

# Internationalization and Economic Value-Added of Banking Industry in Nigeria

<sup>1</sup>Afolake Ogunfowora, <sup>2</sup>Ishola Rufus Akintoye, <sup>3</sup>Grace Oyeyemi Ogundajo

<sup>1,2,3</sup>Department of Accounting, School of Management Sciences, Babcock University, Ogun State, Nigeria

## ABSTRACT

Economic Value Added (EVA) has become a popular and useful metric for evaluating performance and the extent banks have been successful in increasing shareholder value. However, meeting shareholders' economic value creation has become complex and challenging, leading to the internationalization of banking operations. The extent to which internationalization has impacted the banking industry's economic value-added is yet unknown. As a result, this study investigates the impact of internationalization on the economic value provided to Nigeria's banking business. This study used panel data derived from the financial statements of the banks chosen over a 15-year period spanning 2007 to 2021, and included all internationalized banks listed in Nigeria. For the investigation, a random-effect Generalized least squares (GLS) regression analysis was investigated. The study's findings revealed that internationalization of the banking industry had a favorable and considerable influence on economic value-added. The conclusion implies that managers should optimize internationalization as another diversification strategy to boost banks' economic worth.

**KEYWORDS:** Banking industry, Economic value-added, Foreign earnings to total earnings, Foreign assets to total assets, Foreign deposits to total deposits, Internationalization. **JEL Classifications:** F23, F33, G21, M16

## 1. INTRODUCTION

In general, the banking business and financial activities have expanded beyond traditional deposit money bank operations; rather, banking activities now include a broader range of internet transactional activities and automation that move outside one country. (Gangi et al., 2019; Francis et al., 2018; Fernando et al., 2018). Globalization and new innovation and information technologies are making the banking industry in the contemporary age easier and investment portfolios diversifiable, making banking services a complete financial supermarket (Hosny, 2017; He, 2018; Haque, 2017). However, how all these innovations and applications of disruptive technologies in the banking industry have translated into banking performance and impact on shareholders' wealth is quite uncertain and studies have remained inconsistent in their findings (Fukuda et al., 2018; Gomez & Apfelthaler, 2016). This has created a wider gap and broader space in the literature for more extension of the research. Hence, the researcher's motivation and incentive for this study were justified.

The banking industry in recent times has witnessed the biggest fraud and financial recklessness and unabated perennial high-profile corrupt practices (Brogi & Lagasio, 2019). Banks globally have spent extensively monitoring bank managers and their cronies in the banking sector to reduce fraud and corrupt practices triggered by the custodians of bank secrets and securities (Curtis et al., 2020). From the banking industry have faced stiff competition at the home country that expansion rate limit reached, the offshore market become one of the possible options (Brooks & Oikonomou, 2018). Studies have reported that shareholders' wealth is a consequence of honest market reactions and a reflection of hard and managerial competence, transparency and compliance to mandatories of ethical and the application of professional expertise in managing the affairs of the banks.

Incidentally, the short-term flaunted stock prices had not been real; but rather a product of insider dealings and stock price manipulations of the managers who engage in income management of accounting numbers (Aguguom et al., 2018; Choi & Kunsu, 2019). The state of the Nigerian economy has been inconsistent as the stock prices have been also affecting economic value-added to reduced profitability and instability participation at the markets. The economic value-added has been effective because the banks have been on a downward slope because the economy has not been vibrant enough to influence value creation and the other micro and macroeconomic indexes

have generally not been active as well (Uwah & Akpan, 2019). Economic value-added to shareholders' investment in the recent time had been degenerating to such an extent that banks had reduced their workforce at all levels, and closure over 20% of their branches nationwide (Shodiya et al., 2019).

Internationalization has been adjudged as an effective investment option capable of increasing the banking volume towards increasing the economic value-added for the banks. According to - internationalization increases banks' access to global markets, which insulates them from the impacts of monetary policy changes on their credit supply, including the hunt for return associated with the risk-taking channel. Hansen and Block, (2020) reported that internationalization gives banks more access to global markets, which insulates them from the consequences of monetary policy changes on their loan supply, particularly the yield-seeking channel. ---noted that it shows that macro prudential foreign exchange regulation restricts institutions with high foreign exchange exposure, notably international banks, from accessing foreign finance, hence contributing to monetary policy transmission. Kandogan, 2020; Jin et al., 2021).

