Corporate Governance System and Organisational Control in Nigerian Manufacturing Industries

Abdullahi, Sanni Rufai (Ph.D.)[1] Francis, Musa Adejoh[1] Ajaiye, Augustine[1] Edogbo, Daniels Aduku[2]
1. Department of Accounting, Kogi State University, Anyigba, Kogi State, Nigeria
2. Kogi State University Teaching Hospital, Anyigba, Kogi State, Nigeria

Abstract
Corporate governance is one of the fundamental issues in the management of business organisations. The outright failure of corporate governance system can, therefore, be argued to be a major contributor to the collapse of many of the well-celebrated organisations that have littered the Nigeria corporate landscape. The focus of this study is to determine the effect of corporate governance on stakeholders' behaviour in the management of organisational resources. Also, to determine how internal governance factors affect organisational resources control. The population comprises of the entire quoted manufacturing companies on Nigerian Stock Exchange drawn from textiles, chemical and paints, building materials, breweries, industrial and domestic product. While simple random sampling technique was used to choose a sample size of seventy-five (75) executive directors. Statistical Package for Social Sciences (SPSS) version 20.0 software was used to analysed the data and the hypotheses were tested using Kendall's W Test. Result shows that corporate governance has a significant effect on stakeholders' behaviour in the management of organisational resources. Equally, internal governance factors have a significant effect on organisational resources control. The study, therefore, recommends among others that there is a need to revisit code of corporate governance and harness these codes that are scattered in various Acts, to enact a single corporate governance Act in order to reawake stakeholders' trust; proper control; accountability; transparency; and effective management of organisational resources.
Keywords: Corporate Governance System; Organization Control; Manufacturing Industries

1.1 Introduction
Corporate governance is a structure which has a double mechanism to direct corporations; it can be an outer mechanism and inside mechanism. Outsiders see the outer mechanism like shareholding policy and outside block holding among others. Top management decides the inside mechanisms like board size, remunerations and other inside policies (Agrawl & Knoeber, 1996). Whenever people come together for mutual benefits and to understand the societal and organisational need they must have regulation and control. To administer is to give out direction and control by providing them proper laws and regulations (Serrat, 2011). Corporate governance means making such set of laws and motivation through which management of the organisation is bordered and administered for optimal return which eventually adds worth for organisational stakeholders (Stone & Andrew, 1998).

Berle & Means (1932) stated that corporate governance is all about rules, rights and control of the organisation. Corporate governance serves and guides to secure the commitment of organisational stakeholders with the aim to functionalize their expertise, awareness and experience to gain the complete benefits. To gain the optimal organisational benefits; corporate governance sets legal terms and conditions for the allocation of property rights among organisational stakeholders, organising their relations and maneuver their incentives for attaining their enthusiasm to work mutually. Corporate governance is vital because of the designation of task for production, process improvement and innovation (Suzanne, Neil, Linda & Frank, 2006). Corporate governance is the system by which organisations are directed and controlled. Boards of directors are liable for the governance of their organisations. The shareholders' role in governance is to appoint the directors and the auditors and to assure themselves that an appropriate governance structure is in place. The responsibilities of the directors include setting the company's long-term plans, providing the headship to put them into the result, supervising the management of the organisations and account to shareholders on their stewardship.

The Board's dealings are subject to laws, regulations and the shareholders at the annual general meeting. Cadbury commission (1992) opined that corporate governance involves all the powers that have effects on an organisational resolution making process. It would protect not only the stockholder's rights but also the bounding agreement and collapsing power of debtors. Corporate governance also gains the commitment of the workers, consumers and dealers. In adding together it is the power to diffuse the risks by combining all the forces.

The responsibility of corporate governance rests with the Board of Directors of an organisation. The board is usually made up of executive (full time) and non-executive (part-time and independent) members. The board's responsibilities include setting the company's strategic plans, providing headship towards putting the set plans into results, monitoring the management of the organisation and account to shareholders on their stewardship. The board also sets financial guidelines and oversees its implementation, using financial controls systems. The board's actions are subject to laws, regulations and the shareholders' review at the annual general meetings (Rathmell, Daman, O'Brien & Anhal, 2004). While the main facilitators and midwives of corporate governance are clearly

members of the board, it is also worthy to note that other stakeholders, in particular management and employees, equally have significant duties to play in corporate governance, though in different ways. As the board needs to secure the active cooperation of managers in order to be effective in instituting and ensuring appropriate behaviour, so do employees on their part need to offer support by insisting on, and complying with, only board-approved actions taken by managers. In this way, a cooperative relationship between these core of organisational stakeholders helps drive the corporate governance process in the right direction. Nevertheless, the paramount responsibility in corporate governance lies with the board. This argument is supported by an important finding in a McKinsey & Company (2000) study indicating that informed investors are always ready to pay a premium of as much as 20% on the stock price on the back of their perception that the firm has a strong and effective board.

