



Stakeholders' Compensation and Corporate Value: Nigerian Banking Sector Experience in Covid-19 Era

¹Ugbor, Raphael Oluchukwu, ²Inyiama, Oliver Ikechukwu, ³Ezugwu, Chris Ikechukwu
^{1,2,3}Department of Accountancy, Faculty of Management Sciences, Enugu State University of Science and Technology

Accepted: November 10th, 2022

Published: November 17th, 2022

Citations - APA

Ugbor, R. O., Inyiama, O. I. & Ezugwu, C. I. (2022). Stakeholders' Compensation and Corporate Value: Nigerian Banking Sector Experience in Covid-19 Era. *International Journal of Advanced Finance and Accounting*, 3(5), 28-40, DOI: [10.5281/zenodo.7339419](https://doi.org/10.5281/zenodo.7339419)

This study investigated the effect of stakeholders' compensation on corporate value: Nigerian banking sector experiences in COVID-19 era. A pre and post analysis of the COVID era was conducted using data from 2017 to 2021. Directors' remuneration (DTRM) and dividend per share (DVPS) are the independent variables and proxies for stakeholders' compensation while net assets value per share (NAVPS) was used as the dependent variable and measure for corporate value. A sample of seven (7) deposit money banks was selected from the 22 deposit money banks listed on Central Bank of Nigeria website as at March 31, 2021. Data extracted from the selected banks were analyzed using descriptive statistics and panel least squares regression analysis. Findings from the analysis suggest that DTRM ($P=0.0699$; 0.0000 and 0.3161) has positive and insignificant effect on NAVPS during pre and post COVID but positive and significant effect during COVID. Findings showed that DVPS ($P=0.0003$; 0.0000 and 0.0073) has positive and statistically significant effect on NAVPS of money deposit banks in Nigeria during both periods. The study recommended that policy makers for Nigeria banks should design appropriate directors' remuneration incentive scheme that will not only attract, but will also motivate and retain efficient directors for attainment of the corporate objectives. Dividend policy that will strike a balance between dividend payment and earnings retention to create the firmest value should be formulated. The implications of the findings were that a unit change in DTRM caused 0.003% 0.007% and .006% changes in NAVPS during the periods respectively. DVPS which was a key driver to changes in NAVPS in pre COVID doubled its effect during COVID and sustained the impact after COVID.

↑
ABSTRACT

Keywords: Directors' Remunerations; Dividend Per Share; Net Assets Per Share

Introduction

The importance of stakeholders' compensation to firms cannot be over-emphasized especially in the area of corporate sustainability and growth. Fernando (2021) defines stakeholders as parties that has an interest in a firm and can either affect or be affected by the business of the firm. The primary stakeholders in a typical corporation are its investors (shareholders), employees, customers, suppliers, communities, governments and trade associations. An entity's stakeholders can be both internal and external to the organization. Compensation on the other hand, is the money paid to someone or a party because of the injury or loss suffered, or because something he owned had been used up or damaged. The increasing importance of stakeholders' compensation in business operation compelled firm managers in developed economies to incorporate stakeholders' compensation in their strategic objectives and annual budgets, knowing full well that the sustainability and survival of a firm in the long run depends to a large extent on how key stakeholders' interests are managed.

Obasan (2012) says that a stakeholder's compensation is the reward given to a stakeholder as a result of his contribution towards the success of the organization or as a result of discomfort or loss suffered directly or indirectly from the activities of the firm. The nature of the compensation that a stakeholder receives depends on the type of stakeholder, the nature of his contribution or the extent of discomfort suffered from the operations of the firm. For instance, firm and employee's relationship is seen as an exchange process where employees provide inputs in terms of skills and expertise in return for various compensations from the firm. This study adopted directors' remuneration and dividend per share as the independent variable and proxies for shareholders' compensation.

Nazrul (2014) describes directors' remuneration as the payment made for services or employment of directors on the board of the firm or corporation. It refers to how directors of a firm are rewarded for their services usually fees, salaries or the use of the firm's property with the approval of firm shareholders and the Board of Directors. Sullivan and Steven (2003) described dividend as the payments made by a firm to shareholding members. Dividend per share is the sum of declared dividends by a firm for every ordinary share outstanding. It is an important metrics to investors because the amount of a firm payout in dividend directly translates to income for the shareholders. Dwiyanti and Rahadian (2017) defines dividend payout ratio as the total dividends paid out to shareholders during a period divided by profit for the year. Rasche et al (2017) describes corporate social responsibility as the integration of an enterprise's social, ethical, environmental, and philanthropic responsibilities towards society into its processes, operations, and core business strategy in cooperation with relevant stakeholders.