The objective of this study was to explore the implications and opportunities banks could achieve going international among the leading banks in Nigeria and this area has been quite unpopular among scholars researching bank performances. While a good number of studies have researched economic value-added in the banking sector (Chukwuka et al., 2023; Odunukan et al., 2021; Agugom et al., 2022; Olaore et al., 2020). However, the aspect of the significance of internationalization affecting economic value-added in the Nigerian banking industry is still under-researched, hence the dearth of literature in this direction still subsists. This study provides a novelty in the literature, as banks' internationalization created a veritable opportunity for diversification of banking operations to international competitive advantages, and this forms some of the motivation for this study. Consequently, in contributing to knowledge and addressing the problem of economic value-added, we put forward the following research objective, research question and hypothesized thus:

**Objective: investigate the effect of internationalization on the economic value added of the banking industry in Nigeria**

**Research question: How does internationalization affect economic value added of the banking industry in Nigeria?**

**Research Hypothesis: H02: Internationalization has no significant effect on economic value added of the banking industry in Nigeria**

The remainder of the research was structured as follows: The study offered a literature evaluation and a theoretical framework in section 2. Section 3 addressed methodology; Section 4 addressed data analysis, findings, and discussion; and Section 5 addressed the study's conclusion and suggestions.

## 2. LITERATURE REVIEW

### Economic Value-Added

Economic value-added is defined as a measure of business financial success in terms of residual wealth after accounting for operational profits and cash taxation (Hurtado-Torres et al., 2018). Unlike market value-added, which evaluates total market value-added, economic value-added is concerned with economic value-added from a profit standpoint (Hansen & Block, 2020). Economic value-added is defined by Hansen and Block (2020) as the genuine economic profit potentiality of a business organization that converts to shareholder wealth. According to Florio and Leoni (2017), economic value-added is a measure of the economic value generated by an organization's investment decisions over a certain time period. Fernando et al. (2018) opined that economic value-added is based on investments and the returns from investment decisions and the significance of the incremental difference in the rate of economic returns of a company over a cost of capital.

In the understanding of the researcher, economic value added is concerned with the addition economic value brought into the existing value as a consequence of effective and comprehensive performance of the company in terms of managerial competencies and optimal utilization of the corporate assets. The study adopted the study of Sibirian and Yohanes (2018) and measured economic value added as:

**Economic Value-Added (EVA) = NOPAT – (Investment and capital – Weighted average cost of capital (WACC)**

**Internationalization:** Internationalization is the desirability of firms to seek greener pastures beyond the countries they were incorporate. Banking activities have become a global market where banks seek international banking operations at the international scene looking for economic value creation opportunities for competitive advantage outside their domestic domain. According to Odunukan et al. (2021) the differentiation of the banking internationalization is based on the banking services provided by the banks for their customers as well as the needs

of the banks clients that requires high degree of information, information transfers and trust banking transactions. Nosi et al. (2017) posited that internationalization of banking services and bank product offers lower costs and also entails economic of scale since the series can be applied at multiple locations without necessarily adaption at negligible marginal costs and these enhances banking internationalization (Aguguum et al., 2022; Chukwuka et al., 2023).

Jin et al. (2021) noted that though offering offshore banking services and bank products in foreign fixed costs in dollar related exchange rated dominated currencies, like office and equipment could be cost intensive compared with the local currency disparity, yet the diversification drive and sophistication advantages can compensate for these, after all, the interest's earnings and returns are equally in dollar denominated. For diversification and expending banking operations, internationalization of banking services is another diversification strategy of the banks aside diversification and spreading of their risks, increases their cliental base as a means of enhancing, and improves their profitability. Ability to have access to international market and reduce domestic economic cycle's recessions.

**Foreign Earnings to Total Earnings:** This entail the earnings arising from foreign banking operation in proportion to the global earnings of the banks among its banking operating. Internationalization of banking services has been trending and widely seen as a globalization of banking activities creating cross-border banking services in borderless one global banking village for products and services (Verbeke & Kano, 2015). In every nation, barriers in international trade have long be dismantled that transaction and trade have gradually shifting to online using Internet of Things (IoT), making international banking aligning with the information driven activities (Zhou, 2018; Yousef et al., 2020; Asemokha et al., 2019; Cabrera et al., 2016).

