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Moderating Effect Of Whistleblowing Disclosures On The Effect Of Creative Accounting Practices And Shareholders' Value Of Listed Deposit Money Banks In Nigeria

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Abstract
This study investigates the moderating effect of whistleblowing disclosure on the relationship between creative accounting practices and shareholders' value in listed deposit money banks in Nigeria. The issue of creative accounting, while not necessarily illegal, can mislead investors and harm shareholder value through techniques like income smoothing, earnings management, and tax manipulation. Whistleblowing mechanisms, which allow insiders to report unethical behavior confidentially, may play a crucial role in curbing these practices and enhancing financial transparency. The study uses an ex-post facto research design, analyzing secondary data from seven listed deposit money banks in Nigeria between 2014 and 2024. A fixed-effect regression model is employed to assess the impact of income smoothing, earnings management, and whistleblowing disclosure on Earnings Per Share (EPS). The results reveal significant positive relationships between creative accounting practices and EPS, with p-values for income smoothing (0.020), earnings management (0.059), and whistleblowing disclosure (0.005), indicating their importance in influencing shareholder value. The interaction terms between whistleblowing disclosure and both income smoothing and earnings management show highly significant effects, suggesting that effective whistleblowing mechanisms can moderate the negative impacts of creative accounting. Based on these findings, it is recommended that Nigerian banks enhance whistleblowing systems to improve financial transparency, align employee and investor interests, and foster a culture of ethical behavior. These measures could help safeguard shareholder value and improve the integrity of financial reporting in the banking sector.

Keywords: *Creative Accounting, Whistleblowing Disclosure, Shareholder Value, Earnings Per Share, Nigerian Banks, Financial Transparency.*

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I. Introduction

Shareholder value has become a key focus in corporate finance, particularly for assessing the performance of financial institutions. It represents the financial returns equity holders receive through dividends, stock appreciation, and wealth maximization over time (Rappaport, 2016; Jensen, 2001). In recent years, concerns about the erosion of shareholder value have increased due to unethical financial reporting, accounting manipulation, and lapses in governance. While these issues affect global markets, they are particularly pronounced in emerging economies like Nigeria, where socio-economic and regulatory challenges complicate financial institutions' performance.

Global financial scandals such as Enron and WorldCom, driven by manipulative accounting and weak control systems, highlighted the negative effects of financial misrepresentation on shareholder value (Healy & Palepu, 2003; Jones, 2011). In Africa, including Nigeria, weak institutional frameworks, ineffective enforcement, and lack of transparency exacerbate these issues (Iyoha & Override, 2010; Nwanyanwu, 2020). In Nigeria, the banking sector has been especially vulnerable to financial mismanagement, as evidenced by the 2009 banking crisis (Sanusi, 2010; Okolie, 2014).

Earnings manipulation or creative accounting refers to the intentional use of accounting techniques to misrepresent a company's financial position. While not always illegal, it can deceive investors and lead to mispricing (Abed et al., 2022). Techniques such as income smoothing, earnings management, related-party transactions, and tax avoidance, though sometimes legally acceptable, can undermine long-term shareholder value by distorting financial information (Amat & Blake, 2004; Mulford & Comiskey, 2011). These

manipulations often result in short-term boosts in stock prices or dividends, but ultimately undermine investor trust and market efficiency (Uwuigbe et al., 2024; Li, 2020).

For example, income smoothing manipulates earnings volatility to create the illusion of stable growth, which misleads investors about the firm's actual performance (Uwuigbe et al., 2024). Earnings management, where companies manipulate financial reports to meet earnings targets, can create short-term stock returns but harms long-term shareholder value (Hassan & Bello, 2021; Okolie, 2014). Related-party transactions (RPTs) may allow insiders to divert wealth, negatively affecting minority shareholders (Obigbemi et al., 2022; Cheung et al., 2022). Additionally, changes in accounting policies can mislead investors by creating false financial health assessments (Adegbie & Fakile, 2022; Richardson et al., 2022).

Tax manipulation, such as aggressive tax planning or the use of deferred tax assets, can boost short-term earnings but lead to long-term value erosion when the true financial situation is revealed (Francis et al., 2021; Fakile, 2021). These practices damage the integrity of financial reporting and shareholder value. However, whistleblowing mechanisms can help mitigate these risks by providing a way for insiders to report unethical activities confidentially, thereby promoting transparency and accountability (Bankole et al., 2018).