The issue surrounding stakeholders' compensation and corporate value in Nigeria has not been really resolved. The limitations of the traditional approach to scientific management whereby firms have ignored some stakeholders, marginalized some and consistently traded-off the interests of some stakeholders against favoured groups are increasingly becoming apparent. Communities are agitating that firms are not doing enough through its social obligations, shareholders argue that directors recommend small number of dividends while rewarding themselves handsomely, and external fund providers are displeased that the firms are ripping them off. These unhealthy business conditions in the banking sector of Nigeria have in recent times resulted to dis-investment, high labour turnover among key staff, posit of funds for business transaction and squabbles with host communities. It has in-turn led to undercapitalization, inefficiency in operation, dwindling net assets value per share, and eventual takeover of some banks or withdrawal of operating license of some banks.

The question therefore is no longer whether to serve the interest of stakeholders, but how and how much the banks will operate in the interests of each stakeholder. Again, which stakeholders' interests should the bank serve to create the most value? This study was instigated by the need to resolve the agitations and proffer solution to the policy maker in the banking sector in Nigeria on the extent bank could operate to the interest of each stakeholder to create the most value.

Concept of Stakeholders' Compensation

Obasan (2012) states that a stakeholder's compensation is the reward given to a stakeholder as a result of his contribution towards the success of the organization or as a result of discomfort or loss suffered directly or indirectly from the activities of the firm. Martocchio (2019) asserts that each stakeholder has its own set of expectations regarding the firm. Each of them holds their own standards for effective performance and for assessing the extent to which a firm meets its expectation. Multiple stakeholders often compete directly or indirectly for the attention and priority of the firm. Fernando (2021) states that stakeholders are parties that have interests in a firm and can either affect or be affected by the business of the firm. The primary stakeholders in a typical corporation are its investors (shareholders), employees, customers, suppliers, as part of the primary stakeholders. The type of compensation depends on the stakeholder and nature of contribution to the success of the organization. This study adopted directors' remuneration as reward for employees, and dividend per share for shareholders (existing investors).

Concept of Directors' Remuneration

Nazrul (2014) describes directors' remuneration as the payment made for services or employment of directors on the board of the firm or corporation. Directors may be compensated by fee, salary, and or use of the company's property as an agreement between them and the company. To run the company successfully, the levels of make-up remuneration should be sufficient to attract and retain the directors. However, the amount of remuneration cannot exceed the amount specified in the articles of association as stated in company law. Directors can be sued by the stakeholder if they exceed the stated amount or pay themselves too big a share of profit instead of distributing it as dividends. Adeoti and Isiaka (2006) argued that the objective of executive remuneration is to attract; motivate and retain good people for attainment of the organizational performance.

Oyerogba, et al (2016) says that executive compensation consists of three elements, namely: a base salary, an annual cash bonus plan (short-term incentive), and a stock-based plan (long term incentive). While salary is based on an annual fixed naira amount and long-term incentive typically links executive compensation to the firm share price at some future date, short-term incentive payoffs usually stem from more immediate, operational performance drivers.

Concept of Dividend Per Share

Uwuigbe and Jafaru (2012) states that dividend is the distribution of earnings (past or present) in real assets among the shareholders of the firm in proportion to their shareholding in the firms. Dividend policy is one of the factors essential for the successful running of business organization. It is also perhaps one of the successive and impressive instruments for evaluating the performance and existence of a company. Dividend per share is calculated as shown here under;

$$\text{Dividend per Share} = \frac{\text{Dividend Paid}}{\text{No of Outstanding Shares}}$$

Concept of Net Assets Value per Share

Chen (2020) describes net assets in the context of firm and business entities as the difference between the assets and the liabilities of the firm which is also called the net worth or the capital of the firm. Net assets value per share is calculated as the total value of the entity's assets minus the total value of its liabilities divided by the total number of shares outstanding during the period.