**Foreign Deposits to Total Deposits:** This entails considering the extent the international banking activities were able to attract new depositors within the country where they operate. New depositors are essentials since it tends to show the extent of earnings that are likely to gain by the banks. In another view, Dau et al. (2018) posited that internationalization may not necessarily reduce market risk and as a result banks may not be negatively impact on international expansion of operations especially during financial crisis. This variable tends to measure the proportion of foreign depositors to the overall depositors, as means of assessing the performance of the banks from the offshore banking activities (Brooks & Oikonomou, 2018). Brida et al. (2016) have revealed that internationalization had as positive effect on foreign deposits to total deposits of banks, hence banks operations are increased ad expanded by having foreign branches with an enhance customers base with the presence of new customers

**Foreign Assets to Total Assets:** According to Eriksson et al. (2014), the decision of some banks in Nigeria to internationalize is influenced by the possible technologies and assets that could easily be acquired by the banks through their branches in the foreign countries where the assets and technologies were to be acquired. Florio and Leoni (2017) argued that capital inadequacy and lack of infrastructures in the domestic countries are quite frustrating, and political instability and security challenges do not allow the banks in the domestic scene to remain fully domesticated. These challenges have influenced banks' internationalization in Nigeria.

**Foreign Operating Expenses to Total Operating Expenses:** Foreign operations expenses in dollar dominated could be scaring when converted to the local Nigerian Naira currency (Kakanda & Basariah, 2017). According to Joensuu et al. (2018) the foreign operating expenses should have harmonized and considered in line with foreign income and foreign profits. This has become necessary as some studies have laid many emphases on the high foreign operating expenses when converted to Nigerian current companies to domestic operating expenses.

## 2.2 Theoretical Review

This study is anchored on internationalization theory considering the ideological relevance and symbiotic relationship subsisting between internationalization theory and the study philosophy. Internationalization was developed by Buckley and Casson in the year 1976 (Ying et al., 2019). However, according to the study by Xie and Lie (2018), the concept of the internationalization model was put into the public domain by Rugman in the year 1981 following a public lecture delivered by Rugman reflecting on foreign market knowledge, where he made scholarly and classical arguments that foreign direct investment becomes relevant when the benefits exceeds the costs. The internationalization theory suggested the essence and rational necessitating the functioning of multinational organizations and need for business operations beyond a boundary and outside a company's home country. The theory is concerned with the interface of companies with the external environment and need to try extending their operations in foreign countries other than the country where the company was originally domiciled.

The internationalization theory suggested that the business activities require venturing from the familiar and known environment into new grounds as a sign of expansion and growth. Growth and diversification are ways companies or banks express sustainability and mastering of the business. According to Ahmad et al. (2019), internationalization is a way to show superiority of goods and services beyond your known environment to new environment with the aim of winning new customers and making new clients. Arikawa et al. (2017) stated that internationalization theory further posited that internationalization of multinational companies explained the existence of the companies since it is most efficient means of expanding its operations, and coordinates superiority and quality of its activities instead of market exchange. Arikawa et al., (2017) further posited that multinational grow when the company absorb markets beyond its territorial environment and reveal strength and ability to do so with minimal costs as the benefits exceeds the total investment coast in the foreign country

### **2.3 Empirical Review**

Cela et al. (2022) investigated the internationalization of multinational corporations and the impact on the sustainability of global market enterprises operating in developing and emerging nations. The study used expo facto research using data from many Central and Eastern European (CEE) nations. For the 14-year research, 50 firms from 11 different nations were chosen. The factors were based on growth and productivity, which guided multinational corporations' internationalization of operations. The study discovered that age, size, and effective corporate performance had a beneficial influence on the economic value added of multinational corporations' internationalization processes. Cela et al.'s (2022) study is compatible with Castagna et al., (2020) analysis, which indicated that the majority of studies demonstrated a positive significant effect of internationalization on the performance of small and medium-sized firms (SMEs) in the region studied. On the contrary, Cela et al.'s (2022) study contradicts Yousef et al.'s (2014) study. According to the findings of the study, internationalization had a negative significant influence on moderating foreign sales to total sales of the firms studied.

Mendy et al. (2021) studied the effect of small and medium enterprise internationalization. The study employed survey research design, making use of 403 questionnaires administered to three geopolitical zones in Nigeria. The regression analysis was handled through three stage analyses, which revealed that challenges ranked 90%, regulatory barriers ranked 85%. According to the study, internationalization has a favorable influence on the economic value added of performance of Nigerian small and medium firms. The findings of Mendy et al. (2021) are compatible with the findings of Castagna et al. (2020), who discovered that the majority of research demonstrated a positive significant effect of internationalization on the performance of small and medium-sized firms (SMEs) in the region studied. On the contrary, Song and Lee (2022) contradict Choi and Kunsu (2019), who discovered that foreign ownership had a detrimental influence on business growth in Korea.