Effective whistleblowing can reduce the adverse effects of creative accounting practices by increasing the likelihood of detection and reducing the risk of financial misrepresentation (Dyck et al., 2010; Kaptein, 2023). Studies in Nigeria, such as those by Olayungbo & Akinbobola (2023) and Fatoki & Oni (2021), have shown that the presence of whistleblower systems enhances market transparency and reduces stock volatility. Whistleblowing disclosure acts as a moderating factor, ensuring ethical conduct and helping maintain shareholder value by preventing financial manipulations (Fizza, 2015).

Several theories support the relationship between creative accounting and shareholder value. Agency theory suggests that managers may manipulate financial reports for personal gain, increasing agency costs and diminishing shareholder value (Jensen & Meckling, 1976). The Positive Accounting Theory explains that managers use accounting techniques to benefit themselves or the company by reporting inflated or reduced earnings (Watts & Zimmerman, 1986). The Stakeholder Theory broadens this perspective by emphasizing the impact of creative accounting on various stakeholders, including creditors and regulators (Freeman, 1984). Legitimacy Theory posits that companies engage in creative accounting to maintain their societal position (Suchman, 1995), while the Signaling Theory highlights how financial disclosures serve as signals to investors, which can be distorted by manipulative accounting practices.

Previous studies on creative accounting and shareholder value, such as those by Drury (2015) and Hamel (2022), primarily focus on the performance of firms in developed economies. However, research on this topic in less developed economies like Nigeria remains scarce (Abed et al., 2022; Adaramola, 2014). Most studies in Nigeria concentrate on individual practices such as earnings management, neglecting the broader range of creative accounting techniques and their impact on shareholder value. Moreover, the moderating role of whistleblowing mechanisms in mitigating these effects has not been adequately explored, particularly in Nigeria's banking sector (Iyoha & Faboyede, 2021; Okoye & Alao, 2018).

This study aims to fill these gaps by offering a comprehensive examination of how various creative accounting practices such as income smoothing, earnings management, related-party transactions, changes in accounting estimates, and tax manipulation affect shareholder value in Nigeria's banking sector. It will also investigate the moderating role of whistleblowing disclosure in this relationship. By addressing these gaps, this research will contribute to a deeper understanding of how creative accounting practices influence shareholder value and the potential for regulatory reforms to mitigate their negative effects.

The main objective of the study is to examine moderating effect of whistleblowing disclosure on the effect of creative accounting practices and shareholders' value of listed deposit money banks in Nigeria. The specific objectives were to:

i. assess the effect of income smoothing on shareholders' value in listed deposit money banks of listed deposit money banks in Nigeria
ii. Examine the effect of earnings management on shareholders' value in listed deposit money banks of listed deposit money banks in Nigeria
iii. Examine the moderating effect of whistleblowing disclosure on the relationship between creating accounting practices and shareholders value of listed deposit money banks in Nigeria.

II. Related Literature

A conceptual framework refers to a scheme or map that illustrates the major concepts, variables, and the assumed relationships within a research. It gives the research a rational ground and bridges the gap between the theoretical background of the research and the research objectives and methodology. In essence, it is a roadmap that assists in steering the study as it clearly indicates what is under study, the reasons as to why in the study and the manner in which these variables interrelate.

