**THE IMPACT OF CORPORATE GOVERNANCE AND RISK MANAGEMENT ON BANK PERFORMANCE**

**Abstract**

The focus of this research is on the impact of corporate governance and risk management on the performance of Nigerian banks. The major objective of this study is to understand the relationship between risk exposure, risk management, corporate governance and banks’ operational efficiency. Five research questions were designed in the following order: Do commercial banks formulate and implement risk management policies and strategies in their organizations? Do bank officials understand the concept and usefulness of risk management strategies in the banking system? Do bank officials understand the relationship between corporate governance and risk exposure? Do bank officials understand the relationship between corporate governance and risk management? Does corporate governance and risk management have any impact on the operational efficiency of a bank?  Similarly five hypotheses were formulated to provide answers to the above research questions.

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**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

As the prime movers of economic life, banks occupy a significant place in the economy of every nation. It is therefore not surprising that their operations are perhaps the most heavily regulated and supervised of all businesses (Soyibo and Adekanye, 1991). The high degree of regulation which characterizes the banking sector fundamentally derives from its exposure to various types of risks (Isu, 1991; Jimoh, 1992)

Over the years, the Nigerian banking sector and/or system has undergone tremendous changes. These changes have their roots in the management of risks in the banking system and problems in the system of corporate corporate governance (Sanusi, 2010). According to Bangudu (2010), the most fundamental problem confronting the Nigerian banking sector is its risk exposure, the inability to manage risks and poor corporate governance structures in the banking system. The purpose of this study, therefore, is to examine and understand the relationship between corporate governance, risk exposure and its management in the context of the Nigerian banking system. Based on its findings upon the conclusion of a special audit to determine the health of banks operating in Nigeria in 2009, the Central Bank of Nigeria (CBN) declared that, not only were many of the 24 banks deficient in quality leadership, but they were also guilty of poor risk management culture and poor corporate governance practices. In a similar manner, Philips (2010) points out that Nigerian banks are extremely risky, despite a N620bn bailout of the sector in 2009. Philips argues that:

“The Nigerian banking system is still highly risky. The ratings we have for the banks are in the single ‘B’ category, it‘s a very low level compared to most banks in the world.”  Philips argues that there was still a long way to go in the ongoing reform of the banking sector by the Central Bank of Nigeria. “We continue to see the Nigerian banking system as very high risk. In regulatory reform, there is still a long way to go,” he added. Philips continues that, “What Nigerian banks really need is to continue improving their risk management culture, particularly in developing strong asset quality measures” (pp. 12-13).

According to Blaauw (2009), the 1998 amendment to the 1988 Basel 1 accord for market risk has not been implemented yet in Nigeria. As a result, there is no explicit regulatory capital requirement for market risk taken in banks' proprietary trading activities. Other than in other countries, stockbrokers' capital requirements are not representative of risks they take in proprietary trading. Market risk capital requirements in other countries have promoted the development of the derivative markets. Limited market risk management practises in Nigeria has also limited growth in derivatives, key instruments in mitigating market risk. Overall, market risk management practises in Nigeria is under-developed and lagging behind other emerging markets. Blaauw (2009) further argues that, “Developing the depth in Nigeria's capital markets is key to the future growth of the economy and achieving the 2020 aspirations. Existence of sound market risk management practises is crucial to promote investors confidence required for capital market development. Regulators of the Nigerian financial system should therefore take a lead role and adopt the Basel I and II market risk management requirements for implementation by banks and other financial institutions as a national priority.

There is also a relationship between corporate governance and risk management. According to Goje (2010), the weaknesses experienced in the past few years in the Nigerian Banking system in Corporate Governance arrangements, may have led to the current state whereby banks cannot safeguard against excessive risk taking.

The CBN in April 2006 traced the need for a new Code of Corporate Governance in Nigerian banking industry to the poor Corporate Governance practices in the Banks which has been identified as one of the major factors in virtually all known instances of corporate collapse of financial institutions in the country. Citing a survey by the Securities and Exchange Commission (SEC), Corporate Governance was at a rudimentary level in only about 40% of quoted companies in Nigeria as at the period before year 2003.

            Among other things, the Central Bank of Nigeria (CBN) identified weaknesses in Corporate Governance practices of Banks in Nigeria as poor risk management practices resulting in large quantum of non-performing credits including insider-related credits. In a related development, the then governor of the Central Bank of Nigeria (CBN) Sanusi (2010) notes that proper risk management is a great antidote to bank failure since it underscores good corporate governance.

According to Olajide (2011), risks management encompasses the whole structure, processes, procedures and policies which an organization has instituted to identify and control the risk inherent in its activities. It is the opinion of this student that, it was the failure of regulation and risk management (the twin important key factors to financial industry) that have been identified as the causes of the global economic meltdown and more specifically, the ongoing crisis in the Nigerian banking sector. Therefore, the primary rules of risk management are: to identify the appropriate risk-return trade off, implement processes and courses of action that will reflect the chosen level of risk and to take appropriate action when actual risk levels exceed planned risk levels. Risk Management involves; managing costs, simplifying complexity and promoting risk culture and disclosure standards, among others.

**1.2       STATEMENT OF THE PROBLEM**

From the foregoing discussion, it is apparent that corporate governance and risk management is a crucial element in our nation’s quest to sanitize the banking and monetary system. To be able to compete in the global economic system, Nigerian banks must be able to manage their assets in a risk-free environment. Unfortunately, most commentators on the Nigerian banking system have shown that the management of risk is problem area that must be overcome if our monetary policies are to achieve their stated objectives. In this project, we see risk management as a crucial area worthy of exploration in order to understand whether or not our banks are adhering to the principles of corporate governance and risk management, and if not what could be done to rectify the problem.

**1.3       OBJECTIVES OF THE STUDY**

The general objective of this study is to understand the principles of corporate governance, risk exposure and risk management and its implication on the performance of the banking sector. From the problem statement, we can see that one of the major problems facing the Nigerian banking sector is the inability of the banks to manage risk exposure and poor corporate governance. Consequently and specifically, the objectives of this study are:

(i) To ascertain if the banks selected for this research have instituted risk-management policies and strategies in their organizations,

(ii)  To understand whether or not the banks selected for this study understand the concept and usefulness of risk management strategies in the banking system.

