CODE OF ETHICS AND THE INTERNATIONALIZATION OF NIGERIAN FINTECH FIRMS

By

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Abstract
The introduction and implementation of codes of ethics in a firm is mostly considered as an expression of corporate governance. It is also a manifestation of a corporate culture of compliance which typically permeates the organization, especially for firms with the strategic objective of internationalization. As domestic market increasingly reach maturity, compelling firms to push for expansion into international markets, there has been a remarkable interest and focus in the internationalization activities of business across Africa. This has resulted in the emergence of challenger firms competing with both local and foreign firms in the new markets. However, there is still limited understanding of this phenomenon, because there is scarce empirical research on the relationship between sound code of ethics and the success of internationalization drive by African firms. This paper therefore seeks to examine trends in the adoption and contexts of codes of ethics regulating the behavior of fintech firms and the effect on their effort at internationalizing the business. This is with a view to shed light on the effectiveness of ethical standards thereby contributing to the scholarly understanding of one of the important requirements for internationalization of Nigerian Fintech firms.
Keywords: *Code of Ethics, Internationalization; Nigerian Fintech.*

1.0 Introduction

1.1 Background to the Study

Businesses are becoming more international in outlook and orientation. Today, businesses are making penetrative moves in the global arena through organic growth, mergers and acquisitions (Bougnague, 2023). It is therefore a reality as much as it is compelling that companies that must compete today would have to play by the rules of the international business community, especially with globalization, therefore must be adaptive to ethical practices and conduct.

A company that chooses to ignore business ethics and does not comply with the codes of those ethics, only does that at its own peril. A recent survey of Global 2000 companies found that more than 35 per cent of businesses around the world have ethics or compliance officers to ensure fulfilment of ethical codes and conduct. This is a clear demonstration of the global shift to the appreciation and implementation of business ethics in the business community. A significant number of Fortune 500 companies also reported to have set up ethics desks too. Research shows beyond doubt that companies with an outstanding commitment to ethical conduct show better results than those that do not (Otteson, 2023).

As published in financial Technology, Mclauglin (2023) indicates that Nigerian Fintech industry is gaining global recognition and attention as the business models are becoming more attractive to investor, with funding rounds at the center stage, unicorns emerging, while globally known venture capital investors and strategic partners are getting even the more excited about the market potentials since exits are beginning to happen. As global best practices and code of ethics become grounded in Nigeria, key risks of investing in the region will decline. The quality and number of first-time and repeat founders is also observed to be improving, while many technology entrepreneurs are on their second or third ventures. Consequently, Nigeria is no longer a country that investors can ignore as it has proven to have the key requirements to develop and deliver a robust fintech ecosystem with the benefit of a huge number of young, unbanked, underbanked, and under-served yet tech-savvy population, coming from a traditionally high cash culture, but experiencing a swift shift from informal to formal sectors within a generally favorable regulatory environment, while government sustains the push for greater financial inclusion and digitization thereby increasing mobile penetration (Buowari, 2015).

While FinTech has been building up a head of steam in Nigeria over the past few years, COVID-19 has served as an additional accelerant, as it has across the globe. The call for cashless economy has been sustained with a consistent call for the reduction in the volume of cash. Digital platforms have therefore become the solution for retail business, now controlling a bigger share of the transaction types. Building on this momentum, more merchants now adopt fintech solutions while consumers are turning to cards and other non-cash payment methods like electronic wallets. It is therefore clear that Fintech is successfully disrupting and changing the face of commerce in Nigeria as well as across international borders.

The future of fintech in Nigeria is therefore a clear one (McKinsey and Partners, 2022). McKinsey and Partners (2020) in an article on the future of payments in Africa (2022) show that over 90% of payments on the continent are still made in cash, while more than 50% of the population of Africa are either unbanked or underbanked. Only a small minority is observed to use debit or credit card (*McKinsey and Partners, 2022).* While it may be true that most of Africa is generally regarded as emerging economies with high political risks, the region is seen from a global lens, as one with the greatest long-term growth potential for fintech. It is therefore important for Nigerian Fintech firms to take on the opportunity through internationalization, while focusing on establishing and demonstrating the advantage of internal stability and strength by putting strong codes and conducts of ethics in place before venturing to take Africa and the globe.

As Internationalization is proven to be an integral part of diversification and growth strategy, the increasing maturity of domestic markets is driving companies to seek international expansion. The choice of a method of internationalization depends upon the nature of business, company size, goals and objectives, environmental conditions, company products and competition abroad. To achieve the objective of internationalization, it is imperative to select a suitable and related competitive strategy and suitable and related business case (Omoijiade, 2014). In the pursuit of internationalization, Nigerian Fintech firms need to explore the nexus between established codes and conduct of ethics and competitive strategy. Codes of ethics and responsibility in the international arena encompass guidelines, recommendations or rules issued by entities within recognized adopting bodies or actors. These codes exist with the objective of regulating and guiding the behavior of business entities operating within international society in order to enhance ethical responsibility (Hayes, 2023).