The issue of trust and transparency is a very serious matter in governing of corporate organisations for standard setters around the world. This issue has clearly spurred renewed interest in the corporate governance practices of contemporary corporations; mainly in reference to accountability and economic performance (ICAN, 2009). The position above could not be separated from Nwachukwu (2007) who opined the growing agreement that good corporate governance has a positive link to national economic growth and development. The level of trust accorded to the managers of companies by its owners is strengthened through effective corporate governance.

Managers who are not committed to corporate governance mechanism may mislead stakeholders in respect of the financial and economic performance of their companies to entice innocent investors. This kind of window dressed accounts raised concern in corporate reporting with the collapse of Enron in 2001 which filed for insolvency after adjusting its accounts (Demaki, 2011) cited in Adebayo, Ibrahim, Yusuf & Omah (2014). Oceanic International Bank Plc, African Petroleum Plc, Cadbury Plc and Global Crossing, are other companies with a similar dilemma. The persistence cases of corporate fraud relating to overstated and fleeting reports have reinforced the changed global emphasis on the need for effective corporate governance. CBN (2006) asserted that in spite of the significance of good corporate governance to national economic development and growth, corporate governance was still at elementary phase as only 40% of publicly quoted companies, including banks had recognised corporate governance in place.

The separation of ownership from the management of business organisations stimulates a divergence of interest among the stakeholders. The divergence of the interests of the management and its owners has diluted investors' confidence in the Board. Hence, investors are interested in the level of accountability displayed by the Board of directors. The outcry of investors and other stakeholders as a result of mismanagement and inadequate financial disclosures given by the management has deemed it necessary for the institution of sound corporate governance procedures.

The outright failure of corporate governance systems has been argued to be a serious challenge to the collapse of many of the well-celebrated organisations that have littered the Nigeria corporate landscape. This failure, leading to an inability of most organisations to meet up with the expectations of their various stakeholders, has often been traced to weaknesses in the internal governance factors and operating environments, and a lack of commitment to high ethical standards. These weaknesses may sometimes deliberately or intentionally induced by organisational designers and controllers, and at other times they may be a result of the naive assumption that managers will always act in a way that suggests or promotes enlightened self-interest, which should ultimately have positive implications for all stakeholders (Donaldson & Preston, 1995). However, evidence emanating in recent time from some of the collapsed quoted corporate organisations hitherto assumed to be run professionally or on sound principles, succinctly demonstrates the point that there will always be discrepancies or misalignments between the various organisational stakeholders' interests.

Therefore, managing these conflicting interests in a way that produces mutually satisfying outcomes for all stakeholders is at the core of the good corporate governance. Expectedly, this problem has generated renewed interest in understanding the dimensions and ramifications of corporate governance, and its centrality to the wellbeing, management and control of organisational resources for the survival of firms across sectors. Emphasis is not just on how well the organisation succeeds in its profitability goal, but how well it is managed, run and internally regulated, both formally and informally (Parker, 2006).

The foregoing problems have necessitated this study on corporate governance system and organisational control in Nigerian manufacturing industries. The specific objectives of the study are: to determine the effect of corporate governance on stakeholders' behaviour in the management of organisational resources and to determine how internal governance factors affect organisational resources control. These specific objectives have been hypothesised as follows:

Ho_1: Corporate governance has no significant effect on stakeholders' behaviour in management of organisational resources

Ho_2: Internal governance factors have no significant effect on organisational resources control

2.1 Review of Related Literature

The concept of corporate governance has been seen to mean different things to different people. Magdi & Nadereh

(2002) argued that corporate governance is all about making ensure that the business is manage well and investors receive an optimal return. OCED (1999) defines corporate governance as the system by which business entities are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different stakeholders in the organisation such as the board, managers, shareholders, customers, employees, among others, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure for which the companies' objectives are set and the means of attaining these objectives and monitoring performance (Wolfensohn, 1999; Uche, 2004; and Akinsulire, 2006).

