Remuneration Committee and Firm Survival of Deposit Money Banks in Nigeria

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Abstract
This work empirically investigated the effect of remuneration committee on survival of listed deposit money banks in Nigeria. The study is vital as it portrays the extent to the roles of remuneration committee has influenced banks' survival in Nigeria. Three hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using panel least squares regression model. The research design used is Ex Post Facto design and data for the study were obtained from the published annual financial reports of 12 selected deposit money banks spanning from 2019-2023. In order to determine the relationship between remuneration committee and banks survival, some key proxy variables were used in the study, namely remuneration committee independence, remuneration committee diversity and remuneration committee meeting while banks' survival was represented by net assets per share. Using Panel Least Squares Regression Model, the findings generally indicate that remuneration committee independence, remuneration committee diversity and remuneration committee meeting have positive and significant effect on survival of listed deposit money banks in Nigeria. Based on this, the study concludes that remuneration committee ensures banks survival in Nigeria. In lieu of the findings of the study, it was recommended that listed deposit money banks in Nigeria should

establish a committee called remuneration committee that must be independent, diversified and also have meeting frequently as it affords them the opportunity of considering different decisions and quickly reaching a compromise.

***Keywords:** Remuneration Committee, Remuneration Committee Diversity, Remuneration Committee Meeting, Firm Survival*

1. Introduction

Remuneration committee (RC) is very important to any organization, particularly quoted companies. It is one of the sub-groups of the board whose duties are to scrutinize the decisions of the board which concern: rewards, salary, bonus, share options, superannuation payments, commission, company cars, private health insurance and participation in profit-sharing with shareholders, as well as advantageous pension contributions for corporate executives. These benefits are also known as 'Fat Cat Payments' (Peter, 2023).

The salary and other fringe benefits are determined by the RC and are based on the qualifications, experience and past success of the directors, and also the size of the firm (Conyon and Peck, 2020). The directors and Chief Executive Officer (CEO) expect salary increases on an annual basis. For example, a new CEO or director elected will expect a higher increase in salary and other benefits than the current CEO (Herdan & Szczepanska 2021). The study also notes that RC performs the dual functions of monitoring and advising executives on important decisions concerning remuneration and rewards and provides both monitoring and oversight functions, the aim of which is to protect the interests of shareholders by delivering an objective and independent review to executive management.

The function of the RC has caused controversy, attracting divergent opinion from the media, legislators, investors, academic research and the general public (Conyon, 2023). The reasons for these contentious opinions are that, firstly, executive management pay has increased significantly in the last decade as a result of lack of independence of the remuneration committee while the second debate concerns the widely-held perception that executive remuneration is inadequately associated with their performance which calls for further clarity as the responsibility of the RC is to ensure that the interests of shareholders and executive management are closely aligned in order to achieve the goals of the organization (Conyon, 2023).

Remuneration committee has been a subject of much debate in developing economies like Nigeria, Ghana and others (Adeyemi, 2021). Researchers have always been concerned about certain factors that influence financial performance of firms with a view to knowing how to constantly maximize returns on investments of shareholders. There are a lot of factors that interplay to influence the performance of firms. Remuneration committee is one of the myriad of factors that can impinge on firms' performance (Ayodele, 2022). According to Adeyemi (2021), remuneration is the package which goes with labour services. Hence Adeoti and Isiaka (2020) argued that the objective of remuneration committee is to attract; motivate and retain good people for attainment of the organizational performance. Remuneration committee determines the executive compensation which consists of salary and incentive pay (cash and non- cash packages).

From the a priori expectations, it was noted that studies had been carried out on remuneration committee and corporate performance in both developed and developing economies (Aduda, 2020; Usman, Akhter & Akhtar, 2021, Wahab & James, 2022; Ghosh 2023; Jaafar, 2023; Erick, Kefah & Nyaoga, 2023 etc). However none of these studies related the role remuneration committee towards firm survival based on the available literature. Therefore a clear gap exists in literature in terms of the relationship between remuneration committee and firm survival in both developed and developing economies which makes the present study imperative. Against the background, the present study seeks to investigate the relationship which exists between remuneration committee and firm survival using listed deposit money banks in Nigeria as a reference point. To achieve this purpose, we formulated the following hypotheses:

H_{01}: Remuneration committee independence has no significant effect on survival of listed deposit money banks in Nigeria.