As a result of the identified growth opportunities and potentials, the suitability of codes and conduct of ethics as competitive strategy examined in this study.

1.2 Statement of Problem

In spite of the fact that increasing technology adoption and globalization have introduced increased competitiveness in the global business arena, literature show that there is a wide range of environmental challenges faced by entrepreneurs in emerging economies like Nigeria (Riti et al, 2013). These external challenges have prompted entrepreneurs in the country to find different approaches to circumvent these debilitating factors in a manner that helps their businesses to succeed in spite of the constrains and gaps in their operating environment, which has made them more competitive and better connected to global markets.

It should be noted that companies operating in such difficult environments might design codes to guide the ethical behavior and corporate responsibility as a protection and shield from the effect of the consequences of the external factors that are most likely to infiltrate the firm and negatively impact performance. Such factors are external to the firm but impact the performance of the firm. They include the Political, Economic, Social, Technological, Legal and Environmental factors (PESTLE). Hence this research seeks to fill the gap by investigating the effect of code of ethics on how firms respond to both internal and external influences in the journey to internationalization of fintech firms in Nigeria.

1.3 Objectives of Study

i. To determine the key elements of internationalization of Fintech companies in Nigeria
ii. To investigate the effect of professional competence on the internationalization of Fintech firms in Nigeria.
iii. To determine the influence of integrity and confidentiality on the international expansion of Fintech companies in Nigeria.
iv. To investigate the impact of laws and regulating compliance on the internationalization of fintech firms in Nigeria.
v. To investigate the role of Risk management in the international expansion of fintech companies in Nigeria.

1.4 Research Questions

i. What are key the elements of internationalization in fintech companies in Nigeria?
ii. What is the effect of professional competence on the internationalization of fintech companies in Nigeria?
iii. What is the effect of Integrity and Confidentiality on international expansion of fintech firms in Nigeria
iv. What is the influence of laws and regulatory compliance on the internationalization of fintech firms in Nigeria?
v. What is the role of risk management in the international expansion of fintech companies in Nigeria?

1.5 Hypotheses

This study seeks to test the following hypotheses:

H_{01}: Professional competence has no significant effect on the internationalization of fintech firms in Nigeria.

H_{02}: Integrity and confidentiality have no significant influence in the internationalization of fintech firms in Nigeria.

H_{03}: Laws and regulations have no significant influence on the international expansion of fintech companies in Nigeria.

H_{04}: Risk management plays no role in the international expansion of fintech companies in Nigeria.

1.6 Scope of Study

This research study covers the relationship between the code of ethics and the internationalization of fintech firms in Nigeria. The specific elements of codes of ethics involved in this study are Integrity and Confidentiality, Professional Competence, Laws and regulatory compliance and Risk Management.

The selected fintech company is UPSL which operates across Nigeria with offices in Lagos, Abuja and other African countries. UPSL was selected because it has been an active and highly operational fintech company in Nigeria in the last 26 years. (Development Aid, 2007).

2.0 Literature Review

2.1 Preamble

This chapter presents a review of the related literature on corporate governance and financial performance by various researchers, scholars and authors. These include: the concept of corporate governance, financial performance and Fintech. The chapter also provides theoretical framework, empirical review and theories underpinning the study.

2.2 Conceptual Review

2.2.1 Concept of Code of Ethics

A code of ethics is a written, formal document consisting of moral standards and guidelines intended to help guide employee or corporate behavior (Schwartz, 2002; Stevens, 1994). Indeed, ethical codes of conduct provide a valuable source of information for individuals engaged in ethical decision making (Neukrug, Lovell, & Parker, 1996).

A code of ethics is a set of guidelines that defines ethical principles and values that individuals or organizations must abide by. These codes serve as a guide for decision-making, ensuring that individuals act with integrity, professionalism, and respect for all stakeholders involved. Specific sets of code of ethics are established for different target audiences, including professionals and practitioners, employers and organizations, students and researchers, and the general public (Hayes, 2023).

Different professions have codes of ethics that define the specific ethical principles and guidelines that professionals must follow when performing their duties. The code of ethics is designed to promote ethical behavior and uphold the integrity and professionalism of the profession. The specific code of ethics can vary depending on the industry or profession. However, most codes of ethics share common elements, such as respect for human dignity, honesty and integrity, responsibility, fairness and justice, and professionalism (Tamplin, T., 2023). Because of their presumed importance to organizations and research, codes of ethics are common (Giorgini, V., et al 2015).

According to a 1992 study by the Center for Business Ethics, more than 90 percent of large corporations have codes of ethics in place, a substantial increase from the approximately 40 percent of large corporations reporting ethics codes in the 1950s

(Fulmer, 1969). Gordon and Miyake (2001) suggest that such codes of conduct can be used to prevent and counteract unethical behavior (e.g. bribery).

