OPEN ACCESS
Finance & Accounting Research Journal
P-ISSN: 2708-633X, E-ISSN: 2708-6348
Volume 5, Issue 9, P.No. 236-250, September 2023
DOI: 10.51594/farj.v5i9.557
Fair East Publishers
Journal Homepage: www.fepbl.com/index.php/farj

CORPORATE GOVERNANCE CODES AND INTELLECTUAL CAPITAL DISCLOSURE (ICD) OF LISTED BANKS IN NIGERIA

Onajite Alexandra AKPOVETA[1], Dr. Sunny, I. AGBO[2], & Ass. Prof. Mary JOSIAH[3]

[1,2, & 3] Department of Accounting,
Mallam Sanusi Lamido Sanusi College of Business and Management Studies,
Igbinedion University, Okada,
Edo State of Nigeria.

*Corresponding Author: Akpoveta Onajite Alexandra
Corresponding Author Email: onajite.akpoveta@iouoka.edu.ng, agbo.sunny@iouoka.edu.ng, Josiah.mary@iuokada.edu.ng

Article Received: 06-08-23 **Accepted:** 06-09-23 **Published:** 13-09-23

Licensing Details: Author retains the right of this article. The article is distributed under the terms of the Creative Commons Attribution-Non Commercial 4.0 License (http://www.creativecommons.org/licences/by-nc/4.0/) which permits non-commercial use, reproduction and distribution of the work without further permission provided the original work is attributed as specified on the Journal open access page.

ABSTRACT

Since the corporate global scandal of early 2000 underscore the need for firms all over the world to re-examine their Corporate Governance-COG codes and conducts. This increased scholarly debate spurred the need to examine the contribution of corporate governance codes to Intellectual Capital Disclosure-ICD. The content analysis approach was used to generate data used for the panel regression (random effect model). The study adopted the panel regression (random effect model) confirmed that, Accountability (ACT), Leadership Effectiveness (LEF), Remuneration Packages (REP), and Shareholder’s Relationship (SHR) has a positive yet considerable (significant) effect on ICD. By implication, the higher the Accountability (ACI), Leadership Effectiveness (LEF), Remuneration Packages (REP), and Shareholder’s Relationship (SHR), the more Nigerian banks disclose intellectual capital. Hence, the paper concludes that, corporate governance-COG codes improve ICD of banks in Nigeria provided that, shareholders relationship is harmonious. In light of the researcher’s findings, the paper recommend that, for regulators of the Nigerian banking industry to ensure that, the board of directors-BoDs of DMBs in Nigeria is accountable, they must ensure that,

the board of directors-BoDs should make annual disclosures to shareholders that represent a fair, accurate and comprehensive assessment of the corporation's positions and corporate outlook. Lastly, regulators of the Nigerian banking industry should ensure that, efficient bank managers are rewarded dully while inefficient bank managers should be punished accordingly. This will serve as a deterrent to others.

Keywords: Corporate Governance Codes, Intellectual Capital Disclosure (ICD), Listed Banks.

INTRODUCTION

Over the years, the subject of corporate governance (COG) codes and ICD has suffered neglect both in the academia and public policy in Nigeria. The relative neglect of board governance in Nigeria public policy is perhaps a reflection of the paucity of empirical works in this area. Although, it has attracted serious interest among a wide spectrum of people; governments, industry operators, directors, investors, stockholders, academia, international organization etc. in recent times, most board of directors-BoDs are still criticized for being responsible for the dwindling in shareholders' wealth, both in developed and developing economies, particularly, in Nigeria where this study is based (Alhassan & Asare, 2016).

Worthy to note is that, the prevailing corporate failure around the world and existence of ample evidence suggesting that intellectual capability of firms can help to mitigate corporate crisis and failures especially in the world operating resourced based system which has made the role of intellectual capital-IC to be more essential to corporate organizations. By implication, firms have been awaken to the inability of only the physical capital to drive the needed growth in an organization, hence attention is being given to intangible asset popularly referred to as IC. Thus, as stated by Aslam and Haron (2020) an understanding of intellectual capability of firms and its fundamental determinants are of utmost importance in contemporary business world is germane.