H_{02}: Remuneration committee diversity has no significant effect on survival of listed deposit money banks in Nigeria.

H_{03}: Remuneration committee meeting has no significant effect on survival of listed deposit money banks in Nigeria.

2. Review of Related Literature

2.1. Remuneration Committee (RC)

The RC is one of the important committee of the board of directors. RC helps minimize agency conflict by ensuring that appointed board members work together to achieve shareholders interest. This means that the RC plays an essential and important role in the success and failure of the company. The corporate financial performance (CFP) of companies collectively depends on whatever the RC has appointed to the board and who is part of the executive management team. However, the RC has to ensure that the right candidate with the right profile is selected to heighten the probability of success for the company (Appiah & Chizema, 2022).

According to Onipe (2022) remuneration committee is a specialized board committee that establishes the salaries of company executives, including the CEO and senior leadership. It sets up reward policies to encourage executives to achieve company objectives and create maximum value for shareholders. A remuneration committee consists of board members responsible for setting an appropriate reward policy that motivates executives to achieve the long-term interests of the investors/shareholders. Responsibilities include setting the remuneration policy for executive management, determining individual compensation for executive directors, and providing direction on equity plans, salaries, bonuses, and pensions (Jaafar, 2023).

For the purpose of this study, remuneration committee was proxy using remuneration committee independence, remuneration committee diversity and remuneration committee meeting as exposited below:

2.1.1. Remuneration Committee Independence

Outside directors (those not holding executive positions in the firm) are with independent status. They possess integrity, good character, and independence of mind and can reduce agency crisis through creating congruence between the interest of shareholders and that of other stakeholders thereby making managers more answerable to shareholders and other important stakeholders (Wasiu, Tunji & Okwuosa, 2021).

According to Okpala and Omaliko (2022), independence of remuneration committee is corporate monitoring concept that calls for a majority of RC to be independent from the company. Independence occurs when a member of RC discharges his or her responsibilities independently without fear or favour.

2.1.2 Remuneration Committee Diversity

Remuneration committee diversity is a corporate governance mechanism that has been defined in several ways. Onyekwere and Babangida (2022) view it as the dissimilarities in both the observable (age, gender and nationality) and non-observable (experience, attitude and education) variables in the composition of the remuneration committee.

Similarly, Ngo, Pham and Luu (2019) state that diversity involves having people with different socio-economic characteristics as well as backgrounds to ensure that stakeholders from different groups are better represented. The diversity of remuneration committee can influence the quality of the board's oversight and resource provision roles, and hence the financial performance of the organization (Shehata, Salhin & El-Helaly, 2022).

2.1.3 Remuneration Committee Meeting

This is the number of times remuneration committee hold meeting for a given accounting period. Remuneration committee meeting is important as it enables them to pass a resolution and it affords them the opportunity of considering different decisions and quickly reaching a compromise (Modozie & Amahalu, 2022; Omaliko & Okpala, 2023).

According to Wasiu, Tunji and Okwuosa (2021), remuneration committee meeting is a formal periodic gathering of remuneration committee who are members of the board of directors. The study also notes that most of the organizations, being public or private, profit or non-profit, have remuneration committee who are also member of the board of directors that ultimately governed the affairs of an organization. The members of this body cyclically meet to discuss strategic matters. It is at such meeting that key issues regarding remuneration, incentives and concessions are discussed.

2.1.4 Firm Survival

The term "survival" has many connotations -- both subjective and objective. The most objective way to measure survival in organizations is to observe their continuing existence. An organization survives as long as it acquires inputs from suppliers and provides outputs to a given public i.e customers, clients, patients, etc (Jerry, 2019). The organization fails when coalitions of resource providers cannot be induced to supply resources and the firm cannot repay resource providers for past support. In other words, corporate survival is simply non-failure of an existing organization.

Surachai and Nongnit (2020) considered financial performance as a determinant of corporate survival. Hence, financial performance is conceded as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Okeke, 2019).