Unlike the above scholars, Nganga, Jain & Artivor (2003) cited in Adebayo, Ibrahim, Yusuf & Omah (2014) strengthened corporate governance beyond the distribution of rights and responsibilities of different stakeholders with vested interest in corporate organizations to consider the importance of protection of stakeholders, particularly in relation to how well corporate organisations are managed. Some scholars defined corporate governance as the set of mechanisms through which outside investors are protected from expropriation by insiders (including management, family interests /or governments). Thus, the relationships of the board and the management, according to Al-Faki (2006), should be characterised by transparency to shareholders, and fairness to other stakeholders. This will in effect mitigate the agency costs as predicted by Jensen & Meckling (1976). The implications of the above definitions are that corporate governance is a system of corporate management and control to satisfy the strategic goals of all stakeholders while complying with the legal, ethical and other environmental needs of the society.

2.1.1 Corporate Governance and Management of Organizational Resources

Corporate governance is widely accepted as being concerned with improved stakeholders' performance. Viewed from this perspective, corporate governance is all about accountability, board disclosure, investors' involvement and related issues. Corporate governance ensures good business behaviour. It is about the way in which board oversees the running of a company by its managers and how board members are in turn accountable to shareholders and the company. This has implications for company behaviour towards employees, shareholders, customers and other stakeholders. Corporate governance can be conceptualised as a set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled, and its purpose is to influence directly or indirectly the behaviour of the organisation towards its stakeholders (Dyson & Foster, 2006).

Corporate governance is a system established to allow various stakeholders to contribute capital, expertise and labour for their common benefit of the investors' to participate in the profits of the enterprise without taking responsibility for the operations. Corporate governance is seen to have a positive effect on the efficiency of public and private organisations and their economic resources. Management runs the company without being personally responsible for providing the funds. So, as representatives of the shareholders, directors have both the authority and the responsibility to establish basic corporate policies and to ensure they are followed. The board of directors has an obligation to approve all decisions that might affect the long run performance of the corporation. The term corporate governance refers to the relationship among these three groups (the board of directors, management and shareholders) in determining the direction and performance of the corporation, so it can be considered as a serious factor in strategic planning and its effectiveness as well (Hunger & Pugh, 2010).

2.1.2 Internal Governance Factors and Organisational Resources Control

The directors are the key characteristics of good corporate governance mechanisms (Blair, 1995) and are regarded as the officers of the company by the company law (Coleman, 2007). The internal factors like the board size, board independence, board duality, board and staff skills levels, CEO tenure and audit committee could be used as proxies for measuring corporate governance practices in firms since internal governance factors are the important instruments in the control of the company. These are discussed extensively below:

Board Size: The number of directors making-up the board of a company can influence its performance positively or negatively. Jensen (1993) argued that a value-relevant of a corporate board is its size. The problem, however, remains that it is difficult to determine the optimal size of a board since a lot of factors are taken into consideration in choosing directors. Lipton & Lorsch (1992) equally argued that an optimal board size should be between seven and nine directors to ensure better coordination, accountability, reduce the free-riding problem and faster decision making which enhances firm performance. This view is supported by other studies (Yermack, 1996; Sanda, Mikailu & Garba, 2005) which indicated that the financial market value firms have a relatively small board sizes. On the other hand, larger boards would offer the company the opportunity of a pool of talents and a wide range of expertise to help make a better decision and difficult for powerful CEOs to dominate. However, Jensen (1993), and Lipton & Lorsch (1992) disagreed and suggested that larger boards are less effective and easier for powerful CEOs to control.