Although, avalanche of studies have been undertaken on the effect of COG on ICD, developing and developed countries are yet to fully disclose sufficient information on IC. Again, most related studies conducted in and outside the Nigerian context only focused on COG effect on ICD without necessarily looking at how the COG codes such as accountability, leadership effectiveness, remuneration packages and shareholders relationship influences the ICD of quoted deposit money banks in Nigeria. For example, Adamu and Ivashkovskaya (2022) studied IC influence on corporate risk disclosure-CRD in the Nigerian banking industry. They adopted the panel data approach. They disclosed that, the major factors which determine risk disclosure are bank size, financial leverage, and institutional investors. Meanwhile, liquidity reduces risk disclosure but capital increase risk disclosure. Likewise, Shahzad, Shah, Lai, Jan, Shah, and Shad (2022) examined COG effect on IC efficiency of firms in Pakistan from 2016–2020. Meanwhile, Mardan, Che-Adam, and Abdullah (2021) examined the moderating role of IC on COG and company performance. The various COG proxies considered are: board change, board size, meeting, managerial ownership, block ownership, and CEO duality while IC. The documentary research approach was adopted. The study reported that, IC is key to business growth and can better explain disparities in the firm's financial performance. Also, Adebayo, Oyewole, and Lamidi (2021) reported that, COG codes improved non-financial firms' performance in Nigeria from 2010 to 2019. In like manner, Aslam and Haron (2020) examined the impact of internal COG structure on IC efficiency of selected Islamic Banks from selected organizations of Islamic Corporation countries between 2008 and 2017 using the two step systems Generalized Methods of Moments (GMM) to analyze the data. Another area of departure is that, one critical issue that may be drawn from the above is that the current study is the first of its kind in and outside the Nigerian context to actually examine COG codes effect on IC of listed deposit money banks in Nigeria. To address these problems, this paper focused on the extent to which Accountability (ACI), Leadership Effectiveness (LEF), Remuneration Packages (REP), and Shareholder's Relationship (SHR), affect Nigerian banks' ability to disclose intellectual capital.

To streamline this study, the study was organized into five sections. The first and second section dealt with the introduction and literature review. The third and fourth section dealt with methodology and results and discussions. Meanwhile, the last section of this study dealt with the summary, conclusion, and recommendations.

LITRATURE REVIEW

Corporate Governance-COG Codes

The term COG codes according to Ozili (2021), are set of principles for the best practice in COG. Again, COG codes vary across borders, so it is paramount to state that their recommendations depend on a particular country's legal and business context. Simply put. *COG Codes* outlines what is expected of shareholders. Furthermore, COG codes ensure that, those at the helm of affairs should be transparent, informative and devoid of corrupt practices. Over time, regulators of firms in Nigeria ensures that, the structures, frameworks, policies, and procedures, to define formal and informal rules regulating organizations, to enforcing and enforcing those rules and regulations are in line with best COG practices (Nuhu, & Ahmad, 2017).

In view of the above COG codes are rules and ethical standards which define the relationship that has been formed and the essence of these relationships that are essential to maintaining a moral equilibrium between social order need and equity.

Accountability

The term accountability is associated with being responsible and committed. Again, to be accountable means the idea of being held responsible for the performance /results of particular operations. In essence, the accountable person is in charge of carrying out the desire. Udeh, Otuedon, and Aruomah (2023) stated accountability occurs when a manager takes responsibility for organizational goals. Hence, where managers do not feel accountable, they will not act responsibly (Tonye & Tonye, 2023)

Leadership Effectiveness

Undoubtedly, leadership style is the distinctive way in which a superior manages his/her interfaces with subordinates. Leadership styles are often an extension of the personality of a leader and are shaped by the needs of the position. Dr. Rao as stated by Ugwuanyi, Uduji, and Oreedu (2020) developed an instrument for measuring three styles of leadership: The critical or coercive, the developmental and the benevolent or paternalistic. These are the top management styles which talks about creating different kind of work atmosphere in an organization and their fitness with organization needs. Worthy to note is that, while an inefficient leadership may encounter various problems whereas efficient leadership may lead to smooth functioning, motivated employees and overall effectiveness in the performance of organization, without changing other factors in the organization (Lumumba, Simatwa, & Jane, 2021).

The implication of the above assertion is that, what determine the level of effectiveness of the leadership style which such leader adopt. In the case of a democratic style of leadership, subordinates are involved in the decision-making process, and decisions result from a group consensus (Ejike, 2022). There are frequently scheduled meetings, and subordinates are listened to by the leader. This leadership style aspires to nurture responsibility, flexibility and high morale. There is a tendency for staff to be more realistic about what is and is not possible, because they are involved in the decision making process, as well as planning (Nwanzu, & Uhiara, 2018).

Remuneration Policy and Packages

The term "remuneration" accounts for any type of payment or compensation for providing services. The term could include payment in form of salary, wages and commission or non-financial compensation as in the case of award and recognitions. The intention is to make the employee to always be happy with the chosen endeavour (Balkin, & Werner, 2023).

Adebayo, Oyewole, and Lamidi (2021) advise organizations to create a pay policy/strategy that aligns with the interest of the employees. Such policy is expected to include a summary of the underlying concepts that determine how owners of firms and its employees rewards its most productive employee. In light of this, the Nigerian government in 2009 established the National Employment Standards-NES Act.

Shareholders Relationship

The Code underscores the need for robust shareholders relationship with the company's Board of directors-BoDs through the platform of General Meetings, in order to facilitate greater understanding within the firm (Adepoju, 2019). The Code raises concern on how needs of different shareholders can be best addressed using dialogue as the major tool (Gupta, & Krishnamurti, 2023).

