics value of 5.556, with a probability value of 0.0184. This outcome rejects the null hypothesis that the RE effect is inappropriate, indicating that the RE model is preferable. Therefore, among the three models considered, the Random Effect model emerges the most appropriate. Additionally, the cross-sectional dependence with a statistics value of 21.21 and the probability of 1.0000 suggests no inherited significant errors in the model utilized for data analysis.

Table 5. Regression Analysis: Random Effect

Dependent Variable: EPS Method: Panel EGLS (Cross-section random effects) Total panel (balanced) observations: 100 **SERIES:** EPS, CRSE, ETR, ECI				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	0.514744	0.075889	6.782850	0.0000
CSRE	0.141793	0.124947	1.134822	0.0293
ETR	-0.169066	0.085196	-1.984439	0.0501
ECI	0.282323	0.126239	2.236419	0.0276
R-squared = 0.862527 Adjusted R-squared = 0.836356 Durbin-Watson stat = 2.546874				

Source: Data Analysis, 2024

Table 5 illustrates Random Effect results. The coefficient for corporate social responsibility expenditure (CSRE) is positive (0.141793) and statistically significant (P=0.0293), showing that a one-unit increase in the corporate social responsibility expenditure corresponds to a 14% increase in the earnings per share (EPS), the proxy for financial stability of DMBs in Nigeria the measurement for financial report. Similarly, the beta value for employee turnover rate (ETR) is negative (-0.169066) but significant (P=0.0501), suggesting that a one-unit increase in the employee turnover rate leads to a 6% decrease the earnings per share (EPS), the proxy for financial stability of DMBs in Nigeria the measurement for financial reports. Additionally, the coefficient for ethical compliance index (ECI) is positive (0.282323) and significant (P=0.0276), implying that a one-unit increase in the ethical compliance results in a 28% increase in the earnings per share (EPS), the proxy for financial stability of DMBs in Nigeria the measurement for financial reports. This indicates that the accounting ethical practices must increase to improve the financial stability of deposit money banks in Nigeria and elsewhere.

Furthermore, the R2 results, indicating a substantial value of 0.862527 for the financial reports measured in terms of earnings per share (EPS). This figure denotes that 86% variation in corporate social responsibility expenditure (CSRE), employee turnover rate (ETR), and ethical compliance index (ECI) collectively accounts for 86% financial stability of the banks. The remaining 14% of EPS variance is attributed to the error term. Additionally, the adjusted R2, at 0.836356, demonstrates that even when considering other variables within the error term, CRSE, ETR, and ECI combined still account for 83% changes in the financial stability of deposit money banks (DMBs) in Nigeria. Furthermore, the Durbin-Watson statistic of 2.546874 exceeds 2, indicating the absence of serial correlation.

4.1. Discussion of the Findings and Implications

The study investigates the effect of corporate practices on the financial stability of listed Deposit Money Banks (DMBs) in Nigeria. Through rigorous statistical analysis, including model selection and various tests, the study concludes that the Random Effect model is the most suitable for examining this relationship. This model selection process is crucial as it ensures the reliability and validity of the findings.

The findings from the Random Effect model indicate several important relationships. Firstly, corporate social responsibility expenditure has a positive and statistically significant impact on earnings per share, which serves as a proxy for financial stability. This suggests that increased investment in corporate social responsibility activities corresponds to improved financial performance for DMBs in Nigeria. Secondly, the study finds a negative but significant relationship between employee turnover rate and EPS, implying that high turnover rates can negatively affect financial stability. Lastly, ethical compliance index is positively associated with EPS, indicating that adherence to ethical practices contributes to financial stability.

The substantial R2 value of 0.862527 indicates that the explanatory variables (CSR expenditure, employee turnover rate, and ethical compliance index) collectively explain 86% of the variation in financial stability, as measured by EPS. This high explanatory power underscores the importance of corporate practices in influencing financial outcomes for DMBs in Nigeria. Additionally, the absence of serial correlation, as indicated by the Durbin-Watson statistic exceeding 2, further enhances the robustness of the findings.

The findings of this study have significant implications for both academia and practitioners in the banking sector. Firstly, they highlight the importance of incorporating CSR initiatives into corporate strategies as a means of enhancing financial stability. Banks should allocate resources towards initiatives that contribute to social and environmental development, as these activities can yield tangible benefits in terms of financial performance. Secondly, the study underscores the detrimental effects of high employee turnover rates on financial stability. Banks need to implement strategies aimed at retaining talent and fostering a positive work environment to mitigate these effects. Moreover, the positive relationship between ethical compliance and financial stability emphasizes the importance of maintaining high ethical standards within the banking industry. Banks should prioritize ethical behavior and ensure compliance with regulatory requirements to safeguard their financial well-being. Overall, the findings suggest that banks in Nigeria can enhance their financial stability by investing in CSR, addressing employee turnover issues, and maintaining high ethical standards.

5. Conclusion and Recommendations

In conclusion, this study provides valuable insights into the relationship between corporate practices and financial stability in Nigerian DMBs. The findings indicate that CSR expenditure, employee turnover rate, and ethical compliance significantly influence financial performance, as measured by EPS. The study recommends that banks prioritize CSR initiatives, address employee turnover issues, and uphold ethical standards to enhance their financial stability. This study contributes to knowledge in several ways. Firstly, it provides empirical evidence on the relationship between corporate practices and financial stability in the context of Nigerian DMBs, thereby filling a gap in the existing literature. Secondly, by employing rigorous statistical methods and model selection techniques, the study enhances methodological rigor and contributes to the methodological advancement in the field of banking research.