Farkoosh, et al (2012), state that the analytic estimates of net assets cannot provide accurate reflection of the net value of assets due to some limitations of the statement of financial which reports the values of assets at historical cost, that is, the date of assets acquisition rather than the current market value of the assets. In most cases, the difference between historical cost and current market values are very high leading to big discrepancies in the

information on assets provided on the statement of financial position. In the contrary column, all the liabilities are reflected at current market value. The origin of this misinformation related to the general accepted accounting principles (GAAP) which insisted that assets must be stated at their historical rather than current market value of the assets.

The Stakeholders' Theory

Edward Freeman propounded the Stakeholders' Theory in 1984. The theory state that contrary to agency theory which view organizations as a system of relationship between shareholders and management, stakeholders' theory view organizations as a system that accommodates not only the interest of the owners but also the interests of other groups within the environment which the organization operates. The theory argued that since organizations cannot operate and exist in isolation without relating with its immediate environment then the interest of other stakeholders like employees, customers, suppliers and host community might be considered in the process of strategic decision making. Therefore, the main argument of the theory, as pointed by Lawal (2011), is that organizations should not only maximize the returns of shareholders alone, but also the expectations of other stakeholders should be considered. Finally, the theory argued that for a firm to achieve effective performance in the market, cordial relationship must exist between the firm and the stakeholders; and the firm board should be large and diversified enough to accommodate the interest of other stakeholders. The stakeholder's theory proposed an increased level of environmental awareness which creates the need for companies to extend their corporate planning to include the non-traditional stakeholders like the regulatory adversarial groups in order to adapt to changing social demands as in (Malarvizhi & Yadav, 2008). The study was anchored on the Stakeholders' Theory which invariably focused on stakeholders' compensations.

Directors Remuneration and Net Assets Value Per Share

Appah, et al (2020) analyzed the effects of directors' compensation on the financial performance of listed deposit money banks in Nigeria for a period of 10 years (2008-2018). The dependent variables are return of asset and return on equity while the independent variables include directors' salary, bonus and stock option. Bank size was used as the control variable. Five deposit money banks listed on the Nigeria Stock Exchange during the period were sampled for the study. Data collected were tested using multiple regression analysis. Findings suggest that there is a relationship between directors' salary and return on assets and return on equity of the banks. Result also indicates that there is a relationship between directors' bonus and return on assets and return on equity. Result further show that there is a relationship between directors' stock option on return on assets and return on equity of deposit the banks.

Tarun and Amrinder (2020) examined the trends and patterns in remuneration of directors working for the largest 30 listed companies in India over the past 18 years (2002-2019). Directors' remuneration was used as independent variable while return on assets, profit before dividend, interest and tax were used as the dependent variables. The control variables are: firm's size, governance, leverage, and risk for the sample companies. Correlation and panel least square regression were used to analyze the data collected for the study. Findings show that a significant increase in remuneration for the period of study, especially after the new guidelines on executive remuneration in the Indian Companies Act, 2013. It also confirms a change in the composition of the remuneration in the last five years wherein the proportion of fixed component (salary) has increased, and the variable components (bonus/commission, perquisites) have declined. Results also confirm a short-term bi-directional association between directors' remuneration and firm performance variables. Further, the outcomes of the panel least square regression confirm the subsistence of a strong pay-performance association for the variable components of directors' remuneration.

Ahmed, et al (2020) investigated the moderating effect of selected board attributes on the relationship between directors' remuneration and financial performance of listed insurance companies in Nigeria. The study targeted all 28 insurance firms listed on the Nigerian Stock Exchange out of which 19 were sampled. Data was generated from annual reports and accounts of listed Insurance companies in Nigeria from 2012 to 2017. Data was analyzed using panel data regression analysis. Findings indicate that directors' remuneration was positively and significantly related

to financial performance. The study recommends that remuneration of directors be given priority by insurance companies, as shown that it affects performance.

Dividend per Share and Net Assets Value per Share

Pavithithra, (2015) studied the impact of dividend policy on corporate profitability of listed beverage food and tobacco firms in Colombo Stock Exchange, Sri Lanka. A sample of 15 firms listed on the stock exchange during the period of 2010-2014 was randomly selected for the study. Return on equity and share prices were used as a measure of profitability while dividend per share and dividend payout ratio were used as a measure of dividend policy. Correlation analysis was used to analyze the secondary data collect for the study. An insignificant relationship between dividend payout and corporate profitability was detected from the analysis.