Intellectual Capital Disclosure-ICD

It is essential to define the concept of intellectual capital (IC) before comprehending the concept of ICD properly. Oziegbe (2018) defined IC as the knowledge that transforms raw materials and makes them more valuable. The term IC is defined as the aggregate sum of intangible values which comprises of human capital, relational capital and structural capital. Bhattachaarjee, Chakraborty and Bhattacharjee (2017) defined intellectual capital as intangible assets which are invaluable to a firm's competitive power (Hasan, Mohammad & Alam, 2017).

Lawuyi (2022) shown that IC, coupled with good COG, is critical to company success and may better explain variations in financial performance. The economic trends around the world, which include complicated and competitive situations, need modern methods to enhance profitability through managing IC rather than conventional board supervision of operations.

Theoretical Framework

The study was supported by the agency theory. The contract that exists between the principal and agent is explained by this notion. The idea also contends that managers' and directors' self-interests within the company may conflict with the interests of investors. According to

Panda and Leepsa (2017), agency theory reveals the issues that arise in businesses as a result of the separation between owners and agents (managers) and focuses on solutions to the agency problem. Additionally, the theory helps the businesses implement the different governance methods to control the behavior of the agents in the joint companies. Agents are supposed to perform in a way that guarantees the expectations of the organization's owners and other stakeholders are taken into account when conducting business.

The application of this theory to this study is that, through ICD, the conflicting interest between the principal and agent can be reduced but may not necessarily increase the company’s value. COG is therefore necessary for reporting and overseeing the transparency practices carried out by IC and to be able to lessen the occurrence of moral hazard. Similarly, sound governance mechanisms reduce the chances of management to try to further their welfares by means of information irregularities and asymmetry . Accordingly, a way of reducing information asymmetry that may subsist between the principal and agent is for disclosure on issues that affect the organization as a whole of which ICD happens to be one of them. Hence, this theory is critical to this study.

Empirical Review

A number of empirical studies has provided various researchers observations on the relationship between the corporate board characteristics and IC of quoted deposit money banks (DMBs). Some of these studies have provided direct evidences on corporate board characteristics impact on the financial performance of DMBs; while others have created indirect evidences in favor of their country. For example, Adamu and Ivashkovskaya (2022) studied IC effect on corporate risk disclosure-CRD in the Nigerian banking industry. A sample of eight (8) Nigerian stock exchange-listed (NSE) banks was used. According to the content analysis of the manual, operational risk disclosures-ORD are more prominent than environmental and strategic risk disclosures. Additionally, the regression results show that intellectual capital, the size of the bank, institutional investors, and leverage are the primary predictors of risk disclosure.

Using the census sampling method, Shahzad, Shah, Lai, Jan, Shah, and Shad (2022) examined COG effect on IC efficiency of firms in Pakistan from 2016–2020. The value-added IC coefficient (Public) model was used to arrive at the IC efficiency. The regression study used two-stage least squares and a fixed-effect model. The study's conclusions showed that IC efficiency is significantly negatively correlated with independent directors, the audit committee, board size, and pay committee. CEO dualities were shown to have strong relationship with IC effectiveness.

Mardan, Che-Adam, and Abdullah (2021) examined the moderating role of IC on COG & company performance. The COG proxies considered are: board change, board size, meeting, managerial ownership, CEO duality, block ownership, and IC. The documentary research approach was employed by the researcher in analyzing the data sourced. The study reported that, IC is important to business growth and gives a better explanation of the disparities in the firm's financial performance.

Oyewole, and Lamidi (2021) reported that, COG (board size, meetings, and independence) reduced ICD of 64 non-financial firms’ performance considered in Nigeria between 2010 and 2019. However, Aslam and Haron (2020) examined the impact of internal COG structure on IC efficiency of selected Islamic Banks from selected organizations of Islamic Corporation countries between 2008 and 2017 using the two step systems Generalized Methods of Moments (GMM) to analyze the data.. Meanwhile, Kamath (2019) discovered that board meeting has high adverse effect on ICD of larger firms but became positive though insignificant in the case of small-capitally based firms.

Saruchi, Zamil, Basiruddin and Ahmad (2019) revealed in a study of selected Islamic Banks between 2006 and 2017 that meeting of board has insignificant positive effect on human capital efficiency. By implication, existing empirical studies on the link between board meeting and IC has produced mixed results.

Rompas, Soeindra, and Dananjaya (2019) analyzed the moderating role of COG on both IC and corporate performance. The researcher adopted the quantitative research approach and secondary data collected from Indonesia Stock Exchange (ISE). The study covered all listed firms in Indonesia. The study reported that, IC have positive significant effect on firm performance while the IC and COG variables as moderating variables on firm performance had no effect. Meanwhile, firm size and debt though improves both IC and COG but was not statistically significant.

Alfraih (2018) examined the extent COG mechanisms improves ICD among companies listed on the Kuwait Stock Exchange-KSE. The content analysis was used to generate data used for the multiple regression. From the result, COG mechanisms influenced the quality of IC information that was disclosed in the financial reports of the sampled firms.