Based on the findings, the study recommends that DMBs in Nigeria should increase investment in CSR activities to improve financial stability. This could involve allocating resources towards initiatives that address social and environmental issues relevant to the local community. Also, the banks stakeholders should implement strategies to reduce employee turnover rates, such as offering competitive salaries, providing opportunities for career advancement, and fostering a positive work culture. This would help mitigate the negative impact of turnover on financial performance. These recommendations are aimed at assisting DMBs in Nigeria in enhancing their financial stability and overall performance in the competitive banking industry.

References

Agboola, A. & Adegbie, F. (2019). Corporate Governance and Financial Reporting Quality in Nigerian Deposit Money Banks. *Journal of Accounting in Emerging Ec*onomies, Vol. 9(2), pp. 245-263.

Aigbovo, O. & Abudu, K. (2018), Ethical finance: Islamic banking and finance in Nigeria. *Amity Journal of Corporate Governance*, Vol. 3(1), pp. 13-32.

Agwor, T.C. & Okafor, R. (2018), Accounting ethics and financial reporting quality of tourism and hospitality firms in Rivers State. *Journal of Accounting and Financial Management,* Vol. 4(3), pp. 1-14.

Al-Fawwaz, M.A. & Al-Suhaibani, M. (2020). The Impact of Corporate Governance Mechanisms on Financial Reporting Quality: Evidence from Nigerian Banks. *International Journal of Accounting and Financial Reporting*, Vol. 10(1), pp. 270-289.

Agbaje, A. (2019). Corporate governance and bank performance: Evidence from Nigerian banks. *Journal of Financial Regulation and Compliance*, Vol. 27(3), pp. 406-424.

Anyanwu, A. & Oyebisi, T.O. (2018). Board diversity and bank performance: Evidence from Nigeria. *International Journal of Bank Marketing*, Vol. 36(5), pp. 870-888.

Azona, N. M. (2019), Investigating effects of accounting ethics on quality of financial reporting of an organization: case of selected commercial banks in South Sudan. *Mediterranean Journal of Social Sciences,* Vol. 10(1), pp. 177-191.

Central Bank of Nigeria (2018). *Code of Corporate Governance for Banks and Discount Houses in Nigeria*.

Central Bank of Nigeria (2020). *Code of Corporate Governance for Banks and Discount Houses in Nigeria*.

Doutimiareye, N. (2022). Corporate Social Responsibility and Financial Performance of Listed Consumer Goods Manufacturing Firms in Nigeria. *BW Academic Journal*, Vol. 1(1), p. 25. https://bwjournal.org/index.php/bsjournal/article/view/759.

Enofe, A.O. & Uwuigbe, U. (2017). Corporate Governance and Financial Reporting Quality: Evidence from Nigerian Deposit Money Banks. *International Journal of Business and Management*, Vol. 12(6), pp. 1-14.

Ezejelue, A. C. (2017). The impact of ethical leadership on corporate performance: Evidence from the Nigerian banking sector. *Journal of Business Ethics*, Vol. 140(3), pp. 497-511.

Freeman, R.E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.

Hassan, M.K. & Mollah, S. (2018*). Corporate governance, risk-taking and firm performance of Islamic banks during global financial crisis*. May, available at: http://cbagccu.org/files/pdf/3/2.pdf.

Ogunmuyiwa, M.S. & Abiola, O.O. (2019). Corporate governance mechanisms and bank risk-taking in Nigeria: A dynamic panel data approach. *International Journal of Finance & Economics*, Vol. 24(4), pp. 1608-1625.

Osagioduwa, L.O. (2019). The effectiveness of the whistle blowing policy in combating corruption in the Nigerian public sector. *Global Journal of Arts Humanities and Social Science,* Vol. 7(10), pp. 77-98.

Osagioduwa, L.O. (2022). Assessment of challenges of public auditor's independence and report in the public sector of Nigeria. *Amity Journal of management research*, Vol. 5(1), pp. 70-87.

Ogbor, J.O.; Ugherughe, J.E. & Veronica, E.O. (2020), Corporate governance, risk management, accountability and transparency: A study of the Nigerian banking system. *1st international conference of the Faculty of Management Science of the University of Benin*, Edo State Nigeria, pp. 588-594.

Smith, J. (2019), The importance of ethical financial reporting. *Journal of Accountancy*, Vol. 227(5), pp. 26-29.

Spiceland, J.D.; Sepe, J.F.; Nelson, M.W. & Tomassini, L.A. (2019). *Intermediate accounting.* 10th Ed. McGraw-Hill Education.

Securities and Exchange Commission Nigeria (2021). Nigerian Code of Corporate Governance 2021.

Uadiale, O.M. (2018). Corporate Governance and Financial Reporting Quality in Nigerian Banks: A Panel Data Approach. *International Journal of Finance and Accounting*, Vol. 7(2), pp. 63-72.

Uwuigbe, U.; Ajagbe, M.A. & Falaye, F.T. (2018). Impact of risk management practices on banks' financial performance: Evidence from Nigeria. *International Journal of Bank Marketing*, Vol. 36(3), pp. 493-513.