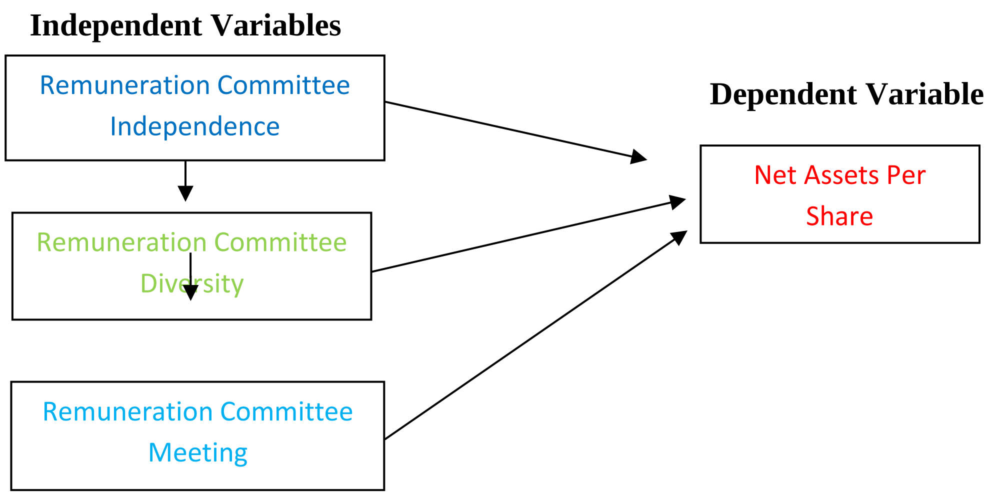
According to Nwaobia, Kwarbai and Fregene (2019), many factors contribute to the survival and going concern of an entity. Some of these factors, in addition to quality management, include the profitability, solvency, stability and liquidity of the entity. These factors are germane to the survival of a company because an entity that cannot generate enough cash flows from its operations to meet its short and long-term obligations as well as its operational needs cannot exist for long.

Return on Equity, Return on Assets, Productivity, Liquidity Ratio, Stability Ratio and Net Assets Per Share were used as a measurement for corporate survival in the a prior expectations of Nwaobia, Kwarbai and Fregene (2019), Nahiba (2017), Brockman (2021), Oliveira, Rodrigues and Craig, (2020), Raheman, Salleh, Afza and Chek (2019), Abd.Hamid, Abdul Aziz, Dora and Said (2017), Surachai and Nongnit (2020) and Rouf (2019) etc

For the purpose of this study, net assets per share (NAPS) was used as a proxy for firm survival. This is captured as Net Assets divided by Paid up Capital i.e (NAPS). This is expressed mathematically as

$$NAPS = \frac{\text{Net Assets}}{\text{Paid up Capital}}$$

Figure 1: The Conceptual Model for the Study



Source: Researcher's Concept (2024)

2.2 Theoretical Framework

2.2.1 Agency Theory

Agency theory has been chosen as the theoretical foundation for this empirical research. It was propounded by Jensen and Meckling in the year 1976. Agency theory is concerned with the conflict of interest existing between the agent (manager), who has been assigned to perform some service on behalf of the principal (owner/s) that involves delegating some decision making (Jensen and Meckling, 1976). The agency problem is caused as a result of the separation of ownership from control, which was first highlighted in the research of Berle and Means (1932). The separation of ownership from control results in the agent (manager) not bearing the full consequences of any action they take concerning the resources of the principal (Jensen and Meckling, 1976; Berle and Means, 1932; Eisenhardt, 1989).

The relationship between the Agent and Principal is inherently beset with, firstly, an information asymmetry problem between the two, and, secondly, a conflict of interest between them (Hill and Jones, 1992). Research by Holmstrom (1979) states that the principal is always better off with more information about agent behavior than less. Also, the principal and the agent can work together when they both have the same level of risk-attitude towards every project and have the same goals and interests in the firm (Eisenhardt, 1989). Having a common interest in the same project can also help resolve the conflicting interests between the Principals and the Agents (Jensen and Meckling, 1976; Fama, 1980). The remuneration committee (RC) was established to reward incentives to the agents in ways that satisfy the interest of the principal and also make the agent accountable for his/her actions (Abugu, 2012). Bolodeoku (2007) states that a remuneration package should be regulated in order not to create a burden on the shareholders. However, according to Herdan et al. (2021), many Agents (managers) work more efficiently when they receive strong motivations including perks, bonuses, fringe benefits, and stock options from the Principal.