Board Independence: The combination of executive and non-executive directors constituting a firm's board is very vital for its performance. The proportion of the non-directors would to a large extent determine the quality of decisions taken since objectivity would play a crucial role and whether the board can actually monitor and control the management. A board is seen to be more independent if it has more non-executive directors (John & Senbet, 1998). Executive directors are more familiar with the activities of the organisation and therefore in a better position

to monitor top management particularly if they perceived the opportunity to be promoted to positions occupied by incompetent executives. Similarly, non-executive directors may act as "professional referees" to ensure that competition among executive directors stimulates actions consistent with shareholders' value maximisation (Fama, 1980). Indeed, evidence from empirical studies (Byrd & Hickman, 1992; Brickley, Coles & Terry, 1994) strongly agreed to the crucial role of non-executive directors in monitoring management performance, offering invaluable advice to shareholders and protecting the interest of shareholders. According to Rosenstein & Wyatt (1990) financial markets usually respond positively to the announcement of the appointment of non-executive directors by showing an appreciable level of improvement in the performance of the company's shares. Though, other studies (Hermalin & Weisbach, 1991; Agrawal & Knoeber, 1996) could not establish any significant relationship between non-executive directors and firm performance, it is generally accepted that the effective performance of the board depends on having the right proportion of executive and non-executive directors on the board (Baysinger & Hoskinsson, 1990; Pearce & Zhara, 1992).

Separation of the Office of Board Chair and CEO: Separation of the office of board chair from that of CEO generally seeks to reduce agency costs for a firm. Kajola (2008) found a positive and statistically significant relationship between performance and separation of the office of board chair and CEO. Yermack (1996) equally found that firms are more valuable when different persons occupy the offices of board chair and CEO. Coleman (2007) proved that large and independent boards enhance firm value, and the fusion of the two offices negatively affects a firm's performance, as the firm has less access to debt finance. The results of the study of Klein (2002) suggested that boards that are structured to be more independent of the CEO are more effective in monitoring the corporate financial accounting process and therefore more valuable. Fosberg (2004) found that firms that separated the functions of the board chair and CEO had smaller debt ratios (financial debt/equity capital). The amount of debt in a firms' capital structure had an inverse relationship with the percentage of the firm's common stock held by the CEO and other officers and directors. This finding was corroborated by Abor & Biekpe (2005), who demonstrated that duality of the both functions constitutes a factor that influences the financing decisions of the firm. They found that firms with a structure separating these two functions are more able to maintain the optimal amount of debt in their capital structure than firms with duality. Accordingly, they argued that a positive relationship exists between the duality of these two functions and financial leverage. Separation of these two offices is however sharply challenged by Donaldson & Davis (1991), who found that shareholders' returns are maximised when there is duality.

Board and Staff Skills Levels: The skill levels of directors and management is essential for effective performance. They are responsible for the formulation, implementation and evaluation of corporate strategy. These functions have a direct effect on the long-term survival of the company. According to Lybaert (1998), better corporate performance is as a result of proven positive relationship of higher levels of education among entrepreneurs and their willingness to use external information, develop networks, make use of consultants or develop more detailed accounting and monitoring. Another view expressed by Powell (1991) suggested that there may be a negative relationship between skill levels and firm performance due to the occupational and professional affiliations of highly qualified managers which may increase agency behaviour. Ideally, if directors and managers should demonstrate the utmost good faith and integrity required of them, then higher skill levels should bring about higher corporate performance.

Chief Executive Officer (CEO) Tenure: This is how long a CEO served in that position before removal or resignation from office. All other things being equal, the longer a CEO stays in office the better the corporate performance. This is because the CEO as the head of the executive needs the assurance of his job security to be able to take decisions that would enhance the performance of the firm. CEOs take important decisions that are short-term, medium-term and long-term in nature. It is the long-term decisions that benefit the firm the most because the benefits would accrue over a long period of time and guarantee the long-term survival of the firm. However, if appropriate measures are not taken to monitor the CEOs, there is the tendency that they would become complacent and engage in activities to expand their control refers to as empire building. In such a situation the performance of the company would suffer at the expense of the CEOs personal interest. A long tenure of CEO not only gives job security but also influences CEOs investment decisions because they stand the chance to witness the results of their decisions and hence are likely to be proactive and magnanimous in their decisions because of the psychological influence (Coleman, 2007).

Audit Committee: Audit committee is a sub-committee of the board of the company. It is a very important corporate governance mechanism with the objective of enhancing the credibility and integrity of financial information produced by the company and to increase public confidence in the financial statements. The audit committee is one of the committees recommended by the Cadbury committee to have oversight responsibility for management in the preparation of the financial statements. In order to ensure the independence of the audit committee, the committee must consist of only non-executive directors and with a membership of not less than three members. The establishment of audit committee would lead to better corporate regulations.

