Board Political Affiliation and Financial Performance of Non-Financial Companies in Nigeria

[1]Korolo, Emmnuel Omolaye (Ph.D) and [2]Korolo Akuboere Salome (Ph.D)
Department of Accounting, Federal University Otuoke, Bayelsa State, Nigeria
Email: koroloeo@fuotuoke.edu.ng ; koroloas@fuotuoke.edu.ng,
Phone:+2347037269467

Abstract

The study looks at how board political allegiance affects the financial success of non-financial companies listed on the Nigerian Stock Exchange. The study's specific goal is to ascertain whether board political affiliation, a component of corporate governance, influences the financial performance of the company. Return on equity (ROE) and net profit margin (NPM) were used to measure the company's financial performance. The study employed an ex post facto research design and a sample of 75 listed non-financial corporations with detailed annual reports that were released during the measure reporting period (2012-2021). Regression using generalized least squares (GLS) was utilized to analyze the correlation between the variables. The outcome demonstrates that board political membership has a favorable and significant impact on ROE and NPM at a level of 5%. The study concludes that there should be no restriction on the number of politically affiliated individuals serving on boards of directors within the parameters of corporate governance regulations and that political affiliation has a positive and significant impact on companies' NPM, as evidenced by the higher attendance of politically connected individuals, which suggests that board members improve the company's financial performance and revenue. According to the study, it should always be encouraged for people with political clout to serve on the boards of Nigerian publicly traded non-financial enterprises.

Keywords: Corporate Governance, Board Political Affiliation, Financial Performance, Non-Financial Companies, Return on Equity
JEL Classification: M40, M41, G34

1. Introduction

Corporate governance is concerned with how all parties involved in a company try to guarantee that managers and other insiders adopt a structure that protects their interests (Waleed, Mohammed, Mosab, & Najib, 2020). A system or arrangement known as corporate governance is made up of a variety of practices (such as accounting standards and rules governing financial disclosure, executive compensation, and the size and composition of corporate boards) and institutions (such as legal, economic, and social systems) that safeguard the interests of the owners of a corporation. Corporate governance is also the framework that a board of directors of a corporation uses to set and work toward attaining goals by ensuring an effective and efficient separation of ownership and control. It entails

implementing and maintaining independent validation procedures within the company to guarantee the dependability of an effective internal control system that the board of directors uses to check compliance with the strategies it has taken in relation to risk tolerance (Herman & Joy, 2020).
“

Corporate governance also refers to a group of procedures used by businesses to run when management and ownership are distinct. It deals with the procedures that give shareholders in companies some level of protection about their investments. “The division between a company's ownership and control based on the framework for how businesses are managed gives rise to corporate governance. The corporate governance structure outlines the rules and methods for making decisions on corporate affairs as well as the distribution of rights and responsibilities among various stakeholders (the board, management, shareholders, and other participants) in the business. In doing so, it also offers the framework through which the company's goals are established as well as the tools for achieving those goals and keeping track of performance. By strengthening corporate performance and accountability and considering the interests of other stakeholders, corporate governance is therefore designed to increase long-term shareholder value (Waleed *et al*, 2020).

The idea of firm financial performance encourages the effective and efficient use of financial resources to accomplish larger-scale business objectives, such as maximizing shareholder wealth and profit maximization (Urhoghide & Korolo, 2018). Companies having a history of strong financial performance typically draw in more investors. One of the factors that investors take into consideration when choosing an investment is the company's financial performance. Researchers have paid a lot of attention to financial performance, notably in the accounting and strategic management sectors. This makes sense because financial performance affects an organization's long-term viability and overall health. In order to meet the expectations of its numerous stakeholders and to raise its stock price, sales, market share, profitability, and cash flow, an organization is said to have achieved financial performance by using its resources efficiently and effectively. This study aims to determine the association between corporate governance (political affiliation of the board) and the financial performance of listed non-financial enterprises in Nigeria.

Studies have demonstrated that effective corporate governance lowers the risk of business collapse brought on by subpar financial performance. The study investigates the effect of Board political affiliation on the financial performance of

listed non-financial companies which has not been extensively examined in most studies carried out in Nigeria. There is a rising argument that business conditions are improving by removing obstacles with the backing of politically connected senior officials (Baum, 2008). Compared to other corporate governance variables like board size and board diversity, this variable has not gotten as much academic attention. Therefore, it is necessary to investigate how these factors affect the financial performance of Nigerian enterprises that use non-financial sectors.