The theory recommends that both the Principal and the Agent can work together towards a common interest. The RC, which is part of the board, will ensure that share options, superannuation payments, commission, bonuses and pension packages given to executive management (the Agent) are in line with the expectations and interests of the shareholders (the Principal).

Therefore, the justification for using this theory to underpin the study stem from the fact that literature review has demonstrated the existence of relationship between the remuneration committee and firm survival.

2.3 Empirical Review

Peter (2023) investigated the association between the remuneration committee (RC) and firm performance. The research uses a data span of 63 financial institutions for a period of 12 years. Ordinary Least Square (OLS) and Random Effects (RE) regression estimations are used. The ascertained empirical results indicate that the establishment of remuneration committee by the board is positively correlated to its performance, as measured by its Return on Assets (ROA), and is also statistically significant on the Market Value (MV) of the firm. Subsequent tests conducted show that presence of an RC had a positive and statistically significant correlation during the pre/post global financial crisis on the ROA of the firm. The MV measure during the pre-crisis indicates a positive and statistically significant impact, but only positive during the post-crisis. The findings are robust across econometric models that control for different types of endogeneity. The outcome indicates that the establishment of an RC by the board assisted in achieving a positive impact on the profitability of UK financial institutions.

Alimi, Adegun and Agboola (2023) investigated the board structure and remuneration on corporate performance. The study adopted longitudinal research design and also used secondary data sourced from the annual financial reports of the sampled thirteen consumer goods firms for the period of twelve years between 2011 to 2022. Data were analyzed using both descriptive and inferential statistics to achieve the study objectives. Panel regression was used to analyze the effect of board structure and board remuneration on corporate financial performance of selected consumer firms in Nigeria. The results of the study show that board structure and remuneration have positive and significant effect on corporate performance in Nigeria

Onipe (2022) used ordinary least square regression to test the relationship between the remuneration committee and firm profitability, after controlling for regression diagnostics (normality and homoscedasticity of residual, multi-collinearity, model specification, panel tests). The data was based on 112 companies trading on the floor of the Nigerian Exchange Group over ten years (2012-2021). Descriptive statistics, correlation and regression analysis are used to analyse the data. The findings indicate a significantly positive relationship between the remuneration committee and profitability. It was concluded therefore that remuneration committee is a major determinant of profitability among firms quoted in Nigeria.

Sunday and Babatunde (2022) examined executive remuneration and firms' performance in Nigeria. Specifically, the study seeks to ascertain the nexus between executive remuneration, firm size and board size variables and the performance of quoted companies. The population of the study consists of all the quoted firms as at 31st December, 2014. A sample of sixty (60) companies excluding non- financial firms was selected for the period 2013 and 2014. Summary statistics such as descriptive, correlation and granger causality tests were used. Inferential statistics, using panel Generalized Least Square (EGLS) with fixed effect was used for the purpose of empirical validations. This was after the application of diagnostic test to enhance the study. The study ascertained that executive remuneration has a relationship with firm performance, but negatively impacted on it; though was not statistically significant. Firm size was ascertained not to have significant positive relationship with firms' performance; though it has a causality relationship with the performance of the firms. Board size was found to negatively affect the performance of firms and is statistically not significant. Premised on this, the study suggests that executive remuneration of quote firms should be pegged constantly in a flexible manner.

Ahmed (2020) examined the impact of independent directors and remuneration committee on firm performance using 100 firms listed in first board. The analysis was based on a period of 5 years from 1999 through 2003. This study employs a multiple regression methods to examine governance structure and its impact on firm performance. Although previous studies in developed markets exhibit the existence of relations between governance structure and corporate performance, this study however concludes that there is partial relation between corporate governance structure and corporate performance. However, the presence of both audit and remuneration committee serves an important monitoring device to control management actives that lead to increase firm's performance.