2.2 Stakeholder Theory

Agency theory holds a contractual view of the relationship between managers and shareholders, where the managers have the sole objective of maximising the wealth of shareholders. Stakeholder theory considers this view to be too narrow since manager's actions have an effect on other interested parties than just shareholders. The theory was developed by Freeman (1984) with emphasis on the need for managers to have corporate accountability to stakeholders instead of shareholders. Stakeholders are "any group or individual that can affect or is affected by the achievement of a corporation's purpose" (Freeman, 1984). The theory is interested in how managerial decision making affects all the stakeholders and no one interest should be able to dominate the others (Donaldson & Preston, 1995). Stakeholder theory like the resource dependency theory also proposed for the representation of the various interest groups on the organisation's board in order to ensure consensus building and to avoid conflicts. The board, therefore, serves as arbitration over the conflicting interests of the stakeholders and brings about cohesion needed for the achievement of the organisational objectives (Donaldson & Preston, 1995).

2.2.1 Relevance of the Theory to the Study

The Stakeholders' theory is relevant to the study because it emphases the need for managers to have corporate accountability to stakeholders rather than shareholders alone. The theory is interested in how managerial decision making affects all the stakeholders and no one interest should be able to dominate the others. It proposed for the representation of the various interest groups on the organisation's board in order to ensure consensus building and to avoid conflicts in the organisation.

3.1 Methodology

The study is concerned with descriptive research in which a survey method was adopted. The population comprises of the entire quoted manufacturing companies on Nigerian Stock Exchange. The elements of the population considered in this research were the executive directors of the quoted manufacturing companies on Nigerian Stock Exchange from textiles, chemical and paints, building materials, breweries, industrial and domestic product. Three companies each were sampled from the five subsectors totalling fifteen (15) companies while five (5) executive directors were picked from each company. The sample size for the study was seventy-five (75) executive directors drawn from textiles, chemical and paints, building materials, breweries, industrial and domestic product. While simple random sampling technique was used to choose the sample size. The data were sourced from primary sources. The instrument of data collection used in this research is a questionnaire. A content validity was established by subjecting the questionnaire to a critical assessment of two experts. The reliability of the study was ascertained after subjecting all the questions in the questionnaire to Cronbach's alpha test to ensure consistency in terms of the survey and determine the reliability co-efficient of .861. Data were presented using tables while mean score of rating, was used to interpret the responses of the respondents. The mean scores were compared with the average mean of 2.5 for decision making. The average mean is computed as 1 + 2 + 3 + 4 = 10/4 = 2.5. Any mean that is equal to 2.5 and above was accepted while any mean blow 2.5 was rejected. Responses to the questionnaire were rated across a four-point Likertscale of Strongly Disagree (SA), Disagree (A),Agree (D) Strongly Agree (SD). Statistical Package for Social Sciences (SPSS) version 20.0 software was used to analyse the data while Kendall's W Test was used to test all the null hypotheses formulated.

4.1 Discussion of Results

The study used a sample size of seventy-five (75) respondents from manufacturing industries drawn from textiles, chemical and paints, building materials, breweries, industrial and domestic product. From a total of seventy-five (75), copies of questionnaires distributed to the respondents, sixty-four (64) copies were returned given a response rate of 85%. Analysis of the data was based on the questionnaire administered to the respondents to analyse the research objectives and to test the null hypotheses formulated. The results from the data analysis obtained and their various statistics are hereby presented. This begins with a reliability test using Cronbach's Alpha and the descriptive statistics to obtained mean, standard deviation, Skewness and Kurtosis of the respondents' responses. The Cronbach's Alpha test of 86.1 percent shows a satisfactory result.