2. Review of Related Literature

Good corporate governance is now a must for every business to be successful in the global economy. Although corporate governance may be relatively new to the general public and the academic community, the issues it addresses are not new. This section summarizes the conclusions advanced by several academics.

2.1 Conceptual Review

2.1.1 Corporate Governance

Researchers, writers, and some academics approach corporate governance from several angles. The definition and development of corporate governance have also benefited from the contributions of some well-known organizations. According to Strandbery (2001), the distribution of stock among internal and external investors determines corporate governance. Corporate governance is a tool used to punish corporations, according to Cadbury (1992). In 2010, the Organization for Economic Cooperation and Development (OECD) defined corporate governance as the framework to direct and control business corporations. Corporate governance also considers how societal perceptions of the extent of corporate responsibility relate to the internal governance structures of businesses (Deakin & Hughes, 1997).

Corporate governance, as defined by Gompers, Ishii, and Metric (2003) is the process by which the board of directors raises shareholder value by monitoring the behavior of the managers in charge of running the business daily. Corporate governance gives top management essential controls and oversight from an agency/control standpoint. It is said that managers have less of an opportunistic tendency to participate in unethical behavior. They prevent asset skimming, moral hazard, the waste of corporate-controlled resources, and various other variations of the agency problem. They also ensure corporate alignment with the interests of investors and society.

The Central Bank of Nigeria (CBN, 2010) provided what is arguably the most comprehensive and illuminating definition of corporate governance when it described it as a process of conventions, policies, systems, laws, and procedures that regulate institutions and the way these rules and regulations are administered and controlled. It also entails adhering to statutory and legal standards. Because it considers the acknowledgment and protection of the rights of all stakeholders, this definition appears to be more precise and suitable. This study is in line with the definition of corporate governance, which is defined as the structures and processes put in place to provide efficient and effective control of a company's affairs for the best possible maximization of shareholders' wealth and fair remuneration for other stakeholders. Therefore, checks and balances for both internal and external operations by company leaders were conceptualized in this study as corporate governance, which ensures that corporations are accountable to all their stakeholders and their environment in all aspects of their business activities.

2.1.2 Board political affiliation and Firm Financial Performance

Faccio (2006) discovered that when senior corporate executives enter politics, stock prices increase. These findings demonstrate how political identification with the board of directors might enhance business performance. According to the literature, board political affiliation affected corporate performance in Brazil (Claessen, Feljen, & Laeven, 2008), China (Du, 2012); India (Cole, 2009); Pakistan (Khwaja & Mian, 2005), and the United States (Houston, 2012). Previous studies (Faccio, 2006; Charunulind *et al*., 2006) demonstrated that membership on a political board influences a company's financial performance and that because these companies have easier access to bank financing in the developed and developing nations, there will be a higher failure rate in the future. According to Houston (2012), US banks consider prospective political favors when making loan decisions. His research demonstrates that bankers lend at lower interest rates to companies whose board members hold political office. There is a growing consensus that roadblocks should be taken down with the backing of high political leaders in order to enhance economic conditions for enterprises. (Baum, 2008).

In response to the subprime mortgage crisis, Duchin and Sosyura (2012) found that the allocation of government funding under the U.S. Troubled Asset Relief Program (TARP) was biased in favor of politicians. For instance, most of the contributions made to the presidential campaigns of the People's Democratic Party (PDP) and All Progressive Congress (APC) in Nigeria have been donated to a cause that is best known to business. Many professional associations offer insurance to their donors.

PDP has received donations from companies including SIFAX Group ($100 million), Tunde Ayeni ($2 billion), Oil & Gas Sector ($5 billion), and Real Estate & Buildings ($4 billion). Additionally, some academics asserted that a board member's political allegiance might not influence the company's financial success (Urhoghide, & Korolo, 2018). By demonstrating that companies' performance was unaffected by the presence of board members with strong political ties, such as former US Vice President Cheney, Fisman (2000) backed this point of view. According to Bertrand (2008), high-level political officials at a company have little to no effect on the firm's worth.