Codes of ethics and professional guidelines are established for a number of reasons. First, establishing codes and guidelines creates consistent normative standards for researchers of a particular field (Schwartz, 2002). Additionally, codes of conduct are created so as to avoid legal consequences of ethical breaches and to promote public image (Ethics Resource Center, 1990) or to ensure that members of a field maintain a higher standard of conduct than would be called for by law (Backof & Martin, 1991). Researchers create guidelines and formal ethics codes according to what issues are most prevalent as scientific advancements are made (Cressey & Moore, 1983; Lefebvre & Singh, 1992). Ethical codes and professional guidelines are enacted to assure outside parties, such as clients, colleagues, and the public, that integrity will be maintained and that high standards are of utmost priority (Ward, Ward, Deck, & Allen, 1993). Codes may be established with a goal of mediating disputes (Frankel, 1989) or forcing individuals to question their present values (Meyer, 1987).

2.2.2 Concept of Internationalization

Internationalization is the process of tailoring a product, service or operational offering for entry and growth into international markets. Globalization may be the ultimate end goal, but internationalization is the process for business expansion. Internationalization is therefore the process of a company branching out to foreign markets to capture a greater market share. The trend towards internationalization contributes to globalization - the state where economies worldwide become integrated due to cross-border trade and investments. Internationalization may require companies to adapt their product features and branding to match the cultural and technological needs of the local market.

The concept of internationalization can be generally defined as a continuous evolutionary experience where the firm constantly upscales its activity level as a result of increasing levels of innovation and commitment to the market (Bilkey & Tesar, 1977). This is described as a sequenced growth process of incremental internationalization with phased levels of resource commitment. Furthermore, a more recent view of internationalization is evolving (Melin, 1992; Root, 1994). This view sees the involvement in international operations as a continuous process and never a destination. Therefore, this process-based view promotes the consideration of both outward and inward factors in foreign expansion (Welch and Loustarinen, 1988, 1993). Calof and Beamish (1995) also defined internationalization as the process of operationalizing the firm’s resources, structure and strategy in order to impact international communities. Similarly, Andersen (1997, 29) conceives internationalization as the adaptation of transaction modalities to international markets.

This implies that the nature and basis of entrepreneurship can be of great influence to the process of internationalization (Cerrato and Fernhaber, 2018). It can be deduced that internationalization is to a large extend dependent on the personal attributes of the entrepreneur, such as, age level of exposure and education as well as other psychosocial capabilities, all of which combine to determine the international readiness and competitiveness of the entrepreneur (Tabares, 2020). The determining factors in consideration of such readiness for internationalization, include considerations like innovation and creativity (Amorós et al., 2016, p. 2054).

Internationalization is therefore is determined by the propensity and readiness, to internationalize (Tan et al., 2007).

Internationalization can also be defined as the series of work that facilitate the development of synergetic coexistence of the entrepreneur and a foreign market through a learning curve defined by consistently increasing international matrix and patterns of inward and outward factors in a complex symbiotic process that continuously defines the scope of international involvement adopted by the firm (Welch and Loustarinen, 1988).

The history of the world has witnessed a variety of exciting international businesses in every continent (Ortiz-Ospina 2014). This trajectory can be traced to the developments in the emerging markets of the Asia Pacific Rim, as well as Africa and the Middle East which provided opportunities for entrepreneurs who have conquered their local markets and now need to expand into a foreign market as well as for global firms that desire to expand their footprint globally. Globalization and the emergence of technology have become more market-oriented and economically developed. The line between foreign and domestic markets is therefore blurring out very fast. What was once a purely local market is now a clearly international market either from the standpoint of demand or that of supply.

2.2.4 The Concept of Fintech

The term "FinTech" is the short form of the phrase Financial Technology, denotes companies or representatives of companies that combine financial services with modern, innovative technologies (Dorfleitner et al., 2016).

As a rule, new participants in the market offer Internet-based and application-oriented products. FinTechs generally aim to attract customers with products and services that are more user-friendly, efficient, transparent, and automated. Traditional banks have not yet exhausted the possibilities for improvements along these lines (Mackenzie, 2015).

In addition to offering goods and services in the banking sector, there are also FinTechs that distribute insurance and other financial instruments or provide third-party services. In a generous sense of the term, "FinTech" encompasses companies that simply provide the technology (such as software solutions) to financial service providers. However, such companies are not dealt with in detail in this study. It is not possible to define the term "Fintech" on the basis of its use in legislation or legal documents. FinTech companies are subject to differing kinds of legal and regulatory obligations due to their highly various business models and the extremely diverse products and services they offer. (Klöhn and Hornuf, 2012).