(iii)  To understand the relationship between corporate governance and risk management.

(iv) To evaluate if risk management systems have impact on the health and efficiency of a bank.

(v)  To make suggestions on ways to adopt and implement risk management strategies in the banking system.

**1.4       RESEARCH QUESTIONS**

The ability to institute good corporate governance structures and manage risk exposure by banks is crucial for the growth of the Nigerian economy. Therefore, an understanding of corporate governance, risk exposure and strategies for managing risk in the Nigerian banking industry is important. In order to achieve these objectives, the following research questions were used and as a guide for the formulation of the questionnaire used for this study.

1. Do Commercial banks formulate and implement risk management policies and strategies in their organizations?
2. Do bank officials understand the concept and usefulness of risk management   strategies in the banking system?
3. Do bank officials understand the relationship between corporate governance and risk exposure?
4. Do bank officials understand the relationship between corporate governance and risk management?
5. Does risk management have any impact on the operational efficiency of a bank?

**1.5 RESEARCH HYPOTHESES**

The following research hypotheses was formulated by the researcher to aid the completion of the study;

**H0:** there is no significant relationship between corporate governance and risk management.

**H1:** there is a significant relationship between corporate governance and risk management.

**H0:** risk management systems do not have impact on the health and efficiency of a bank

**H2:** risk management systems have an impact on the health and efficiency of a bank

**1.6 SIGNIFICANCE OF THE STUDY**

The study will be of immense benefits for future users as well as other researchers, scholars and students. The study will also provide shareholders, stakeholders and members of the public knowledge on the importance of corporate governance in Nigeria and on internal audit monitoring and evaluation of the internal controls which are designed to mitigate all kinds of risks

**1.7 SCOPE AND LIMITATION OF THE STUDY**

The scope of the study covers impact of corporate governance and risk management on bank performance. But in the cause of the study there are some factors that limited the scope of the study;

**a) AVAILABILITY OF RESEARCH MATERIAL:** The research material available to the researcher is insufficient, thereby limiting the study

**b) TIME:** The time frame allocated to the study does not enhance wider coverage as the researcher has to combine other academic activities and examinations with the study.

**c) Organizational privacy**: Limited Access to the selected auditing firm makes it difficult to get all the necessary and required information concerning the activities.

**1.8 OPERATIONAL DEFINITION OF TERMS**

**Corporate governance**

Corporate governance is the mechanisms, processes and relations by which corporations are controlled and directed.

**Deposit money banks**

Deposit money banks are resident depository corporations and quasi-corporations which have any liabilities in the form of deposits payable on demand, transferable by cheque or otherwise usable for making payments

**Financial performance**

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.

**Risk management**

Risk management is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities

**1.9 ORGANIZATION OF THE STUDY**

This research work is organized in five chapters, for easy understanding, as follows

Chapter one is concern with the introduction, which consist of the (overview, of the study), historical background, statement of problem, objectives of the study, research hypotheses, significance of the study, scope and limitation of the study, definition of terms and historical background of the study. Chapter two highlights the theoretical framework on which the study is based, thus the review of related literature. Chapter three deals on the research design and methodology adopted in the study. Chapter four concentrate on the data collection and analysis and presentation of finding. Chapter five gives summary, conclusion, and recommendations made of the study

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 Introduction**

This review of the selected corporate governance mechanisms treats them as practical traits from multi-theory lenses, focusing on the agency theory and the stakeholder theory and how they fit in the institutional setting from the perspective of institutional theory. This paper contends the importance of interrelatedness between the three theories, specifically how they relate to corporate governance in banks as complex firms. The purpose of bringing the three strands of theory together is to bring a more contextual perspective on corporate governance. Corporate governance of banks is relevant and important topic due to banks` role in economic development and growth. Corporate governance of banks is an instrumental determinant for economic growth (Levine 1997, 2005; Claessens, 2006). While substantial empirical evidence exists in relation to corporate governance of non-financial firms, less is known about how special features of banks could affect corporate governance of banks. This paper provides an overview of some important studies on corporate governance, focusing on selected governance mechanisms, specifically ownership and board structures, as well as risk management practices. The studies on the ownership structure and board of directors are the central focus of this paper as they are typically central to corporate governance and the framework for their actions is dependent upon legal, regulatory, institutional and ethical environment of the community in which they operate. The paper proceeds as follows. The first part starts with theoretical background, followed by definitions of corporate governance and problems in enterprises nowadays, while the mechanisms of corporate governance emerged are discussed in the second part. Remaining at a general level, we link the discussion to the interaction between governance and various institutional environments in the third part. Further on, we proceed to explain the characteristics of banks and the corporate governance issues faced by these types of firms today. This part highlights the importance of banks for the whole economy, and the focus of the governance mechanisms not only on performance of banks but also on bank risks (in relation to various bank stakeholders), specifically the mechanisms that prevent excessive risk taking in case of banks more than in the case of other firms. The fourth part overviews the existing literature of banks’ behavior towards risks and performance, referring to the theoretical framework from the first part. Due to the specific role of shareholders in banks (i.e. they only hold limited equity and are motivated to transfer risk to creditors), this study reviews the literature on specific types of owners in banks. Finally, based on the theory and the existing literature, we attempt to derive what is missing in the literature at the moment and recommend suggestions for future research.

