THE IMPACT OF VALUES- BASED LEADERSHIP AND CORPORATE GOVERNANCE ON ORGANISATIONAL PERFORMANCE

BY

ABIODUN OLADIPUPO OSIYEMI

A Dissertation Submitted to St. Clements University in Partial Fulfillment of the Requirements for the Award of Doctor of Philosophy in Management
St. Clements University

SEPTEMBER, 2006

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DECLARATION

I declare that this Dissertation is an output of my own research endeavours.

In pursuant of this research work, concerted efforts were made to duly acknowledge references, bibliography and all sources of data and information used.

However, in case of inadvertent omissions or incomplete referencing, I nevertheless, still express the acknowledgement of such sources.

Abiodun Osiyemi ……………………………….
Signed

CERTIFICATION

This is to certify that this dissertation entitled "The impact of Values- Based Leadership and Corporate Governance on Organizational performance by Abiodun Osiyemi is carried out under my supervision and guidance. Also, that the dissertation has been approved for submission to the St. Clements University for the award of the Degree of Doctor of Philosophy (PhD) in Management.

………………………………………….. ……………………………………………..
Professor David Iornem
Academic Adviser

…………………………………………………..…
St. Clements University

DEDICATION
I dedicate this work to the Almighty God for directing and strengthening me throughout this research work. I give Thanks, Glory and Adoration to God.

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I thank God for providing always for my spiritual, material and physical needs to complete this research work and also for all the divine grace and blessings.

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September, 2006

ABSTRACT
In Nigeria, there is an ‘endemic’ of corruption in both private and public sector. To worsen the situation, the country has experienced different types of corrupt leadership since independence in October 1 1960. The dominant leadership has been dictatorial under the military rulers and democratic when leaders have been selected or elected by ballot. This study, ‘The impact of Values- Based Leadership (VBL) and Corporate Governance (CG) was undertaken to find out if there are associations between Value Based Leadership and organizational performance , Corporate Governance and organizational performance and how VBL and CG impacts on organizational performance. Also the suggestion and recommendations were contributed on how to promote VBL and CG in organisations.

Nigeria is the most populous country in Africa and is ranked amongst the highest crude oil producers in the world, yet it is still ranked amongst the worlds 25 poorest nations. Within the last six years, Nigeria was ranked the second most corrupt nation in the world by Transparency International survey from 2001-3 and improved by climbing up by 21 points (ie 142^{nd} position out of 163 surveyed countries) in 2006 survey. The main challenge to date in Nigeria is that there is a dearth of Values Based Leaders. Also it is not uncommon to find leaders in Government and private sector to be corrupt and lack integrity all of which has led to poor economic growth and human development in the public and private sectors. This study has been able to identify issues that relates to both leadership and governance issues and recommendation on how to attain towards positive development has been suggested. Bad corporate governance is a main issue and enforcement of sanctions by relevant agents fall short of global standards.

To carry out the assessment study, extensive literature review was carried out which formed the background knowledge to the study as well as provided the necessary input to the discussion of the findings from the study. The data generated from interviews and questionnaires were analyzed using quantitative and qualitative methods. Six hypotheses were tested in order to quantitatively analyze the findings from the study.

A total of 10 organisations were randomly selected from a cross section of 22 organisation selected as the best / most valued organisation in Nigeria which included both indigenous and multinational covering different sectors i.e. Banking, Telecommunications, Oil & Gas, manufacturing etc

Participants were selected through simple random sampling processes and they were administered same set of questionnaire. The responses The responses of the participants were analyzed using the statistical package for social sciences (SPSS), which generated the frequency distributions, means, standard deviations, variances, standard errors, chi-square statistics, correlations, etc of the responses. The main hypotheses of this research were confirmed and were tested at 0.05 level of significance using chi-square statistics.

Note worthy findings in the study confirmed that there is a strong positive coefficient of correlation between Values Based Leadership and Organisational Performance. Also there were positive correlation between Corporate Governance and Organisational

Performance. There were differences in the assessments and ratings of Multinational and Indigenous organisations as they relate to VBL, CG and Organisational Performance.

Finally, this study contributed to the body of knowledge by designing a tool (questionnaire) which is simple and easy to apply in assessing the impact of VBL and CG in Organisational performance. Similar study of this nature has not been documented in searched literature in Nigeria. Pertinent recommendations were made which include among others, the need for organisations to place greater emphasis on Value based Leadership and Corporate Governance in planning for their short – long term corporate performance and corporate existence. This demands increase in leadership training, implementation of best practices and zero tolerance to corruption, good staff compensation and effective control processes / structure put in place in organisations.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Since Nigeria became an Independent nation in 1960, it has been ruled both more by military dictators and corrupt leaders. Accountability and good governance have also been down played. It is however believed that the recklessness of the public sector workers in areas of leadership, governance and financial accountability is attributable for this worrisome situation. This story may not be exactly the same in the private sector. Essentially, this study would focus on value based leadership and good governance in the private sector organisations and correlate findings with their performances.

Nigeria is ranked amongst the 10 highest crude oil producers in the world, yet it is still ranked amongst the worlds 25 poorest nations. Within the last three years, Nigeria has been ranked the second most corrupt nation in the world by Transparency International survey, but despite the above facts it is also note worthy to mention that a Nigerian citizen in the public sector, Prof (Mrs.) Dora Akunyili, received the prestigious first position award of Transparency International, for being a leader with high level of integrity.

A study by Harvard business school, Professor Paul Gompers found that there is a strong correlation between excellence in corporate governance and excellent corporate performance. Gompers points out that inspite of their ‘so-called’ governance processes , Enron , WorldCom and Tyco and many other flawed boards caught up in the recent scandals had abandoned any semblance of board democracy for board dictatorship by the CEO.

Leadership is about relationships. It's about working with and guiding people in new directions, it's about integrity and trust. It's about achieving the most positive interaction between customers, employees, shareholders, vendors-whomever! If we select people principally for their charisma and ability to drive up their short term stock price instead of their character and shower them with inordinate rewards, why should we be surprised when they lack integrity?

Corporate compliance systems are part of a developing global trend in the privatization of norm-making. The global war against bribery is perhaps the most impressive example of this phenomenon. With the ratification of the1997 OECD Anti-Bribery Convention, interest focused on finding effective measures for cutting off bribery's "supply side." Specifically, what combination
of prohibitions and incentives would lead to enhanced company efforts to resist corrupt practices?
Experience teaches that prohibitions alone will not work. While, for example, bribery is universally prohibited, few governments can effectively enforce anti-bribery statutes within their own borders. Fewer still are able to investigate
and prosecute company wrongdoing outside the home country. Even in the
US where the Foreign Corrupt Practices Act [FCPA], [1977] was the first legislation to criminalize bribery outside the home country, only 16 companies were prosecuted from1977–95. In motivating companies to develop their own ethical systems and program the US experience demonstrates that carrot of incentives has been an essential complement to the stick of prosecution.

This study is therefore an attempt at finding the correlation between value-based leadership, good governance and organisation performance in a developing nation with high rating for corruption.

1.2 STATEMENT OF THE RESEARCH PROBLEM

The importance of Value Based Leadership and Corporate Governance to organizational performance cannot be overemphasized. However, the approach and strategies for achieving a value-driven organisation deserves zero tolerance to corruption, good governance and value based leadership

A lot of initiatives have been pursed in Nigeria in an attempt to eradicate corruption such as War Against Indiscipline (WAI) , Campaign against bribery and corruption, Decree against malpractice offences etc but the have not been successful because of genuine 'leadership' commitment in both public and private sector. Contrary to what is the 'norm', within the last 5 years the Economic and Financial Crime Commission (EFCC) under the leadership of Mr. Nuhu Ribadu (Chairman / CEO – EFCC) has demonstrated that corruption can be curbed and best practices can be upheld in both public & private sector in Nigeria once there is a Value Based Leader who is committed to achieving results and wiping out the wrong deeds.

Because of lack of instituted corporate governance standards and 'controls' In most public and private sectors , corruption has in the past been 'a way of life' amongst corporate leaders but in the last four years, there has been drastic reduction in the economic and financial crimes usually committed amongst top civil servants, politicians, governors, bankers and fraudsters because of some international collaboration to prevent and sanction offenders on money laundering, advance –fee – fraud ('419') etc. With the institution of heavy sanctions including jailing of offenders such as Former Inspector General of Police, Governor of Bayelsa State for embezzling of public funds, this has served as deterrents to

The key questions to the research project are:

- How has Value Based leadership impacted on organizational performance?
- How has corporate governance impacted on organizational performance?
- What are the tolerance levels of management / leadership in organisations to corruption
- Do indigenous organisations and multinational organisations differ in their level of ratings on Value Based leadership, Corporate Governance and performance
- How high do employees rate there organisation as the best place to work?
- How are intangibles driving business performance?
- Are employees trained on corporate governance during staff induction program?

This study intends to address these questions as well as identify factors responsible for inability of Nigeria to fully improve on good governance value based leadership in organisations geared towards improving on organizational performance.

Efforts shall also be made to unravel the following

- The poorest and best leadership qualities within the assessed organisations
- The poorest and best rated Corporate Governance components within the assessed organisation
- The poorest and best rated performance components within the organisation assessed
- Perception of the board of directors of assessed organisation as being ethical by the stakeholders

The above issues underline the rationale for this study and it is expected that the outcome will provide strategies for establishment of frameworks for short-term, medium-term and long-term plan of action for organisations that would not only exist for generations but would also improve continuously on its organizational performance.