2.1.3. Firm Financial Performance

The utility or benefit shareholders receive from a company's shares can be thought of as a company's performance or value. Companies that have a high share sale value can prosper financially. Such highly rated businesses draw a lot of investors, enhancing their chances of continuing to grow. Power is a hard notion to describe and quantify, though. It has been defined as the outcome of the activity, and it is thought that the best way to assess corporate performance will rely on the type of organization being assessed as well as the objectives that will be attained through this assessment (Jat, 2006). On the other hand, performance measurement systems should be seen as information systems that are used to evaluate both individual and organizational performance, according to Zuriekat *et al*., (2011). Companies have traditionally utilized financial performance criteria as the foundation for performance evaluation.

In Corporate Management, Lin and Liu (2005) observed that financial indicators are typically one of the metrics used to assess a company's performance. Financial measures are essentially items that are shared by other items in the financial statements, which are often where a company's financial information for operations is provided. The initial point of reference for analyzing business progress is financial indicators. This is like Osisioma's (1996) assertion that ratios relate one set of values to another, with the resulting quotient acting as a benchmark or reference point for performance. Financial ratios are traditionally used to measure a firm's success because they offer a straightforward assessment of the financial performance of the company in comparison to prior periods and assist management in enhancing performance. Investors are interested in two facets of a company's financial success, according to Gautier and Underdown (2001). First, the ability to make profits can be used to evaluate its financial performance. This supports Pandey's (2005) assertion that, in competitive market environments, profit is

regarded as the most relevant indicator of a firm's performance and that profit maximization promotes the efficient allocation of resources. The profitability of a company is measured by its financial performance. For the purposes of this study, return on equity (ROE) and net profit margin were used to gauge the company's financial performance.

2.2 Empirical Review

Researches done by other researchers are discussed below:
Urhoghide and Korolo (2018) investigated the effect of corporate governance on the performance of quoted oil and gas companies in Nigeria. Board size, board diversity, board diligence, board political affiliation, and corporate governance disclosures were used as corporate governance mechanisms while profit after tax was used as a measure of firm financial performance. The study used the published annual reports spanning the period from 2008 to 2015. A sample of twelve (12) out of the fourteen (14) quoted companies in the oil and gas sector was used for the study. The Generalised Least Square (GLS) regression was employed to examine the relationship existing between the variables. The study found that Board size, board gender diversity and corporate governance practices had a significant positive impact on financial performance. Board diligence and corporate governance reforms were positive, but not significant while board political affiliation had a significant negative relationship with the financial performance of quoted oil and gas companies in Nigeria.

Umar and Sanni (2020) investigated the effect of corporate governance on the performance of fifteen (15) quoted Deposit Money Banks in Nigeria (2015-2019). Using Panel regression techniques, findings showed that there was a significant relationship between board composition, board size, and firm size, and the ROA of Deposit Money Banks in Nigeria. Board size, Board composition, and Firm size were used as proxies for corporate governance and return on asset as a measure of performance.

Waleed et al., (2020) examine the impact of corporate governance on the financial performance of fifty-three (53) non-financial listed companies from India and 53 non-financial listed companies from GCC countries for the period 2009–2016. Using ordinary least squares (OLS), the results revealed that board accountability (BA) and audit committee (AC) had an insignificant impact on firms' performance measured by ROE and Tobin’s Q. Similarly, transparency and disclosure (TD) had an insignificant negative impact on firms' performance measured by Tobin’s Q. The

study used corporate governance scores/ratings as independent variables while return on equity and Tobin's Q were used as dependent variables.

Gbadebo (2019) examined the effect of corporate governance mechanisms on the corporate performance of some selected non-financial firms in Nigeria (1990 – 2017), using panel regression analysis, findings suggested that leverage had a positive significant correlation with return on assets and return on equity while directors' shareholding and block holding had inverse relations with dependent variables. However, board size had mixed results with a negative significant influence on return on equity while it showed an inverse but insignificant impact on return on assets. Board size, directors' shareholding, block holding, and leverage were used as measures of corporate governance mechanisms while return on asset and return on equity were used as measures of corporate performance.

2.3 Theoretical Framework

Several hypotheses have been developed during the last two decades to explain the corporate governance model and business performance. Agency theory is the foundation of this work. Any discussion on corporate governance is typically thought to begin with the principal-agent theory. According to Berle and Means (1932), the primary agency issue facing contemporary businesses is principally caused by the division between finance and management. The fundamental issue with modern businesses is the separation of ownership and control because these corporations are operated by professional managers who act as agents and are not answerable to the shareholders.