**2.2 THEORETICAL REVIEW**

It is incontrovertible that corporate governance is one of the most critical issues in the business world today. There was a time when this topic would not have elicited much attention. But, with episodic failures of Johnson Matheys Bank (JMB), Bank of Credit and Commerce International (BCCI), Baring Brothers Nomura Securities, Brex and Long-ter Capital Management (LTCM) of the 80’s and 90’s and the more recent Enron and World Com debacles, corporate governance has taken a central stage in business discuss and any intellectual gathering on business management. The rise in interest in the subject of corporate governance could be traced to the fact that there is now an increasingly clear separation of ownership from management, which has come to define modern corporations. This disconnection of ownership from management and the insulation of the owners from the day-to-day operations or the business have raised the need to install an appropriate framework for ensuring transparency and accountability in the management of the business venture. Secondly the current wave of globalization, which is blowing across the universe and the recent advances in information and telecommunication technologies have greatly facilitated business transactions across national boundaries. These developments, which have widened the geographical frontier of the market, have necessitated the development of international standards on best practices in the management of business for the benefit of all stakeholders. The existence of such standards would give comfort and regulatory agencies on the conduct of corporations, their country of origin not withstanding. The recent business failures cited above, demonstrate what happens when corporate governance fails. These failures also raise some fundamental questions, such as, the dependability of financial information, audit independence, the role of regulators, company management, the role of the board of directors, conflict of interest and, of course, the whole question of ethics and professionalism. According to Kwakwa and Nzekwu (2003), governance is a ‘vital ingredient in the balance between the need for order and equality in society; promoting the efficient production and delivery of goods and services; ensuring accountability in the house of power and the protection of human right and freedoms’. Governance is, therefore, concerned with the processes, systems, practices and procedures that govern institutions, the manner in which these rules and regulations are applied and followed, the relationships created by these rules and nature of the relationships. Corporate governance, on the other hand, refers to the manner in which the power of a corporate is exercised in accounting for corporation’s total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and the satisfaction of other stakeholders while attaining the corporate mission (Kwakwa and Nzekwu, 2003). In other words, corporate governance refers to the establishment of an appropriate legal, economic and institutional environment that allows companies to thrive as institutions for advancing long-term shareholder’s value and maximum human centered development. The corporation has to achieve this while remaining conscious of its responsibilities to other stakeholders, the environment and the society at large. Thus, corporate governance is also concerned with the creation of a balance between economic and social goals and between individual and communal goals. To achieve this, there is the need to encourage efficient use of resources, accountability in the use of power, and, the alignment of the interest of the various stakeholders, such as, individuals corporations and the society. Corporate governance is now widely accepted as being concerned with improved stakeholder performance. Viewed from this perspective, corporate governance is all about accountability, boards, disclosure, investor involvement and related issues. Research has shown that “firms with stronger shareholder rights had higher firm value, higher profits, higher sales growth, lower capital expenditure and fewer corporate acquisition” (McRitchie, 2001). From the foregoing, it is apparent that no matter the angle from which corporate governance is viewed, there is always a common consensus that corporate governance is concerned with improving stakeholder value, and that governance and management should be mutually reinforcing in working towards the realization of that objective. Sheifer and Vishny (1997), corporate governance deals with ways in which suppliers of finance, to corporations, assure themselves of getting a return on their investment. J. Wolfensohn (1999) asserts that corporate governance is about promoting corporate fairness, transparency and accountability. OECD (1999) opines that corporate governance is the system by which business corporations are directed and controlled. That the corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, ,managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provide the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance. Mathiesen (2002) describes corporate governance as a field in economics that investigate how to secure or motivate efficient management of corporations by the use of incentive mechanism, such as contracts, organizational design and legislation. This is often limited to the question of improving financial performance i.e profitability, for example, how the corporate owners can secure or motivate so that corporate manager will deliver a competitive rate of return. I.M. Pandey (2006) asserts that corporate governance implies that the company would manage its affairs with diligence, transparency, responsibility and accountability and would maximize shareholders wealth. Hence, it is required to design systems, process, procedures, and structures and take decisions to augment its finance performance and shareholders value in the long run. Akinsulire (2006) sees corporate governance as a term covers all the general mechanism by which management are led to act in the best interest of the company owners. A perfect system of corporate governance would give management all the right incentives to make value maximizing investment and financing decision and would assure that cash is paid out to investors when the company runs out of viable projects i.e. investment with positive NPV Corporate governance attracts a good deal of public interest, because of its importance to the economic health of corporations, groups, countries, and society at large. But because it covers a large number of economic phenomena, it has become a subject with many definitions, with each definition reflecting an understanding of, and in the domain of an economic phenomenon being considered. In general terms, however, corporate governance deals with the way corporate bodies utilize their funds to generate financial wealth for shareholders, and social wealth for the community in which they are located. This latter consideration is what has now become known as the Corporate Social Responsibility (CSR) of organizations. So, essentially, corporate governance deals with issues of accountability and fiduciary duty, in the main advocating the implementation of policies and mechanisms to ensure good behaviour and protect shareholders. There is also the perspective of economic efficiency, through which corporate governance should aim to optimize economic results with strong emphasis on shareholders welfare. Yet a third consideration accommodates the interest of all stakeholders, which call for more attention and accountability to players other than the shareholders; like the employees and the environment/community, for examples. So, in short, corporate governance is about how an entity is managed or run

**2.3 PRINCIPLES AND PILLARS OF CORPORATE GOVERNANCE**

I.M. Pandey (2005) opines that good corporate governance requires companies to adopt practices and policies which comprise performance, accountability, effective management control by the board of directors, constitution of board committee as part of professionally qualified, non-executive and independent directors on the board, the adequate timely disclosure of information and the prompt discharge of statutory duties. Chris. O (2006) sees key elements of good corporate governance principle as also include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and commitment to the organization. Of importance is how directors and management develop a model of governance that aligns the values of the corporate participants and then evaluate this model periodically for it’s effectiveness. In particular, senior executives should conduct themselves honestly and ethically especially concerning actual or apparent conflict of interest and disclosure in financial report. The Organization for Economic Cooperation and Development (OECD) put forward a set of international principles of corporate governance. These principles were developed both in response to growing recognition of the importance of governance to enterprise performance and to the spate of recent corporate failures in Asia, America and other parts of the world. The OECD principles are organized under five headings, namely: The rights of shareholders, The equitable treatment of shareholders, The role of stakeholders, Disclosure and transparency; and The responsibilities of the board.

**The Rights of Shareholders**

This principle deals with the rights of shareholders. It concerns the protection of shareholders’ rights and the ability of shareholders to influence the behaviour of the corporation. The basic shareholders’ rights include the right to: Secure methods of ownership registration; Convey or transfer share; Obtain relevant information on the corporation on the timely and regular basis; Participate and vote in general shareholder meetings; Elect members of the board; and Share in the profits of the corporation Fredrick (1999) noted that while these rights are important to good corporate governance, it must be noted that extensive rights in and of themselves are not equivalent to good governance.