1.3 RESEARCH OBJECTIVES

The objectives of the research are:

- To identify the level of practice of values based leadership amongst assessed organisations
- To identify the existence or not of a relationship between value based leadership and organizational performance in Nigeria despite the huge level of corruption
- To identify the poorest and best ranked leadership criteria in organisations surveyed
- To identify the poorest and best ranked corporate governance criteria in the organisations surveyed
- To determine the relationship between values based leadership and organisation performance
- To determine the relationship between good governance and organisation performance
- To provide a simple tool (questionnaire) to assess and rate the level of VBL , CG and performance in an organisation
- To compare indigenous and multinational organisations and identify how Values based leadership and corporate governance have impacted on their organisational performance

1.4 JUSTIFICATION OF THE STUDY

The essence of this study is encapsulated in the review of the past and current efforts made in Nigeria to improve the Governance of organisations and value based leadership all aimed at improving organizational performances in the private and public sectors. Since Nigeria attained independence in October 1 1960, there the nation has contended with corrupt leadership in both the public and private sectors. It has been also very difficult to attract international investors because of unending corruption, sharp practices and poor governance and this has greatly affected the economy and company performance. Opinion makers that there is a dearth of Value Based Leaders and this has attributed greatly to the ranking of Nigeria amongst the worst rated countries by Transparency International over the last 5 years.

Although it is often assumed that there is a direct and clear causal link between the actions of the board and the success of the organisation, measured in terms of such factors as profitability, reputation, and share price. In reality, this link to business performance is rarely strong, ranging from satisfactory to weak.

In Nigeria, There must be renewed emphasis on corporate governance—not only how well the organisation succeeds, but how well it is run and regulated, formally and informally.

An extensive worldwide survey conducted by McKinsey & Company found compelling evidence that the shares of companies perceived by informed investors to have strong and effective boards of directors command a premium of as much as 20% on their share price.

Inline with making improvement on the organizational performance ,there are six specific ways by which board effectiveness can be enhanced, and one of these—and the most important—is to separate the roles of the chair and CEO.

This study therefore, attempts to identify the quality of Value based Leaderships that exits in the private sector organisations and the corporate governance standards and relate this to the organizational performance

There are also some challenges that exists ranging from disparity between values of management and employees, values of leadership within the organisation and the development of anomie amongst employee, it is expected that this study would reveal various challenges and limitations that have led adversely to the organizational performance. It would also reveal what is being done to a world class standard presently

The findings of the study will be of immense benefits to all stakeholders in organisations both in the private and public sector and will serve as a guide towards formulating measures to promoting Value Based Leadership and Good Governance in organisations

Part of the overall expectation from this study is the development of national indicators for the assessment of the impact of Value Based Leadership and Good Governance on Organizational performance in Nigeria.

The study shall elaborate on the need of establishing Value base leadership programs in organisation and also complying with Corporate Governance policies in pursuance of sustained organizational performances. The use of company financial reports for assessing corporate performance is also not reliable due to falsification of results presented to shareholders etc. This is also referred to as ‘creative accounting’ and there is a need to identify non-financial and intangible factors that contribute to the value creation and performances of organisations.

It is also anticipated that the revelations, ideas and suggestions that emerges from this study would be used by both government and private organisations when implementing policies relating to organisation performance. It could also be use by educational and training institutions as a base for planning induction programs and new and further research studies.

Importantly it is hoped that research findings would serve as a references to scholars’ world wide because of the dearth of studies on Leadership and corporate governance in this part of the world. Also it is hoped that this study would generate diverse interests and further focus on policy formulation and implementation on how to improve organizational performance especially in Nigeria and Africa in general.

1.5 STATEMENT OF HYPOTHESIS

In order to validate the findings from the study a quantitative analysis were carried out through the use of statistical tools. To this end, the following hypotheses were formulated for testing.

HYPOTHESIS 1

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or corporate governance in Nigeria.

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or corporate governance in Nigeria.

HYPOTHESIS 2

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 3

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to corporate governance or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

HYPOTHESIS 4

Null (Ho): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 5

Null (Ho): Assessments (Ratings) of companies on Corporate Governance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 6

Null (Ho): Assessments (Ratings) of companies on organisational performance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Chi-square (X2) statistical analysis was used in testing the entire Above Hypothesis.

1.6 SCOPE AND LIMITATIONS OF THE STUDY

The study looked at Private Sector organisation both public quoted on the Nigerian Stock Exchange (SEC) or privately owned. The study also looked at the principles of African Peer Review Mechanism (APRM), a program for the New Partnership for African Development (NEPAD). Then information about the organisations studied was obtained from the questionnaires completed by the respondents and available information about the organisations from their most recent Annual General Meeting (AGM) reports and or Web Sites.

The assessment of the impact of Values Based Leadership (VBL) and Corporate Governance (CG) was limited to information obtained from respondents and available data and information about the organisations. Standard impact measurement protocols for assessing organisations on VBL and CG in Nigeria does not exist. The study examined among other issues, the following:

- Literature reviews on Corporate Governance
- Literature review on Value Based Leadership and leadership studies
- Corporate performance and Manpower development
- Organisation for Economic Co-operation and Development (OECD) principle of Corporate Governance
- Implementation of Value Based Leadership program
- African Peer Review Mechanism (APRM), for Quality governance in Nigeria

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The impact of Values Based Leadership (VBL) and Corporate Governance (CG) on organisational performance is enormous and contributions to the development of the society are noteworthy. Considerable volumes of studies exist on the impact of VBL and CG on organisation despite the dearth of such studies in Nigeria. Beyond identifying what studies has been done in Nigeria focus on what is exist and achievable would be identified

VALUES BASED LEADERSHIP

Values based leadership is defined as a relationship between an individual (leader) and one or more followers based on shared strongly internalized ideological values espoused by the leader and strong followers' identification with these values. Ideological values are values concerning what is morally right and wrong. Such values are expressed in terms of personal moral responsibility, altruism, making significant social contributions to others, concern for honesty, fairness, and meeting obligations to others such as followers, customers, or organizational stakeholders. Values based leadership is asserted to result in: a) exceptionally strong identification of followers with the leader, the collective vision espoused by the leader, and the collective; b) internalized commitment to the vision of the leader and to the collective; c) arousal of follower motives that are relevant to the accomplishment of Attempts

There is both theory and empirical evidence to suggest that value based leadership has a substantial effect on organizational performance. Waldman and his associates reported two studies of values based leader behavior as an antecedent to organizational profitability (Waldman, Ramirez & House, 1996; Waldman, Atwater & House, 1996). In these studies values based leadership accounted for between fifteen and twenty five percent of firm profitability over the three years following the time at which values based leadership was assessed.

Organisations need norms and values just like our 'societal' organisations such as families, churches, mosques; schools and neighborhoods need norms and values. The reason is clear-cut. Our organisations in this country are loosing ground; they have become less competitive, more unfair, less effective and less rewarding to employee members. Individuals have an increased sense of alienation, isolation and mistrust, with a corresponding decreased sense of self-confidence, self worth, satisfaction and security. (Kuczmarski, S.C. & kuczmarski, T.D. (1994)

All above points to one thing; Anomie' has set in. Anomie means alienation, lack of purpose, identity or values in a person, organisation or society, normlessness. The origin of anomie is attributable to Emile Durkheim, a nine-teenth century French sociologists. The term anomie is most recognized in his work, The Division of labour, publicly published in 1893 which conveyed connotations of normlessness, immorality, suffering and rootlessness. Anomie is also similar to the Greek word 'Anomos' which implies lawless, psychological madness and mental turmoil. It results from individuals and groups not having values and norms. In Nigerian organisations, there is the endemicity of anomie and it is common to find employees feeling isolated, disillusioned, and disjointed. It leaves organisations dysfunctional, divided, and disrupted. It stems from groups and individuals that lack cohesive social and interpersonal guidelines for interaction. When Anomie creeps into an organisation, it weakens the ties and social bonds that usually hold workers together and keep them together.

It is important at this point to start challenging the system and 'Nigerian way' of doing things and start focusing on International standards and adopting international 'Best practice' in our organisations. It is also very important that we start asking questions on why there are many frustrated employees in organisations today coming out of their organisations. How many were bad mouthing their management? These are the definitive signs that anomie has permeated the work place and Values Based Leadership does not exit in such organisations

The consequences of Lack of VBL are very easy also to recognize in addition to previously mentioned signs. They include lack of innovation in organisations, erosion of competitive positioning, disillusioned staff, and torpid work force, severe risk aversion by staff and underperformance are typical symptoms. In addition to importance of VBL to organisations, it is very essential to consider the impact of corporate governance and how they both work together in attaining organisational performance

Corporate Governance

Sound corporate governance practices have become critical to worldwide efforts to stabilize and strengthen global capital markets and protect investors. They help companies to improve their performance and attract investment.

Current preoccupation with corporate governance can be pinpointed at two events: The East Asian Crisis of 1997 saw the economies of Thailand, Indonesia, South Korea, Malaysia and The Philippines severely affected by the exit of foreign capital after property assets collapsed. The lack of corporate governance mechanisms in these countries highlighted the weaknesses of the institutions in their economies. The second event was the American corporate crises of 2001-2002 which saw the collapse of two big corporations: Enron and WorldCom, and the ensuing scandals and collapses in other corporations such as Arthur Andersen, Global Crossing and Tyco.

Throughout this study, the word Corporate Governance and Good Governance would be used interchangeably. The following are different definitions of Corporate Governance.