Funmilola, et al (2018) examined the effect of dividend policy on the profitability of selected banks in Nigeria using a time frame of 2011 to 2015. The study adopted *ex post facto* research design while the data used were extracted from the annual reports and accounts of the sampled banks. The data obtained were analyzed using descriptive statistics and multiple regression analysis. Result suggests that banks' dividend payout ratio and total assets have significant effect on the profit after tax of banks in Nigeria. Results also indicate that the banks' dividend per share has no significant effect on profit after tax. It was recommended that Nigerian banks should always find ways to increasing the percentage of earnings being paid to ordinary shareholders as dividends in addition to finding means of boosting their capital base in order to enhance and improve the profit after tax of the banks.

Hansda, et al (2020) examined the relationship between dividend policy and firm value during the financial crisis. The investigation is based on data of 500 firm listed on the Bombay Stock Exchange, India for the period 2001 to 2017. Panel regression analysis was used to analyze the secondary data obtained from the sampled firm. Results show that dividend policy does not affect firm value definitely. However, it was observed that financial crisis impacted the relationship between dividend behaviour and firm value. Furthermore, the higher dividend yield in post crisis period indicated evidences of signaling hypothesis.

The topic of the study is unique and effect of stakeholders' compensation on corporate value, using the variables of the study has not been extensively discussed. Again, out of the twelve (12) empirical studies on related topics reviewed, only five (5) were conducted in Nigeria while the remaining seven (7) were conducted outside Nigeria; thus, indicating that enough work has not been done on related topics in Nigeria.

Moreover, only two (2) out of the twelve (12) studies were conducted in banking sector while the remaining ones were conducted in other sectors of the economy. Additionally, none of the studies covered the period of 2019 to 2020. These research gaps prompted a pre and post analyses the effect of stakeholders' compensation on corporate value: Nigerian Banking sector experience in COVID 19 era.

Methodology

This study is an *ex-post facto* research designed. Financial data were collected from the published annual accounts and report of selected banks and used to conduct the study. The 22 deposit money banks listed on the Nigeria Stock Exchange during the period 2016 - 2020 constituted the population of the study. Eight (8) of the banks with international authorization were chosen as a sample set out of which seven (7) that consistently paid dividend during the period were selected for the study.

The model hereunder was adopted in line with the variables of data analysis.

$$\text{NAVPS} = f(\beta_0 + \beta_2\text{DTRM} + \beta_3\text{DVPS} + \varepsilon)$$

Where:

f = Function of

NAVPS= Net Assets Value per Share

DTRM = Directors' Remuneration

DVPS = Dividend per Share
 β = Beta
 ϵ = error margin

Data Analysis

The analysis and interpretations for this study was based on comparative results of the data analyses for pre-COVID – 19, COVID era and post – COVID era regressions.

Comparative Analyses of the Stakeholders’ Compensation and Corporate value: Nigerian banking sector experience in COVID era

Table 1: Summary of Analyses

	<i>Coefficient</i>	<i>t-statistic</i>	<i>p-value</i>	<i>Adjusted R²</i>
Pre-COVID ERA				
- DTRM	0.0027	1.8545	0.0699	
- DVPS	7.0094	3.9584	0.0003	0.801967
COVID ERA				
- DTRM	0.0073	6.5170	0.0000	
- DVPS	18.3501	14.1675	0.0000	0.920121
POST COVID ERA				
- DTRM	-0.0063	-1.0249	0.3161	
- DVPS	18.5143	3.9162	0.0070	0.913399

Source: Authors’ compilation 2022

The table above presented a summary of the least square’s regression analyses for the sessions; pre-COVID, COVID and post COVID era. From the table, the coefficient of the variables indicated the nature and direction of the relationship between the independent variables and the dependent variable during the periods. While DVPS maintained the same positive relationship with NAVPS during the periods, DTRM showed a negative relationship with NAVPS after the COVID era. The t-statistic for the post COVID era for DTRM confirmed this too. DVPS continued to show strong relationship with NAVPS all through the periods.

The value of the adjusted coefficient of determination (R^2) is 0.801967. This result indicates that about 80% of the variations in net assets value per share of the banks were explained by the independent variables of the study while the remaining 20% was explained by other factors not included in the model of the study. The least square regression analysis of the study in COVID era showed that the value of adjusted coefficient of determination (R^2) is 0.920121. This result suggests that 92% of the changes in net assets value per share of the banks during the period were explained by the independent variables while the remaining 8% could be explained by error terms and other variables not captured in the model of the study. The analysis in post COVID era however, indicated that the adjusted coefficient of determination is 91%, representing explained variations in NAVPS by the independent variables during the post COVID period.