**Equitable Treatment of Shareholders**

This principles emphasizes that all shareholders, including foreign shareholders, should be treated fairly by controlling shareholders, boards and management. This principle calls for transparency with respect to the distribution of voting rights and the ways in which voting rights are exercised. The high points of the principles include: All shareholders of the same class should be treated equally. , Insider trading and abusive self-dealing should be prohibited, Members of the board and management should be required to disclose any materials interests in transactions or matters affecting the corporation

**The Role of Stakeholders**

A good corporate governance framework should recognize the rights stakeholders has, as established by law. Such a framework should encourage active cooperation between corporations and stakeholders in creating wealth, jobs, and the sustainability of a sound enterprise. To achieve this, corporate governance should ensure that: The rights of stakeholders are protected by law; The rights of the shareholders arte respected, Stakeholders have the opportunity to redress any violation of their rights, Permit performance enhancing mechanism for stakeholders participation, Provides stakeholders with access to relevant information to enable them participate actively in the governance process.

**Disclosure and Transparency**

This principle supports the development of high internationally recognized accounting standards. This stipulates that all the material matters regarding the governance and performance of the corporation be disclosed. This also underscores the importance of applying high quality standards of accounting, disclosure and auditing. Disclosure should include, but not limited to, material information: The financial and operating results of the company, Company objectives; Major share ownership and voting rights; Members of the board and key executives and their remuneration; and Governance structure and policies information should be prepared, audited and disclosed in accordance with high quality standards, while the channels for disseminating information should be fair, timely and cost-effective.

**The Responsibilities of the Board**

The traditional view of directors is that they serve primarily to monitor management. However, there is an emerging school of thought that directors can and should add value to the enterprise (Fredrick, 1999). The principle, which reflects the value-added approach, suggests that directors are responsible for the strategic guidance of the enterprise in addition to monitoring management. Thus, the board has a definite function to perform to ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board’s accountability to the corporation and shareholders. In doing this, board members should: Ensure the independence of the board; Act on a fully informed basis and in good faith, with due diligence and care, and in the best interest of all stakeholders; Treat all shareholders fairly, particularly in decisions that affect different shareholder groups; and Ensure compliance with applicable laws Other principles of corporate governance include Honesty, Trust, Transparency, Performance Orientation, Integrity, Responsibility, Accountability, Mutual Respect, Commitment to the Organization

**2.4 PILLARS OF CORPORATE GOVERNANCE**

In all fields of human endeavour, good corporate governance is founded upon the attitudes and practices of the society. According to Kwakwa and Nzekwe (2003), these values centre on the: Accountability of power, based on the fundamental belief that power should be exercised to promote human well-being; Democratic values, which relate to the sharing of power, representation and participation and participation; The sense of right and wrong; Efficient and effective use of resources; Protection of human rights and freedoms, and the maintenance of law and order and security of life and property; Recognition of the government as the only entity that can use force to maintain public order and national security; and Attitude towards the generation and accumulation of wealth by hardwork.. The above attributes have been reduced to four pillars on which governance is framed. These pillars encompass; Effective body responsible for governance, separate and independent of management, An approach to governance that recognized and protects the rights of members and all stakeholders Institutions to be governed and managed in accordance with its mandate; and An enabling environment within which the institutions’ human resources could contribute and bring to bear their full creative powers. The Business Roundtable (2002) supports the following guiding principles of corporate governance;

1. The paramount duty of the board of directors of public corporation is to select a Chief Executive Officer and to oversee the CEO and other senior management in the competent and ethical operation of the corporation on a daily basis.

2. It is the responsibility of the management to operate the corporation in an effective and ethical manner in order to produce value for shareholders. Senior management should know how the corporation earns its income and what risk the corporation is undertaking in the course of carrying out its business. Management should never put personal interest ahead of or in conflict with the interest of the corporation.

3. The management, under the oversight of the board and its audit committee, should produce financial statements that fairly present the financial condition and result of operation of the corporation and make the timely disclosure investors need to permit them to assess the financial and business soundness and risks of the corporation.

4. It is the responsibility of the board and its audit committee to engage an independent accounting firm to audit the financial statement prepared by management and to issue an opinion on those statements based on Generally Accepted Accounting Principles.

5. The independent accounting firm is responsible to ensure that it is in fact independent, is without conflicts of interest, employs highly competent staff and carries out its work in accordance with Generally Acceptable Auditing Standards. It is also the responsibility of the independent accounting firm to inform the board, through the audit committee, of any concerns the auditor may have about the appropriateness of quality of significant accounting treatments, business transactions that affects the fair presentation of the corporation’s financial condition and result of operation, and weakness in internal control systems.

6. The corporation has the responsibility to deal with its employee in a fair and equitable manner.

**2.5 THEORY OF CORPORATE GOVERNANCE**

Four models of corporate control were indentified in the literature (Hawley and Williams 1996). They are the:

1. The simple financial model
2. The stewardship model
3. The stakeholder model
4. The political model

The Hawley and Williams surveys indentified model of corporate control were explain thus:

**The simple finance model:** In the finance view, the central problem in corporate governance is to construct rules and incentives (that is, implicit or explicit ‘contracts’) to effectively align the behavior of managers (agents) with the desires of principles (owner). The rules and incentives in the finance model refer to those established by the firm rather than to be legal/political /regulatory system and culture of the host economy or the nature of the owners. The finance view represents a sub-section of the political model of corporate government. The political model interacts with the ‘cultural’ ‘power’ and ‘cybernetics’ models raised in line with the behaviors of managers (agent) and principals owners)

**The stewardship model:** In the stewardship model, managers are good stewards of the corporations and diligently work to attain high level of corporate profit and share holders’ returns (Donaldson and Davis 1994). Donaldson and Davis note that managers are principally motivated by achievement and responsibility needs’ and given the need of managers for responsible. Self-directed wok, organizations may be better served to free managers. From subservience to non-executive directors dominated boards. According to Donaldson and Davis, ‘most researchers into boards have has as their prior belief the notion that independent boards are good and so eventually produce the expected findings. However, supporting, stewardship theory are the individuals who contributes their own money and other resources to non-profits organizations to become a director. In analyzing the welfare distributed to stakeholders through introducing a Tabelini (1996) made provision in their equations to include the welfare contributed by controllers. In commenting on stewardship theory, Hawley and Williams (1996) state that’ The logical extension is either towards an exclusive-dominated board or towards no board at all’