Corporate Governance (CG) is a topic recently conceived, as yet ill-defined, and consequently blurred at the edges. It can be viewed as subject, objective or as a regime to be followed for the good of shareholders, employees, customers, and banker and indeed for the reputation and standing of our nation and economy.

Corporate Governance is a system by which business corporations are directed and controlled. 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 corporate affairs. By doing this it also provides the structure through which the company objectives are set, and means of attaining those objectives and monitoring performance. (OECD2004). OECDs' definition is consistent with the one presented by Cadbury (Cadbury 1992)

Corporate Governance (CG) is the relationship between corporate managers, directors and providers of equity, people and institutions who save and invest their capital to earn a return

Corporate governance principles and codes

Corporate governance principles and codes have been developed in different countries and issued from stock exchanges, corporations, institutional investors, or associations (institutes) of directors and managers with the support of governments and international organizations. As a rule, compliance with these governance recommendations is not mandated by law, although the codes linked to stock exchange listing requirements may have a coercive effect.

For example, companies quoted on the London and Toronto Stock Exchanges formally need not follow the recommendations of their respective national codes. However, they must disclose whether they follow the recommendations in those documents and, where not, they should provide explanations concerning divergent practices. Such disclosure requirements exert a significant pressure on listed companies for compliance.

Notable codes and guidelines include:

The Sarbanes- Oxley Act of 2002

- The **Sarbanes–Oxley Act of 2002** (Pub. L. No. 107-204, 116 Stat. 745), also known as the Public Company Accounting Reform and Investor Protection Act of 2002 and commonly called SOX or SarBox; July 30, 2002) is a United States federal law passed in response to a number of major corporate and accounting scandals including those affecting Enron, Tyco International, and WorldCom (now MCI). These scandals resulted in a decline of public trust in accounting and reporting practices. Named after sponsors Senator Paul Sarbanes (D–Md.) and

Representative Michael G. Oxley (R–Oh.), the Act was approved by the House by a vote of 423-3 and by the Senate 99-0.

OECD Principles of Corporate Governance

- The OECD publishes an annual paper on corporate governance. First issued in 1999, this paper has provided the framework for regional corporate governance roundtables in cooperation with the World Bank around the world. It has been endorsed as one of the Financial Stability Forum's 12 key standards, and form the basis for the World Bank's Review of Observance of Standards and Codes.

Cadbury Report

- "The Code of Best Practice", Report of the Committee on the Financial Aspects of Corporate Governance, Gee and Co Ltd, 1992.

Premium for Good governance

Research shows that investors from all over the world indicate that they will pay large premiums for companies with effective CG. One such study conducted by the McKinsey quarterly found that institutional investors in emerging market companies will be willing to pay as much as 30 more for shares in companies with good governance. Furthermore, it showed that companies with better CG practices had higher price-to-book ratios, demonstrating that investors do indeed good governance Boulton, Libert & Samek (2000)

Lower borrowing cost has also been associated with Cg. The importance of CG has been recognized by the financial sector – most recently, CG practices are also being looked at by rating agencies, and the have an impact on the cost of capital in United States of America

Corporate governance models around the world

Anglo-American Model

There are many different models of corporate governance around the world. These differ according to the variety of capitalism in which they are embedded. The liberal model that is common in Anglo-American countries tends to give priority to the interests of shareholders. The coordinated model that one finds in Continental Europe and Japan also recognizes the interests of workers, managers, suppliers, customers, and the community. Both models have distinct competitive advantages, but in different ways. The liberal model of corporate governance encourages radical innovation and cost competition, whereas the coordinated model of corporate governance facilitates incremental innovation and quality competition.

In the United States, a corporation is governed by a board of directors, which has the power to choose an executive officer, usually known as the chief executive officer. The CEO has broad power to manage the corporation on a daily basis, but needs to get board approval for certain major actions, such as hiring his/her immediate subordinates, raising money, acquiring another company, major capital expansions, or other expensive projects. Other duties of the board may include policy setting, decision making, monitoring management's performance, or corporate control.

The board of directors is nominally selected by and responsible to the shareholders, but the bylaws of many companies make it difficult for all but the largest shareholders to have any influence over the makeup of the board; normally, individual shareholders are not offered a choice of board nominees among which to choose, but are merely asked to rubberstamp the nominees of the sitting board. Perverse incentives have pervaded many corporate boards in the developed world, with board members beholden to the chief executive whose actions they are intended to oversee. Frequently, members of the boards of directors are CEOs of other corporations, which some see as a conflict of interest.

Non Anglo-American Model

In East Asian countries, family-owned companies dominate. A study by Claessens, Djankov and Lang (2000) investigated the top 15 families in East Asian countries and found that they dominated listed corporate assets. In countries such as Indonesia and the Philippines, the top 15 families controlled over 50% of publicly owned corporations through a system of family cross-holdings, thus dominating the capital markets. Family-owned companies also dominate the Latin model of corporate governance that is companies in Italy, Spain, France (to a certain extent), Brazil, Mexico and other countries in South America.

2.2 Leadership: An overview, qualities, requirements, axioms and type

"Leadership" organizationally and narrowly is defined as "the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members" (House, R. J. 2004). One can also characterize leadership by the period of the authority, as in "During the 1940s Russia was under Stalinist leadership". In formal hierarchies the term can also serve to describe the position or relationships which allow and legitimize the exercising of what one might term "leadership behavior".

Understanding what leadership isn't as important as understanding what leadership is, because much of the information circulating about leadership is false. Because leadership and power are inextricably linked, many misconceptions and untruths have risen around the topic. Some of these mythologies have come about as a way to validate an existing power structure or to serve as a justification of one group's domination over another. Other myths arise from misunderstandings about leadership.

Unending myths have existed about leadership and continue to exist to date. For decades the doctrine blocked any catholic from being president of the United States of America until John F. Kennedy was elected in 1960. The myth of natural leader has been used to excuse a host of social ills – nearly all of which have prejudice at their root – and have helped create the very leadership crisis that stirs media pundits to print.

The biggest single mistake that people make about *leadership* is that they think leadership means *command*. *Command is the authority to lead. It is not leadership.* Leadership is often tied up with the problems of command, but the two things are completely different. Most organizations are structured much like the military. You see a defined chain of command, an organization chart, a track of authority, if you will that all decisions have to follow, as do all potential decision-makers. If you want to be a leader in such an organization, by definition, you must already be in a leadership position. You cannot lead from the lower ranks. You must start within a leadership track and become part of the command structure.

The difficulty with command structures is that such structures place people in positions of leadership based on non-leadership criteria. In the military and in most corporations, for example, a college education is one prerequisite for a position of command, even though the correlation between education and intelligence is unknown. The presumption is that if you've been through college, then you are reasonably smart and sufficiently disciplined to have completed school work voluntarily

Another requirement for command is that you have been properly indoctrinated with the values of the organisation. Both the military and numerous companies spend endless amounts of training time attempting to instill a "company way" of doing things in their potential leaders and then wonder why those people fail in critical leadership situations that require ingenuity and resourcefulness.

During the Vietnam War, countless college –educated second lieutenants with little or no previous leadership training were sent to combat and put in charge of platoons. The smart one deferred to their more experienced combat – seasoned sergeants and depended on their sergeants to see them through the horrors of the jungle war fare. Others made the mistake of thinking that the command authority conferred upon them the wisdom of leadership, and so they did not listen. The second lieutenants made errors that imperiled their own lives and the lives of their man under command

It is important to also mention who leaders are and how they emerge. Every person has the potential to be a leader. Eliciting the cooperation of others, listening well, and placing the needs of others above your own needs are qualities that any person can choose to make their own. That is what is meant when it is said that every person has the potential of becoming a leader. However one has to choose to be a leader. After choosing to make above traits central to ones character and conditioning ones responses to other with the traits, it is only a matter of time and circumstances before one is recognized as a leader in some way

Leaders are made by circumstance, not by birth or genetics.

Sometimes, the pathway to leadership can be blocked by circumstances. Women, in the era before women's rights, as well as blacks and Hispanics, before the era of civil rights, often found their pathways to leadership were blocked by prejudice. In spite of this, people such as Ralph Bunche, Jesse Owens, Jim Thorpe, Marian Anderson, Eleanor Roosevelt, Amelia Earhart, Clara Barton, Marie Curie, and scores of others managed to achieve respect as leaders in their fields despite the obstacles placed in their paths.

Leadership begins with the willingness to embrace responsibility. The reason that leaders emerge out of circumstance is that leaders embrace the idea of accepting responsibility. Helen Keller could have remained nothing but sightless and deaf, if Annie Sullivan hadn't embraced the responsibility of finding a way to break through to the brilliant child entombed in her own world, and Keller could have remained a curiosity, if she hadn't decided to become a spokesperson for handicapped people. When we read the stories of such people, we tend to read about them as gifted writers, artists, musicians, diplomats, or athletes, but we must remember that they were leaders as well.

Although we wouldn't consider it a trait of leadership, good leadership generally improves the level of human dignity of the group being led. All the people named in the above list greatly increased the store of human dignity by their actions and their leadership and have to be viewed in the larger context of leadership, instead of the narrow contexts of their professional successes.

Almost everyone has been a leader, at least for a little while at some time, although they may not realize it. For example, almost every parent becomes a leader, taking on the role of parent means accepting a leadership role in ensuring the well-being and survival of a baby. If you've ever volunteered to serve on a committee, even in a subordinate role, the very act of volunteering - of putting yourself out for the good of the group - makes you a leader.