METHODOLOGY

This study adopted the ex-post facto (non-experimental) research design. As an empirical study, it made use of only past data in form of secondary data extracted from annual financial statements to analyze the effect of firms' attributes on financial performance among selected listed banks in Nigeria using the content analysis/approach. Out of the 21 listed DMBs as at 31^{st} December, 2021, the study sampled 15 of these banks. The banks were purposively sampled because the researcher could not access the annual financial statements of the other banks for the relevant years of the study (2012-2021). These banks include: Access Bank, Eco Bank of Nigeria, First Bank Nigeria Plc, Fidelity Bank, First City Monument Bank, Guarantee Trust Bank, Keystone Nigeria Limited, Polaris Bank Plc, Stanbic IBTC, Skye Bank, United Bank for Africa, Unity Bank, Union Bank Plc, Wema Bank Plc., and Zenith Bank.

The study utilizes the secondary data from Banks' Annual Reports, Nigerian Deposits Insurance Corporation (NDIC) and the Nigeria Exchange Group Fact Book as they are reliable data sources. The annual reports and statements of accounts of companies were sourced from the corporate headquarters of the companies, the Corporate Affairs Commission-CAC, the Securities and Exchange Commission-SEC, and the Nigeria Exchange Group. The data for this study include among others; the number of women in board; number of board members; the number of board members that have degrees in Accounting, Banking, Management/Administration, Economics, Marketing and in the field of finance; numbers of non-executive directors, profit after interest and tax, and total asset.

The model used in this study was neither adopted nor adapted. Hence, our model for this study is expressed as:

$ICD_{it} = \alpha + \beta_1 ACT_{it} + \beta_2 LEF_{it} + \beta_3 REPit + \beta_4 SHRit + \mu it$---1

Where:

ICD	=	Intellectual Capital Disclosure
ACT	=	Accountability
LEF	=	Leadership Effectiveness
REP	=	Remuneration Packages
SHR	=	Shareholders' Relationship
α	=	constant
$\beta 1 - \beta 4$	=	Coefficient of the parameter estimate.
μ	=	Stochastic error or term.
t	=	Time Period (2012-2021)

Table 1 account for how each of the study variables are operationalized:

Table 1

Operational Definitions of Research Variables

Name of Variables	**Nature of Variable**	**Operational Definitions**	**Authors**
Intellectual Capital Disclosure (ICD)	Dependent	Intellectual capital disclosure index adapted measured as scores obtained divided by maximum possible scores.	Adamu, & Ivashkovskaya (2022)
Accountability (ACI)	Independent	This covers 4 items. The company is scored 1 if it records any of the items otherwise score 0. These items include: (i)Certified financial statement (ii)Accounting and management Risk management issues (iii) Degree of compliance with provision of code (iv) Disclosure of any independent expert the board may engage.	Adefemi, Hassan, and Fletcher, (2018).
Leadership Effectiveness (LEF)	Independent	If the bank discloses board performance report, it is denoted as 1 otherwise 0.	Duho, Onumah, Hodey, and Owodo (2019)
Remuneration Packages (REP)	Independent	Annual amount paid to directors plus other emoluments. If the bank discloses it 1 otherwise 0.	Duho, Onumah, Hodey, and Owodo (2019)
Shareholder's Relationship (SHR)	Independent	This covers 4 items. The company is scored 1 if it records any of the items otherwise score 0. These items include: (i)Meeting with shareholders (MWS), (ii) Protection of shareholders (POS); (iii) Disclosure of Venue for meeting (VOM); (v)Resolutions (R);	Chukwu (2018).

Source: Researcher's Computation Based Extant Studies, 2022

RESULTS AND DISCUSSIONS

Preliminary Analysis

Descriptive Statistics

Table 1 presents the result for the descriptive statistics for the variables. Accordingly, the descriptive statistics takes into consideration the mean value, standard deviation value, maximum values and minimum values respectively. In view of that, each of the variables and their descriptive properties are presented in table 4.1 collectively and represented individually below:

Table 2

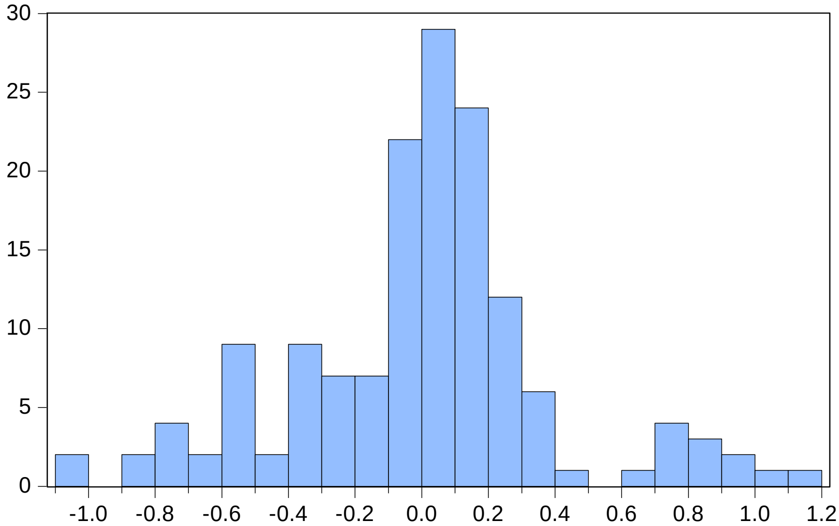
Descriptive Statistics

	ICD	ACT	LEF	REP	SHR
Mean	1.256629	0.522641	0.833333	0.846667	0.625333
Median	1.279000	0.555600	1.000000	1.000000	0.600000
Maximum	2.437400	0.988400	1.000000	1.000000	1.000000
Minimum	0.255800	0.000000	0.000000	0.000000	0.200000
Std. Dev.	0.390984	0.278932	0.373927	0.361516	0.179928
Observations	**150**	**150**	**150**	**150**	**150**

Source: Author's Computation Using E-views 9

As observed, the average value for the amount of intellectual capital disclosure by the selected banks is 1.256629 but deviated by 0.390984. This reveals that, ICD did not deviate much away from its mean value. More so, it has maximum and minimum values of 2.437400 and 0.255800 respectively. Additionally, the average accountability (ACT), leadership effectiveness (LEF), remuneration packages (REP), and shareholders relationship (SHR) are: 0.522641, 0.833333, 0.846667, and 0.625333 but deviated by 0.278932, 0.373927, 0.361516, and 0.179928 respectively. This reveals that, ACT, LEF, REP, and SHR did not deviate much away from its mean value. More so, they have maximum values of 0.988400, 1.000000, 1.000000, and 1.00000 and minimum values of 0.000000, 0.000000, 0.000000, and 0.200000.

To further reaffirm the above claim, the normality test estimate in figure 4.1 evidenced that, the model did not deviate from normality assumption. Hence, the study submit that, the model is fit for parametric analysis. However, this is need for further confirmatory analysis.



Series: Standardized Residuals	
Sample 2012 2021	
Observations 150	
Mean	-2.51e-16
Median	0.024846
Maximum	1.166626
Minimum	-1.005365
Std. Dev.	0.391854
Skewness	0.161098
Kurtosis	3.897541
Jarque-Bera	5.683690
Probability	0.058318

Figure 1: Normality Test

Source: Econometric Views Version 9.0 (2022)

Correlation Analysis

The correlation matrix explains the nature of relationship between the dependent and independent variables of the study as well as the independent variables among themselves. The summary of the associations among the variables of the study is presented in table 3.

Table 3

Summary of Correlation Analysis

	ICD	ACT	LEF	REP	SHR
ICD	1.000000				
ACT	0.604842	1.000000			
LEF	0.834322	0.232250	1.000000		
REP	0.006314	-0.023638	-0.091021	1.000000	
SHR	-0.538967	0.087543	0.103079	-0.022424	1.000000

Source: Econometric Views Version 9.0 (2022)

Table 3 shows that accountability (ACT) had positive yet moderate correlation with ICD with correlation coefficients of 0.604842. This is because, its estimated correlation coefficient value estimated at 0.604842 is below 70% though falls within 31-69%. However, leadership effectiveness (LEF) had positive yet strong correlation with ICD. This is because, its estimated correlation coefficient value estimated at 0.834322 is above 70%. Meanwhile, remuneration packages (REP) had positive weak relationship with ICD. This is because, its estimated correlation coefficient value estimated at 0.006314 falls within the benchmark of 0 to 29%. Again, shareholders relationship (SHR) exerted negative yet moderate correlation with ICD during the reviewed periods. This is because, its estimated correlation coefficient value estimated at -0.538967 falls within the benchmark of 31 to 69% and is also negatively signed.

Lastly, none of the regressors within each other reported a coefficient value of up to 70% (Orjinta, & Ighosewe, 2022; Ighosewe, 2022). This indicates that, the possibility of multicollinearity problem among the regressand is very low. This was revalidated by the Variance inflation factor estimate stated in table 4.3

Table 4

Variance Inflation Factors-VIF:

Date: 01/07/23 Time: 03:25
Sample: 2012 2021
Included observations: 10

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.935846	1294.418	NA
ACT	0.459114	175.9992	2.540017
LEF	0.069512	67.90049	1.132387
REP	0.264435	264.4808	2.292059
SHR	0.346971	189.2226	1.556201

Source: Econometric Views Version 9.0 Output (2022)

The variance inflation factors in table 4.3 evidenced that none of the study variables reported a VIF figure that are up to 10 signaling that the model did not exhibit any trace of multicollinearity problem. On this premise the study laid claim that, the model is amenable for policy formulation in Nigeria.