**The stakeholders model:** In defining ‘stakeholder theory’ (1994) states: “The firm” is a system of stake holders operating within the larger system of the society that provides the necessary legal and market infrastructure for the frim’s activities. The purpose of the firms is to create wealth or value for its stake holders by converting their stakes into good and services. This view is supported by Blair (1995) who proposes: the good of director and management should be maximizing total wealth creation by the firm. The key to achieving this is to enhance the voice of and provide ownership-like incentives to those participants in the firms who contribute or control critical, specialized inputs (firm specific human capital) and to align the interests to these critical stakeholders with the interest of outside, passive shareholder. Consistent with this view by Blair to provide ‘voice’ and ‘ownership’ like incentives” to critical stakeholders’

**The political model:** The political model recognizes that the allocation of corporate power, privileges and profits between owners, managers and stakeholder is determined by how governments favour their various constituencies. The ability of corporate stakeholders to influence allocation between themselves at the micro level is subject to the macro framework, which is interacting subjected to the influence of the corporate sectors. Akintoye (2010) indentified three essentially theories of corporate governance: the steward-ship theory, the agency theory and the market theory. The stewardship theory of corporate governance holds that, because people can be trusted to act in the public good in general and in the interests of their shareholders in particular, it makes sense to create management and authority structures that, because they provide unified command and facilitate autonomous decision making, enable companies to act (and react) quickly and decisively to market opportunities. This approach leads, for instance, to the combination of the roles of chair and CEO, and for audit committees to be either non-existent or lightweight. Resistance to the modern corporate governance movement to a day tends to be based on this theory. The agency theory of corporate governance, on the other hand, sees shareholders as the principals and management as their agents. Agents will, however, act with rational self-interest: as employee directors of a company, they will tend to maximize their monetary compensation, job stability and other perks, and do no more than seek to appease shareholders. They cannot, in other words, be expected to act in the interests of the shareholders. They need, instead, to be monitored and controlled top ensure that the principals’ best interest are served. This theory is the basis for most of today’s corporate governance activity. The market theory of corporate governance holds that is doesn’t really matter whether managers see themselves as steward or agents, because shareholders will simply sell in the market the stocks and shared of those companies whose directors are not generating adequate returns for their investment. To the extent that this theory was genuinely held, it was fatally undermined by the corporate scandals at the turn of the century: shareholders in Enron (including many of its employees) were unable to sell their shares (many of which were held in pension plans) once it became clear that the company’s governance was wholly inadequate

**2.5 CHALLENGES/ WEAKNESSES OF CORPORATE GOVERNANCE IN COMPANIES IN NIGERIA**

(1)Disagreement between board and management giving rise to board squabbles

(2).Ineffective board oversight function.

(3) Overbearing influences of chairman on MD/CEO.

(4) Weak internal controls

(5) Non- compliance with laid down internal controls and opinion procedures.

(6) Passive shareholders.

(7) Sittight directors- even when such directors fail to make meaningful contribution to the growth and development of the organization.

(8) Inability to plan and respond to changing business circumstances.

(9) Succumbing to pressure from other stakeholders e.g. appetite for high dividend.(10)Ineffective management information system.

(11).Establishing Codes: There is a popular saying that where there is no law, there is no offence. For most institutions and professional bodies in Nigeria, it is either that there is no codes of conduct or the codes are not being followed. Therefore, the first challenge in ensuring good star from taking appropriate steps to ensure that a code that will guide stakeholders is put in place.

(12) The challenge of enlightenment: There is the need for mass enlightenment on corporate governance. In this part of the world corporate governance is relatively a new concept and even some company directors are not fully aware of the onerous responsibilities of a director

**2.6 CORPORATE GOVERNANCE AND BANKS BEHAVIOUR**

The connection between corporate governance and firm performance has been the subject of important and on-going debates in the corporate finance literature. While empirical evidence is not always in agreement in terms of the functioning of specific governance mechanisms (i.e. there is no “one-size-fits-all”), there is a widespread belief that the quality of corporate governance and investor protection significantly impacts firm behaviour and performance (Bebchuk & Hamdani, 2009). Better governance enables firms to access capital markets on better terms, which is valuable for firms intending to raise funds (Doidge, 2004). Better governed firms also trade at higher market value and generated superior shareholder returns (Gompers, Ishii & Metrick, 2003). In similar vein, academic studies mostly based on non-financial institutions in developed economies show that better governed firms are relatively more profitable. Economies of countries in transition have paid limited attention to the corporate governance issues. The setting of countries in transition is somehow unique due to the dominance of foreign owned banks. Until the 2008-09 financial crisis, foreign ownership was viewed as a key ingredient of financial development and a driver of economic growth (EBRD, 2006). However, this view changed since foreign banks were the main conduits in transmitting the crisis from western into transition countries (Bakker & Gulde, 2010; Bakker & Klingen, 2012; Popov & Udell, 2012). Consequently, analysing corporate governance of banks in relation to their (foreign) ownership and its implications for bank behaviour during the recent financial crisis is a current and relevant question. The same applies to the board structures of these banks, as well as risk management frameworks and practices. This is mostly relevant and important for the emerging countries, where the dominance of foreign owned banks is so pronounced. How independent are the supervisory boards and management of such institutions? How relevant are their policies to local conditions, and how responsive are they to local needs? Are the shareholders and board committed to support the local institution in a crisis or will they shut down credit and limit their exposures because of problems originating in their parent bank abroad? Are they collecting local funds for transfer to foreign operations? Are they willing to sacrifice the liquidity and solvency of the small local institution to the needs of the parent? The track record of the latter is not so good, I think, and this is where the third “stakeholder”, the regulator, should have an influence.