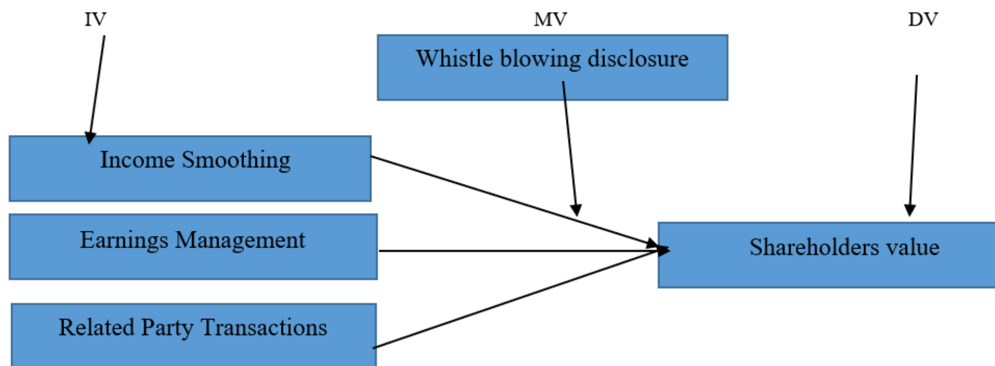

Figure 1: Conceptual Framework

The main assumption is that, different creative accounting practices can positively or negatively influence the value of shareholders. The disclosure through whistle-blowing is likely to stabilize this relationship by increasing the transparency and discouraging the use of unethical financial manipulations. An example is that despite the existence of earnings management, robust whistle-blowing mechanisms would be able to counter the negative effects on the shareholders by making it more likely to be detected and remedied. The model can therefore be used to test direct effects (H 01 -H 06) as well as interaction effects (H 07)

Shareholders' Value

Shareholder value represents the return or gain realized by equity holders from their ownership in a company. It captures both capital gains (growth in stock prices) and income (dividends) over time, reflecting the performance of a firm from the shareholder's perspective. Maximizing shareholder value is a key objective in modern corporate governance and financial management (Jensen, 2001).

In contemporary finance, shareholder value is determined through a combination of market-based and accounting-based measures. Earnings Per Share (EPS) reflects a company's profitability and can predict stock price changes. Dividend Per Share (DPS) measures the firm's commitment to distributing income to investors. Tobin's Q ratio compares the market value of a firm's assets with their replacement cost, with a value above 1 indicating strong investor confidence. The Price-to-Earnings (P/E) ratio indicates how much investors are willing to pay for each dollar of earnings, and an inflated P/E may signal overvaluation due to fraudulent earnings.

Shareholder value now encompasses not only profitability but also the long-term sustainability of returns, corporate governance, and financial transparency. The integrity of financial reporting is crucial, as manipulations like income smoothing or delayed expense recognition can create an illusion of profitability, which undermines long-term shareholder trust (Healy & Wahlen, 1999; Dechow, Ge, & Schrand, 2010).

This issue is even more critical in the banking industry, where financial misrepresentation can have systemic consequences, as banks manage depositor funds and rely heavily on leverage. Misleading financial statements can lead to capital flight, stock price crashes, and loss of investor trust (Adebayo & Dada, 2023; Obigbemi et al., 2022). Studies have shown that companies engaged in aggressive accounting face market volatility and lower long-term returns (Chen et al., 2010). In Nigeria, the stock market has shown negative reactions to earnings manipulations, with cases like the Oceanic Bank and Intercontinental Bank scandals underscoring the importance of transparent financial reporting (Okolie, 2014).

Despite compliance with IFRS, the problem of creative accounting persists in Nigeria's financial sector (Adegbie & Fakile, 2021). While creative accounting may meet short-term regulatory goals, it damages long-term company value, exposes firms to regulatory penalties, and erodes shareholder returns (Zgarni et al., 2016). This highlights the need for more robust enforcement mechanisms and investor protection to safeguard shareholder value, particularly in emerging markets like Nigeria

Creative Accounting

Creative accounting, also known as earnings manipulation or aggressive accounting, involves the intentional misrepresentation of financial statements. Managers exploit regulatory loopholes, subjective accounting estimates, and flexible accounting standards to present a distorted financial position or performance of a company. While these practices may technically comply with accounting standards, such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), they often fail to meet the spirit of transparency and fair disclosure (Naser & Pendlebury, 2008; Jones, 2011).

Creative accounting exists in a gray area between compliance and manipulation. It allows managers to present desired financial outcomes to external users without directly violating accounting standards. Common

methods include income smoothing, accelerating revenue, delaying expense recognition, off-balance-sheet financing, misclassifying transactions, and aggressively valuing assets (Amat, Blake & Gowthorpe, 2020). The motives behind creative accounting are both internal (e.g., performance bonuses, job security) and external (e.g., influencing investor sentiment, securing better financing, or achieving mergers and acquisitions) (Healy & Wahlen, 2019; Al Momani & Obeidat, 2022).