Yousef et al. (2020) investigated the impact of internationalization of company activities on corporate performance based on the capital structure of the firms chosen for the study. Secondary data was employed, including data gathered from the financial statements of the firms studied. According to the study's regression analysis, internationalization has a favorable influence on the economic worth of business performance. The findings of Yousef et al. (2020) and Bosworth and Funke (2020) are comparable in that internationalization has a favorable relationship with rural economic growth. However, Yousef et al.'s (2020) study is not comparable to Sandberg's (2015) study, which found that early cost implications had a negative influence on the first-year performance of small and medium-sized businesses in the examined region.

Amungo and Buck (2017) studied the effect of internationalization expansion of banks on performance of the banks from theory of internationalization perspective. The study employed a combination of primary and secondary data using survey research and expo facto research designs. The primary was sourced using, using questionnaire while the secondary through unspecified source. The analysis carried out revealed that banking reforms forms the reason for banking internationalization in Nigeria. Uncertainty of banking operating environment was equally found as one of the reasons for banking internalization. Conclusively, the study found that internationalization had a positive effect on cash flow from banking performances operations. This study is in tandem with the study of Sandbery. (2015) which discovered that banking internationalization and services of firm had a positive influence in effecting the performance of entrepreneurs. On the other hand, the study of Amungo and Buck (2017) is not in tandem with the study of Chittoor et al. (2015), which discovered that internationalization had a negative impact of capitalization value size of the companies among the firms operating in the developing economies as the companies operate under infrastructural deficits in the developing economies.

Abdullateef et al. (2017) studied internationalization and the domestication of the Nigerian economy. An expo facto research design was adopted, while survey research design was adopted. Self-structured questionnaire was adopted, where unspecified number of questionnaires were administered to selected respondents from the Nigerian

rural dwellers. Using descriptive statistics to do regression on the collected data, it was determined that internationalization had a detrimental effect on domestic financial inflows and the development of rural regions. This study is in line with Sandberg's (2015) research, which showed that small and medium-sized businesses in Sweden performed poorly in their first year as a result of early cost consequences. The study by Chen et al. (2016), which found that internationalization had a favorable effect on firm performance of the enterprises, does not agree with this one by Abdullateef et al. (2017).

### 3. METHODOLOGY

The study looked at how internationalization affected the Nigerian banking sector's economic value-added. The study used secondary data from the financial statements of 8 banks over a 15-year period, from 2007 to 2021, that had been granted internationalization license by the Central Bank of Nigeria. First Bank of Nigeria Plc, Access Bank Plc, Fidelity Bank Plc, First City Monument Bank Limited, Guaranty Trust Bank Plc, Union Bank Nig. Plc, United Bank for Africa Plc, and Zenith Bank Plc were the eight internationalized banks included in the study. Regressions with random effects on generalized least squares were used to analyses the data.

### 4. DATA ANALYSIS, RESULTS AND DISCUSSIONS

#### Regression Analysis

**Table 4.1: Estimation Results for the Model**

Estimation Techniques	Random Effects GLS Regression with Driscoll-Kraay			
Dependent Variable: EVA	Coeff.	Std. Err	T-Stat	Prob
Constant	26880.1	45190.06	0.59	0.56
FETE	-22443.73	7651.916	-2.93	0.01
FDTD	106802	306241.5	0.35	0.73
FATA	764881.9	422860.5	1.81	0.09
FOETE	-67878.93	35191.33	-1.93	0.07
Adjusted R <sup>2</sup>		0.50		
Wald test	Chi <sup>2</sup> <sub>(4)</sub> = 560.21 (0.00)			
Hausman Test	Chi <sup>2</sup> <sub>(4)</sub> = 0.97 (0.914)			
BPLM Test	Chi <sup>2</sup> <sub>(1)</sub> = 101.43 (0.00)			
Heteroscedasticity Test	Chi <sup>2</sup> <sub>(1)</sub> = 37.93 (0.00)			
Serial Correlation Test	F <sub>(1,29)</sub> = 15.662 (0.01)			
Cross-Sect Dep. Test 6.082 (0.00)				

**Source: Researcher's computation (2023)** @Chosen significant level of 5%, The Dependent variable is Economic Value-added (EVA) while independent variables are: Foreign earnings to Total Earnings (FETE), Foreign Deposits to Total Deposits (FDTD), Foreign Assets to Total Assets (FATA) and Foreign Operating Expenses to Total Expenses (FOETE)

#### Interpretation of the Post Estimations test

The Hausman test, which was used to determine the most appropriate method of estimating the regression for the Model among the pooled results of the OLS, fixed effects, and random effects as shown in Table 4.1, produced a p-value of 0.914, or 91 percent, which is higher than the study's chosen level of significance of 5 percent. This suggests that the random effect is the one that applies the most. Breusch-Pagan LM test is additionally taken into consideration with a p-value of 0.00, which is less than the significance criterion of 5%, in order to further corroborate the Hausman test result. It's interesting that this result is significant and suggests that there may be a panel effect in our data; as a result, the Random effect estimator is appropriate for estimating for the Model.