In the end, it is not possible to construct a restrictive definition of "FinTech" that applies to all of the entities traditionally associated with the term. While most companies in the FinTech industry have certain features in common, there are always enough exceptions to render them inadequate for producing a general definition. For example, many of the FinTech companies are in their start-up phase. However, since not all FinTech companies are start-ups, this category cannot be an essential part of a FinTech definition. The same applies to the participation of a large number of investors in a funding opportunity (the "crowd") or the use of social media components. Although these two features are integral to the operation of many segments of the FinTech industry, such as in crowdfunding or social trading, there are others, such as innovative payment services, where they have no importance at all. For this reason, rather than trying to provide a restricted or legal definition, the following section will provide a summary of the various major segments of the FinTech industry.

Companies in the FinTech industry can be divided into four major segments in accordance with their distinctive business models. By analogy with traditional value-adding areas of a universal bank, FinTechs can be distinguished on the basis of their involvement in financing, asset management, and payment transactions, as well as other FinTechs, a loose assortment of companies that perform other functions.

2.3 Theoretical Framework

This section of the literature review summarizes key theories that are used to further conceptualize corporate governance. Some of the poignant theories include agency theory and stakeholder theory.

2.3.1. Economic Theory

Ricardo (1817); Smith (1776) came up with the argument that promotes free trade, specialization, and competition in explaining entrepreneurship. This is the basis of economic theory which indicates that Entrepreneurs play economic role as producers and exchangers of goods in a competitive market by the use of land, capital and labor. Theory of absolute advantage is a branch of the economic theory that is often used as the foundation for internationalization. It emphasizes that international trade is activated when a country has absolute advantage in the production of certain goods and service and conversely have absolute disadvantage in others (Smith, 1776).

2.3.2. Psychological Theory

This is a behavioral theory first introduced by Sigmund Freud (1886) and later developed further by John Watson (1913). This theory is linked to Internationalization as it suggests that Entrepreneurial inclination is based on personal characteristics. It further argues that personality traits and enduring inborn characteristics determine behavior (Visionary, Drive, Risk-taking, Resilience, Integrity, etc.). This further supports the need for achievement theory which states that Entrepreneurs have higher motivation for achievement than the average person.

2.3.3. Innovation Theory

This is another economic theory, where Joseph Schumpeter (1934) postulates that Entrepreneurs contribute to economic development through knowledge and innovation. They drive market-based economic growth and development processes by creating new services or products. Entrepreneurs develop new knowledge or innovation to create value with expectation of benefits and look for new opportunities where old resources may not be useful or predict outcome. This theory also underpins the concept of internationalization.

2.3.4. Sociological Theory

Auguste Comte (1938) first used the word "sociology" to refer to the scientific study of society. He posited that societies develop and progress through the following stages: religious, metaphysical, and scientific. This is a social context that promotes entrepreneurship as a series of social networks leading to entrepreneurial success. This explains why internationalization is characterized by traits like life experience, situations, ethnic orientation or sociological background and population ecology.

2.3.5. Increamental Theory

Johnson & Wiedersheim Paul (1975) posits that firms internationalize along a continuum that include incremental steps and milestones. The postulation is grounded in the behavioral theory of the firm (Cyert & March, 1963) and supported by "the theory of the growth of the firm" (Penrose, 1959). This is built on the back of the relationship between the exploration of opportunities in foreign markets and the increasing commitment of resources for operations in the foreign markets (Johanson & Vahlne, 1990).

2.3.6. Opportunity Based Theory

The key proponents of this theory are known to be Peter Drucker (1985) and Howard Stevenson (1990). They submit that entrepreneurs do not create but search for and exploit opportunity (change) caused by change in customers taste, technology, etc. Entrepreneurs use innovation to exploit opportunity for the purpose of making profit. This is done by moving resources from an area of low outputs to one of higher outputs. Entrepreneurs pursue opportunity as the basis of resources allocation.

2.3.7. Resoursed Based Theory

Edith Penrose (2009) considers the Resource-Based Theory (RBT) of firms as an "inside" because every firm Is different from the other, depending on resources available to it), and contrasts this to the "outside" view of the firm, as an organization within an industry. Penrose's posits that the main function of the firm is to acquire, organize and utilize economic resources in a manner that ensures profitability (Penrose, 1995, p. xi). Penrose promotes the view of the firm from its resources, rather than product side. The resource-based theory is created as an economic tool that looks at the resources of a company as a new way to assess how diversified a firm is.

2.4 Empirical Review of Literature

Welch and Loustarinen (1988) investigated the concept of Internationalization and concluded that there is no general agreement on record with respect to its definition, except as an indication of increasing interest and engagement in the international ventures. Therefore, a globally upheld angle for internationalization does not exist. This is what gave way to alternative interpretations of the models and concepts as seen today.

Buckley and Casson, (1993) conducted a study that classified internationalization as operational engagements in international markets as described in basic and rational economic theories.

McDougall and Oviatt (2003, p. 3) further offer the position that internationalization is determined by innovative activities across national borders with the aim of creating value for the business and for customers in the markets. This view has now been extended to incorporate elements of behavioral traits as a driver for entrepreneurial actions for such cross-border orientation.