Mohammed and Faudziah (2018) the association between the nomination and remuneration committee and the corporate financial performance of the Jordanian companies. This study used OLS regression to test the relationship between independent variable and dependent variable as discussed in the section explaining the study method. The data comprised of 228 companies industrial and services. The findings indicated a significant and positive relationship between the nomination and remuneration committee and the corporate financial performance.

3. Methodology

An *ex post facto* design was used in the study based on the fact that the data for the study was secondary which already existed and cannot be controlled. The population of the study consists of all the 14 listed deposit money banks on Nigerian Exchange Group (NGX) as at December 31, 2023, covering the period 2019-2023. Thus, the study used the entire population of the study. On this basis, a total of 14 banks made up our sample size. Out of 14 deposit money banks that formed our sample size, 2 firms have empty financial information within the period under study (*Jaiz Bank Plc and Wema Bank Plc)* which was removed. Based on this, a total of 12 firms formed our sample size with 60 observations. The data was collected from the annual accounts and annual accounts of the sampled banks. Panel least square regression model was used to examine the relationship between remuneration committee and firm survival; evidence from listed deposit money banks in Nigeria.

3.1 Measurement and Operationalization of Variables

Table 1: Variable Measurements

Variable	Measurement	A Priori Expectations
Independent		
Remuneration Committee Independence	Number of independent directors in remuneration committee divided by total members	It is expected to have a positive effect.
Remuneration Committee Diversity	Number of foreign directors in remuneration committee	It is expected to have a positive effect.
Remuneration Committee Meeting	Number of meetings held by remuneration committee in one accounting year	It is expected to have a positive effect.
Dependent		
Net Assets Per Share	Net Assets/Paid up Capital	

Source: Empirical Survey (2024)

3.2 Model Specification and Justification

In line with the previous researches, the researcher adapted and modified the Model of Onipe (2022) in determining the effect of remuneration committee on survival of listed deposit money banks in Nigeria. This is shown below as thus:

Onipe (2022): $\mathbf{ROA_{i,t} = \alpha 0 + \gamma 1 RC_{i,t} + \varepsilon}$

The functional model modified for the study is shown below as thus:

NAPS = F(RCI, RCD, RCM)

The explicit form of the regression modified for the study is expressed as thus:

$$\mathbf{NAPS_{it} = \beta_0 + \beta_1 RCI_{it} + \beta_2 RCD_{it} + \beta_3 RCM_{it} + \mu}$$

Where:
NAPS = Net Assets Per Share
RCI = Remuneration Committee Independence

RCD = Remuneration Committee Diversity
RCM = Remuneration Committee Meeting
μ = Stochastic Term
$\beta_1 - \beta_3$ = Coefficient of Regression Equation
β_0 = Constant coefficient (intercept) of the model

Decision Rule: accept Ho if P-value >1-5% significant level otherwise reject Ho

4. Data Analysis and Results

Table 2: Descriptive Statistics

	NAPS	RCI	RCD	RCM
Mean	0.17	0.27	0.18	3.12
Median	0.14	0.24	0.00	0.18
Maximum	0.77	0.67	2.00	5.00
Minimum	0.01	0.00	0.00	2.00
Std. Dev.	0.13	0.21	0.47	0.77
Skewness	2.92	0.20	1.57	1.47
Kurtosis	2.48	5.92	2.89	2.12
Jarque-Bera	310.3	21.7	33.6	28.9
Probability	0.34	0.67	0.88	0.20
Sum	10.51	54.7	186.9	13.23
Sum Sq. Dev.	1.03	211.1	370.2	2.97
Observations	**60**	**60**	**60**	**60**

Source: E-View 12 Computational Results (2024)