Most people hold leadership roles in their personal lives before parenting, as well. If you're married and you proposed to your spouse, you took on a leadership role. You *took the lead* in making a commitment. If you planned your wedding, you *took the lead* in making the decisions that would ensure the happiness of your guests and that everything went smoothly. If you've volunteered to coach a kid's soccer team, you *took the lead* in helping those kids develop their skills.

Long before your adult life, you were taking the lead as a child all the time. As you learned how to study, you *took the lead* for learning how to manage your time, how to make the decisions to defer fun in favor of work. You may only have been leading yourself, but you were still leading.

Types of Leadership:

All leadership is temporary but Leadership would be discussed under three types

- Situational Leadership
- Transitional Leadership
- Hierarchical Leadership

Time and circumstances must be right for leadership. It is important to note that just as one takes the lead; it does not imply that one would always be in the lead, because all leadership is temporary. Leadership takes place because of an intersection of a need, a goal and a person willing to assume responsibility. Leadership often depends on being in the right place at the right time. Leadership is transient because the situation that requires leadership may come to an end. If leading is about helping group reach their goals, what happens when the goal is reached? It can also be asked, 'What does the dog that's chasing a car do with it once it catches it?". It is also important to note that times change and circumstances change. Today's respected leader may be out of touch with the realities of tomorrow. The goals that called for the all of a leader's skill and energies may have changed. Tomorrows struggle may, in fact be diametrically opposed to everything a leader stood for yesterday.

Situational Leadership

The best place to find out about situational leadership- the right person in the right place at the right time- is to read a daily newspaper. The news reports are full of people who responded to circumstances at exactly the right time to fulfill a leadership role.

Situational leadership is all around us. To become a situational leader, one need to recognize when the time and the circumstances combine to require leadership. Also one must be willing and able to assume. To do these, one must listen, take responsibility for helping the group achieve its goal, and draw out the group's cooperation so that the goal can actually be reached.

Transitional Leadership

Transitional Leadership exists when the time is right but the circumstances are wrong. In some instances, leadership is required at a certain moment, but the person who is the leader may not be capable of delivering leadership. The French expression 'faux pas', describes transitional leadership perfectly. Faux pas occur in social situations all the time, so one does not have to imagine too hard envisioning leadership situations where false steps lead to hasty exit for the leader

Hierarchical Leadership

If transitional leadership is leadership that takes place when the time is right but the circumstances are wrong, then hierarchical leadership is the opposite: The circumstances are right but the time is wrong. The hierarchical leader typically is someone who assumes a leadership role because it is their turn by right if promotion or longevity in a job (or, in the case of monarchy, because of death or birth order). For example, King George III was not fit to lead England during the Seven Years war- what Americans call the French and Indian war. His father, George II died in 1760- in the midst of conflict. England won the war, but lost the peace by heavily taxing the American colonies it had fought so hard to keep. George III was never really a healthy man and suffered from increasing bout of madness and depression. He was thus incapable of making rational decisions about what is Prime Minister, William Pitt, considered the legitimate demands of colonial English men. By 1776, the question of colonial rights had come to a head and the hierarchical leader unable to step aside or admit that they may be wrong, forced the issue by sending troops to the colonies and refusing to negotiate with his colonial subjects. The colonialists rebelled and the rest as they say is history.

One can categorize the exercise of leadership as either actual or potential:

- actual - giving guidance or direction, as in the phrase "the emperor has provided satisfactory leadership"
- Potential - the capacity or ability to lead, as in the phrase "she could have exercised effective leadership"; or in the concept "born to lead".

Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships). Speaking of "leadership" (the abstract term) rather than of "leading" (the action) usually implies that the entities doing the leading have some "leadership skills" or competencies. Several types of entities may provide or exhibit leadership, actual or potential, including:

- a person in a position or office of authority, such as a President or a chairperson
- a person in a position or office associated with expertise, skill, or experience, such as a team leader, a ship's captain, a chief engineer, a chief, or a parent
- a group or person in the vanguard of some trend or movement, as in fashion trend-setters
- a group of respected people, (called a "reference group" by sociologists) such as business commentators or union spokespersons [1]
- a product that influences other product offerings in a competitive marketplace

Leadership can come from an individual, a collective group of leaders, or even from the disincarnate — if not mystical — characteristics of a celebrity figurehead (compare hero). Yet other usages have a "leadership" which does little active leading, but to which followers show great (often traditional) respect (compare the courtesy title *reverend*). Followers often endow the leader with status or prestige. Aside from the prestige-role sometimes granted to inspirational leaders, a more mundane usage of the word "leadership" can designate current front-runners that exercise influence over competitors, for example, a corporation or a product can hold a position of "market leadership" without any implication of permanence or of merited respect. (See also price leadership.) Note that the ability to influence others does form an integral part of the "leadership" of some but not all front-runners. A front-runner in a sprint may "lead" the race, but does not have a position of "leadership" if he does not have the potential to influence others in some way. Thus one can make an important distinction between "being in the lead" and the process of leadership. Leadership implies a relationship of power — the power to guide others.

Qualities of leadership

Studies of leadership have suggested qualities that people often associate with leadership. They include:

- Guiding others through modeling (in the sense of providing a role model) and through willingness to serve others first (compare followership)

- Talent and technical/specific skill at some task at hand
- Initiative and entrepreneurial drive
- Charismatic inspiration - attractiveness to others and the ability to leverage this esteem to motivate others
- Preoccupation with a role - a dedication that consumes much of leaders' life - service to a cause
- A clear sense of purpose (or mission) - clear goals - focus - commitment
- Results-orientation - directing every action towards a mission - prioritizing activities to spend time where results most accrue
- Optimism - very few pessimists become leaders
- Rejection of determinism - belief in one's ability to "make a difference"
- Ability to encourage and nurture those that report to them - delegate in such a way as people will grow
- Role models - leaders may adopt a *persona* that encapsulates their mission and lead by example
- Self-knowledge (in non-bureaucratic structures)
- Self-awareness - the ability to "lead" (as it were) one's own self prior to leading other selves similarly
- With regards to people and to projects, the ability to choose winners - recognizing that, unlike with skills, one cannot (in general) teach attitude. *Note that "picking winners" ("choosing winners") carries implications of gamblers' luck as well as of the capacity to take risks, but "true" leaders, like gamblers but unlike "false" leaders, base their decisions on realistic insight (and usually on many other factors partially derived from "real" wisdom).*
- Understanding *what* others say, rather than listening to *how* they say things - this could partly sum this quality up as "walking in someone else's shoes" (to use a common cliché).

The approach of listing leadership qualities, often termed "trait theory", assumes certain traits or characteristics will tend to lead to effective leadership. Although trait theory has an intuitive appeal, difficulties may arise in proving its tenets, and opponents frequently challenge this approach. The "strongest" versions of trait theory see these “leadership characteristics” as innate, and accordingly label some people as "born leaders" due to their psychological makeup. On this reading of the theory, leadership development involves identifying and measuring leadership qualities, screening potential leaders from non-leaders, then training those with potential.

David McClelland, a Harvard-based researcher in the psychology of power and achievement, saw leadership skills, not so much as a set of traits, but as a pattern of motives. He claimed that successful leaders will tend to have a high need for power, a low need for affiliation, and a high level of what he called *activity inhibition* (one might call it self-control).

It is important to also mention the works of Sydney Finkelstein on ‘the seven habits of highly unsuccessful executive and he is the author of why smart executives fail’. Behind each organisational failure stands towering figure e.g. former high flyers at Enron, Tyco, WorldCom etc. After spending six years studying more than 50 companies and conducting some 200 interviews, Sydney found that spectacularly unsuccessful people had seven characteristics in common. Most great destroyers of value are people of unusual intelligence and talent who display personal magnetism with destructive powers. (Finkelstein S, 2004)

The seven habits of spectacularly unsuccessful executives are:

- They see themselves and their companies as dominating their environment
- They identify so completely with the company that there is no clear boundary between their personal interests and their corporations interests
- They think they have all the answers
- They ruthlessly eliminate anyone who isn’t completely behind them
- They are consummate spokesperson, obsessed with the company image
- They underestimate obstacles
- They stubbornly rely on what worked for them in the past

2.3 Values Based Leadership and Corporate Governance in Nigeria

There is a dearth of studies, literature or reports on Value Based Leadership (VBL) in Nigeria and this also applies to Corporate Governance (CG) in Nigeria. There are however more than enough day to day experiences in both the public and private sector that borders on the standards of VBL and CG in Nigeria

Value based leadership is defined as a relationship between an individual (leader) and one or more followers based on shared strongly internalized ideological values espoused by the leader and strong followers' identification with these values. Ideological values are values concerning what is morally right and wrong. Such values are expressed in terms of personal moral responsibility, altruism, making significant social contributions to others, concern for honesty, fairness, and meeting obligations to others such as followers, customers, or organizational stakeholders. Value based leadership is asserted to result in: a) exceptionally strong identification of followers with the leader, the collective vision espoused by the leader, and the collective; b) internalized commitment to the vision of the leader and to the collective; c) arousal of follower motives that are relevant to the accomplishment of goals

Since independence in Nigeria, there have been nine military coups between 1966 and 1993. In 1994 there was another coup plot involving former head of state, General Olusegun Obasanjo and forty – four others uncovered. There have been more years of Military dictatorship regimes since Nigeria independence in 1960 and this has greatly affected the type of Leadership and CG in Nigeria. The focus of VBL in Nigeria would be addressing more of Leaderships of Private led organisations in Nigeria in this review. Private sector organisations can be classified into two broad groups i.e. the Multinational or Indigenous organisations. Another way in which the organisations can be classified is the publicly quoted or privatively owned organisations. All this classification greatly affects both the leadership style and the standard and adherence of CG

What is apparently missing in the Nigeria organisations from reviews are the building blocks of creating values full organisation. The ten building blocks for creating values full organisation must address the following:- Individual values, Individual norms, Values adoption process, Norms action plan, organisation and people pledges, Values-marketing to customers, Integrating individuals cultural regeneration osmosis, values-driven processes and services and value based leadership.