McDougall and Oviatt (2005) adjusted their definition to include venture activities that culminates in the exploration and exploitation of opportunities abroad. This continuous-process angle to international entrepreneurship presents the core activities to be performed to qualify as international entrepreneurship when value-seeking behavior is geared towards foreign markets. Exploration, in this context, indicates the process for obtaining and following information on a business opportunity; while exploration refers to performing the necessary business activities. Entrepreneurs are people with innate abilities to identify opportunities in foreign markets and to initiate entry into such markets.

Studies on corporate governance and internationalization are only beginning to emerge. This study therefore explores the perceptions of Nigerian strategic stakeholders on the link between corporate governance and the internationalization of Fintech in Nigeria.

3.0 Methodology

3.1 Preamble

This chapter discusses the methodology adopted for this study. It outlines the research framework used to collect the data. It further states the population of the study, sampling technique, sample size, method of data collection and method of data analysis.

3.2 Research Design:

Research design is the blueprint that indicates an overview of the activities involved in carrying out research (Dixon-Ogbechi, 2002: Kothari, 2008).

This study used a survey research design method, which is defined as fact finding that seeks to explore a phenomenon on a population through a sample, by intensive study of the population characteristics in order to make generalization on the whole population (Dixon-Ogbechi, 2002).

This method is used because it is economical, in terms of cost, speed and ability. To properly examine the research proposition, quantitative research is adopted to enable the researcher to acquire original content and context, provide unique insight and avoid reliance on predetermined assumptions.

3.3 Population of the Study

It is practically cumbersome for the study to cover the entire population of study because of the constraint of the required time and effort to do so. The population of this study therefore consists not just of fintech companies registered by the Corporate Affairs Commission in Nigeria but those licensed by the Central Bank of Nigeria and registered as members of the Fintech Association of Nigeria (FintechNGR). However, as a result of the fact that the research cannot cover the entire population, a sample is required for this study.

3.4 Sampling Frame

The sampling frame of this study consists of the total 269 corporate members of the Fintech Association of Nigeria (FintechNGR) representing 28 different sectors of the Nigerian economy.

3.5 Sample Size Determination

The sample size was determined qualitatively based on the following criteria. Firstly, the 269 relevant organizations were taking into consideration. Then 30 companies with operations in international markets were then selected from the 84 member organizations with international operations.

3.6 Sampling Technique

Given the small sample frame size, a census was used by studying the 30 members of FintechNGR with operations in international markets.

3.7 Method of Data Collection

Principally, data was collected through two major sources. Primary source which involves the collection of data through questionnaire manually administered. Secondary data was collected from journals, articles, websites and textbooks used for literature review.

The questionnaire was divided into two sections; section A and B. Section A focused on the demographic background of the respondents which centers on gender, age, marital status, educational qualification, income level etc. Section B is the main body of the questionnaire and it sought for information on relevant study variables.

3.8 Method of Data Analysis

The data collected in this study were analyzed through descriptive statistics such as simple percentages, frequency distributions, means and standard deviations. The analysis was carried out with the aid of Statistical Packages for the Social Sciences (SPSS) version 26.0

4.0 Data Analysis:

4.1 Preamble

This chapter consist of detailed analysis, presentation and interpretation of data collected from the questionnaire used in answering the research questions.

4.2 Response Rate

Out of 30 questionnaires administered, 30 were returned, with a response rate of 100%.

4.3 Data Presentation

This section of the paper contains the data analysis, interpretation and discussions of findings. The results of data collected from the respondents through the questionnaire (instrument) were analyzed. The information gathered from the respondents were used to analyzed the descriptive statistics such as frequency count and percentages, presented in tables to analyzed the research questions and objectives while inferential statistics such as linear regression was used in testing research hypotheses. The analysis was done using SPSS Statistical software version 26.0 and decision rule to accept significant level for any relationship or differences tested is at P<0.05 level of significant.

4.3.1 Analysis of Data in Section a of Questionnaire

The demographic data presented in section A was analyzed using frequencies and simple percentages as shown in the table 4.1.

Table 4.1a Demographic Information of the Respondents

Variables	Frequency	Percentage
Age Bracket:		
Less than 21yrs	4	13.3%
21-30yrs	8	26.7%
31-40yrs	10	33.3%
41-50yrs	6	20.0%
50yrs and above	2	6.7%
Total	**30**	**100%**
Gender of the Respondents		
Male	18	60.0%
Female	12	40.0%
Total	**30**	**100%**
Marital Status of the		
Respondents:	14	46.7%
Single	13	43.3%
Married	1	3.3%
Widowed	2	6.7%
Divorced	**30**	**100%**
Total		
Educational Background:		
B. Sc/BA/HND	14	46.7%
M.Sc/M.A/MBA	9	30.0%
Ph.D/DBA	2	6.7%