Test of Hypotheses

Decision Rule

Level of significance (α) = 0.05. Reject the null hypothesis if the significant value of the regression coefficient is less than the level of significance (0.05), otherwise accept the null hypothesis. Based on this decision rule, the results of the pre COVID hypothesis as tested was presented below;

Test of Hypothesis One

H₀: Directors' remuneration does not significantly affect net assets value per share of deposit money banks in Nigeria in pre COVID era.

The result of the regression analysis in the table showed that directors' remuneration has insignificant effect on net assets value per share during the period. This could be observed from the p-value of directors' remuneration of 0.0699, which is not statistically significant at 0.05 level of significance ($0.05 < 0.0699$). Therefore, we accept the null hypothesis which states that directors' remuneration did not significantly affect net assets value per share of deposit money banks in Nigeria in pre COVID era.

Test of Hypothesis Two

H₀: Dividend per share does not significantly affect net assets value per share of deposit money banks in Nigeria in pre COVID era.

The result from the regression model indicated that dividend per share had significant effect on net assets value per share during the period. The p-value of dividend per share in the regression model is 0.0003, which is significant at 0.05 level of significance ($0.05 > 0.0003$). In view of this, we reject the null hypothesis which states that dividend per share did not significantly affect net assets value per share of deposit money banks in Nigeria in pre COVID.

COVID ERA

Test of Hypothesis One

H₀: Directors' remuneration does not significantly affect net assets value per share of deposit money banks in Nigeria in COVID-19 era.

The p-value in table for DTRM in the COVID era showed that directors' remuneration had significant effect on net assets per share of deposit money banks in Nigeria in COVID-19 era. From the table, the p-value of 0.0000 for directors' remuneration was significant at 0.05 level of significance ($0.05 > 0.0000$). Thus, we reject the null hypothesis which states that directors' remuneration did not significantly affect net assets value per share of deposit money banks in Nigeria in COVID-19 era.

Test of Hypothesis Two

H₀: Dividend per share has no significant effect on net assets value per share of deposit money banks in Nigeria in COVID-19 era.

The regression result in the model indicated that dividend per share had significant effect on net assets per share of deposit money banks in Nigeria in COVID-19 era. The probability value of dividend per share in the regression model was 0.0000, which was statistically significant at 0.05 level of significance ($0.05 > 0.0000$). Based on this, we reject the null hypothesis which states that dividend per share has no significant effect on net assets value per share of deposit money banks in Nigeria in COVID-19 era.

POST COVID ERA

Test of Hypothesis One

H₀: Directors' remuneration does not significantly affect net assets value per share of deposit money banks in Nigeria in post COVID era.

From table, it showed that directors' remuneration has insignificant effect on net assets value per share during the period. This could be observed from the p-value of directors' remuneration of 0.3161, which is not statistically significant at 0.05 level of significance ($0.05 < 0.3161$). Therefore, we accept the null hypothesis which states that

directors' remuneration does not significantly affect net assets value per share of deposit money banks in Nigeria in post COVID era.

Test of Hypothesis Two

H₀: Dividend per share does not significantly affect net assets value per share of deposit money banks in Nigeria in post COVID era.

The result from the regression as summarized above indicated that dividend per share had significant effect on net assets value per share during the period. The p-value of dividend per share in the regression model is 0.0070, which is significant at 0.05 level of significance ($0.05 > 0.0070$). In view of this, we reject the null hypothesis which states that dividend per share do not significantly affect net assets value per share of deposit money banks in Nigeria in post COVID.

Discussion of Findings

H₀: Directors' remuneration does not significantly affect net assets value per share of money deposit bank in Nigeria

The study accepted the null hypothesis in pre and post COVID-19 era but rejected the null hypothesis during COVID. Result of the analysis disclosed that the t-statistic of DTRM was 1.854622 and -1.0249 during pre and post COVID respectively. These values are less than 2 during both period and supported the p-values. However, the above null hypothesis was rejected in COVID-19 era as the result of the analysis revealed that DTRM had a coefficient of 0.007326, $p > 0.0000$ and t-statistics of 6.517009 supporting the finding. In view of these, we state that directors' remuneration insignificantly affected net assets value per share of money deposit banks in Nigeria during pre and post COVID-19, but positively and significantly affected net assets value per share of money deposit banks in Nigeria during COVID periods. The findings of the study are well situated with the stakeholders' theory propounded by Edward Freeman in 1984. However, the study revealed that the tempo that sustained activities and the determination for survival during the COVID era has been on the decline after the COVID.