The influence of long military dictatorship has strongly influenced private organisation. It is very common from reports that some company CEO in Nigeria are quick to emphasize to the that 'their organisations has already established a set of family values that guide their culture and any employee who does not believe in them or does not want to subscribe to them should leave and find work elsewhere'. This rather myopic view is a perfect example of how just having a set of values in a company is virtually worthless. Anybody can develop a laundry list of values that mirrors the Boy Scout oath. While those values might very well be a potentially viable list of appropriate values, the entire organisation needs to develop them rather than the holier-than-thou CEO at the top. In the public sector in Nigeria in 2005 , there was a huge financial crime/ corruption that was revealed by the Nigeria Police in which the Inspector General of Police Tara Blowgun was sacked for having funds in excess of N12 billion in various accounts in Nigerian Banks. His annual salary is much less than N5 million / year. This implies that to accumulate this kind of savings he would at least work for 2000 year without spending N1 form all he earned. Pathetic enough, he paraded himself as a change agent who was championing 'Anti-corruption' in the Nigeria Police. This is just one isolated example amongst other.

The major question then should be 'why do we have a dearth of Value Based Leaders in both Private and Public Sector? The answer is not far fetched. There are little or no shared corporate values or norms and when they exist they are not adhered to.

Only recently between Jan 2005 and August 2006, there has been a lot of expose amongst the Governors of some Nigerian States, notably Chief Alamesiegha of Bayelsa State for embezzlement of state funds and money laundering which is also applicable to Gov

Dariye and Fayose of Plateau and Ekiti state respectively. The financial crimes all amount to billions of Naira and yet the all enjoyed immunity constitutionally from prosecution because they are state governors.

Only recently, since 2000, the Economic and Financial Crimes Commission has been a very strong organisation that is championing an ANTI-CORRUPTION campaign in all sectors in Nigeria and may corporate leaders have been prosecuted and sanctioned when found guilty or culpable of offences.

In the private sector organisations the main reasons why there have been lack of VBL is because the Leadership have not adhered to Ideological and shared values

Leaders of industrial and government organizations often articulate visions for their organizations.
Such visions need not be grandiose. Visions of outstanding leaders in the normal work world can
embrace such ideological values as a challenging and rewarding work environment; professional
development opportunities; freedom from highly controlling rules and supervision; a fair return to major constituencies; fairness, craftsmanship and integrity; high quality services or products; or respect for organizational members, clients or customers and for the environment in which the organization functions. Whether conceived solely by the leader, by prior members of the collective, or jointly with
followers, the articulation of a collective ideological vision by leaders theoretically results in self-sacrifice and effort, above and beyond the call of duty, by organizational members and exceptional synergy among members of the collective. Follower respect, trust, and self-sacrifice are stimulated by identification with the values inherent in the leader's vision and the leader's demonstration of courage, determination and self-sacrifice in the interest of the organization and the vision.

According to this perspective, values based leaders use follower value identification, and the respect and trust they earn to motivate high performance and a sense of mission in quest of the collective vision, and to introduce major organizational change. For some individuals, latent values are brought to consciousness as a result of the vision articulated by value based leaders. Also, some individuals change their values to be consistent with those of the leader.

Visions articulated by value based leaders need not be formulated exclusively by a single leader.

The collective vision may have been initially conceived by leaders and members of the collective who preceded the current leader. In this case, the leader is one who perpetuates the vision by continuing to communicate it and institutionalizing it through the establishment and maintenance of institutional means such as strategies, policies, norms, rituals, ceremonies, and symbols. Alternatively, organizational visions can be formulated by leaders in conjunction with organizational members. The effects of the articulation of and emphasis on ideological values are rather profound. Organizational members become aware of ideological values that they share with the leader and as a collective. Members identify with the collective vision and with the organization--thus a high level of collective cohesion is developed.

It is however noteworthy to mention that within the last 3 years ,PricewaterhouseCoopers has been responsible in conducting surveys and assessments of CEO that are value based leaders and best corporate governed organisations. Also a non-governmental organisation – Concerned Professionals (CP) within the last 10 years have been very active in promoting good leadership values and CG by organizing enlightenment and informative seminar and round table discussions.

There is an increasing demand for Value Based Leaders more than ever before in Nigeria in the private sector because of the phenomenal inter and intra sector competition and need to increase and sustain organisation earnings, profits and Values. It is now mandatory in the Banking sectors that all the CEOs and executive directors of the Banks must have their positions approved also by the Central Bank of Nigeria before appointed persons they are permitted to function in such positions with other stakeholders. Also there are stipulated years of experience expected of persons that can be appointed as executive directors of Banks. All these measures are part of authenticating the skills and competences of the Leader.

VBL is scarce in Nigeria attributable to reasons mentioned earlier. In order to increase the VBL in organisations it is important that organisations should resolve the challenges and complex questions which include but are not limited to the following:

- Why should our organisation undertake a Value Adoption Process and a Norms Action Plan
- What are some of the organisations most significant problems?
- What is the current level of effectiveness of leadership within the organisation?
- How is employee morale and how would you describe employees overall mental – health
- What behavioral areas in particular should the values adoption process and Norms action plan focus on
- What have recent employee complaints centered on
- How would you describe the emotional tenor and tone of organisation in the past six months
- What are two to three major shifts, if any, that have occurred in the organisation during the past year?

Corporate Governance in Nigeria

This review would focus both on the Governance of the Government and Private organisations and institutions and would relate with both average indices in Africa in addition to international standards. Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many players involved (the stakeholders) and the goals for which the corporation is governed. The principal players are the shareholders, management and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large

Corporate Governance is still very much lacking in Nigeria and this is attributable to the poor economic growth, endemic poverty and lack of peace especially in the Niger-Delta region in Nigeria. Without CG, there is seldom peace and without CG there can be no long term development. A recent survey published in the African Governance Report in 2005 (ECA, 2005) revealed that Nigeria scored generally lower that the Average indices in Africa in areas of Corruption control, institutional effectiveness, human rights and the rule of law and economic management

The are many illustrations to show that lack of corporate governance have had negative impact on the economy and they include but not limited to 'Failed Banks' in the 1980's and 1990's, Failed government project economic e.g. Ajaokuta steel Project , Nigeria National Shipping Line, Nigeria Airways. In is obvious that the privatization and commercialization program of the Nigerian Government was a reaction to the failure of Corporate Government in State owned enterprises. The Federal Government sought to divest its equity shareholding in the public enterprises through privatization on the one hand and commercialization on the other. It sought to enable some of these enterprises to be operated on a profit –oriented basis (Neville & Naches, 2004).
One important point that must be made before discussing the Governance issue in Nigeria is to reemphasize the need for good corporate governance. 'Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring. The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy. As a result, the cost of capital is lower and firms are encouraged to use resources more efficiently, thereby underpinning growth' (OECD 2004)

Standards that Guide Corporate Governance in Nigeria

Just as mentioned earlier the Cadbury report – Committee on the financial aspects of Corporate Governance and Sarbanes and Oxley Act 2002, below are the guiding standards in Nigeria

These are statutory standards enacted in legislation such
Companies and Allied Matters Act (**CAMA**), governs all companies. The
Central Bank of Nigeria Act (CBN Act); the Investment and Securities Act[1] (ISA); the Banks and Other Financial Institutions Act (BOFIA); the Insurance Act (IA) and the National Insurance Commission Act

THE LEGAL FRAMEWORK GOVERNING COMPANIES IN NIGERIA

The CAMA is the basic Legislation that governs company law in Nigeria. There are three principal mediums for doing business in Nigeria. An individual can operate as a sole proprietor without formality. A partnership is also a means of doing business in Nigeria where two or more persons so desire. The third means of doing business is through a company registered under the CAMA. Section 21 of the CAMA provides for three types of companies: a company limited by shares, which has the liability of its members limited to an amount if any, that is unpaid on the shares; a company limited by guarantee – one having the liability of members limited to such amount as they respectively undertake to contribute to the assets of the company in the event of winding up, and an unlimited company – "one not having any limit on the liability of its members." A company limited by guarantee is suitable for a not for profit venture. An unlimited company is one that has no limit to the liability of its members. Any of the companies described above can either b a private or public company.

The Code of Best Practices on Corporate Governance in Nigeria

The Code of Corporate Governance in is the result of the work of the Committee on Corporate Governance of Public Companies in Nigeria, which finalized its report in April

2003. The Committee, which was made up of 17 members was inaugurated at the instance of the Nigerian Securities and Exchange Commission (SEC) and the Corporate Affairs

Commission on 15 June 2000, “realizing the need to align with the International Best Practices” The Committee was composed of members who were selected across all sectors of the Nigerian economy: professional organizations, organized private sector, and regulatory agencies.

The terms of reference of the Committee were:

- To identify weaknesses in the current corporate governance practices in Nigeria with respect to public companies.
- To examine practices in other jurisdictions with a view to the adoption of international practices in corporate governance in Nigeria.
- To make recommendations on necessary changes to current practices.
- To examine any other issue relating to corporate governance in Nigeria.