Again, the model is evaluated for heteroscedasticity and serial correlation to confirm some of the regression assumptions made for it. The Breusch-Pagan/Cook-Weisberg test is used to determine heteroscedasticity, and the result has a p-value of 0.00, which is less than the study's chosen threshold of significance of 5%. If heteroscedasticity is present, this suggests that the model's residuals are not constant over time, indicating that the model is heteroscedastic. Additionally, a serial correlation test is run to see if there is any autocorrelation between the model's residuals and coefficients. The test was run using the Wooldridge test, and the outcome had a p-value of 0.01, which is below the level of significance.



This further suggests that the model suffers from serial correlation issues. Additionally, the Pesaran's CD test was used to examine the cross-sectional dependence issue, and the results showed a p-value of 0.00, which is less than the study's chosen threshold of significance of 5%. This indicates that the model has a cross-sectional dependency problem since the standard errors of the model are associated across time. For conclusively analyzing the impact of internationalization on the market value-added of the Nigerian banking sector, random effect regression with Driscoll-Kraay standard errors is taken into consideration.

### Regression Equation Results

$$EVA_{it} = \alpha_0 + \beta_1 FETE_{it} + \beta_2 FDTD_{it} + \beta_3 FATA_{it} + \beta_4 FOETE_{it} + \mu_{it} \text{-----Model 2}$$

$$EVA_{it} = 26880.1 - 22443.73 FETE_{it} + 106802 FDTD_{it} + 764881.9 FATA_{it} - 67878.93 FOETE_{it}$$

The impact of internationalization on the Nigerian banking sector's market value-added was analyzed in Table 4.1. According to the computed coefficients, there is a bad and statistically significant correlation between FETE and EVA ( $\beta_1 = -22443.73$ , sig. = 0.01). Accordingly, a rise in the ratio of foreign profits to overall earnings is seen to be correlated with a fall in the economic value added. The correlations between FDTD, FATA, and FOETE and EVA, on the other hand, are not statistically significant at conventional levels despite the positive coefficients for each of these variables (FDTD:  $\beta_2 = 106802$ , sig. = 0.73; FATA:  $\beta_3 = 764881.9$ ; FOETE:  $\beta_4 = -67878.93$ ; etc.). This indicates that there isn't any solid proof that these factors have a significant influence on EVA in this model. With an adjusted R-squared of 0.50, the model can account for around 50% of the variance in EVA. This is a pretty decent match; however, the model could be missing some important variables that affect EVA. The Wald chi-square test reveals that the model's overall fit is statistically significant at conventional levels (sig. = 0.000), indicating that the model fits the data well.

According to the regression estimations, Nigeria's economic value-added is negatively and statistically significantly impacted by the ratio of foreign earnings to total earnings (FETE). On the other hand, the ratio of foreign deposits to total deposits (FDTD) has a marginally beneficial impact on Nigeria's economic value-added. Similar to this is Foreign Assets to Total Assets (FATA), which similarly positively affects Economic Value Added (EVA) in Nigeria but not significantly. Additionally, the economic value-added in Nigeria is positively impacted by the coefficient of Foreign Operating Expenses to Total Expenses (FOETE), however this effect is not statistically significant. These demonstrate that only foreign earnings to total earnings (FETE) had a significant influence on economic value added in Nigeria (EVA) during the research period.

### Discussions of Findings

The model considered effect of internationalization on economic value added. Mixed results were reported. While foreign earning to total earnings reported negative significant, foreign deposits to total deposits, as insignificant differences were seen in the ratios of foreign assets to total assets and foreign operating expenditures to total expense. However, the combined statistics showed a favorable significant effect. The result based on the joint statistics was consistent with some prior studies by Cela et al (2022); Castagna et al. (2020); Mendy et al. (2021); Gaur et al. (2016); Hsu et al. (2015); Bosworth and Funke (2020); Odunukan et al. (2021); Caputo et al. (2016); Hurtado-Torres et al. (2018); Kandogan (2020); Olaore et al. (2020); Geldres-Weiss et al. (2016). For instance, Castagna et al. (2020) looked at how the internationalization process affected the performance of small and medium-sized businesses. In the companies the research discovered that the majority of studies showed a strong beneficial impact of internationalization on the market value of SMEs companies.