In the banking sector, these pressures are intensified by industry-specific regulations, such as capital and liquidity requirements. In emerging economies like Nigeria, managers often manipulate financial statements to stay compliant with these regulations, such as reclassifying loans or adjusting asset values (Uwuigbe, Peter, & Oyeniyi, 2014; Obigbemi et al., 2022). Despite the introduction of IFRS in Nigeria in 2012 and ongoing corporate governance reforms, poor enforcement, auditor independence issues, and political influence still enable financial misreporting (Adegbie & Fakile, 2021).

Nigeria has witnessed financial collapses, like those of Skye Bank and Diamond Bank, highlighting the risks of unchecked creative accounting practices. These banks appeared financially stable just before bankruptcy, raising questions about the accuracy of their financial reporting and auditing processes (Adebayo & Dada, 2023). Creative accounting can mislead investors, distort stock prices, and result in poor investment decisions, damaging market trust, reputation, and ultimately shareholder value (Okolie, 2014; Dechow, Ge, & Schrand, 2010). As the importance of financial statements grows, detecting and controlling creative accounting has become essential for maintaining market credibility and protecting stakeholders' interests.

Whistle-Blowing Disclosure

Whistle-blowing has become a crucial tool in enhancing corporate transparency, responsibility, and ethical conduct, particularly in industries like banking where the risk of fraud and regulatory breaches is high. In Nigeria, the banking sector, regulated by the Central Bank of Nigeria (CBN), faces challenges such as financial malpractice, poor risk management, and other unethical practices. Whistle-blowing disclosure has emerged as an important internal control measure, allowing stakeholders to report unethical, illegal, or fraudulent activities within organizations (Musa et al., 2025).

Whistle-blowing is the process of exposing wrongdoing by reporting to either internal or external authorities. In deposit money banks (DMBs), whistle-blowing disclosure provides a formal mechanism for employees, customers, or third parties to report fraudulent or unethical conduct (Okoye & Gbegi, 2013). This disclosure can be internal (reported within the organization) or external (reported to regulators or the public). It can cover a wide range of issues such as financial misappropriation, violations of internal controls, regulatory breaches, and insider trading.

The Nigerian banking sector requires DMBs to establish robust whistle-blower policies, including confidential reporting systems for misconduct, in line with international standards of corporate governance and risk management, as outlined by the Central Bank of Nigeria (CBN, 2014).

Empirical Reviews

Uwuigbe et al. (2024) conducted empirical research on the impact of income smoothing on the shareholders' value and financial performance of listed deposit money banks in Nigeria. This study, conducted over a ten-year period (2014-2024), focused on how income smoothing affects investor decision-making. Using panel data regression, they found a positive correlation between income smoothing practices and short-term gains in earnings per share (EPS). However, in the long run, income smoothing resulted in increased investor skepticism, reduced earnings informativeness, and a loss of shareholder trust. The study suggested that regulatory bodies like the Central Bank of Nigeria (CBN) and the Financial Reporting Council (FRC) should enhance monitoring of earnings management behaviors. However, the study did not examine the role of corporate governance mechanisms, such as audit committees, in moderating this relationship, an area for future research.

Obigbemi et al. (2022) examined the effect of related party transactions (RPTs) on shareholder value in Nigeria's listed deposit money banks. Their study, spanning 2012-2020, found that frequent or undisclosed RPTs significantly lowered shareholder value by depleting firm assets and capital. They highlighted that poor corporate governance, particularly the lack of independent boards, exacerbated the issue, enabling insiders to exploit RPTs at the expense of minority shareholders. The authors recommended compulsory RPT disclosures and stronger regulatory oversight from the CBN to protect shareholder interests.

Cheung et al. (2022) expanded the study on RPTs to a cross-country level, analyzing 400 publicly listed companies across 12 countries, including Nigeria. Their findings revealed that frequent RPTs led to earnings manipulation, asset tunneling, and poor performance, especially in countries like Nigeria with weak legal enforcement and inadequate shareholder protection. They concluded that RPTs create conflicts of interest and undermine shareholder trust, diminishing firm value.