From Table 2 above, the mean (average), maximum values, minimum values, standard deviation and Jarque-Bera Statistics (Normality Test) were shown. The results provide some insight into the nature of the listed deposit money banks in Nigeria used in this study. First, it can be observed that on the average, in a 5-year period (2019-2023), the sampled banks were characterized by a positive net assets per share (NAPS) value of 0.17. This implies that NAPS of listed deposit money banks in Nigeria is determined by remuneration committee. Thus, remuneration committee ensures the survival of listed deposit money banks in Nigeria. The distribution is platykurtic since the kurtosis (2.48) is less than 3, implying that the outliers are few. The Jarque-Bera probability of 0.34 is greater than 0.05, which means that the distribution of net assets per share comes from a normal distribution. The average remuneration committee independence (RCI) for the sampled firms was 0.27 with a standard deviation value of 0.21. This means that banks with RCI values of 0.27 and above are sustainable. Hence, the independence of remuneration committee determines banks survival in Nigeria. There is also a high variation in maximum and minimum values of RCI which stood at 0.67 and 0.00 respectively. This wide variation in RCI values among the sampled banks justifies the need for this study that banks remuneration committee independence ensures banks survival. The distribution is leptokurtic since the kurtosis (5.92) is more than 3, implying that the outliers are many. The Jarque-Bera probability of 0.67 is greater than 0.05, which means that the distribution of remuneration committee independence comes from a normal distribution.

The average remuneration committee diversity (RCD) for the sampled banks was 0.18. This means that banks with RCD values of 0.18 and above are sustainable. Thus, remuneration board diversity ensures banks survival in Nigeria. There is also a high variation in maximum and minimum values of RCD which stood at 2.00 and 0.00 respectively. This wide variation in RCD values among the sampled banks justifies the need for this study that remuneration committee diversity ensures banks survival at a degree risk of 0.47%. The distribution is platykurtic since the kurtosis (2.89) is less than 3, implying that the outliers are few. The Jarque-Bera probability of 0.88 is greater than 0.05, which means that the distribution of remuneration committee diversity does not deviate from normal distribution.

The average remuneration committee meeting (RCM) for the sampled banks was 3.90. This means that banks with RCM values of 3.90 and above have remuneration committee meeting as and when due. Thus implies that the frequency of remuneration committee meetings ensures banks survival in Nigeria. There is also a high variation in maximum and minimum values of RCM which stood at 5 and 2 respectively. This wide variation in RCM values among the sampled banks justifies the need for this study that banks with higher RCM values are more sustainable than those banks with low RCM values. The distribution is platykurtic since the kurtosis (2.12) is less than 3, implying that the outliers are few The Jarque-Bera probability of 0.20 is greater than 0.05, which means that the distribution of remuneration committee meeting does not deviate from normal distribution.

In an effort to establish the nature of the correlation between the dependent and the independent variables and also to ascertain whether or not multi-collinearity exists as a result of the correlation between the variables, table 3 was incorporated which provides an insights into the nature and extent of correlation among the independent variables and how they are related to the dependent variable.

Table 3: Correlation Matrix

Variables	NAPS	RCI	RCD	RCM
NAPS	1.0000			
RCI	0.1077	1.0000		
RCD	0.0647	-0.0918	1.0000	
RCM	0.0742	0.1156	0.1912	1.0000

Source: E-View 12 Computational Results (2024).

Table 3 above shows the relationship between all pairs of independent variables and dependent variable used in the regression model. It reveals that all the independent variables have positive correlation with the dependent variable (NAPS) while some of these components of remuneration committee have negative relationship with one another. The values on the diagonal are all 1.0000 which shows that each variable is perfectly correlated with itself. In checking for multi-collinearity, we noticed that no two explanatory variables were perfectly correlated. This means that there is an absence of multi-collinearity in our model.

Table 4: Variance Inflation Factors
Date: 05/20/24 Time: 12:01
Sample: 2019-2023
Included observations: 60

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
RCI	1.12E-05	6.443135	2.586563
RCD	4.99E-06	5.439210	1.661080
RCM	4.25E-05	22.69475	4.716636
C	0.032834	5.669574	NA

Source: E-View 12 Computational Results (2024).

From the table above, the centered VIF ranges from 2.59 to 4.72 which suggests non multi-collinearity feature. Multi-collinearity feature exists when centered VIF exceeds 10 i.e VIF>10

4.1: Test of Hypothesis

Table 5: Result on Effect of Remuneration Committee on Banks Survival in Nigeria.