On the other hand, different investigations did not come to the same conclusions. Due to the detrimental impacts discovered in these investigations, Song and Lee (2022); Choi and Kunsu (2019); Sandberg (2015); Noja et al. (2021); and Abdullateef et al. (2017) were cited. As an illustration, Noja et al.'s study from the year 2021 empirically investigated the impact of cross-border transactions and the interaction between the board, firm performance, and risk management disclosure in financial statements of multinational organizations. The findings showed that while cross-border transactions had a positive impact on return on equity and firm performance, they also had a similar but less significant negative impact on risk management of the companies.

## 5. CONCLUSION AND RECOMMENDATIONS

The impact of internationalization on economic value-added was examined in this study. The study precisely determined the impacts of the explanatory factors on the economic value-added of the Nigerian banking industry. These variables were foreign earnings to total earnings, foreign deposits to total deposits, foreign assets to total assets, and foreign operating expenditures to total operating expenses. The findings demonstrated that while there were mixed results, internationalization had a positive significant impact. Foreign earnings to total earnings, foreign assets to total assets, and foreign deposits to total deposits all showed positive but insignificant effects.

The study came to the conclusion that Nigeria's banking industry is affected economically by internationalization. Base on the results of the study, the study proffers the following recommendations:

- i. In order to make wise investment or divestment decisions, investors should be concerned with comprehending and being familiar with the results of the financial reports of the operational units of the banks, particularly the financial performance of offshore branches. As a result, the goal of internationalization, which was to yield economic value added to the banks, encountered some difficulties because the level of economic value produced by the banks' international operations had a negligible impact on the creation of group value for shareholders when taking into account how negligible the effects of foreign deposits, foreign assets, and foreign operating expenses were compared to total expenses.
- ii. The policymakers should consider legal and bilateral relations between Nigeria and countries where Nigeria banks may likely consider for international banking operations. Policymakers should exercise more oversight function in monitoring and obtaining feedback on existing baking laws.
- iii. Financial regulators should exercise more caution in adhering to prudential guidelines, since the study's third objective's findings demonstrated that cash flow from operational operations had little to no impact on the performance of the organization within the study's time frame.
- iv. Bank management should make the most of opportunities for the internationalization of banking operations to increase economic value for shareholders by exercising effective managerial competence, prioritizing investment decisions, and maximizing the use of banking resources.

### REFERENCES

1. Abdullateef, R., Abubakar, Y., Danjuma, M., Abdul-Rasheed, S., & Adeyemi, R. (2017). Rural areas: The real home of the Nigerian economy. *International Journal of Social Sciences and Educational Studies*, 4(2), 251–263.
2. Aguguum, T. A., Ashamu, S., & Olanipekun, E. (2022). Multinationality and firm value: The place of multinational manufacturing companies in Nigeria. *Universal Journal of Accounting and Finance*, 10(2), 538-548.
3. Aguguum, T. A., Salawu, R. O., Akintoye, R. I. (2018). Earnings quality and firms' performance: a missing link in the listed firms in Nigeria. *ICAN 2018 International Academic Conference Proceedings. ICAN-International Journal of Accounting and Finance*, 7(2), 30-53.
4. Ahmad, M., Baek, N., Wan, D., & Abbas, S. (2019). The impact of institutional ownership on firm's performance evidence from Pakistan. *The Journal of Asian Studies* 22: 27–48.
5. Amungo, E., & Buck, T. (2017). Internationalization expansion of Nigerian banks which theory of internationalization prevailed? *Nile Journal of Business and Economics*, 6(3), 79-96.
6. Arikawa, Y., Kotaro, I., & Takuji, S. (2017). Corporate governance, employment laws, and corporate performance in Japan: An international perspective. *Journal of Tokyo Institute of Technology*, 9(2), 1–34.
7. Asemokha, A., Musona, J., Torkkeli, L., Saarenketo, S. (2019). Business model innovation and entrepreneurial orientation relationships in SMEs: Implications for international performance. *Journal of International Entrepreneur*, 17(2), 425–453.
8. Bosworth, G., & Finke, H. B. (2020). Commercial counter urbanisation: A driving force in rural economic development. *Journal of Environment and Planning A: Economy and Space*, 52(3), 654–674.
9. Brida, J. G., Driha, O., Ramón-Rodríguez, A. B., & Such-Devesa, M. J. (2016). The inverted-U relationship between the degree of internationalization and the performance: The case of Spanish hotel chains. *Tourism Management Perspectives*, 17(4), 72–81.
10. Brogi, M., & Lagasio, V. (2019). Environmental, social, and governance and company profitability: Are financial intermediaries different? *Corporate and Social Responsibility and Environmental Management*, 26(2), 576–587
11. Brooks, C., Oikonomou, I. (2018). The effects of environmental, social and governance disclosures and performance on firm value: A review of the literature in accounting and finance. *Br. Account. Review*, 50(7), 1-15.
12. Buckley, P., & Casson, M. (2019). The internalization theory of the multinational enterprise: past, present and future. *British Journal of Management*, 33(2), 365-373.
13. Cabrera, A. M., García-Soto, M. G., & Duran-Herrera, J. J. (2016). Opportunity motivation and SME internationalization in emerging countries: Evidence from entrepreneurs' perception of institutions. *International Entrepreneurial Management Journal*, 12(3), 879–910.
14. Castagna, F., Centobelli, P., Cerchione, R., Oropallo, E. S., & Strazzullo, S. (2020). Assessing SMEs' Internationalization Strategies in Action. *Applied Science*, 10(2), 1-28
15. Čela, A., Hysa, E., Voica, M.C., Panait, M., Manta, O. (2022). Internationalization of large companies from Central and Eastern Europe or the Birth of New Stars. *Sustainability*, 20(22), 14, 261