The study is not in line with Ahmed, et al (2020) who used data from 2012 to 2017 to investigate the moderating effect of selected board attributes on the relationship between directors' remuneration and financial performance of listed insurance companies in Nigeria, and observed the directors' remuneration positively and significantly relate with financial performance. Appah et al (2020) who examined the effect of directors' compensation on financial performance of listed deposit money banks in Nigeria 2008 – 2018, and found that relationship exists between directors' earnings and ROA/ROE. Tarun and Amrinder (2020) who examined the trends and patterns in remuneration of directors working for the largest 30 listed companies in India over the past 18 years (2002-2019), and observed a bio-directional association between directors' remuneration and firm performance.

H₀²: Dividend per Share does not significantly affect net assets value per share of money deposit bank in Nigeria

Test of hypothesis two indicated that the null hypothesis was rejected during both periods (pre-COVID era, COVID era and post-COVID era). The analyses indicated a DVPS coefficient of 7.009443, $p > 0.0003$ and t-Statistic of 3.958416 in pre-COVID era. It equally revealed that DVPS had a coefficient of 18.35010, $p > 0.0000$ and t-Statistic of 14.16754 in COVID era and 18.5143, $p > 0.0070$ and t-statistic of 3.9162 during post COVID. The results indicated that dividend per share (DVPS) positively and significantly affected net assets value per share (NAVPS) of money deposit banks in Nigeria during both periods. In view of the findings of the study, we state that dividend per share (DVPS) positively and significantly affected net assets value per share (NAVPS) during the period of the study. The implication of these finding is that COVID pandemic did not change the relationship between net assets value per share and dividend per share which continued to drive the corporate value of deposit money banks in Nigeria. However, the increase in coefficient figure during COVID era implied that increased number of investors sought for dividend paying firms to cushion their earned income package and this continued even after the COVID.

The results of the study contradicted that of Funmilola, et al (2018) that examined the effect of dividend policy on the profitability of selected banks in Nigeria and found that banks' dividend per share has no significant effect on the profit after tax of banks in Nigeria. Pavithithra (2015) who studied the impact of dividend policy on corporate profitability of listed beverage food and tobacco firms in Colombo Stock Exchange, Sri Lanka and found an insignificant relationship between dividend payout and corporate profitability detected from the analysis. It equally, contrasts with the findings of Hansda, et al (2020) that examined the relationship between dividend policy and firm value during the financial crisis and observed that dividend policy does not affect firm value significantly.

Conclusion and Recommendations

This study therefore concludes that stakeholders' compensation had effects in corporate value of firms in the banking sector in Nigeria during the COVID era. We equally conclude that the effect was discretionary in pre and post COVID period and that there are potentials for slight increase in corporate value of the firms in post COVID era.

Based on the findings and conclusion of the study, we suggest the following recommendations for the managers of the Nigeria banking sector;

- I. Nigeria banks should design appropriate directors' remuneration and incentive scheme that will lend more weight on the annual performance-based cash bonus and stock-based incentives to attract, motivate and retain efficient directors for attainment of the corporate objectives of the banks, subject to the restrictions of Securities and Exchange Commission Code of Corporate Governance on directors' remunerations.
- II. The policy maker of banks should formulate dividend policy that will strike a balance between dividend payment and earnings retention. Consistency and steady increases in DVPS is a key factor in creating the most value for firms in banking sector.

Contribution to Knowledge

This study – effect of stakeholders' compensation on corporate value: Nigerian Banking experience in COVID era is significantly original and the first to examine effect of current data (2017 – 2021) in this area, using the study variables. It also extended the available literatures on related studies.

The researchers' method of data collection is another area of contribution. The COVID-19 pandemic was a global issue, so the researchers sought for banks that are players in the international arena; hence in our sample size we picked those that have international authorization.