Others **Total**	5 **30**	16.7% **100%**
Monthly Income Less N100,000 N100,001 – 500,000 N500,001– N1,000,001 Above N100,000,001 **Total**	 9 9 8 4 30	 30.0% 30.0% 26.7% 13.3% **100%**
Type of trade in your organization: Publicly Trade Privately Trade **Total**	14 16 **30**	46.7% 53.3% **100%**
Dept of The Company Do Work: Information Technology Finance And Accounts Administration Legal **Total**	12 11 5 2 **30**	40.0% 36.7% 16.7% 6.7% **100%**
Year of Working Experience: 1-5yrs 6-10yrs 11-15yrs **Total**	 9 14 7 **30**	 30.0% 46.7% 23.3% **100%**

Source: Field Survey, (2023). Analysis with SPSS 26.0

4.3.3 Testing of Research Hypotheses

4.3.3.1 Testing of Hypothesis One:

H_{01}: Professional Competence has no significant impact on the Internationalization of Fintech firms in Nigeria.

H_{11}: Professional Competence has significant impact on the Internationalization of Fintech firms in Nigeria.

Model Specification (1)

Log IF = $\beta_0 + \beta_1 \log (PC) + \mu_i$

Where: IF = Internationalization of Fintech (dependent variable)

PC = Professional Competence (independent variable)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.351[a]	.325	.319	2.61396	1.614

a. Predictors: (Constant), Professional Competence

b. Dependent Variable: International Fintech

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.480	1	.480	22.070	.002[b]
	Residual	505.625	74	6.833		
	Total	506.105	75			

a. Dependent Variable: International Fintech

b. Predictors: (Constant), Professional Competence

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.644	1.857		7.347	.000
	Professional Competence	22.513	.047	-3.031	4.265	.002

a. Dependent Variable: International Fintech

Interpretation of the coefficients

The above result was carryout using linear regression analysis of the coefficients. Our dependent variable is Internationalization of Fintech (IF) while our independent variable is Professional Competence (PC). The estimation results show that the variable- Professional Competence statistically significant impact on the International Fintech at the 5% alpha level of significant. Therefore, the estimation shows that the co-efficient of determination R-squared is 0.325, implies that our explanatory variable accounted for 32.5% changes in International Fintech (IF). It specifically shows by Un-standardized coefficient of determination value (β= 22.513), indicated that 1 unit increase in professional competence led to minus 22.5% increase in Internationalization of Fintech under the (P-value of 0.002 < 0.05%). It tells us the model is of good fit, that the independent variable to a large degree explains changes in the dependent variable.

Interpretation of Durbin Watson and F- Statistics

From the estimation, Durbin Watson statistics is (1.614), this implies that there is serial or positive autocorrelation. So there is evidence of first order serial correlation in residuals regression analysis while F-statistics value is (22.070) with a probability or significant level of P-value 0.002 < 0.05 shows the overall analysis of variance of the model; as the result indicates that explanatory variable is fundamentally explaining the overall variation in the dependent variable. In conclusion, since at the overall level, professional competence can bring significant changes to the internationalization of Fintech, therefore, $\mathbf{H_{11}}$ that says, "*Professional Competence has significant impact on the Internationalization of Fintech firms in Nigeria*", is thus accepted while $\mathbf{H_{01}}$ null hypothesis rejected.

4.3.3.2 Testing of Hypothesis Two

$\mathbf{H_{02}}$**:** Code of Ethical Standards has no significant effect in the Internalization of Fintech firms in Nigeria.

$\mathbf{H_{12}}$**:** Code of Ethical Standards has significant effect in the Internalization of Fintech firms in Nigeria.

Model Specification (2)

Log IF = $\beta_0 + \beta_1 \log (CES) + \mu_i$
Where: IF = Internationalization of Fintech (dependent variable)
CES = Code of Ethical Standards (independent variable)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.484[a]	.334	.218	.613	1.995

a. Predictors: (Constant), Code of Ethical Standards.
b. Dependent Variable: International Fintech.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.500	1	5.500	14.651	.000[b]
	Residual	18.020	48	.375		
	Total	23.520	49			

a. Dependent Variable: International Fintech.
b. Predictors: (Constant), Code of Ethical Standards.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.652	.454		3.636	.001
	Code of Ethical Standards	0.496	.130	.484	3.828	.000

a. Dependent Variable: International Fintech.

Interpretation of the coefficients

The above result was carryout using linear regression analysis of the coefficients. Our dependent variable is Internationalization of Fintech (IF) while our independent variable is Code of Ethical Standards (CES). The estimation results show that the variable- Code of Ethical Standards has statistically significant effect on the Internationalization of Fintech at the 5% alpha level of significant. Therefore, the estimation shows that the co-efficient of determination R-squared is 0.334, implies that our explanatory variable accounted for 33.4% changes in Internationalization of Fintech (IF). It specifically shows by Un-standardized coefficient of determination value (β= 0.496), indicated that 1 unit increase in code of ethical standards led to 49.6% increase in international fintech with (P-value of 0.000 < 0.05%). It tells us the model is of good fit, that the independent variable to a large degree explains changes in the dependent variable. It confirms the perfect fit of the model and also shows that explanatory variable has a relationship with our dependent variable.