**2.7 OWNERSHIP STRUCTURE AND BANKS` ATTITUDE TOWARDS RISK AND PERFORMANCE**

Corporate governance within banks facilitates the balancing of powers between the shareholders and managers. Maintaining the balance of power and control between the two has been the key challenge of corporate governance, specifically when it comes to risk taking. This approach goes in line with the agency theory. In addition, the balance of power stems from the differences within the governance mechanisms related to investor protection in different countries. In many emerging economies, the development of financial markets and investor protection is not yet fully developed. The frameworks for accounting, transparency, and disclosure are generally weak, as is the capability of the regulators to serve as the counterbalancing influence. In relation to the institutional environment, the legal framework shaping the governance of banks varies substantially, from banks operating under common law, continental law or in some cases, a combination of both. Common law provides stronger protection for the shareholders (La Porta et al, 2000). In civil law countries, the role of corporate governance has traditionally been more to ensure a balance of the interests of a variety of key groups such as employees, managers, creditors, suppliers, customers and the wider community (Solomon & Solomon, 2004). Specifically, the market for corporate control lies at the heart of the Anglo-American system of corporate governance, while the salutary role of non-shareholder constituencies, particularly banks and workers, is central to the Franco-German governance model (Macey & O’Hara, 2003). The ownership forms also differ between the two systems. The Anglo-American system is known for rather dispersed ownership. When ownership is diffuse, as is typical in the U.S. and the U.K., agency problems originate from the conflicts of interests between outside shareholders and managers who own little equity in the firm (Jensen & Meckling, 1976). The Continental European system tends to be more concentrated in terms of ownership structure and a large divergence of cash flow rights from control rights. Concentration of ownership is measured by the size of the largest shareholders (Becht & Roell 1999). Normally, one way of mitigating the control effect between managers and shareholders (agency problem) would be to concentrate the ownership. Banks are generally known to concentrate their ownership structure, therefore balancing the incentives of shareholders and managers. La Porta et al, (2000) argued that a better investor protection framework will reduce the need for the emergence of large shareholders to control management. The largest shareholder is defined as the largest direct or indirect stake of an individual shareholder or a group of shareholders (Köhler, 2012). Normally, large shareholders should mitigate the self-interested managerial behaviour. While concentrations of shareholders can bring financial and managerial strength to an institution, they can also bring self-serving and abusive behaviour to the detriment of interests of small shareholders, depositors, and the public. Market efficiency is another way to increase the power and the protection of shareholder (Manne, 1965). Unfortunately, this is often absent in emerging economies whose financial markets are still under-developed. And, how functional is market efficiency as a governance factor? In the developed financial markets, the level of disclosure, transparency and market efficiency had been heralded. In actuality, it all failed. The theoretical framework provided by Hansmann (1996) provides a grounded basis on how the ownership structure affects the internal design of the organizational structures including the internal governance mechanisms. Ownership form of the bank can imply differences in its respective organizational diseconomies; costs of delegated monitoring; and therefore, the likelihood that specialization in transactional or relational lending could be different across ownership forms of a given size (Delgado, Salas & Saurian, 2007). Ownership form of the bank and the attitude toward risk should be seen purely from the behaviour perspective and how it matters for economic performance. The relationship between the ownership structure of the banking system and the risk attitude towards better performance has been intensively discussed, both theoretically and through empirical literature, mostly focusing on ownership concentration (Berle & Means, 1932; Jensen & Meckling, 1976; Fama, 1985), and the nature of owners (Alchian, 1965; Shleifer & Vishny, 1997). Empirical research in terms of the effect of ownership concentration on risk taking finds a significant relationship between the two (Saunders, Strock & Stavlos, 1990; Gorton and Rosen, 1995; Houston and James, 1995; and Demsetz, Saidenberg &. Strahan, 1997).

**2.8 EMPRICAL REVIEW ON CORPORATE GOVERNACE**

One of the major challenges facing the adherence to the code of conduct of corporate governance in the banking industry is the non-compliance and/or enforcement to the conduct of corporate governance by the banks in Nigeria; which are weaken corporate structure for the effectiveness of performance of banks in Nigeria by the establishment of the regulatory agencies in Nigeria like: the Central Bank of Nigeria (CBN), Securities Exchange Commission (SEC) and son on. To this, there has been in the last few years an abundance of literatures on the research work. Past works of notable researchers on this research and how it affects performance of banks were critically reviewed in this aspect of this research work. Their views, methodology employed and their conclusions were discussed chronologically; Kojola (2009) examine corporate governance and firm performance in Nigeria. The result reveals that there is significant relationships between Return on Equity (ROE) and board size as well as chief executive status. Likewise, it further reveals a positive significant relationship between Profit Margin (PM) and chief executive. Weisbach (1988), Heranlin and Weisbach (1991) examine agency theory and corporate governance. They observed that there is a positives relationship between firm performance and the proportion of outside directors sitting on the board. But Forberg (1989), Weisback (1991), Bhaget and Black (2002) and Sanda et al (2005) argued that the relationship between board composition and the performance (Board Size and Outside director) measure is not statistically significant. The implication of this is the for sample firms, there is no relationship between the firms’ financial performance and the outside directors sitting on the board. Agrawal and Knoeber (1996) in agency theory and corporate governance, examine a range of governance variables within a simultaneous regressions framework and find that the proportion of outside directors on company’s board is the only governance mechanism with consistently affects corporate value. However, the relationship is negative, suggesting the US firms have destroyed shareholder wealth by employing these directors. Weisbach (1988) and Warner et al, (1988) in agency theory and corporate governance, was of the view that, the most consistent empirical results in the corporate governance literature is that directors are more likely to lose their jobs if they are poor performers and find that it is only the very poorest performing management who lose their jobs and that is generally takes a prolonged period of poor performance to result in forced top executive turnover. Shabbir Ahmad (2002) examined the relationship between corporate governance and performance of commercial banks in Pakistan, result revealed that from all variables stated in the model analyzed, market share variable has an impact on the performance of banks negatively, suggesting that banks in a less competitive environment might feel less pressure to control their costs. Burki and Niazi (2004) and Patti and Hardy (2005). Further examined corporate governance and performance of commercial banks in Pakistan but analysis reveal that banks with larger assets size (i.e state owned banks) give lower efficiency than the other Peer groups of banks, i.e., private bank and foreign banks as the division of banking sector stated. Their study revealed further that better liguidity management implies a better performance of the banks. Bebehuk and Cohaen (2004) also finds out that, board size, board composition, and whether the CEO is also the board chairman have shown that well governed firms have higher firm performance. Though, there is a view that large board are better for corporate performance because they have a range of experertise to help make better decisions, and are harder for a powerful CEO to dominate. In a Nigerian study, Sanda et al (2003) found that, firm performance is positively related with small, as opposed to large boards. Kyereboad-Coleman (2007) examined the effort of corporate governance on the performance of firms in Africa by using both market and accounting based performance measure. The study used unique data from 103 listed firms drawn from Ghana, South Africa, Nigeria and Kenya covering the five year period 1997-2001. The analysis was carried out within the dynamic panel data framework. Their results indicate that the direction and the extent of impact of governance is dependent on the performance measure being examined. Specifically, the findings show that large and independent boards enhance firm value and that combining the positions of CEO and board chair has a negative impact on corporate performance. The study also finds that CEO’s tenure in office enhances a firm’s profitability whiles board activity intensity affects profitability negatively. The size of audit committees and the frequency of their meetings have positive influence on market based performance measures and that institutional shareholding enhances market valuation of firms. finally, the results pointed out that sector characteristics influence the impact of governance on corporate performance. For enhance performance of corporate entities, the study recommended a clear separation of the positions of CEO and board chair and relatively independent audit committees should be maintained.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