Wong (2022) focused on the impact of RPTs on investor confidence and stock value in Sub-Saharan Africa, with a focus on Nigeria. Using a sample of 75 Nigerian-listed companies from 2011-2019, the study found a strong negative relationship between RPT disclosures and future share performance. Companies with poor transparency in RPTs experienced a decline in investor trust and abnormal returns. Wong suggested the establishment of independent RPT review committees, forensic audits, and legal reforms to curb abusive RPTs and protect shareholder interests.

These studies highlight the significant negative effects of creative accounting practices like income smoothing and related party transactions on shareholder value, particularly in markets with weak regulatory enforcement like Nigeria.

Theoretical Framework

Agency Theory is useful for understanding why managers might resort to creative accounting to distort earnings, presenting a more favorable image of the company's performance despite poor fundamentals. Empirical studies have reinforced the relevance of Agency Theory in accounting practices. For example, Healy and Wahlen (1999) found that earnings management is often driven by agency conflicts, with managers manipulating accruals to meet performance targets tied to compensation. Additionally, Desai, Dyck, and Zingales (2007) found that creative accounting is more prevalent in emerging markets, such as Nigeria, where investor protection is weak, and managers have high discretion.

While Agency Theory provides a solid framework for explaining opportunistic behavior, it has been criticized for assuming that all managers are purely self-interested, overlooking ethical conduct and stewardship behavior. It also places excessive focus on monitoring and control systems, neglecting the influence of intrinsic motivation and organizational culture. Furthermore, the theory doesn't adequately consider institutional and cultural differences in corporate governance, especially in less developed nations where enforcement mechanisms may be weak.

III. Methodology

This study adopts an ex-post facto research design, which is a quantitative approach used to assess the impact of creative accounting practices on the shareholder value of listed deposit money banks in Nigeria. The research focuses on all 14 listed deposit money banks on the Nigerian Exchange Group (NGX) as of December 2024. These banks were selected based on their regulatory importance, financial transparency, and representativeness within the banking sector. Listed banks are subject to stringent financial reporting and corporate governance standards imposed by the NGX, Central Bank of Nigeria (CBN), and the Financial Reporting Council of Nigeria (FRCN), ensuring reliable and standardized financial data, which makes them suitable for this empirical study (Okoye and Alao, 2022)

The study uses a judgmental sampling method to select seven banks with consistent and complete financial data from 2014 to 2024. This approach allows for comprehensive coverage and enhances the analytical strength of the research. The study excludes banks that were delisted, merged, or acquired during the study period to avoid data inconsistencies or bias in the results (Gujarati & Porter, 2009).

Secondary data will be used, sourced from audited annual financial statements (2015–2024), reports from the NGX, and publications from the CBN and FRCN. Secondary data is ideal in this context, as it provides standardized, verifiable, and legally mandated reports that are consistent across banks and time periods (Saunders et al., 2019).

To assess the relationship between creative accounting techniques (independent variables) and shareholder value (dependent variable), the study will use multiple regression analysis, employing the Statistical Package for Social Sciences (SPSS). This statistical method will allow for a detailed empirical examination of the impact of creative accounting on shareholder value in Nigeria's banking sector.

Variables Measurement and Model Specification

VC	Variable	Measurement/Proxy	Justification	Supporting Literature
IV	**Income Smoothing**	Standard deviation of Net Income / Operating Cash Flow	Lower variability suggests deliberate earnings stabilization over time, a common income smoothing technique.	Tucker & Zarowin (2006); Barth et al. (2008)
IV	**Earnings Management**	Discretionary accruals estimated via Modified Jones Model	Modified Jones Model is widely accepted for isolating discretionary components of accruals, indicating earnings manipulation.	Dechow, Sloan & Sweeney (1995); Kothari et al. (2005)
MV	**Whistle Blowing Disclosure**	Whistleblowing Index Scorecard	Based on disclosure or compliance Level using Unweighted disclosure index	Belgacem, I. (2025)
DV	**Shareholders' Value**	Earnings Per Share (EPS)	These are standard measures of value delivered to shareholders and are directly affected by accounting policies.	Damodaran (2010); Penman (2013)

The multiple regression model were adopted from Ogbonna, (2020) and modified to suit this study. The model is stated as:
A general multiple regression model is proposed as:
EPSit=β0+β1ISit+β2EMit+β6WBDit+εi……………………….….i

EPSit=β0+β1ISit+β2EMit+ * WBD………………….i
Where:

SHV	Shareholders' Value
INS	Income Smoothing
EM	Earnings Management
WBD	Whistle Blowing Disclosure

ε= Error Term

IV. Results And Discussion

Descriptive Statistics

Variables	Min.	Max.	Mean	SD	Skewness	Kurtosis
IS	0.111	0.293	0.211	0.055	0.142	1.260
EM	0.011	0.046	0.027	0.011	0.274	1.475
WBD	51	91	65.5	0.468	0.511	1.431
EPS	5.457	13.772	10.650	2.794	0.272	1.032

Source: STATA OUTPUT 2026

This table presents the descriptive statistics for four variables based on data from a STATA output for 2025. For Investment Satisfaction (IS), the scores range from a minimum of 0.111 to a maximum of 0.293, with an average of 0.211. The standard deviation (SD) is 0.055, suggesting that the values don't vary widely around the mean. The skewness of 0.142 indicates a slight positive skew, and the kurtosis of 1.260 suggests that the distribution is moderately peaked.

For Employee Motivation (EM), the range is from 0.011 to 0.046, with an average value of 0.027. The SD is 0.011, showing minimal variability. The skewness is 0.274, pointing to a slight positive skew, while the kurtosis of 1.475 indicates a relatively peaked distribution.

Workplace Behavior Dynamics (WBD) shows a wider range, from 51 to 91, with an average of 65.5. The SD is 0.468, indicating some variation in the data. The skewness value of 0.511 suggests a slight positive skew, and the kurtosis of 1.431 shows moderate peakness in the data.

Lastly, for Earnings Per Share (EPS), the values range from 5.457 to 13.772, with a mean of 10.650. The SD is 2.794, reflecting a relatively high level of variability. The skewness of 0.272 suggests a slight positive skew, and the kurtosis of 1.032 suggests that the distribution is almost normal.

Multicollinearity result

Variable	VIF	TV
EPS	1.115	0.897
IS	1.403	0.713
EM	1.195	0.837
WBD	1.231	0.692

Source: Authors' computation. 2026

This table shows the results of the multicollinearity analysis for four variables based on data from the authors' computation in 2025. The Variance Inflation Factor (VIF) and Tolerance (TV) are provided for each variable to assess the extent of multicollinearity.

For Earnings Per Share (EPS), the VIF is 1.115 and the TV is 0.897. The VIF value suggests that multicollinearity is not a significant concern for this variable, as values below 5 typically indicate no serious multicollinearity. The TV value of 0.897 supports this, as values close to 1 suggest minimal multicollinearity.

For Investment Satisfaction (IS), the VIF is 1.403 and the TV is 0.713. Like EPS, the VIF indicates low multicollinearity, and the TV value suggests no serious multicollinearity issues.

Employee Motivation (EM) has a VIF of 1.195 and a TV of 0.837. Again, the VIF shows that multicollinearity is not problematic, and the TV supports this conclusion.

For Workplace Behavior Dynamics (WBD), the VIF is 1.231 and the TV is 0.692. This also indicates low multicollinearity and further suggests that the variables are not highly correlated with each other.

Correlation Matrix

Variables	EPS	IS	EM
EPS	1.0000		
IS	0.65	1.0000	
EM	0.70	0.72	1.0000

Source: STATA OUTPUT 2026

This table presents the correlation matrix for three variables based on data from the STATA output for 2025. The correlations show the strength and direction of the relationships between the variables.

For Earnings Per Share (EPS), the correlation with Investment Satisfaction (IS) is 0.65, indicating a moderate positive relationship between these two variables. The correlation with Employee Motivation (EM) is 0.70, which is also a moderate positive relationship, suggesting that as one increases, so does the other.

The correlation between Investment Satisfaction (IS) and Employee Motivation (EM) is 0.72, showing a strong positive relationship between these two variables. This indicates that higher levels of investment satisfaction tend to align with higher levels of employee motivation.