The challenge for the owners is to choose the best managers and to provide the managers (agents) with the correct incentives to act in the best interests of the shareholders. Jensen and Meckling (1976) created the concept of agency. They put forth a hypothesis that claimed that conflicts of interest between a company's principal lenders, managers, and owners (shareholders) are what make a business run well. These groups differ in their interests and objectives. According to Jensen and Meckling (1976), agency theory can be seen as a nexus of implicit and explicit agreements between many stakeholders, including shareholders, bondholders, employees, and the general public, involving the delegation of some decision-making authority to the agent. Here, the primary refers to all the shareholders, while the agents are the managers of the companies.

A principal-agent relationship develops when a company's owner does not also exercise control or direction over it. Managers may need investors' resources because they may not have enough of their own capital to invest, and investors need managers with specialized human capital to earn returns on their investments. In this instance, there is a divide between ownership and control, or between those who issue the fund and those who administer the business (Berle & Means 1932).

The implicit premise that conflicts arise between powerful, entrenched managers and weak, dispersed shareholders is a criticism of agency theory. As a result, the primary issues with corporate governance in the principal-agent environment with distributed ownership have almost all been resolved by both the analytical work and the reform initiatives: monitoring and anchoring in management (Maher & Terry, 1999). Another critique of agency theory is that its analytical focus on solving the corporate governance problem is too limited (Mathias, 2002). It should be highlighted that investors in a company are not only stockholders; effective performance or success of a firm results from cooperation with input from numerous resource suppliers.

3. Methodology

This study adopted an ex post facto research design. The ex-post facto research design as stated by Onwumere (2009) is the type of research involving events that have already taken place. Since the events have already occurred and the research is being done after the fact, it is not possible to directly modify or control the independent variables in this design. All non-financial companies listed on the Nigerian Stock Exchange's floor are included in the research population. The population for the study is made up of the 134 non-financial companies that are listed on the Nigerian Stock Exchange as of December 2021 (NSEFactbook, 2021). The study eventually settled on a sample of 75 organizations after filtering the data and eliminating those with insufficient data, businesses whose entire annual report was unavailable, and businesses listed after 2012. Secondary data from the annual reports of the sampled companies for the years 2012 through 2021 was used in the study. For data analysis in the study, generalized least squares (GLS) regression estimation was used.

3.1 Model Specification

The study adopted the model of Urhoghide and Korolo (2018) with modifications. The following are the models for this study:

MODEL 1

$$ROEjt = \lambda 0 + \lambda 1Bpoljt + \mu jt.........(1)$$

MODEL 2

$$NPMjt = \lambda 0 + \lambda 1Bpoljt + \mu jt.........(2)$$

Where:

FP=Financial performance proxied by ROE and NPM
BPOL= Board political affiliation
J =jth firm
t = time period

3.2 Measurement of Variables

The measurement of variables and apriori expectations are depicted in table 3.1 below.

Table 3.1: Measurement of Variables and a priori Expectations

Variable	Description	Measurement (operational definition)	A priori sign	Sources
Dependent Variable				
FP	Financial performance	Accounting measure: (Return on Equity (ROE) and Net Profit Margin(NPM)		De Vuyst & Ooghe 2001, Olayiwola, (2018)
Independent Variables				
BDPA	Board political affiliation	Dummy variable measure of "1" if company board has members with political affiliation and "0" if not	_	Faccio,(2006) Urhoghide & Korolo (2018)

Source: Researcher's compilation, (2023)

4. Findings

Generalized least squares (GLS) regression analysis is used in the study. Generalized least squares (GLS)is used because it has the extra advantage of enabling the analysis of differences within and between cross-sectional units at the same time. Therefore, removing crucial unobservable parameters will mis-specify the model from an econometric point of view and unavoidably lead to biases (or inconsistencies). The outcomes are displayed below.