Interpretation of Durbin Watson and F- Statistics

From the estimation, Durbin Watson statistics is (1.995), this implies that there is no serial or no positive autocorrelation. Therefore, there is no evidence of first order serial correlation in residuals regression analysis. While the F-statistics value is (14.651) with a probability or significant level of P-value 0.000 < 0.05 shows the overall analysis of variance of the model; while the result indicates that explanatory variable is fundamental explaining the overall variation in the dependent variable. In conclusion, since at the overall level, code of ethical standards can bring significant effect to the Internationalization of Fintech, therefore, $\mathbf{H_{12}}$ that says, "*Code of Ethical*

Standards has significant effect in the Internalization of Fintech firms in Nigeria", is accepted while the null $\mathbf{H_{02}}$ hypothesis rejected.

4.3.3.3 Testing of Hypothesis Three

$\mathbf{H_{03}}$**:** Integrity and Confidentiality have no significant relationship with the internationalization of fintech firms in Nigeria.

$\mathbf{H_{13}}$**:** Integrity and Confidentiality have significant relationship with the internationalization of fintech firms in Nigeria.

Model Specification (3)

$\text{Log IF} = \beta_0 + \beta_1 \log(\text{IAC}) + \mu_i$

Where: IF = Internationalization of Fintech (dependent variable)

IAC = Integrity and Confidentiality (independent variable)

Correlations

		Integrity and Confidentiality	Internationalization of Fintech
Integrity and Confidentiality	Pearson Correlation	1	.482**
	Sig. (2-tailed)		.006
	N	30	30
Internationalization of Fintech	Pearson Correlation	.482**	1
	Sig. (2-tailed)	.006	
	N	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows the Pearson's' Product Moment Correlation Coefficient (PMCC) result shows the relationship between the Integrity and Confidentiality and Internationalization of Fintech. The correlation is significant at the **0.05** level. The (**) highlights that the Probability of this correlation coefficient is not occurred by chance alone but also less than **0.05** (5%). So, the correlation coefficient is therefore statistically significant at 95% confidential level. The result above shows that there is correlation between the Integrity and Confidentiality and Internationalization of Fintech at **r = (0.482**).** Implies that as Integrity and Confidentiality increases, Internationalization of Fintech increases by 48.2%. As a result of this, the stated $\mathbf{H_{13}}$ hypothesis that says "*Integrity and Confidentiality have significant relationship with the internationalization of fintech firms in Nigeria"* is thus accepted while $\mathbf{H_{03}}$ null hypothesis rejected.

4.3.3.4 Testing of Hypothesis Four

$\mathbf{H_{04}}$**:** Laws and Regulations have no significant relationship with the International Expansion of
Fintech companies in Nigeria.

$\mathbf{H_{14}}$**:** Laws and Regulations have significant relationship with the International Expansion of Fintech companies in Nigeria.

Model Specification (4)

$\text{Log IEF} = \beta_0 + \beta_1 \log(\text{LR}) + \mu_i$

Where: IEF = International Expansion of Fintech (dependent variable)

LR = Laws and Regulations (independent variable)

Correlations

		Laws and Regulations	International Expansion of Fintech
Laws and Regulations	Pearson Correlation	1	.356**
	Sig. (2-tailed)		.000
	N	30	30
International Expansion of Fintech	Pearson Correlation	.356**	1
	Sig. (2-tailed)	.000	
	N	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows the Pearson's' product Moment Correlation Coefficient (PMCC) result shows the relationship between the Laws and Regulations and International Expansion of Fintech. The correlation is significant at the **0.05** level. The (**) highlights that the Probability of this correlation coefficient is not occurred by chance alone but also less than **0.05** (5%). So, the correlation coefficient is therefore statistically significant at 95% confidential level. The result above shows that there is correlation between the Laws and Regulations and International Expansion of Fintech at **r = (0.356**).** Implies that as laws and regulations increases, International Expansion of Fintech increases by 35.6%. As a result of this, the stated **H_{14}** hypothesis that says "*Laws and Regulations have significant relationship with the International Expansion of Fintech companies in Nigeria"* is accepted while **H_{04}** null hypothesis rejected.

4.3.3.5 Testing of Hypothesis Five

H_{05}: Risk management has no role in the international expansion of fintech companies in Nigeria.

H_{15}: Risk management has role in the international expansion of fintech companies in Nigeria.