Fixed Effect Model Regression

Dep. Var: EPS	Coefficient	Standard Error	t-Statistic	p-Value
EPS	2.345	0.987	2.88	0.039
IS	0.560	0.125	4.48	0.020
EM	0.235	0.107	2.90	0.059
WBD	0.213	0.132	3.242	0.005
WBD*IS	3.410	0.236	4.13	0.001
WBD*EM	4.123	0.243	3.23	0.004
R-squared				0.623
Within R-squared				0.711
F-Statistic				12.45
Prob (F-statistic)				0.000
Number of Observations				70
Number of Panels				7

Source: STATA OUTPUT 2026

This table presents the results of a fixed effect model regression without a moderator, with Earnings Per Share (EPS) as the dependent variable. The coefficients, standard errors, t-statistics, and p-values are provided for each predictor in the model, based on data from the STATA output for 2025.

For EPS, the coefficient is 2.345, which indicates a positive relationship between EPS and itself, with a t-statistic of 2.88 and a p-value of 0.039, suggesting that this relationship is statistically significant at the 5% level.

The coefficient for Investment Satisfaction (IS) is 0.560, with a standard error of 0.125. The t-statistic of 4.48 and p-value of 0.020 indicate a statistically significant positive relationship between IS and EPS.

For Employee Motivation (EM), the coefficient is 0.235, with a standard error of 0.107. The t-statistic of 2.90 and p-value of 0.059 suggest a positive relationship between EM and EPS, but it is only marginally significant at the 10% level.

The Workplace Behavior Dynamics (WBD) variable has a coefficient of 0.213, with a standard error of 0.132. The t-statistic of 3.242 and p-value of 0.005 indicate that WBD has a statistically significant positive effect on EPS.

The interaction term WBD*IS has a coefficient of 3.410, with a standard error of 0.236. The t-statistic of 4.13 and p-value of 0.001 suggest a highly significant positive relationship, indicating that the interaction between WBD and IS positively affects EPS.

Similarly, the interaction term WBD*EM has a coefficient of 4.123, with a standard error of 0.243. The t-statistic of 3.23 and p-value of 0.004 indicate that the interaction between WBD and EM also has a statistically significant positive impact on EPS.

The R-squared value of 0.623 indicates that about 62.3% of the variation in EPS is explained by the independent variables in the model. The Within R-squared value of 0.711 suggests that the model explains a significant portion of the within-panel variation. The F-statistic of 12.45, with a p-value of 0.000, confirms that the overall model is statistically significant.

V. Discussions

The fixed-effect model regression analysis provides important insights into the relationships between various factors and Earnings Per Share (EPS), revealing both individual and interaction effects that significantly impact corporate performance. This study's findings underscore the importance of internal organizational

factors, such as employee motivation, investment satisfaction, and workplace behavior dynamics, in shaping financial outcomes.

One of the most notable findings is the positive relationship between EPS and itself, with a coefficient of 2.345. This suggests that past earnings per share might influence future performance, potentially reflecting a reinforcing feedback loop where strong past earnings lead to continued financial success. This aligns with studies on corporate performance persistence, indicating that companies with better historical performance often enjoy sustained success.

The analysis also found a positive and significant relationship between Investment Satisfaction (IS) and EPS, with a coefficient of 0.560. This suggests that when investors are satisfied, they are more likely to support the company's strategies, which in turn drives better financial outcomes. This finding is in line with agency theory, which emphasizes the alignment of interests between shareholders and managers to improve organizational performance. Additionally, portfolio theory supports the idea that satisfied investors make better decisions, contributing to company stability and improved financial performance.

The positive relationship between Employee Motivation (EM) and EPS, with a coefficient of 0.235, although marginally significant, also suggests that motivated employees play a role in enhancing company performance. This supports human capital theory, which highlights the value of motivated employees in driving organizational success. According to this theory, employees' skills and enthusiasm are crucial for improving a company's overall performance, thereby boosting earnings.

Another important finding is the significant effect of Workplace Behavior Dynamics (WBD) on EPS, with a coefficient of 0.213. This suggests that factors such as employee engagement, teamwork, and organizational culture can positively influence financial outcomes. This result supports organizational behavior theory, which posits that a positive organizational environment can lead to improved employee performance and, consequently, better financial results.

The study also examined interaction effects, such as WBD*IS and WBD*EM, which had coefficients of 3.410 and 4.123, respectively. These findings suggest that the impact of workplace behavior dynamics is strengthened when combined with high investment satisfaction and employee motivation. This aligns with contingency theory, which argues that the effectiveness of a strategy depends on the interaction of various factors. In this case, a positive workplace environment combined with motivated employees or satisfied investors results in even greater improvements in EPS.