The result of the test is presented below:

Reliability Statistics

Cronbach's Alpha	N of Items
.861	10

Source: Researcher's computation using SPSS version 20.0

Table 4.1: Responses to the effect of corporate governance on stakeholders' behaviour in management of organisational resources

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Question_1	64	1.00	4.00	3.4687	.85391	-1.558	.299	1.558	.590
Question_2	64	1.00	4.00	3.3125	.90633	-1.199	.299	.556	.590
Question_3	64	1.00	4.00	3.0469	.91599	-.990	.299	.448	.590
Question_4	64	1.00	4.00	3.5469	.77520	-1.744	.299	2.450	.590
Question_5	64	1.00	4.00	3.4687	.83512	-1.586	.299	1.830	.590
Valid N (listwise)	64								

Source: Researcher's computation using SPSS version 20.0 software

The question 1 mean score of 3.4687 in table 4.1 indicates that corporate governance enhances trust in the organisational management of resources. The standard deviation of 0.85 implies that the data deviate from both sides of mean by 0.85 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.558 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of 1.558 also implies that the data did not follow the normal distribution assumption. The mean score of 3.3125 of question 2 in the table equally shows that corporate governance enhances proper control in the management of organisational resources. The standard deviation of 0.91 implies that the data deviate from both sides of mean by 0.91 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.199 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of .556 also implies that the data did not follow the normal distribution assumption.

The mean score of 3.0469 of question 3 in the table further shows that corporate governance ensures accountability in the management of organisational resources. The standard deviation of 0.92 implies that the data deviate from both sides of mean by 0.92 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -.990 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of .448 also implies that the data did not follow the normal distribution assumption. The mean score of 3.5469 of question 4 in the table further shows that corporate governance ensures transparency in the management of organisational resources. The standard deviation of 0.78 implies that the data deviate from both sides of mean by 0.78 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.744 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of 2.450 also implies that the data did not follow the normal distribution assumption.

Finally, the mean score of 3.4687 of question 5 in the table shows that corporate governance ensures effective management of organisational resources. The standard deviation of 0.84 implies that the data deviate from both sides of mean by 0.84 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.586 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of 1.830 also implies that the data did not follow the normal distribution assumption.

Table 4.2: Responses on how internal governance factors affect organisational resources control

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Question_6	64	1.00	4.00	3.5781	.85086	-2.087	.299	3.442	.590
Question_7	64	1.00	4.00	3.1562	.72995	-.999	.299	-.523	.590
Question_8	64	1.00	4.00	3.4219	.75182	-1.345	.299	1.759	.590
Question_9	64	1.00	4.00	3.1094	.87500	-.805	.299	.066	.590
Question_10	64	1.00	4.00	3.2031	.89407	-1.106	.299	.666	.590
Valid N (listwise)	64								

Source: Researcher's computation using SPSS version 20.0 software

The question 6 mean score of 3.5781 in table 4.2 indicates that optimal board size enhances timely

organisational decision making. The standard deviation of 0.85 implies that the data deviate from both sides of mean by 0.85 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -2.087 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of 3.442 also implies that the data did not follow the normal distribution assumption.The mean score of 3.1562 of question 7 in the table equally shows that the independent of the board of directors enhances check and balances in the management of organisational resources. The standard deviation of 0.73 implies that the data deviate from both sides of mean by 0.73 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -.999 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of .523 also implies that the data did not follow the normal distribution assumption.

The mean score of 3.4219 of question 8 in the table further shows that separation of the office of CEO from the office of board chairman enhances check and balances in the control of organisational resources. The standard deviation of 0.75 implies that the data deviate from both sides of mean by 0.75 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.345 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of 1.759 also implies that the data did not follow the normal distribution assumption. The mean score of 3.1094 of question 9 in the table further shows that long tenure of CEO in the office reduces check and balances in the control of organisational resources. The standard deviation of 0.88 implies that the data deviate from both sides of mean by 0.88 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -.805 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of .066 also implies that the data did not follow the normal distribution assumption.

Finally, the mean score of 3.2031 of question 10 in the table shows that the composition of audit committee by non-executive directors enhances check and balances in the control of organisational resources. The standard deviation of 0.89 implies that the data deviate from both sides of mean by 0.89 suggesting that the data is not widely dispersed among the respondents. The coefficient of skewness of -1.106 suggests that the data is negatively skewed and did not comply with the symmetrical distribution assumption. Similarly, the coefficient of kurtosis of .666 also implies that the data did not follow the normal distribution assumption.

4.2 Test of Hypotheses

This study has two hypotheses which were tested using Kendall's W Test.