Suggestions for further studies

The researchers sampled Nigerian Banks with international authorization and those consistent in dividend payments for the period of study, we therefore suggest;

- I. An extension of the study of stakeholders' compensation, employees' incentive and corporate value: Nigerian banking experience in COVID-19 era, since the COVID pandemic is still on in 2021. We believe this will show a more realistic picture of the COVID effect.
- II. A study on a cross section of banks in Nigeria to examine the effect of these variables in COVID era.
- III. A study on this topic, using other variables since the variable used in this study causes only 92% of the outcome in net assets value per share of banks in Nigeria.

References

- Adeoti, L. & Isiaka, A.E. (2006). Executive pay and performance in Nigeria. *Journal of Finance* 8(1), 21-38.
- Ahmed, A. D., Bahamman, S. M., & Abdulkarim, H. (2020). Directors' remuneration and financial performance: Moderating role of board attributes of listed insurance companies in Nigeria. *Journal of Economics and Trade*, 5(2), 23-34.
- Armstrong, M (2005). A Hand book on Human Resources Management Practices. *Journal of Business Economics and Management Studies*, 1(2), 110-114.
- Appah, E, Tebepah, S. F & Awuji, C. E (2020). Directors' compensation and financial performance of deposit money banks in Nigeria. *World Journal of Finance and Investment Research*, 5(1), 61-76.
- Burchman, S (2019). Compensation Goals in the Stakeholder Era. <https://blog.nacdonline.org/posts/compensation-stakeholder-era>
- Chen, J (2020). Net Asset Value. <https://www.investopedia.com/terms/n/nav.asp>
- Dessler C (2002). Human Resource Management. Canadian: 8th edition. In Vancevich JM (1998). Human Resource Management. 7th ed. by the McGraw, Hill company, Inc
- Farkoosh, P.D, Farkoosh, B.D & Naseri, J (2012). The effect net assets value in purchasing the shares of investment companies. *Journal of Humanities and Social Science*, 5(2), 17-20.
- Fernando, J (2021). Corporate Finance & Accounting Financial Ratios: Return on Equity. <https://www.investopedia.com/terms/r/returnonequity.asp>
- Freeman, R. E. (1984). Strategic management: A stakeholder approach. Boston: Pitman
- Freeman, R.E & John, M (2001). A Stakeholder Approach to Strategic Management. Working Paper No. 01-02. Darden Graduate School of Business Administration University of Virginia.
- Funmilola, Y., Omilabu, Adeniyi, A., Abiodun, O & Situ, B (2018). Dividend Policy and Banks' Profitability in Nigeria. *Nile Journal of Business and Economics*, 4(10), 109-118.
- Hajipor, S. A. (2009). Human resource management, first Edition, Yadvareh Asadi and Samen Al-aimeh, 281
- Hansda, S, Sinha, A & Bandopadhyay, K (2020). Impact of dividend policy on firm value with special reference to financial crisis. *Journal of Management*, 10(2), 158-175.
- Heathfield, S.M. (2011). Top ten ways to retain your great employee. [Online]. Available: <http://www.about.com>
- Ibojo, B. O & Asabi, O. M (2014). Compensation management and employees' performance in the manufacturing sector; A Case study of a reputable organization in the food and beverage industry. *International Journal of Managerial Studies and Research*, 2(9), 108-117.
- Martocchio, J. J. (2019). The role of stakeholder and understanding the stakeholders' compensation system. www/hrinasia.com/public-html/content/plugins/seo-internal-links.php on line 329
- Monday, R.W. (2008). Human resource management. (10th Edn.). New Jersey: Pearson Prentice Hall. PMCid: PMC2258584.
- Nangih, E, Obuah, C. A, Wali, S. C & Turakpe, M. J (2020). Assessing the interconnectedness between staff costs and firm profitability: Evidence from Nigeria's oil and gas industry. *European Journal of Accounting, Finance and Investment*, 6(6), 49-58.
- Nazrul, H. A. R (2014). Director remuneration, corporate governance and performance: A comparison between government linked companies Vs Non-government linked companies. *Corporate Board: Role, Duties & Composition*, 10(2), 46-63.
- Negash, R. Zewude S & Megersa, R. (2014). The effect of compensation on employee's motivation. *Basic Research Journal of Business Management and Accounts*, 3(2), 17-27.
- Obasan, K. A (2012). Effect of compensation strategy on corporate performance: Evidence from Nigerian firms. *Research Journal of Finance and Accounting*, 3(7), 37-45.
- Odesa, J, Igbru, O & Agbasi, E. N (2016). Effect of environmental cost on firm performance: A Study of selected Manufacturing and Oil and Gas companies in Nigeria. *Journal of Accounting, Business and Social Sciences*, 1(1), 1-10.
- Oyerogba, E.O., Riro, G.K. & Memba, F. (2016). The perceived relationship between executive compensation packages and profitability of listed companies in Nigeria. *European Journal of Business, Economics and Accountancy*, 4(3), 11-22.