Dependent Variable: NAPS
Method: Panel Least Squares
Date: 05/20/24 Time: 11:58
Sample: 2019 -2023
Periods included: 5
Cross-sections included: 12
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RCI	0.414983	0.097883	4.239581	0.0008
RCD	0.408994	0.105913	3.861603	0.0024
RCM	0.336601	0.075133	4.480092	0.0000
C	0.133516	0.031571	4.427409	0.0000

R-squared	0.757441	Mean dependent var	1.028979
Adjusted R-squared	0.729419	S.D. dependent var	3.015098
S.E. of regression	2.939653	Akaike info criterion	5.006985
Sum squared resid	2030.766	Schwarz criterion	5.050753
Log likelihood	592.8312	Hannan-Quinn criter.	5.024624

F-statistic	7.160587	Durbin-Watson stat	2.230972
Prob(F-statistic)	0.000958		

Source: E-View 12 Computational Results (2024).

4.2: Discussion of Findings.

The coefficient of determination R^2 shows 0.76 indicating that the overall model explained 76 percent of the total variations in the dependent variable. Thus shows that these variables (RCI, RCD & RCM) can only explain 76 percent of change in banks' net assets per share leaving 24 percent unexplained. This is to say that there are other factors that could led to banks survival other than the roles and functions of remuneration committee. The sig. (or p-value) is .0000 which is below the .01 level; hence, we conclude that the overall model is statistically significant, or that the variables have a significant combined or joint effect on the dependent variable. With this, the researcher affirms the validity of the regression model adopted in this study.

The results of the regression are therefore slated below as follows:

H_{01}: Remuneration committee independence has no significant effect on survival of listed deposit money banks in Nigeria.

This hypothesis was tested and the result of this regression as exposited on table 5 indicates that the relationship between RCI and NAPS is positive and significant; this can be justified with the P-value (significance) of 0.0008 which is less than the 1% level of significance adopted. Likewise the result of positive coefficient of 0.415 indicates that the independence of banks remuneration committee determines their survival. Thus implies that remuneration committee independence ensures banks survival. We therefore accepted the alternate hypothesis which contends that remuneration committee independence has significant effect on survival of listed deposit money banks in Nigeria.

H_{02}: Remuneration committee diversity has no significant effect on survival of listed deposit money banks in Nigeria.

This hypothesis was tested and the result of this regression as exposited on table 5 indicates that the relationship between RCD and NAPS is positive and significant; this can be justified with the P-value (significance) of 0.0024 which is less than the 1% level of significance adopted. Likewise the result of positive coefficient of 0.409 indicates that the diversity of remuneration committee ensures banks survival in Nigeria. We consequently accepted the alternate hypothesis which contends that remuneration committee diversity has significant effect on survival of listed deposit money banks in Nigeria.

H_{03}: Remuneration committee meeting has no significant effect on survival of listed deposit money banks in Nigeria.

This hypothesis was tested and the result of this regression as exposited on table 5 indicates that the relationship between RCM and NAPS is positive and significant; this can be justified with the P-value (significance) of 0.000 which is less than the 1% level of significance adopted. Likewise the result of positive coefficient of 0.337 indicates that the frequency of remuneration committee meetings ensures banks survival in Nigeria. Hence, remuneration committee meeting determines banks survival in Nigeria. We therefore accepted the alternate hypothesis which contends that remuneration committee meeting has significant effect on survival of listed deposit money banks in Nigeria.

5. Conclusion and Recommendation

This study examined the connection between remuneration committee and survival of listed deposit money banks in Nigeria. Several empirical reviews were carried out to identify the unfilled gap. Meanwhile, the findings revealed directional connection between remuneration committee and banks survival in Nigeria. Thus, the study concludes that the roles and functions of remuneration committee ensures the survival of listed deposit money banks in Nigeria. In lieu of the findings of the study, it was recommended that listed deposit money banks in Nigeria should establish a committee called remuneration committee that must be independent, diversified and also have meeting frequently as it affords them the opportunity of considering different decisions and quickly reaching a compromise. Hence, RC plays an essential and important role in the success and failure of the company.