Table 1. ROE Regression Result

Variable	Aprori sign	Random Effects Estimates	Fixed Effects Estimates	Pooled OLS
C		0.7701* (0.1100) {0.0000}	0.5477* (0.1079) {0.000}	0.8265 (0.0561) {0.000}
BDPOL	+	0.0302* (0.0189) {0.1102}	0.0274* (0.0110) {0.0130}	0.0040 (0.0122) {0.7438}
"Model Parameters				
R^2		0.1202	0.913	0.123
Adjusted R^2		0.1015	0.900	0.104
F-statistic		6.4402	75.897	6.596
Prob(F-stat)		0.000	0.000	0.000
Durbin-Watson		1.029	1.904	0.59
Model Diagnostics				
χ^2_{Hetero} $\chi^2_{Serial/Corr}$ $\chi^2_{Wald-Test}$		(0.3927) (0.862) (0.00)	χ^2_{Norm} $\chi^2_{Hausman}$	0.6712 11.232 (0.000)

Source: Researcher's compilation (2022)

Table 1 displays the findings of a regression analysis looking at how corporate governance-board political affiliation affects a company's financial performance as shown by ROE. The hypothesis of a significant linear relationship between the dependent and independent variables cannot be ruled out, according to the F-stat of 75.89 (p-value = 0.00), which is significant at 5%. Additionally, it shows the model's overall statistical significance. Political affiliation on the board of directors has a positive, 5% (0.0302) and significant (p=0.000) influence on the business's financial performance, suggesting that having more politically affiliated board members really helps to increase company earnings and financial success. Therefore, we disprove the claim that board political affiliation has little bearing on ROE. The literature outlines a few justifications for the potential for a favorable association between political allegiance and gain. Politically connected businesses have easier access to government contracts for buying goods and services (Goldman *et al.,* 2009), may be given preferential regulatory treatment (Stratmann, 2005), and may also be given other preferential treatment such as private rent. The

findings of our study agree with those of Goldman *et al.,*2009; Ferguson and Voth (2008); Jayachandran (2006) and Faccio (2006)

Table 2. NPM Regression Result

Variable	Aprori sign	Random Effects Estimates	Fixed Effects Estimates	Pooled OLS
C		0.4880* (0.0764) {0.000)	0.0002 (0.000) {0.2927)	0.4904* (0.1038) {0.000}
BDPOL	+	-0.0045* (0.0017) {0.0084)	0.0141* (0.000) {0.000)	-0.0021** (0.0011) {0.0545}
Model Parameters				
R^2	0.2187		0.6811	0.1907
Adjusted R^2	0.1809		0.6056	0.1531
F-statistic	7.998		63.950	7.809
Prob(F-stat)	0.000		0.000	0.000
Durbin-Watson	1.029		1.97	1.430
Model Diagnostics				
χ^2_{Hetero} $\chi^2_{Serial/Corr}$ $\chi^2_{Wald-Test}$	(0.966) (0.144) (0.000)		χ^2_{Norm} $\chi^2_{Hausman}$	0.509 15.866 (0.000)

Source: Researcher’s compilation (2022) “

The results of the regression analysis looking at how board political affiliation affects companies' net profit margins are displayed in table 2. The fixed effects model estimate is the proper estimate for the model, as shown by the Hausman statistic and p-value (15.866, p=0.00), which also show that there are substantial correlations between firm-specific disturbances and the betas. According to the model's R^2 and Adj R^2 values of 68.11% and 60.56%, respectively, firm Board political affiliation may be responsible for around 68% of the systematic variance in the corporate performance of the sampled organizations. Additionally, the series follow a normal distribution, as indicated by the Norm p-value of (0.509). The hypothesis of a significant linear relationship between the dependent and independent variables cannot be ruled out, according to the F-stat of 75.89 (p-value = 0.00), which is significant at 5%. Additionally, it shows the model's overall statistical significance.

The analysis of the fixed effects estimation results demonstrates that the influence of board political affiliation on the company's financial performance is 5% positive (0.0141) and significant (p=0.000), suggesting that a higher presence of politically affiliated board members helps to increase the company's revenue and NPM. This suggests that improving corporate governance procedures has a favorable effect on the NPM, which is consistent with aprori's assumptions. As a result, we disprove the claim that board politics have little bearing on the company's financial performance.

The literature cites several justifications for the potential for benefits to have a favorable association with political identification. Politically connected businesses have easier access to government contracts for buying goods and services (Goldman *et al.,* 2009), may be given preferential regulatory treatment (Stratmann, 2005), and may also be given other preferential treatment such as private rent. The findings of our study agree with those of Jayachandran (2006) and Faccio. (2006). On the other hand, Urhoghide and Korolo (2018) discovered that the financial performance of listed oil and gas businesses in Nigeria has a strongly unfavorable association with board political affiliation.