- Rasche, A., Morsing, M. & Moon, J. (2017). *Corporate Social Responsibility: Strategy, Communication, Governance*; Cambridge University Press: Cambridge, UK.
- Sullivan, A. & Steven, M. S. (2003) *Economics Analysis in Action*. Upper Saddle, New Jersey: Pearson Prentice Hall.
- Tarun, K. S & Amrinder, S (2020). Directors' remuneration, corporate governance and firm performance linkages: Evidence from the emerging country. *Corporate Ownership & Control*. 18(1), 382-392.
- Uwuigbe, U, Uwuigbe, O & Ajayi, A. O. (2011). Corporate social reasonability disclosures by environmentally visible corporation: A study of selected firms in Nigeria. *European Journal of Business and Management*. 3(9), 105-121.

Appendixes:

Table 2: Least Squares Regression Analysis (Pre-COVID 19 Era)

Dependent Variable: NAVPS
 Method: Least Squares
 Date: 02/07/22 Time: 16:38
 Sample: 1 56
 Included observations: 52

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.242605	0.872448	8.301477	0.0000
DTRM	0.002678	0.001444	1.854622	0.0699
DVPS	7.009443	1.770770	3.958416	0.0003
CSRE	0.029172	0.007710	3.783860	0.0004
BORC	-8.10E-05	4.06E-05	-1.993024	0.0521
R-squared	0.817499	Mean dependent var		16.53846
Adjusted R-squared	0.801967	S.D. dependent var		6.040587
S.E. of regression	2.688114	Akaike info criterion		4.906768
Sum squared resid	339.6200	Schwarz criterion		5.094388
Log likelihood	-122.5760	Hannan-Quinn criter.		4.978697
F-statistic	52.63326	Durbin-Watson stat		0.533170
Prob(F-statistic)	0.000000			

Source: E-view output 2022

Table 3: Least Squares Regression Analysis (COVID 19 Era)

Dependent Variable: NAVPS
 Method: Least Squares
 Date: 02/07/22 Time: 16:22
 Sample: 1 56
 Included observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.155969	0.661589	12.32784	0.0000
DTRM	0.007326	0.001124	6.517009	0.0000
DVPS	18.35010	1.295222	14.16754	0.0000
CSRE	0.008742	0.000998	8.759348	0.0000
BORC	1.38E-05	7.11E-06	1.938274	0.0581
R-squared	0.925930	Mean dependent var		19.28571
Adjusted R-squared	0.920121	S.D. dependent var		8.058230
S.E. of regression	2.277494	Akaike info criterion		4.569074
Sum squared resid	264.5360	Schwarz criterion		4.749909
Log likelihood	-122.9341	Hannan-Quinn criter.		4.639183
F-statistic	159.3843	Durbin-Watson stat		0.403097
Prob(F-statistic)	0.000000			

Source: E-view output 2022

Table 4: Least Squares Regression Analysis (COVID 19 Era)

Dependent Variable: NAVPS

Method: Least Squares

Date: 09/28/22 Time: 19:18

Sample: 1 28

Included observations: 28

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.455890	1.920358	2.841080	0.0093
DTRM	-0.006348	0.006194	-1.024918	0.3161
DVPS	18.51432	4.727682	3.916151	0.0007
CSRE	0.018744	0.006329	2.961790	0.0070
BORC	0.000324	0.000305	1.060701	0.2998
R-squared	0.926229	Mean dependent var		24.57143
Adjusted R-squared	0.913399	S.D. dependent var		10.18142
S.E. of regression	2.996196	Akaike info criterion		5.192996
Sum squared resid	206.4753	Schwarz criterion		5.430890
Log likelihood	-67.70195	Hannan-Quinn criter.		5.265723
F-statistic	72.19360	Durbin-Watson stat		0.517481
Prob(F-statistic)	0.000000			

Source: E-view output 2022