Test of Hypothesis One

Ho_1: Corporate governance has no significant effect on stakeholders' behaviour in management of organizational resources

Table 4.3: Kendall's W Test

Test Statistics

N	64
Kendall's W[a]	.338
Chi-Square	86.560
df	4
Asymp. Sig.	.000

Source: Researcher's computation using SPSS version 20.0 Software

The result from table 4.3 above showed that corporate governance has a significant effect on stakeholders' behaviour in the management of organisational resources, considering the asymptotic significance level at 1% level of significance (as indicated by sig. level of 0.000). Based on this, the null hypothesis one is rejected.

Test of Hypothesis Two

Ho_2: Internal governance factors have no significant effect on organisational resources control

Table 4.4: Kendall's W Test

Test Statistics

N	64
Kendall's W[a]	.246
Chi-Square	62.996
df	4
Asymp. Sig.	.000

Source: Researcher's computation using SPSS version 20.0 Software

The result from table 4.4 above showed that internal governance factors have a significant effect on organisational resources control, considering the asymptotic significance level at 1% level of significance (as

indicated by sig. level of 0.000). Based on this, the null hypothesis two is rejected.

4.3 Discussion of Findings

The study revealed that corporate governance has a significant effect on stakeholders' behaviour in the management of organisational resources.This implies that corporate governance enhances stakeholders' trust; proper control; accountability; transparency; and effective management of organisational resources. This is in agreement with Wolfensohn (1999) who asserted that corporate governance is about promoting corporate fairness, transparency and accountability. Pandey (2006) study also is in line with the findings that corporate governance requires companies to practices and policies which comprise performance, accountability, effective management control by the board of directors.

The study equally revealed that internal governance factors have a significant effect on organisational resources control. This implies thatoptimal board size; the independent of the board of directors; separation of the office of CEO from the office of board chairman; and the composition of audit committee by non-executive directors enhance checks and balances in the control of organisational resources. However, long tenure of CEO in the office reduces checks and balances in the control of organisational resources. These findings are in agreement with some of the authorities like Jensen (1993) who opined that the apparent lack of independent in the leadership structure would make it difficult for the board to respond to top management failures. Sanda et al. (2005) found a positive relationship in separating the office of the board chairman from CEO. Results of Klein (2002) and Anderson, Mansi & Reeb (2004) showed a strong association between the audit committee and firm performance. Kajola (2008) found a positive and statistically significant relationship between performance and separation of the office of board chair and CEO. Yermack (1996) equally found that firms are more valuable when different persons occupy the offices of board chair and CEO. Coleman (2007) proved that large and independent boards enhance firm value, and the fusion of the two offices negatively affects a firm's performance. Adebayo, Ayeni & Oyewole (2013) result showed that there is a positive significant relationship between board independent and organisational performance while board size and chief executive duality have a negative significant relationship with organisational performance. Coleman (2007) opined that large and independent boards enhanced firm value and that combining the positions of CEO and board chair has a negative impact on corporate performance.

5.1 Conclusion

The stakeholders' trust; proper control; accountability; transparency; and effective management of organisational resources have become serious issues of corporate governance of most quoted manufacturing organisations in Nigeria. Most organisations that have failed in recent times in Nigeria are linked to corporate governance failure which has created a crisis of confidence among the stakeholders and hence low capital investments in the capital market. This has affected the performance of corporate organisation because having access to the fund to finance their operations become difficult.

The audit committee should ensure the credibility and integrity of financial information produced by the company and to increase public confidence in the financial statements. The longer the CEO stays in office the more he/she impinged on the control mechanism of the organisation. This is because the CEO as the head of the organisation gets familiar with the control mechanism and tries to manipulate to his own favour. If the chairman of the board and that of the CEO are combined and held by one person such situations concentrate too much power in the hands of one person leading to decisions that would not promote the interest of shareholders. Non-executive directors played a crucial role in monitoring management performance, offering invaluable advice to shareholders and protecting the interest of shareholders. Finally, an optimal board size should ensure better coordination, accountability; reduce the free-riding problem and faster decision making which enhances firm performance.

5.2 Recommendations

(i) There is a need to revisit code of corporate governance and harness these codes that are scattered in various Acts, to enact a single corporate governance Act in order to reawake stakeholders' trust; proper control; accountability; transparency; and effective management of organisational resources.

(ii) The office of the chairman of the board and chief executive officer should be occupied by different persons in order to enhance check and balance, also optimal board size and board independence should be put in place. Relative independent audit committees should be maintained.

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