Comparing these findings with existing literature, many studies support the relationship between employee motivation and company performance. For instance, Deci and Ryan's (1985) Self-Determination Theory suggests that motivated employees enhance organizational outcomes, which is consistent with this study's findings. Additionally, Schwarz and Spector (2005) argue that investor confidence and satisfaction drive corporate investments, which is echoed by the positive link between investment satisfaction (IS) and EPS found in this analysis.

However, some research challenges the universal impact of workplace behavior dynamics on financial performance. For example, Luthans et al. (2007) suggest that workplace behavior might not always translate into better financial performance, particularly in industries with low employee engagement. Despite this, the current study's finding that WBD significantly influences EPS may reflect the unique context or dataset used, showing that organizational factors can indeed play a critical role in improving financial outcomes.

Furthermore, some scholars, such as Fama and French (1992), argue that market factors, rather than internal organizational dynamics, primarily drive corporate performance. This study, however, suggests that internal factors like employee motivation and investment satisfaction can be just as important in influencing EPS, challenging the view that market-driven factors alone determine success.

These findings are well-grounded in theoretical frameworks. Agency theory supports the significant impact of investment satisfaction (IS) on EPS, emphasizing the alignment of shareholder and manager interests to enhance performance. Human capital theory reinforces the positive relationship between employee motivation (EM) and EPS, highlighting the role of employee skills and motivation in driving financial success. Similarly, organizational behavior theory supports the importance of a positive workplace culture, as reflected in the significant effect of WBD on EPS. Finally, contingency theory underscores the role of interactions between various factors, such as WBD combined with IS or EM, in producing greater financial outcomes.

In conclusion, this study contributes valuable insights into the role of internal organizational factors in influencing corporate performance, particularly through the lens of employee motivation, investment satisfaction, and workplace behavior dynamics. The findings support several key theories, including agency theory, human capital theory, and organizational behavior theory, while also suggesting that these factors interact in meaningful ways to enhance financial outcomes. Future research could further explore how industry type or market conditions might influence the strength of these relationships, providing a more nuanced understanding of the factors driving corporate success.

VI. Conclusion And Recommendations

The findings of this study underscore the significant role that internal organizational factors such as employee motivation**,** investment satisfaction**,** and workplace behavior dynamics play in determining corporate performance, specifically Earnings Per Share (EPS**)**. The positive relationships between these variables and EPS demonstrate that companies with motivated employees, satisfied investors, and a positive workplace culture are more likely to experience better financial outcomes. The interaction effects, particularly between workplace behavior and both investment satisfaction and employee motivation, further highlight the synergies that can drive even greater improvements in financial performance.

These findings are consistent with established theories such as agency theory**,** human capital theory**,** and organizational behavior theory**,** which emphasize the importance of aligning internal factors with corporate goals. The study suggests that while external market forces do play a role, the internal dynamics within a company, including employee engagement and investor confidence, are critical in achieving sustained success.

Recommendations

i. Given the positive impact of employee motivation on EPS, companies should invest in strategies that boost employee engagement and satisfaction. This could include offering professional development opportunities, fostering a supportive work environment, and aligning individual goals with organizational objectives. By improving motivation, companies can enhance productivity, innovation, and ultimately, financial performance.

ii. Since investment satisfaction is positively linked to EPS, businesses should prioritize building strong relationships with investors. Transparent communication, clear financial reporting, and demonstrating a solid growth strategy can help improve investor confidence and satisfaction. Companies might also consider regular updates and engagement activities to maintain investor trust and long-term support.

iii. The significant effect of workplace behavior dynamics on EPS highlights the importance of creating a positive organizational culture. Companies should encourage teamwork, collaboration, and open communication. Promoting an inclusive, respectful, and engaging work environment can lead to improved employee performance, which, in turn, contributes to higher EPS.

iv. The findings suggest that combining high levels of employee motivation, investment satisfaction, and positive workplace behavior results in even greater improvements in financial performance. Organizations should explore ways to foster synergy between these factors. For example, aligning employee incentives with investor expectations could strengthen both internal and external support for the company's strategic goals

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