In the course of its work, the Committee found that “the system of corporate governance in

Nigeria is till in its development stage,” noting that principles of corporate governance are not well appreciated in the country. The Committee’s survey revealed that “only 40% of the public quoted companies had codes of corporate governance.” It pointed out, however, that those without codes were willing to embrace one – emphasizing the “urgent need for the development of a code for Nigeria.” The Code addresses three broad areas of corporate governance: the board of directors, the shareholders and the audit committee.

The issue, problems and challenges with Corporate Governance in Nigeria

The governance issues, problems and challenges can be broken down into seven distinct topics and evaluated:

Board of Directors and committees

The commonest challenges with the board include poor information depth amongst the board members and the very powerful Chairman / CEOs. Board meetings have typically consisted of routine rituals through which members are led by a chair/CEO that is equipped with information, inside knowledge, and staff support so that they can and generally do control the agenda absolutely. So while boards have the legal authority, it is the CEOs who have the effective power. Combining the offices of board chair and CEO in one person virtually guarantees that the board will be ineffectual. A board can only be as independent and effective as its chair wants it to be and is capable of making it. An independent chair must be able to look his or her CEO in the eye and say 'this is my board and I do not agree with you and your management on this issue'

Legal and regulatory

The commonest issues include ambiguous laws with poorly defined boundaries. The regulators are inconsistent with application of policies to all businesses and high level of corruption amongst the regulators thus lead to generation poor strategic value. Also the non-sanctions of those that violate stipulations in CAMA are a very problematic challenge. Corporate Affairs Commissions (CAC) must be structured such that the provisions of CAMA are enforced

Business practices and ethics

The minimum expectation is that 'The company's code of conduct, in combination with policies and procedures sets clear expectations and guidelines for acceptable and unacceptable behaviour' every one from the CEO on down must be held accountable. This is far from the case in both Government and Privately owned organisations in Nigeria. Many CEO's in the banks have been involved with money laundering and other financial and economic crimes that were not disclosed to their banks. Between 2005 & 6 , banks including Fountain and Bond banks were involved with financial crimes / fraud that involved the bank employees and Mr. Tara Blowgun , the Inspector General of Police

Disclosure and Transparency

This area of CG covers the nature and timing of information that a company provides to its stakeholders (Julien and Rieger 2003). In Nigeria, non – disclosure and non-transparency led to the collapse of failed banks such as Savannah bank and peak merchant bank in Feb 15 2002 and Feb 28 2003 respectively. The issue of disclosure is not limited to the privately owned companies.

A classic example of non-disclosure and non- Transparency also exits in the management of Urban Housing Cooperative (UHC) registered in Lagos State (Reg No: LSCS 1360 dated 16 March 1994). For over 12 years, the Cooperative has had only one president that directs / chairs the management of UHC without regular elections for new management teams. (The president of UHC is still a serving military officer to date). Financial reports are either 'created' or not supplied at all and what is most worrisome is the tax avoidance and evasions being benefited by some few persons thereby exploiting an defrauding the Lagos state government of its statutory revenue. Also the bye-laws for UHC are not consistent with cooperative laws of Lagos State. UHC is probably the only cooperative in the world where 'one man one vote' does not exist in the Governance. Members have instituted at three suits to bordering on the governance of UHC (Suit Nos: M/86/2006 Lagos High court, LD/807/06 Lagos High Court and Suit no ID /642/2006 Lagos high court) .

Enterprise – wide risk management

Risk management is an area of governance in which both boards and management see opportunities for significant improvement. The main challenge is that many directors in Nigeria still sit on boards that they had no effective processes for monitoring risks

Monitoring

At the basic level all monitoring and auditing activities compare 'what is' and 'what should be'. Monitoring identifies the gap between actual and expected and leads to efforts to close the gap. The endemicity of corruption amongst government officials in Nigeria has had negative impact on effective monitoring. One of the most corrupt agencies is

Customs Service and the Nigeria police. Noteworthy however is the National Agency for Food and Drug Administration and control (NAFDAC)

Communication

This is an essential element for any corporate governance system to work effectively and consistently. Some attribute of good communication include prescribed policies and style guidelines ensuring proper use of company trademarks and brands. Proper communication is commoner in the multinational and other privately owned company compared to the government organisation.

Conclusion:

Corporate governance in Nigeria is still at an infancy stage though showing improvement in the number of organisations setting standards. Enforcement is still a major challenge but the Economic and Financial Crime Commissions have been able to bring in to play the necessary check to both Government and privately owned organisations. Nigeria in addition to 27 countries have subscribed to African Peer Review Mechanism on quality governance assessments. Like some other countries in Africa, Nigeria definitely recognizes the importance of Corporate Governance and the need do much more to promote the private sector.

Ten areas of Priority areas for building capable and accountable states in Africa (ECA 2005)

- Strengthening the capacity of parliaments to perform their core functions
- Deepening legal and judicial reforms
- Improving public sector management
- Improving the delivery of public services
- Removing bottlenecks to private enterprise
- Tapping the potential of information and communication technologies
- Fostering credible and reasonable media
- Maximizing the contribution of traditional modes of governance

- Confronting the governance dimension of HIV / AIDS
- Gathering patterns to live up to their commitments

2.4 Creating Values Based Leadership Mindset

In order to eradicate anomie within an organisation and create a values-full culture, leaders need to set a values-based tone and attitude that establishes the right mind set. The underlining principle for developing a values based mindset is relationship building. Leaders need to effectively relate to others in the organisation, set the values-based example through words and actions, and achieve success in building meaningful relationships throughout the organisation.

Leaders must lead the values to make a strong impact and statement within the organisation. A good example was captured by Lou Gerstner at IBM when he made several blatant statements by what he did- not by just what he said. In October 1993, he said 'I wan to manage by principle rather than procedure. Gerstner was more interested in identifying norms and values of customers and employees by asking what was important to them. Above all Gerstner was interested in serving customers, and avoided promises often found in strategic mission statements.

Another very important point to note is that a Value Based Leader is always focused on serving and sacrificing in order to achieve agreed goals. The above statement is strongly contrasted to what obtains in the military or rulership of most nations / organisations, where those in leadership positions manipulate, deceives and force the subordinates or follower to buy into their views or ideas. Notable Values Based Leaders include Mandela, Mother Teresa, Martin Luther King (Jar), and Gandhi (kuczmarski, S.C. & kuczmarski, T.D. 1995)

Leaders need to better understand, inculcate and accept huge responsibilities. Everything they say, do, preach or ask about is observed, discussed and interpreted by employees within an organisation. Leaders need to be far more aware of their own impact on others and this is a responsibility that cannot be shirked It is absolutely essential that all the leaders within the organisation recognize the fact that not just the CEO or the president lead the values.

Values must be shared with and taught to staff at inductions and all times during employment. Leaders must inculcate a belief that an organisation-wide value system must be built on the platform of individual credibility and cooperation

It is generally perceived that the business environment in Nigeria is very corrupt and success can only be achieved through corruption! This may be so but it is only a matter of time before the arm of the law catches up leaders possessing such mentality

Credibility is a tough thing to establish and even harder to hang on to. First and foremost the leader or CEO need to model and exemplify in his or her daily behaviour and communication the norms and values he or she wants in the organisation to espouse

Leadership is the responsibility of the group. Without the group, there is no need for a leader. Because we work in groups and teams, we all need leadership skills. Leadership is learned behaviour. Leadership learning is an ongoing process and skills are developed through experience and not inborn to a select few.

Educators have long known that the most effective way of learning is through doing. There is more learning and greater retention when a child plays with toys as such Individuals must practice and actually perform behaviors associated with leadership

Can Values – Based Leadership be learned?

Yes, it can and must be taught in the work place. The concept of the work place as educator is profound and powerful. It is founded on the idea that leadership is the responsibility of all group members, not just one of designated person

Leadership is learned when individuals interact with one another in a group, when personal relationship is built and trust is developed. The group must be participative, be supportive and must demonstrate trust consistently

Autocratic settings do not teach leadership. To the contrary, they force members to do things that often reflect the self –vested interests of the leader rather than the interests of the interests of the group. Nigeria has been under dictatorship and autocratic rule for many years and it is therefore not surprising from the above explanations that the leaders have more focused on self – vested interests rather than group interest

Many leaders wrongfully believe their primary job is to guide the strategic direction of the company or increase the stock price or achieve the financial goals of the organisation. Not so! The primary job of organisational leaders is to build relationships with co-workers, employees, managers, customers, shareholders, distribution suppliers etc. There is nothing more they can do. The relationship building will help to instill norms and values internally, which will create motivated and dedicated employees. It will also strengthen how customers, shareholders, and other external constituencies involved with the company perceive the values of the organisation

Foundations of values-based leadership

To build effective relationships, leaders need to ultimately cultivate the following characteristic and attributes:

Listen actively

Empathetic,

Attitudes are positive and optimistic

Delivers on promises and commitments

Energy level is high

Recognizes self – doubts and vulnerabilities

Sensitivity to others needs, values, and potential

The above attributes (note acronym is LEADERS) are the foundations for VBL and for cultivating interpersonal relationships. They reflect strong belief in and respect for each individual. The workplace should value more than bottom line profits and future growth. It must become a pathway to personal growth for each and every employee. Leadership is an ongoing and never ending process. Below are ten initiatives (Table 2.1) that should be developed by any value based leader

Table 2.1

Value based Leadership initiatives

1. Build personal relationships
2. Know the personal goals of each group member
3. Have a feel for group members
4. Allow for group conflicts
5. Manage learning
6. Share responsibility
7. Use teaming
8. Communicate two-ways
9. Link internal culture with external performance
10. Display passion and support diversity