Regression Result

In a bid to ensuring that the statistical inferences to be drawn for the study are reliable, valid, and accurate, this section presents the results of three (3) forms of estimation techniques/models vis-à-vis pooled ordinary least square (Pooled OLS), Random Effect Model (RAM), and Fixed Effect Model (FEM) carried out in this study. Also, Hausman test was conducted to know the most appropriate model to adopt. Their summarized results are presented in table 5:

Table 5

Random Effect Model-REM Estimate

Dependent Variable: ICD
Sample: 2012 2021
Periods included: 10
Cross-sections included: 15
Balanced Panel observations: 150

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.267620	0.330854	9.069300	0.0000
ACT	0.882731	0.086171	2.668038	0.0085
LEF	0.755765	0.108983	8.770556	0.0000
REP	0.254630	0.069973	2.336413	0.0208
SHR	-0.624383	0.330854	-8.923172	0.0000
	Effects Specification			
			S.D.	Rho
R-squared	0.704685	S.D. dependent var		0.197311
Adjusted R-squared	0.682772	Durbin-Watson stat		1.809437
F-statistic	12.85114	Prob(F-statistic)		0.000000
Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**	
Period random	0.492905	4	0.9742	

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.355302	Prob. F(4,145)	0.3668

Ramsey RESET Test

F-statistic	0.630202	(1, 144)	0.4717

The Hausman Test reported a p-value of 0.9742 signaling that, the Random effect model is preferred over the Fixed effect Model. Hence, the study concludes that, the Random effect model was considered adequate for the study. Table 4.5 reported a P-value of 0.4717. This gives us prove that there is none of the study variables are omitted since it is not significant at 5%. On this note, the study boldly state the model is reliable and fit for prediction. Again, the Heteroskedasticity Test reported a p-value of the chi-square which stood at 0.3668. This gives us prove that there is absence of Heteroskedasticity in the study, since it is not significant at 5%. Hence, the study concludes that the model is Homoskedastic (i.e. it has equal variance). On this note, the study boldly state the model is reliable and fit for prediction.

Furthermore, the F-statistics value for the result in table 4.7 stood at 12.85114 while its P-value is estimated at 0.0000 indicating that on the overall, all the study variables jointly determines ICD. Also, the value of R^2 is 0.704685 indicating that about 70.47% of the variations in ICD could be explained by changes in ICD while about 46.18% could be accounted for by other unexplained factors, including the error term. Lastly, the Durbin-Watson test of first order autocorrelation which have estimated value of 1.809437 (approximately 2) indicate that errors are uncorrelated indicating absence of serial correlation within the period of the study.

The result analysis in table 4.7, accountability (ACT) was found to have positive significant effect on ICD. This implies that, the more banks managements are transparent and fair in their dealings with their employee; it increases the likelihood of their investment in intellectual capital. Put differently, a unit rise (decrease) in accountability will increase (decrease) ICD by a significant value of 0.882731. This is buttress by the positive t-value of 2.668038. This result is in tandem with the Aprioiri Expectation of this study. This finding further suggests that, accountable managers respond to market demands for more information disclosure considering the benefit of ICD. This is in tandem with Hasan, Mohammad and Alam (2017) findings but not agree with Bhattachaarjee, Chakraborty and Bhattacharjee (2017); Tejedo-Romero, Araujo and Emmendoerfer (2017) findings.

Addiontally, leadership effectiveness (LEF) was found to have positive significant (considerable) effect on ICD. This implies that, a unit rise (decrease) in leadership effectiveness will increase (decrease) ICD by a significant value of 0.755765. This result is in tandem with the Aprioiri Expectation of this study. This further reveals that, leadership (board) effectiveness (LEF) improves ICD. This is in tandem with the findings of Hasan, Mohammad and Alam (2017) but deviated sharply from the findings of Bhattachaarjee, Chakraborty and Bhattacharjee (2017); Tejedo-Romero, Araujo and Emmendoerfer (2017).

The implication of the above result is that, efficient leadership plays a significant role in improving employee skills (human capital), technological innovation and breakthroughs (structural capital) and relationships with customers (direct relational capital). This further reveals that, leadership effectiveness is a major predictor of higher ICD (ICD) in the Nigerian banking industry.

Furthermore**,** remuneration policy and packages (REP) was found to have positive effect on ICD. This implies that, a unit rise (decrease) in remuneration policy and packages (REP) disclosure will increase (decrease) ICD by a significant value of 0.254630. This result is in tandem with the Aprioiri Expectation of this study. This further reveals that, the more directors do not disclosure their own pay at the expense of the bank’s overall remuneration policy and packages (REP) disclosure, the more such bank discloses its Intellectual capital. This is in tandem with the findings of Alfraih (2018) but deviated sharply from the findings of Duho, Onumah, Hodey, and Owodo (2019). Justifiably, the later authors reported that, director’s remuneration reduces intellectual capital (IC) performance of Ghanaian banks from 2000 to 2014.

The implication of the above result is that, remuneration policy and packages (REP) disclosure plays a significant role in improving employee skills (human capital), technological innovation and breakthrough (structural capital) and relationships with customers (direct relational capital). This further reveals that, remuneration policy and packages (REP), the more banks disclose their Intellectual capital.