5. Conclusion and Recommendations

In "the study, the effect of corporate governance (affiliation to the political board) is investigated in relation to the financial performance of non-financial enterprises listed on the Nigerian Stock Exchange. The outcome demonstrates that (i) board political affiliation has a favorable and significant impact on ROE and NPM at a level of 5%. Based on the study's findings, the following suggestions are put forth; Political affiliation on the board of directors has a positive and significant impact on the company's ROE, indicating that having more politically affiliated board members really benefits the company's earnings and financial performance. The study concludes that there should be no restriction on the number of politically affiliated individuals serving on boards of directors within the parameters of corporate governance regulations and that political affiliation has a positive and significant impact on companies' NPM, as evidenced by the higher attendance of politically connected individuals, which suggests that board members improve the company's financial performance and revenue. According to the study, it should always be encouraged for people with political clout to serve on the boards of Nigerian publicly traded non-financial enterprises.

References

Baum, N. (2008). Board composition as the outcome of an internal bargaining process: Empirical evidence. *Journal of Corporate Finance, 7*(3), 307-340.

Berle, A., & Means, G. (1932). *The Modern Corporation and private property.* New York: The Macmillian Company.

Bertrand, M. (2008). Are CEOs rewarded for luck? The ones without principals are. *Quarterly Journal of Economics, 116*(24), 901-32.

Cadbury, (1992). Cadbury commission report UK.

Claessen, S., Feljen, E., & Laeven, L. (2008). Political connections and preferential access to finance: the role of campaign contributions. *Journal of financial economics, 88*(12), 554-580.

Cole, S. (2009). Fixing market failures or fixing elections: Agricultural credit in India. *America Economic Journal of Applied Economics. 1*(8), 219-250.

Deakin, S. A., & Hughes, J. (1997). Board of directors and corporate financial performance: A review and integrative model. *Journal of Management, 76*(13), 291-334.

DU, F. (2012). Political connections and access to bond capital: Reputation or collusion? Working Paper, University of Southern California.

Duchin, R., & Sosyura, D. (2012). The politics of government investment. *Journal of Financial Economics, 106*(23), 24-48.

Durga, P. S. (2019). Corporate governance and firm performance in the Saudi banking industry. *Banks and Bank Systems, 14*(1), 147-158.

Eissa, A. A., Faozi, A., & Anwar, A. (2019). Impact of corporate governance mechanisms on financial performance of hotel companies: Empirical evidence from India. *African Journal of Hospitality Tourism and Leisure 8*(2), 1-21.

Faccio, M. (2006). Difference between politically connected and non-connected firms. A cross-country analysis. *Financial management, 21*(7), 905-92.

Fama, E., & Jensen, M. (2012). Separation of ownership and control. *Journal of Law and Economics, XXVI* (12), 1-32.

Ferguson, T., & Voth, H. J. (2008). Betting on Hitler—the value of political connections in Nazi Germany. *The Quarterly Journal of Economics, 123(1),* 101-137.

Fishman, R. (2000). Estimating the value of political connections. *American Economic Review 91*(25), 1095 -1102.

Gbadebo, A. O. (2019). Effect of corporate governance mechanisms on corporate performance: An empirical study of non-financial firms in Nigeria. *International Journal of Business and Management Review, 7*(4), 1-14.

Glautier, M. & Underdown, B. (2001). *Accounting Theory and Practice*, London. FT-Prentice, Irwin, Homewood lll

Goldman, E., Rocholl, J., & So, J. (2009). Do political connected boards affect firm value? *Review of Financial Studies 22*(6), 2331-2360.

Gompers, P., Ishii, J. & Metric, A. (2003). Corporate governance and prices. *Quarterly Journal of Economics, 118*(1), 107-155.

Herman, K., & Joy, T. (2020). The effect of financial performance and corporate governance to stock price in non-bank financial industry. *Corporate Ownership & Control, 17*(2), 97-103.

Hill, C. W. L., & Jones, G. R. (2009). *Essentials of strategic management*. Mason, OH: South-Western/Cengage Learning.

Houston, G. (2012). Corporate political contributions and stock returns. *Journal of Finance 65*(12), 621-634.