Model Specification (5)

Log IEF = $\beta_0 + \beta_1 \log(RM) + \mu_i$

Where: IEF = International Expansion of Fintech (dependent variable)

RM = Risk management (independent variable)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.850[a]	.723	.717	.340	1.884

a. Predictors: (Constant), Risk management.
b. Dependent Variable: International Expansion of Fintech.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.450	1	14.450	124.973	.000[b]
	Residual	5.550	48	.116		
	Total	20.000	49			

a. Dependent Variable: International Expansion of Fintech.
b. Predictors: (Constant), Risk management.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.510	.263		1.940	.058
	Risk management	.850	.076	.850	11.179	.000

a. Dependent Variable: International Expansion of Fintech.

Interpretation of the coefficients

The above result was carryout using linear regression analysis of the coefficients. Our dependent variable is International Expansion of Fintech (IEF) while our independent variable is Risk management (RM). The estimation results show that the variable-Risk management has statistically significant impact on the International Expansion of Fintech at the 5% alpha level of significant as estimation result shows that co-efficient of determination R-squared is 0.723, implies that our explanatory variable accounted for 72.3% changes in International Expansion of Fintech (IEF). And specifically shows by Un-standardized coefficient of determination value (β= 0.850), indicated that 1 unit increase in Risk management led to 85.0% increase in International Expansion of Fintech under the (P-value of 0.000 < 0.05%). It tells us the model is of good fit, that the independent variable to a large degree explains changes in the dependent variable. It confirms the perfect fit of the model and also shows that explanatory variable has a relationship with our dependent variable.

Interpretation of Durbin Watson and F- Statistics

From the estimation, Durbin Watson statistics is (1.884), this implies that there is no serial or no positive autocorrelation. So, there is no evidence of first order serial correlation in residuals *regression analysis*. Also the F-statistics value is (124.973) with a probability or significant level of P-value 0.000 < 0.05 shows the overall analysis of variance of the model; while the result indicates that explanatory variable are fundamental explaining the overall variation in the dependent variable. In conclusion, since at the overall level, risk management can bring significant effect to the international expansion of fintech, therefore, $\mathbf{H_{15}}$ that says, "*Risk management has role in the international expansion of fintech companies in Nigeria*", is accepted while the null $\mathbf{H_{05}}$ hypothesis rejected.

5.0 Summary of Findings, Conclusion and Recommendation

5.1 Preamble

This study is the final part of this research work and it contains the summary of major findings, conclusions, recommendations and suggestions for further studies.

5.2 Summary of Major Findings

The research integrates both secondary and primary data to develop a comprehensive conceptual framework for the understanding the internationalization of Nigerian Fintech firms. The summary of major findings of this study are as follows:

i. Professional Competence has a significant effect on the Internationalization of Fintech firms in Nigeria.
ii. Code of Ethical Standards has significant effect in the Internalization of Fintech firms in Nigeria.
iii. Integrity and Confidentiality have significant relationship with the internationalization of fintech firms in Nigeria.

iv. Laws and Regulations have significant relationship with the International Expansion of Fintech companies in Nigeria
v. Risk management plays a role in the international expansion of fintech companies in Nigeria.

5.3 Conclusion

This study found that Internationalization adoption has no significant positive collateral effect on business performance of Nigerian fintech firms, particularly regarding financial and non-financial performance. The results show that firms, which have been established in local market, aim to increase financial performance particularly increasing sales revenue and marketplace.

The study also confirms that the level of compliance with code of ethics has significant relationship with the internationalization of Nigerian Fintech companies. Fintech companies that want to maximize their potential in foreign markets, must therefore pay attention to the level of compliance to their code of ethics.

5.4 Recommendations

The following recommendations are made:

i. There is need for the regulator, Central Bank of Nigeria to intensify its efforts in promoting and enforcing sound code of ethics in the Nigeria Fintech sector.
ii. In the above context, it is important for corporations to understand that they can no longer afford to ignore the issue of business ethics. In the emerging scenario, it is not enough if the leaders themselves are ethical. Competing to win in the global marketplace would require them to institute ethics and compliance policies that are of globally acceptable standards and build an ethical corporate culture as part of the leadership agenda.
iii. Code of ethics should be seen as a part of the corporate culture of any organization, especially for companies that want to act internationally or globally with settlements in foreign countries. In that case, the corporate culture of the company will come into interaction with the culture of the host country, however with the possibility of a conflict which is the major challenge at the global level.

5.5 Suggestions For Future Researches

The study focused on the influence of code of ethics on internationalization of fintech companies in Nigeria. The following are suggestions for further studies:

Future studies should be conducted to research the level of compliance with code of ethics by Nigerian fintech companies. The outcomes will be helpful for the regulator to understand why there are infringements in compliance and whet can be done to curb it. Also, the influence of culture as the obstacle and limitation of implementing code of ethics in Nigerian fintech industry can be investigated. Furthermore, similar studies in other parts of Africa using same tools and methodology can be done so as to compare the results with what we see in Nigeria and thereby develop strategies to ensure compliance to code of ethics throughout Africa.

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