Lastly, shareholders relationship (REP) was found to have negative effect on intellectual capital disclosure. This implies that, a unit rise (decrease) in shareholders relationship (REP) will decrease (increase) ICD by a significant value of 0.674997. This result is in tandem with the Aprioiri Expectation of this study. This further reveals that, the discords among shareholders have the ability to reduce the ICD of such bank.

In terms of statistical significant, it passed the test of statistical significance since its p-value estimated at 0.0002 is below 5% level. This reveals that, shareholders relationship (REP) disclosure is a major deterring factor which influences ICD among quoted DMBs in Nigeria. The implication of this result is that, the pursuit of shareholder interests though may require ceding a role in COG to employees in order to motivate their investing in firm-specific human capital, such action may be reduce intellectual capital disclosure especially if their misalignment of interest among bank shareholders.

The above result underscores that, shareholders relationship can only improve ICD only when there exist cordial relationship between shareholders and managers of the bank. To achieve this, the board must have to protect their interests, guarantee their rights are treated fairly and, in particular, to protect minority shareholders; and at the same time must encourage their participation. Similarly, Adepoju (2019) reported that, the more the policies formulated by the board members of a bank reflect a balanced understanding of shareholders' issues, the more such bank disclose its intellectual capital.

CONCLUSION AND RECOMMENDATIONS

Since the corporate global scandal of early 2000 underscore the need for firms all over the world to re-examine their COG codes and conducts. This increased scholarly debate spurred the need to examine the influence of COG codes on ICD. It is in this light that, the present study is premised. Specifically, the study adopted the multivariate regression analysis with a view to test the four (4) research hypotheses postulated earlier. Arising from the major results of this study, the study concludes that, COG codes improve intellectual capital disclosure of deposit money banks in Nigeria provided that, shareholders relationship is harmonious.

In light of the researcher's findings, the following recommendations were made:

2. For regulators of the Nigerian banking industry to ensure that, the board of directors of DMBs in Nigeria is accountable, they must ensure that, the board of directors should make annual disclosures to shareholders that represent a fair, accurate and comprehensive assessment of the corporation's positions and corporate outlook.
3. Regulators of the Nigerian banking industry should ensure that, efficient bank managers are rewarded dully while inefficient bank managers should be punished accordingly. This will serve as a deterrent to others.
4. Shareholders of DMBs in Nigeria should ensure that, any attempt made by directors of these banks should be alloyed.
5. The financial reporting council of Nigeria (FRCN) should ensure that corporate governance guidelines which address shareholders relationship related issues such as reiterating the importance of general meetings, communication with and equitable treatment of shareholders should be revisited. To achieve this, they must ensure that, the board must have to protect their interests, guarantee their rights are treated fairly and, in particular, to protect minority shareholders; and at the same time must encourage their participation.

References

Adamu, M.U., & Ivashkovskaya, I. (2022). Intellectual capital and corporate risk disclosure in the Nigerian banking sector. *Eurasian Business and Economics Perspectives*, *1*(1), 201–218.

Adebayo, A.O. Oyewole, O.M., & Lamidi, W.A. (2021). Corporate Governance Characteristics and Intellectual Capital of listed non-financial firms in Nigeria. *Horn of Africa Journal of Business and Economics (HAJBE), 4*(1), 44-55

Adefemi, F., Hassan, A., & Fletcher, M. (2018). Corporate governance disclosure in Nigerian listed companies. *International Research Journal of Business Studies, 11*(2), 67-80

Adepoju, T. (2019). KPMG: The Nigerian Code of Corporate Governance 2018. https://assets.kpmg/content/dam/kpmg/ng/pdf/advisory/2018-Nigerian-Code-of-Corporate-Governance.pdf Accessed on 13th January, 2022.

Alfraih, M.M. (2018). The role of corporate governance in intellectual capital disclosure. *International Journal of Ethics and Systems*, *34*(1), 101-121.

Alhassan, A.L., & Asare, N. (2016). Intellectual capital and productivity in emerging markets: evidence from Ghana. *Management Decision*, *54*(3), 589-609.

An, Y., Eggleton, R. C., Umesh, S., Harun, H., & Luo, F. (2017). Determinants of intellectual capital disclosure by Chinese companies: an empirical investigation. *Transformations in Business & Economics*, *16*(3C), 362-380.

Aslam, E., & Haron, R. (2020). The influence of corporate governance on intellectual capital efficiency: evidence from Islamic banks of organization of Islamic corporation (OIC) countries. *Asian Journal of Accounting Research*, *5*(2), 195-208.

Aslam, S., Ahmad, M.I., Amin, S., Usman, M., & Arif, S. (2018). The impact of corporate governance and intellectual capital on firm's performance and corporate social responsibility disclosure. Available at https://www.semanticscholar.org/paper/The-impact-of-corporate-governance-and-intellectual-Aslam-Ahmad/a888724fc06e8d246dc87f1909a454aa5a54dd48 Accessed on 13th November, 2022

Balkin, D.B., & Werner, S. (2023). Theorizing the relationship between discretionary employee benefits and individual performance. *Human Resource Management Review*, *33*(1), 1009001.

