Abstract

Purpose

The issues of ineffective accountability have affected the performance of banks, which led the Nigerian government to introduce various reforms and policies. However, despite these attempts, the Nigerian banking sector experiences setbacks due to mismanagement of funds, fraudulent activities and lack of proper accountability, which negatively affects employment and income.

Design/methodology/approach

The dynamic least square was employed to investigate the selected indicators of Nigerian banks’ accountability, income and employment. Likewise, the study examined the causal effect using the Granger non-causality approach.

Findings

In the income equation, the total amount of fraud, deposit, total bank asset has a negative relationship with the income, while loan advance and operating expense depicted a positive relationship. In the employment equation, demand deposit, operating cost and bank total asset practices negatively affect employment. In contrast, loan advances and saving deposits have a positive relationship with employment in the long run.

Practical implications

Based on the findings, this study suggests, among others, the need for long-term systematic policies and reforms to improve the level of accountability in the Nigerian banking sector.

Originality/value

To the best of our knowledge, empirical studies examining the nexus between employment and accountability in the banking sector remain scarce in the literature. Therefore, this study examines the causality and long-run relationship between accountability and employment in Nigerian Banks.