* 1. **Research design**

The researcher used descriptive research survey design in building up this project work the choice of this research design was considered appropriate because of its advantages of identifying attributes of a large population from a group of individuals. The design was suitable for the study as the study sought to evaluate the impact of corporate governance and risk management on bank performance.

* 1. **Sources of data collection**

Data were collected from two main sources namely:

(i)Primary source and

(ii)Secondary source

**Primary source:**

These are materials of statistical investigation which were collected by the research for a particular purpose. They can be obtained through a survey, observation questionnaire or as experiment; the researcher has adopted the questionnaire method for this study.

**Secondary source:**

These are data from textbook Journal handset etc. they arise as byproducts of the same other purposes. Example administration, various other unpublished works and write ups were also used.

* 1. **Population of the study**

Population of a study is a group of persons or aggregate items, things the researcher is interested in getting information on the study the impact of corporate governance and risk management on bank performance. 200 staff of selected commercial banks in the state was selected randomly by the researcher as the population of the study.

* 1. **Sample and sampling procedure**

Sample is the set people or items which constitute part of a given population sampling. Due to large size of the target population, the researcher used the Taro Yamani formula to arrive at the sample population of the study.

n= N

1+N(e)2

n= 200

1+200(0.05)2

= 200

1+200(0.0025)

= 200 200

1+0.5 = 1.5 = 133.

**3.5 Instrument for data collection**

The major research instrument used is the questionnaires. This was appropriately moderated. They staff were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed to obtain sufficient and relevant information from the respondents. The primary data contained information extracted from the questionnaires in which the respondents were required to give specific answer to a question by ticking in front of an appropriate answer and administered the same on staff of the organizations. The questionnaires contained about 16 structured questions which were divided into sections A and B.

* 1. **Validation of the research instrument**

The questionnaire used as the research instrument was subjected to face its validation. This research instrument (questionnaire) adopted was adequately checked and validated by the supervisor his contributions and corrections were included into the final draft of the research instrument used.

* 1. **Method of data analysis**

The data collected was not an end in itself but it served as a means to an end. The end being the use of the required data to understand the various situations it is with a view to making valuable recommendations and contributions. To this end, the data collected has to be analysis for any meaningful interpretation to come out with some results. It is for this reason that the following methods were adopted in the research project for the analysis of the data collected. For a comprehensive analysis of data collected, emphasis was laid on the use of absolute numbers frequencies of responses and percentages. Answers to the research questions were provided through the comparison of the percentage of workers response to each statement in the questionnaire related to any specified question being considered.

Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while percentage refers to the arrangements of the responses in order of their proportion.

The simple percentage method is believed to be straight forward easy to interpret and understand method.

The researcher therefore chooses the simple percentage as the method to use.

The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item contained in questions

**CHAPTER FOUR**

**PRESENTATION ANALYSIS INTERPRETATION OF DATA**

**4.1 Introduction**

Efforts will be made at this stage to present, analyze and interpret the data collected during the field survey. This presentation will be based on the responses from the completed questionnaires. The result of this exercise will be summarized in tabular forms for easy references and analysis. It will also show answers to questions relating to the research questions for this research study. The researcher employed simple percentage in the analysis.

**DATA ANALYSIS**

The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 133(one hundred and thirty three) questionnaires were distributed and 133 questionnaires were returned.

Question 1

Gender distribution of the respondents.

TABLE I

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gender distribution of the respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 77 | 57.9 | 57.9 | 57.9 |
| Female | 56 | 42.1 | 42.1 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

From the above table it shows that 57.9% of the respondents were male while 42.1% of the respondents were female.

Question 2

The positions held by respondents

TABLE II

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The positions held by respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | HRMs | 37 | 27.8 | 27.8 | 27.8 |
| Branch managers | 50 | 37.6 | 37.6 | 65.4 |
| Senior staffs | 23 | 17.3 | 17.3 | 82.7 |
| Junior staffs | 23 | 17.3 | 17.3 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

The above tables shown that 37 respondents which represent27.8% of the respondents are human resource managers, 50 respondents which represents 37.6 % are branch managers, 23 respondents which represents 17.3% of the respondents are senior staffs, while 23 respondents which represents 17.3% of the respondents junior staffs

**TEST OF HYPOTHESES**

There is no significant relationship between corporate governance and risk management.