Bhattacharjee, S., Chakraborty, S., & Bhattacharjee, S. (2017). Impact of corporate governance attributes on intellectual capital disclosure: evidence from listed banking companies in Bangladesh. *Prestige International Journal of Management & IT-Sanchayan*, *6*(1), 20-42.

Chukwu N.B. (2018). Impacts of corporate governance attributes on intellectual capital disclosure: evidence from listed banking companies in Nigeria. *EPRA International Journal of Research and Development*, *13*(12), 70-80.

Duho, K. C. T., Onumah, J.M., Hodey, C. & Owodo, R.A. (2019). Corporate governance, director's remuneration and intellectual capital performance in Ghanaian banks. Paper presented at the 5th International Conference on Business Management and Entrepreneurship Development 17-18 April 2019, Accra, Ghana. School of Graduate Studies, University of Professional Studies.

Ejike, E.E. (2022). Relationship between leadership styles and organizational effectiveness: a study of zenith bank Plc. *Journal of Psychology and Behavioural Disciplines*, *2*(3), 100-110

Gupta, K., & Krishnamurti, C. (2023). Does employees' interest matter more than shareholders' interest in determining cash management policy? *International Review of Economics & Finance*, *84*, 568-589.

Hasan, R., Mohammad, N. & Alam, M. F. (2017). Governance, corporate reputation and intellectual capital disclosure. *Journal of Accounting, Finance and Economics*, *7*(1), 58-71.

Ighosewe, E. (2022) Accounting Information and Value Relevance: A Quinquennial Comparison of Pre- and Post-IFRS Adoption of Listed Firms in Nigeria and South Africa. *Modern Economy*, **13**, 1006-1023. doi: 10.4236/me.2022.137053.

Jedo-Romero, F., Araujo, J. F., & Emmendoerfer, M. L. (2017). Corporate governance mechanisms. *Review of Business*, 19(65), 394-414.

Lumumba, K. P., Simatwa, E. M. W., & Jane, K. (2021). Influence of leadership style on organizational performance of primary teachers training colleges in Lake Victoria Region of Kenya. *Creative Education, 12*, 2228-2251.

Mardan, F.N., Che-Adam, N., & Abdullah, Z. (2021). Intellectual capital as a moderating effect between corporate governance, and firm performance: a conceptual review. *Universal Journal of Accounting and Finance*, *9*(6), 1470-1477.

Nuhu, M., & Ahmad, S.B. (2017). Does corporate governance matter? Issues and challenges of the code of best practices in Nigeria. *Journal of Business and Retail Management Research*, *11*(3). 116-123

Nwanzu, C. L., & Uhiara, A. C. (2018). Models-based organizational effectiveness scale: Development and validation. *International Journal of Science and Research*, *7*(1), 21-29.

Orjinta, H. I., & Ighosewe, E. F. (2022). Market risks management and performance of deposit money banks in Nigeria: The Challenges of 4th Industrial Revolution. *Modern Economy*, *13*(11), 1508-1520.

Oziegbe, D.J. (2018). Corporate governance structure and intellectual capital disclosure of listed healthcare firms in Nigeria. *West African Social and Management Sciences Review*, *8*(1), 50-62.

Ozili, P. K. (2021). Corporate governance research in Nigeria: a review. *SN Business & Economics*, *1*(1), 1-32.

Panda, B., & Leepsa, N.M. (2017). Agency theory: review of theory and evidence on problems and perspectives. *Indian Journal of Corporate Governance, 10*(1), 74-95.

Rompas, I.C., Soeindra, V., & Dananjaya, Y. (2019). Intellectual capital, corporate performance and corporate governance as moderating variable. *International Journal Advanced Research*, *7*(6), 497-505

Saruchi, S.A., Zamil, N. A.M., Basiruddin, R., Rasid, S.Z.A. & Ahmad, N.F.G. (2019). Empirical linkage of intellectual capital and performance of Islamic banks. *International Journal of Engineering and Advanced Technology*, *8*(5), 677-684.

Shahzad, K. Shah, S.Q.A. Lai, F.W., Jan, A.A. Shah, S.A.A. & Shad, M.K. (2022). Exploring the nexus of corporate governance and intellectual capital efficiency: from the lens of profitability. Available at https://doi.org/10.1007/s11135-022-01472-z Accessed on 23rd November, 2022

Tonye, O., & Tonye, B. (2023). Financial accountability mechanisms and service delivery in kolokuma/opokuma local government area of Bayelsa state, Nigeria. *BW Academic Journal*, *1*(1), 16-16.

Udeh, A. I., Otuedon, A. M., & Aruomah, O. K. (2023). Appraisal of Nigerian banks compliance with the central bank of Nigeria code of corporate governance and its effect on bank performance. *British International Journal of Applied Economics, Finance and Accounting*, *7*(1), 12-31.

Ugwuanyi, C. C., Uduji, J. I., & Oreedu, C. (2020). Customer experience with self-service technologies in banking sector: Evidence from Nigeria. *International Journal of Business and Systems Research*, *14*(4), 241-270.