Jat, R. U. (2006). The relationship between governance structure and corporate performance in entrepreneurial Firms, *Journal of Business Venturing,* 7(5), 375-386.

Jayachandran, S. (2006).Selling labor low: Wage responses to productivity shocks in developing countries. *Journal of Political Economy 114*(3), 538-575.

Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305-360.

Kahan, M. & Rock, E. B. (2003). Corporate constitutionalism: Antitakeover charter provisions as pre-commitment. *Faculty Scholarship.* Paper 19. *http://scholarship.law.upenn.edu/faculty_scholarship/19*

Khwaja, A., & Mian, A. (2005). Do lenders favour politically connected firms? Rent provision in an emerging financial market. *Quarterly Journal of Economics, 55*(27), 443-476.

Kiradoo, G. (2019). Impact of corporate governance on the profitability and the financial performance of the organization. *Journal of Management (JOM), 6(3),* 192-206.

Klapper, L. F., & Love, I. (2003). Corporate governance, investor protection, and performance in emerging markets, *Journal of Corporate Finance, 62*(23), 195, 1-26.

Kyere, M. & Ausloos, M. (2019). Corporate governance and firms' financial performance in the United Kingdom. *International Journal of Finance & Economics, 1*(1), 1-15.

Lin, Z., & Liu, M. (2005). The impact of corporate governance on auditor choice: Evidence from China. *Journal of International Accounting, Auditing and Taxation, 18*(1), 44-59.

Lina, W. & Laith, A. K. (2020). The effect of corporate governance characteristics on the performance of Jordanian banks. *Accounting 6*(2), 117-126.

Maher, M., & Terry, A. (1999). Corporate Governance: Effects on Firm Performance and Economic Growth. Paper presented at the conference on Convergence and Diversity in Corporate Governance Regimes and Capital Markets, 4-5 November, Tilburg University, Tilburg, the Netherlands.

Mathias, E. (2002). The effect of firm size on profitability in Nigeria. *Journal of Economics and Sustainable Development, 4*(5), 90-207.

Mohammed, B. (2019). Corporate governance and financial performance: an empirical study on cement companies listed in Saudi stock market. *Jerash University the Deanship of Scientific Research, 20*(2), 697-711.

Mulbert, A. Z. (2010). Board corporate performance and corporate performance in Malaysia. *International Journal of Economic Finance, 5*(9), 150- 164.

Mustapha, U. A., Rashid, N., Bala, H., & Musa, H. (2020). Corporate governance and financial performance of Nigeria listed banks. *Journal of Advanced Research in Dynamical and Control Systems 12*(1), 5-10.

OECD 2010, *White paper on corporate governance in Asia*, OECD, Paris.

Onwumere, J. U. J. (2009). *Business and economic research methods,* Enugu; Vougasen Limited.

Osisioma, B. C. (1996). *Studies in Accountancy, text and Readings Revised and Enlarged*, Enugu, 410 ACENAPublishers.

Owiredu, A. & Kwakye, M. (2020). The effect of corporate governance on financial performance of commercial banks in Ghana. *International Journal of Business and Social Science, 11*(5), 18-27.

Pandey, I.M. (*2005*) Financial Management. 9th Edition, Vikas Publishing, New Delhi.

Strandberg, R. (2001). Corporate governance and firm performance: Evidence from Pakistan. *The Pakistan Development Review, 45*(4), 231-244.

Stratmann, T. (2005). Some talk: Money in politics. A (Partial) review of the literature. *Public Choice*, *124,* 135–56.

Umar, A. I., & Sanni, D. (2020). Effect of corporate governance on the performance of listed deposit money banks in Nigeria. *Science Journal of Business and Management, 8(1),* 35-40.

Urhoghide, R.O., & Korolo, E. O. (2018). Corporate governance and financial performance of quoted oil and gas companies in Nigeria. *International Journal of Business and Social Science, 8*(7), 114-124.

Waleed, A. M., Mohammed, A. H., Mosab, T. I., & Najib, H. S. (2020). The impact of corporate governance on financial performance of Indian and GCC listed firms: An empirical investigation. *Research in International Business and Finance, 51(3)*, 345-358.

Zuriekat, M., Salameh, R., & Alrawashdeh, S. (2011). Participation in performance measurement systems and level of satisfaction. *International Journal of Business and Social Science, 2*(8), 159-169.