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Appendix 1
Data Extract from the Listed Deposit Money Banks in Nigeria

YEAR	BANKS	RCI	RCD	RCM	NAPS
2019	Access Bank	0.61	0	4	0.07
2020	Access Bank	0.36	0	3	0.17
2021	Access Bank	0.16	0	2	0.19
2022	Access Bank	0.24	0	4	0.14
2023	Access Bank	0.19	0	4	0.12
2019	Eco Bank	0.29	1	3	0.15
2020	Eco Bank	0.24	1	3	0.19
2021	Eco Bank	0.01	0	3	0.10
2022	Eco Bank	0.07	0	3	0.11
2023	Eco Bank	0.07	0	3	0.12
2019	First Bank	0.03	0	5	0.16
2020	First Bank	0.00	0	4	0.01
2021	First Bank	0.00	0	4	0.10
2022	First Bank	0.13	0	5	0.10
2023	First Bank	0.26	0	4	0.14
2019	Fidelity Bank	0.21	2	5	0.27
2020	Fidelity Bank	0.32	2	5	0.22
2021	Fidelity Bank	0.23	1	5	0.18
2022	Fidelity Bank	0.26	0	5	0.20
2023	Fidelity Bank	0.45	0	5	0.24
2019	Guaranty Trust Bank	0.32	0	4	0.16
2020	Guaranty Trust Bank	0.22	0	3	0.16
2021	Guaranty Trust Bank	0.05	0	3	0.11
2022	Guaranty Trust Bank	0.07	0	4	0.12
2023	Guaranty Trust Bank	0.19	0	4	0.13
2019	Stanbic IBTC Bank	0.28	0	5	0.18
2020	Stanbic IBTC Bank	0.30	0	4	0.13
2021	Stanbic IBTC Bank	0.52	1	4	0.19
2022	Stanbic IBTC Bank	0.34	0	5	0.25
2023	Stanbic IBTC Bank	0.57	1	4	0.13
2019	Sterling Bank Holding	0.14	0	3	0.26
2020	Sterling Bank Holding	0.38	0	3	0.11
2021	Sterling Bank Holding	0.54	0	3	0.08
2022	Sterling Bank Holding	0.56	0	3	0.11
2023	Sterling Bank Holding	0.01	0	3	0.19

2019	FCMB Bank Holding	0.08	0	4	0.22
2020	FCMB Bank Holding	0.14	0	3	0.18
2021	FCMB Bank Holding	0.59	0	3	0.14
2022	FCMB Bank Holding	0.61	0	4	0.16
2023	FCMB Bank Holding	0.31	0	4	0.50
2019	Union Bank	0.45	0	4	0.16
2020	Union Bank	0.67	0	5	0.13
2021	Union Bank	0.47	0	5	0.10
2022	Union Bank	0.66	0	4	0.12
2023	Union Bank	0.12	0	5	0.03
2019	United Bank for Africa	0.19	0	4	0.45
2020	United Bank for Africa	0.12	0	4	0.70
2021	United Bank for Africa	0.12	0	4	0.77
2022	United Bank for Africa	0.05	0	4	0.22
2023	United Bank for Africa	0.05	0	4	0.10
2019	Unity Bank	0.04	0	3	0.02
2020	Unity Bank	0.29	0	4	0.12
2021	Unity Bank	0.21	0	4	0.15
2022	Unity Bank	0.02	0	3	0.11
2023	Unity Bank	0.67	0	3	0.17
2019	Zenith Bank	0.58	1	4	0.16
2020	Zenith Bank	0.02	1	4	0.18
2021	Zenith Bank	0.12	0	5	0.13
2022	Zenith Bank	0.55	0	5	0.07
2023	Zenith Bank	0.54	0	4	0.11

Source: Compiled from the Annual Reports and Accounts of the Listed Deposit Money Banks in Nigeria for the year ended 2019-2023.

	MEASUREMENTS	
1	NET ASSETS PER SHARE:	Measured as Net Assets/Paid up Capital
2	REMUNERATION COMMITTEE INDEPENDENCE :	Measured as the Number of independent directors in remuneration committee divided by total members
3	REMUNERATION COMMITTEE DIVERSITY:	Measured as the Number of foreign directors in remuneration committee
4	REMUNERATION COMMITTEE MEETING :	Measured as the Number of meetings held by remuneration committee in one accounting year