16. Chittoor, R., Aulakh, P. S., & Ray, S. (2015). Accumulative and assimilative Learning, institutional infrastructure, and innovation orientation of developing economy firms. *Global Strategy Journal*, 5(2), 133–153.
17. Choi, Y., & Kunsu, P. (2019). Foreign ownership, agency costs, and long-term firm growth: evidence from Korea. *Sustainability*, 11(3), 1-17.
18. Curtis, P., Haniyas, M., Kourtis, E., Kourtis, M. (2020). Data envelopment analysis (DEA) and financial ratios: A pro-stakeholders' view of performance measurement for sustainable value creation of the wind energy. *International Journal of Economics and Business Administration*, 8(2), 326–350.
19. Dau, L. A., Purkayastha, S., & Kimberly, E. (2018). Who does it best? Family and non-family owners and leaders navigating institutional development in emerging markets. *Journal of Business Research*, 7(3), 1-17.
20. Eriksson, K., Johanson, J., Majkgård, A., & Sharma, D. (2014). Experiential components knowledge and cost in the internationalization process. *Journal of International Business Studies*, 28(5), 337-360.
21. Fernando, G., Wojciech, P., & Przychodzen, J. (2018). Corporate sustainability and shareholderwealth: Evidence from British Companies and Lessons from the Crisis. *Journal of Finance and Accounting*, 6(2), 234-243.
22. Florio, C., & Leoni, G. (2017). Enterprise risk management and firm performance: The Italian \case. *British Accounting Review*, 49(4), 56–74.
23. Francis, G. G., Kim, I., Wang, B., & Zhengyi, Z. (2018). Labor law and innovation revisited. *Journal of Banking & Finance*, 94(4), 1-15
24. Fukuda, S., Munehisa, K., & Nakajima, J. (2018). The role of corporate governance in Japanese unlisted companies. *Japan and the World Economy*, 47(2), 27-39.
25. Gangi, F., Mustilli, M., & Varrone, N. (2019). The impact of corporate social responsibility (CSR) knowledge on corporate financial performance: Evidence from the European banking industry. *Journal of Knowledge Management*, 23(4), 110–134.
26. Gaur, A. S., Kumar, V. Singh, D. (2016). Institutions, Resources, and Internationalization of Emerging Economy Firms. *Journal of World Business*, 34(2), 1-20.
27. Geldres-Weiss, V. V., Uribe-Bórquez, C. T., Coudounaris, D. N., & Monreal-Pérez, J. (2016).
28. Innovation and experiential knowledge in firm exports: Applying the initial U-model. *Journal of Business Research*, 69(11), 5076–5081.
29. Gomez, J., Diogenes, L., & Betancourt, G. (2017). Effect of the board of directors on firm performance. *International Journal of Economic Research*, 14(3), 349–361.
30. Haque, F. (2017). The effects of board characteristics and sustainable compensation policy on carbon performance of UK firms. *The British Accounting Review*, 49(8), 347–364.
31. He, Y. (2018). A study on the profitability of the commercial bank in terms of interest rate marketization: based on FMOLS Model. *The International Journal of Industrial Distribution & Business*, 9(8), 41-50.
32. Hosny, A. (2017). Political stability, firm characteristics and performance: Evidence from 6,083 private firms in the Middle East. *Review of Middle East Economics and Finance*, 13(5), 1–21.
33. Hsu, C. W., Lien, Y. C., & Chen, H. M. (2015). R&D internationalization and innovation performance. *International Business Review*, 24(2), 187–195.
34. Hurtado-Torres, N. E., Aragon-Correa, J. A., & Ortiz-de-Mandojana, N. (2018). How does R&D internationalization in multinational firms affect their innovative performance? The moderating role of international collaboration in the energy industry. *International Business Review*, 27(3), 514–527.
35. Hansen, C., & Block, J. (2020). Exploring the relation between family involvement and firms' financial performance: A replication and extension analysis. *Journal of Business Venturing Insights*, 13(4), 1-21.
36. Jin, C., Wu, B., & Hu, Y. (2021). Family business internationalization in paradox: Effects of socioemotional wealth and entrepreneurial spirit. *Front. Psychol.* 12(5), 66-78
37. Joensuu, S., Sorama, K., Viljamaa, A., & Varamäki, E. (2018). Firm performance among internationalized SMEs: The interplay of market orientation, marketing capability and digitalization. *Administrative Sciences*, 8(2), 31-45.
38. Kakanda, M. M. & Basariah, S. (2017). Corporate governance, risk management disclosure, and firm performance: A theoretical and empirical review perspective. *Asian Economic and Financial Review*, 7(5), 836–845.
39. Kandogan, Y. (2020). Using macro cross-border trade data to better understand micro-level country of origin effects. *Thunderbird International Business Review*, 62(6), 213–226.
40. Mendy, J.,M., Odunukan, K., & Rahman, M. (2021).Place and policy barriers of rural Nigeria's small and medium enterprise internationalization. *Thunderbird International Business Review*, 5(3), 1–16.
41. Noja, G. G., Mirela, C., Jurcut, C. N., Buglea, A., & Popa, L. I. (2020). Management financial incentives and firm performance in a sustainable development framework: Empirical evidence from European companies. *Sustainability* 12(3), 1-26.