**Table III**

|  |  |  |  |
| --- | --- | --- | --- |
| **there is no significant relationship between corporate governance and risk management** | | | |
| Response | Observed N | Expected N | Residual |
| Agreed | 40 | 33.3 | 6.8 |
| strongly agreed | 50 | 33.3 | 16.8 |
| Disagreed | 26 | 33.3 | -7.3 |
| strongly disagreed | 17 | 33.3 | -16.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
|  | |
|  | there is no significant relationship between corporate governance and risk management. |
| Chi-Square | 19.331a |
| Df | 3 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.3. | |

Decision rule:

There researcher therefore reject the null hypothesis that state that there is no significant relationship between corporate governance and risk management as the calculated value of 19.331 is greater than the critical value of 7.82

Therefore the alternate hypothesis is accepted that state that there is a significant relationship between corporate governance and risk management.

**TEST OF HYPOTHESIS TWO**

Risk management systems do not have impact on the health and efficiency of a bank.

Table V

|  |  |  |  |
| --- | --- | --- | --- |
| **risk management systems do not have impact on the health and efficiency of a bank** | | | |
| Response | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
| **Test Statistics** | |
|  | risk management systems do not have impact on the health and efficiency of a bank |
| Chi-Square | 28.21 1a |
| Df | 2 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. | |

Decision rule:

There researcher therefore reject the null hypothesis that state that risk management systems do not have impact on the health and efficiency of a bank as the calculated value of 28.211 is greater than the critical value of 5.99

Therefore the alternate hypothesis is accepted that state that risk management systems have an impact on the health and efficiency of a bank.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Introduction**

It is important to ascertain that the objective of this study was to ascertain the impact of corporate governance and risk management on banks performance.

In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the impact of corporate governance and risk management on bank performance.

* 1. **Summary**

The 2007/2008 financial crisis has highlighted that corporate governance requires major improvements both in developed and developing economies. International organizations have been working at arm’s length with the regulators and policymakers in order to improve corporate governance practices both in non-financial and financial institutions such as banks. Moreover given that most of the existing evidence is based on the performance of banks in developed countries, it is important to extend the existing evidence to other developing countries and to include additional bank-specific characteristics that have not been extensively analysed so far, such as the ownership structure, board structure and risk management. Additional research needs to be done in a banking sector where less is known about governance structures, which requires a separate analysis of their corporate governance within a greater timeframe to truly analyse the banks’ behaviour. An ideal timeframe would be to analyse banks` behaviour before, during and after the recent crisis, therefore looking at overtime trends. This analysis and its findings would represent areas of opportunity for banks searching to improve their corporate governance framework and practices and for policymakers looking for policy measures that can contribute to achieving it. Further research will be needed to make headway on such issues.

* 1. **Conclusion**

The current study investigates the association between corporate governance characteristics and risk management. Specifically, it focuses on board characteristics; namely board size, role duality, nonexecutives, CEO turnover, gender, the existence of audit committee and risk committee. Moreover, it examined the relationship between governmental ownership and risk management. Using sample of 900 observations from banks in The Gulf countries, the results provide evidence of negative significant association between role duality and risk management. The same is for the existence of risk committee. However, the results suggest that there is no significant relationship between risk management and the percentage of nonexecutives on the board or CEO turnover. Furthermore, we found a positive significant relationship between governmental ownership and risk management.

* 1. **Recommendations**

Based on the discussion and conclusion above, the researchers recommend the following: Banks should engage in the development and implementation of strategic training for board members and senior bank managers. This should be carried out with special emphasis on corporate governance, corporate governance disclosure and banking ethics. They should regulate the size of the board which should not be too large and must consist of highly skilled and competent professional who are conversant with oversight function. There should also be in existence, a proper internal control structure and self-government regulation so as to detect early rule violations and also monitor systemic problems for early remediation and solutions. An effective legal framework should be developed by the legislature to regulate and specify the rights and obligations of a bank, its directors, and shareholders. Also such laws and regulations should specify disclosure requirements and enhance transparency and accountability. Also, Extra care and precautions.

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**QUESTIONNAIRE**

**INSTRUCTION**

Please tick or fill in where necessary as the case may be.

Section A

1. Gender of respondent

A male { }

B female { }

1. Age distribution of respondents
2. 15-20 { }
3. 21-30 { }
4. 31-40 { }
5. 41-50 { }
6. 51 and above { }
7. Marital status of respondents?
8. married [ ]
9. single [ ]
10. divorce [ ]
11. Educational qualification off respondents
12. SSCE/OND { }
13. HND/BSC { }
14. PGD/MSC { }
15. PHD { }

Others……………………………….

1. How long have you work in the ministry?
2. 0-2 years { }
3. 3-5 years { }
4. 6-11 years { }
5. 11 years and above……….
6. Position held by the respondent in the financial institution
7. Human resource manager { }
8. Branch managers { }
9. Marketer/ senior staff { }
10. junior staff { }
11. How long have you work with zenith Bank
12. 0-2 years { }
13. 3-5 years { }
14. 6-11 years { }
15. 11 years and above……….

SECTION B

1. Does board size have any effect on Return on capital employ of the banks?
2. Agrees { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. How does board size affect the Returns on Capital Employed (ROCE) of Bank?

(a) Agrees { }

(b) Strongly agreed { }

(c) Disagreed { }

(d) Strongly disagreed { }

1. Does duality of function of the chief executive officer have any effect on ROCE of the banks?
2. Agreed { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. Are there impact of excessive remuneration of top executive officers on ROCE of the banks?
7. Agreed { }
8. Strongly agreed { }
9. Disagreed { }
10. Strongly disagreed { }
11. Are they effects of Chief Executive Officer Duality on the Returns on Capital Employed of Banks?
12. Agreed { }
13. Strongly agreed { }
14. Disagreed { }
15. Strongly disagreed { }
16. Are they effects of Excess remuneration of top management on Returns on Equity?
17. Agreed { }
18. Strongly agreed { }
19. Disagreed { }
20. Strongly disagreed { }
21. Is there any relationship between corporate governance and financial performance of deposit money banks??
22. Agreed { }
23. Strongly agreed { }
24. Disagreed { }
25. Strongly disagreed { }
26. Does corporate governance plays any role in the profitability of the banks?
27. Agreed { }
28. Strongly agreed { }
29. Disagreed { }
30. Strongly disagreed { }
31. Are there challenges to effective implementation of corporate governance in money deposit banks
32. Agreed { }
33. Strongly agreed { }
34. Disagreed { }
35. Strongly disagreed { }