42. Nosi, C., Pucci, T., & Zanni, L. (2017). No need to choose between innovation and internationalization: when pursuing two strategies at a time leads to firm superior performance. *Piccola Impresa*, 34(3), 1-23.
43. Odunukan, K., Akter, M., Rahman, H. D., & Igwe, P. (2021). Internationalization of rural SMEs from Nigeria: Examining social and organizational impact. *Business Strategy and Development*, 5(4), 1-23.
44. Olaore, G. O., Adejare, B. O., & Udofia, E. E. (2020). Prospects and challenges of entrepreneurship internationalization on the competitiveness of SMEs. *Asian Journal of Innovation and Entrepreneurship*, 44(7), 1-25.
45. Sandberg, S. (2015). Emerging market entry mode pattern and experiential knowledge of small and medium-sized enterprises. *International Market Review*, 30(5), 106–129
46. Shodiya, O. A., Sanyaolu, W. A., Ojenike, J. O., & Ogunmefun, G. T. (2019). Shareholder wealth maximization and investment decisions of Nigerian food and beverage companies. *Acta Univ. Sapientiae, Economics and Business Journal*, 7(3), 47–63.
47. Siburian, E., & Yohanes, A. (2018). Shareholder value creation measurement analysis in Healthcare, materials, and real estate industry in Indonesia. *Advances in Economics, Business and Management Research*, 89(7), 380-387.
48. Wu, H., Chen, J., & Jiao, H. (2016). Dynamic capabilities as a mediator linking internationalization and innovation performance of firms in an emerging economy. *Journal of Business Research*, 69(8), 2678–2686.
49. Uwah, U. E.; Asuquo, A. E. (2016). Capital budgeting processes and wealth maximization objective: Implications for firms in Nigeria. *Research Journal of Finance and Accounting*, 7(10), 73–85.
50. Verbeke, A., & Kano, L. (2015). The new internationalization theory and multinational enterprises from emerging economies: A business history perspective. *Business History Review*, 89(9), 415–445.
51. Xie, Z. Z., & Li, J. T. (2018). Exporting and innovating among emerging market firms: The moderating role of institutional development. *Journal of International Business Studies*, 49(2), 222–245.
52. Ying, Q., Hassan, H., Ahmad, H. (2019). The role of a manager's intangible capabilities in resource acquisition and sustainable competitive performance. *Sustainability*, 11(3), 1-21
53. Yousef, I., Almoumani, H., & Samara, I. (2020). The impact of internationalization of the boardroom on capital structure. *Journal of Risk and Financial Management*, 13(2), 1-15.
54. Zhou, C. (2018). Internationalization and performance: Evidence from Chinese firms. *Chinese Management Studies*, 12(1), 19-34