The impact of Norms and Values

Having a strong set of norms and values can be beneficial in that it can act to replace bureaucratic rules and regulations in a company. If employees know what the goals and objectives of the organisation are and are motivated to work, toward those goals, then there is no need for so many rules. Employees will do what they are supposed to do because they want to, not because they are told to (Shared leadership). Since employees are motivated to work, toward achieving the organisations goals, they become more valuable as decision making resources, instead of merely being mechanical workers

How values-based leadership occur

No one learn how to swim or ride a bicycle by just sitting back and just starring. The skills are however acquired through practice over and over again until swimming and riding have been accomplished and there is always room for improvement too. Most skills regardless of the sport are learned by doing and this applies also to leadership skills. By doing leadership, we mean practicing the ten initiatives earlier mentioned. These leadership initiatives allow the leader to recognize and address the needs and interests of group members

Finally, in the past, employees in organisations have been expected to fit into a mold. The work place wanted only certain types, kind, and colors of employee. It is imperative that the workplace of the future place greater value on diversity. If we don't value diversity, then the internal potential of our employees will be lost. And the external performance of our organisations will be affected. Instead of trying to make individuals conform, leaders need to focus on what each employee can bring to the work place

2.5 Corporate Governance and Organizational performance: An overview

Opinions seem to be changing since many saw corporate governance as a further piece of bureaucracy to deal with when the term came into widespread use early in the 1990s
In June 2000, the management consultant McKinsey & company published its investor survey opinion on CG. In cooperation with the World Bank, McKinsey obtained responses from over 200 institutional investors who between them managed US$3.25 trillion. Over 80% of these said they would pay more for the shares of a well-governed company (Paul Mosey 2002). They said they would pay 18% more for the shares of a well governed UK company than one with similar performance but poor governance practices. These practices increased to 27 % for shares in companies in Indonesia or Venezuela, countries which have generally poorer governance practices

Further evidence of opinion was obtained by a survey conducted by KPMG in South Africa. They surveyed directors' perceptions of corporate governance. Directors from 146 of the 510 listed companies surveyed responded, 83% believing corporate governance was of 'utmost importance to important' in contributing to an organisations performance. The KPMG survey suggests that, in South Africa at least, directors see a strong link between good corporate governance and corporate performance. Recent company failures have further highlighted the importance of good corporate governance. Until recently, Enron was the USA's seventh largest company by stock market valuation, but in December 2001 it failed for bankruptcy. Smarter investors were aware of some of the governance weaknesses in Enron – in particular the incomprehensibility of its annual report- but they invested anyway with other investors joining the bandwagon.

In Indonesia, there is noteworthy commitment to Corporate Governance and companies have created value from such commitment. The Forum for Corporate Governance in Indonesia (FCGI) was established on February 8 2000 by 5 private sector businesses and professional associations and has played a significant role in disseminating good corporate governance principles in Indonesia. The main objective of FCGI is to promote and foster the implementation of principles and rules of Good corporate governance amongst companies in Indonesia. FCGI also developed a Self –Assessment on Corporate governance with corporation with the Asian Development Bank. The FCGI's aim is to enhance awareness and to socialize Good corporate governance principles to the Indonesian business community based on international best practices, so that they can gain the benefits associated with good corporate governance (Gunadi E.M 2001)

In its 'Global Investor Opinion Survey' of over 200 institutional investors first undertaken in 2000 and updated in 2002, McKinsey found that 80% of the respondents would pay a premium for well-governed companies. They defined a well-governed company as one that had mostly out-side directors, who had no management ties, undertook formal evaluation of its directors, and was responsive to investors' requests for information on governance issues. The size of the premium varied by market, from 11% for Canadian companies to around 40% for companies where the regulatory backdrop was least certain, (e.g. those in Morocco, Egypt and Russia).

Other studies have linked broad perceptions of the quality of companies to superior share price performance. In a study of five year cumulative returns of Fortune Magazine's survey of 'most admired firms', Antunovich et al found that those "most admired" had an average return of 125%, whilst the 'least admired' firms returned 80%. In a separate study Business Week enlisted institutional investors and 'experts' to assist in differentiating between boards with good and bad governance and found that companies with the highest rankings had the highest financial returns.

On the other hand, research into the relationship between specific corporate governance controls and firm performance has been mixed and often weak. The following examples are illustrative.

Board composition

Some researchers have found support for the relationship between frequency of meetings and profitability. Others have found a negative relationship between the proportion of external directors and firm performance, while others found no relationship between external board membership and performance. In a recent paper Bagahat and Black found that companies with more independent boards do not perform better than other companies. It is unlikely that board composition has a direct impact on firm performance (Bhagat & Black 1999). Reviewing a board's performance is not an easy proposition: it has to be done by the members themselves, people who general have many other responsibilities and whose time is always at a premium (Conger, Fingold and Lawlwer III 1993)

Remuneration/Compensation

The results of previous research on the relationship between firm performance and executive compensation have failed to find consistent and significant relationships between executives' remuneration and firm performance. Low average levels of pay-performance alignment do not necessarily imply that this form of governance control is inefficient. Not all firms experience the same levels of agency conflict, and external and internal monitoring devices may be more effective for some than for others.

Some researchers have found that the largest CEO performance incentives came from ownership of the firm's shares, while other researchers found that the relationship between share ownership and firm performance was dependent on the level of ownership. The results suggest that increases in ownership above 20% cause management to become more entrenched, and less interested in the welfare of their shareholders.

Firm performance has been found to be positively associated with share option plans. These plans direct managers' energies and extend their decision horizons toward the long-term, rather than the short-term, performance of the company.

2.6 Indicators of Values- ful and Good Governed organisation

The indicators of a values ful and good governed organisations are unending but what is most important are the commitment to organisation values and good governance standards.

A values-full culture creates a sense of belonging among group members, it gives e an identity. It brings them together and enables them to do more than they could as individuals. There is an internal togetherness that is communicated outward. It turns the group into cohesive energy source and helps them fort externally with their environment. A values-full leadership encourages equal participation in decision making, supports risk taking, confronts change and develops a sense of strong emotional conviction, conveys passion and instills values that generates self-confidence and belief and purpose in collective goals and objectives. Values are enduring belief and if in place, it is likely that the group would endure hardships of any kind including ‘ups & downs’. Similarly, if a work organisation has a values-full culture; it too, will be able to survive the bumps along its road. (Kuczmarski, S.C. & kuczmarski, T.D. 1995)

There are two characteristics of values that are critically important to highlight. First values influence the decisions that we make and impact the courses of action that we take. If a group has commonly agreed-upon values in place, then the group’s decisions and actions will be influenced by them. Second, maintaining our values requires both commitment and risk taking. A values-full organisation is made up of a group of people who have identified a core set of values that are important to them. They have prioritized these enduring beliefs; they have organized them into a value system. Holding onto their values requires commitment to them. When commitment is strong, greater risk taking is possible. If an organisation has a value system in place, then commitment to ideas, actions, decisions, directions and turns in the road is going to be intense. Greater comfort with risk taking will also occur because the group has a reason to believe.

The work place must also nurture the value of equality. Each person has equal significance within the organisation. This does not assume that all members have the same skills or equal ‘gifts’. There are major differences between one another’s strengths. However, it does mean that each person in the workplace has unique talents that contribute to the groups’ power.

Autocratic families or organisations do not promote the concept of equality. For values-full culture to exist, equality must be established. But how do we build and maintain a values-full culture? The answer obviously lies in the democratic community. Democratic community building stresses Dreikurs, requires a knowledgeable leader who recommends that action be taken by the entire group when it is necessary for the group. There is no authority figure who stresses, ‘You do it because, and I said you had to’. This type of leader listens and respects the group members. A good leader inspires and stimulates his followers into action that suits the situation. In conclusion, apart from listening to and respecting the other group members, the leader encourages independence and offers guidance and cooperation. Rather than punishment, there are logical consequences that ‘teach’ – a person is allowed to experience the consequences of his or her actions, providing an honest and real world learning situation. Encouragement is given to create a sense of accomplishment and self respect. Encouragement nurtures the self concept. Table 2.2 compares differences between autocratic and democratic characteristics.

Table 2.2

Autocratic versus Democratic characteristics

Autocratic	**Democratic**
• Autocratic figure	• knowledgeable Leader
• Power	• Influence
• Pressure	• Stimulation
• Demanding	• Winning cooperation
• Punishment	• Logical consequences
• Coercion	• Encouragement
• Imposition	• Permit self determination
• Domination	• Guidance
• You do it because I said to	• Listen, respect one another
• Prestige - centered	• Situation - centered

The indicators of a good governed organisation

The indicators of a good governed organisation are unending but what is most important is the adherence and commitment to good governance standards and enforceable sanction for non compliance to such standards. Indicators of a good governed organisation includes but not limited to the following (OECD 2004).

Ensuring the Basis for an Effective Corporate Governance Framework

Given the real problems that lead to corporate failure, what is to be done? The answer lies in creating a model of corporate governance in which the focus is not on monitoring managers but on improving decision making. The goal should decrease the possibility of mistakes and to increase the speed with which they are corrected. The most important step is to involve directors and shareholders in decision making. Just as democratic political system cannot work without involved citizens, corporate governance cannot work without the informed involvement of three critical groups: directors should help managers make the best possible decisions, and major shareholders should be able to speak directly to senior managers and board about what they think of corporate policies and decisions (John Pound 1995).

The corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

The Rights of Shareholders and Key Ownership Functions

The corporate governance framework should protect and facilitate the exercise of shareholders' rights.

The Equitable Treatment of Shareholders

The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

Disclosure and Transparency

The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.

The Responsibilities of the Board

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

2.7 The Future: Values-Based Leadership, Corporate Governance and Performance in Nigeria

The one value that almost all organisations will adopt by 2050 is a belief in and respect for individuals and their personal values. Prejudicial discrimination will be out and individuality will be in. In order words there would be a great shift to embrace Pluralistic Diversity

Nigeria as a nation has learned the wrong form of leadership from the autocratic military dictators that governed the nation for so long and the civilian counterparts have been influenced by the corrupt, discriminatory and narrow-minded approach to Leadership. This military style leadership is presently the dominating style even in most private sector organisations in Nigeria and over time a new style would focus on pluralistic diversity

There are lots of CEOs and other leaders who are yet to change their mind sets and remain relatively myopic, prejudicial and narrow minded about their acceptances of the differences of individuals and this can be linked also with the kind of core values in their organisations. Many organisations in Nigeria are not yet committed to equal employment opportunity amongst gender and even states of origins. Majority of employee in private and government organisations work in anomic environment and are no longer motivated for high performance and they are not willing to 'die' for their company

A profound endorsement of pluralism and belief in diversity will set the tone and serve as the foundation of the core values structure of organizations in the future. Pluralistic diversity will eventually be celebrated by future values-based leaders and acknowledged as the one value that must underscore all other. Employees will passionately applaud it, endorse it and establish norms to reinforce it. Therefore the future scenario for organisations becomes crystal clear. Leaders by 2050 will holistically support the need to elevate individuality to the forefront of organisational values. In so doing, support for diversity and acceptance of pluralism will flourish. In turn employees will become stronger, more self confident, more dedicated, loyal, more self fulfilled and satisfied. Increased productivity and enhanced performance will result thereby energizing organisations and making them a non anomic entity. While other values will be decidedly important, it is a strong belief that pluralistic diversity will be the values cornerstone for the 2050s

What is Pluralism?

Pluralism means, believe in equality for all human beings. It also means having an openness and nonjudgmental view toward the differences in individual. It requires that you don't discriminate or label people according to their beliefs, attributes or externally perceived common characteristics
Pluralism means that we don't judge or characterize someone based on attributes they can't change, such as gender, age skin, colour, or sexual orientation, nor attributes they believe in such as religious affiliations or ethnic rituals

Pluralistic ignorance in Nigeria

There is massive pluralistic ignorance in Nigeria that need to change. These are expressed even by leaderships of organisations despite the fact that theses are false and a way of ‘make-belief’ and negative opinions e.g. Female executives under perform compared to male counterparts, The Niger Delta employees are usually problematic staff , Ibo employees are not trustworthy etc. Fear, suspicion, dislike and negative opinions about all sorts of ‘minority’ groups are driven by two key factors: 1) our own ignorance by not understanding the needs and characteristics of the minority groups, 2) our own insecurities about ourselves.

One very effective way leaders both in the public and privately owned organisation build up and make themselves feel more secured is by down grading or putting others down and the leaders in effect make a statement about their own greatness. Then non pluralistic values amongst leader and leadership in organisations attributes greatly to devastating communities and companies. Simply put, many people in organisations have been pigeon holed and categorized based on things they have no control over i.e. skin, color, ethnicity, sexual orientation age, gender etc. For no fault of the employees some work for many years and never get on to the board of their organisations either because the are female, easterners, old etc. To date in Nigeria, less than 5% of female are represented on board of companies despite the impressive performance of female in CEO positions. Notable include Prof. Dora Akunyili, the Director- General of National Agency for Food and Drug Administration and Control. She has been an outstanding CEO and performer and received the prestigious first position award of Transparency International despite working in a country ranked amongst the most corrupt in the world. This pluralistic ignorance is not limited to Nigeria. Even the most well –respected management consulting firms, Mckinsey, faced the challenges of creating a pluralistic organisation. According to business week, Mckinsey had 422 white male directors out of 443 in total. I.e. 5 % are women and 95 % males. Surely future clients would demand greater diversity and it will become essential ingredient for business success.

The Future on Values-base leadership

In the workplace, biases and prejudices must stop. If as a country we don’t start adopting a values system based on belief in pluralism, we’re destined for continued deterioration and degradation of our work organisations, social communities and family structures. We need to adopt pluralistic values that accept people unconditionally for who they are.

Granted behaviors of an individual can be judged and evaluated, but not attributes that individuals have no control over or can't change

One essential value that must be adopted by all organisations is pluralism. Without this essential belief, both workers and management alike ultimately focus on the games of political correctness and minority quotas. Both this seemingly equality –oriented initiatives are in fact the opposite. We apparently need rules to force us to accept a wide mix of different types of people rather than having that acceptance be intrinsic value that guides our daily thinking and behaviour

There is an important need to avoid using the word 'them' to tag human being or refer collectively to a group of people as them e.g. if you recruit 'them' in our company, if you let 'them' rule this nation. We need to start accepting people as they are i.e. individually and superbly unique.

Organisational diversity will have a different complexion in Nigeria in 2050 from our configuration of corrupt and pluralistic ignorance group to more knowledgeable leaders and values-based leaders. We will have once again values that people can believe in. Anomie would be a thing of the past and people would work in equal employment organisations with equal number of female would be on the boards of both government and privately owned organisations. There would be more Nigerians speaking more than two local languages and the issues of state of origin would be less emphasized and more focus would be on where you reside. Leadership of companies would not be based on your state or local government of origin; rather focus would be on individual appraisal / evaluation.

Finally organisation of the future would have migrated from an anomic environment with need for adoption of pluralistic diversity to an environment that has adopted pluralism and diversity and supports in addition global diversity

Organisation of future will reflect the need to mix foreign national and Nigerians in companies. Companies with Ibo, Yoruba or Hausa CEO will not be refereed to as Ibo, Yoruba or Hausa owned company. Acceptance of our difference and celebration of the power of pluralism and diversity will be the pervasive value by 2050.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The literature review revealed that there is a dearth of information on the actual impact of values –based leadership and good governance on organisational performance despite the remarkable growth and investments in the government and privately owned companies since independence in 1960.

It is therefore important at this point in time to obtain answers to pertinent questions in assessing the impact of Values-Based leadership and corporate governance on organisational performance

The questions include but are not limited to the following:

- What is the relationship of Values – Based Leadership and organisational performance
- How can organisation be assessed on commitment to good Corporate Governance
- How can organisations be assessed on commitment to values based leadership
- Is there an association between Value Based leadership and type of organisation (i.e. Indigenous or multinational organisation)
- What is the tolerance of organisation leadership to corrupt practices
- What is the impact of corporate governance on performance

The answers to these questions are only obtainable from an impact assessment study. The wide scope and disclosure / supply of informed responses from employees in assessed organisation is a constraint but the to the extent that responders did not have to write their names, the respondents participated willing and very positively. The quality of data would be regarded as genuine and authentic.

The knowledge gained from this impact study will provide critical inputs and guide to design and adoption of Values-based leadership and corporate governance in government and private organisations.

The impact assessment would determine the relationship or correlation between values-based leadership, good governance and organisational performance. It would elicit if the relationship is also positive or negative i.e. has organisational performance improved or not as a consequence of VBL & CG

This study has identified VBL, CG and performance indicators at the planning stage with method of assessments. The research method adopted aimed at reviewing the various strategies and techniques of achieving the goals and objectives of the study as earlier stated. Also, attempt was made to explain in clear terms the various methods adopted in obtaining information and data from the target respondents. The information and data generated were subjected to statistical analysis for effective interpretation. Simple statistical methods were adopted in addition to qualitative analysis. Citation analysis was also carried out by including references of previous works done on the subject matter at the end of each chapter.

3.2 RESEARCH DESIGN

The objective of the survey is to obtain essential information and insight into the association, correlation and relationships that exist between variables rather than an exact or accurate picture of VBL and CG in Nigeria. In research design, the essence is to structure the investigation in such a way as to identify the variables and their relationships. A well articulated design is desirable for the objective of data collection that will assist to address the research questions as well as test the stated hypotheses. The research design therefore serves as a veritable guide for data generation, especially primary data. In this study, survey was used.

Method Used In This Research

The research method adopted in this study is the survey method by means of questionnaires only. A survey is used to obtain information which can be analyzed and pattern formed which lend themselves to interpretation and comparison. In most cases, a survey will aim to obtain facts and opinion from a representative selection of the population being researched. From that sample, the researcher will then be able to present findings as being representative of the population as a whole (Bell, 1992).

Scope of the Study

An important aspect in the design of this study is the aspect of scoping. This is important because common agreement and understanding is needed on what and who should be included and excluded in the study. In particular, this refers to the geographical, temporal, content and respondent scopes.

Geographical Scope

For the purpose of this study, the Geographical scope is limited to Nigeria only

Temporal Scope

The reference period for the study refers to month, of which the survey was conducted being January, 2006.

Content Scope

The study includes mainly one survey; namely a questionnaire survey and other secondary information about surveyed organisations from their websites and annual reports for companies listed on the Nigeria n Stock Exchange.

Respondent Scope

The study was designed to survey full-time employees of surveyed organisation i.e. Managerial or Non-managerial level staff

The use of questionnaire was considered as an important method of collecting quantitative data. It is in recognition of this fact that the questionnaire was designed to ensure accurate capture of data and high response rate.

In designing the questionnaire measurement scale was used to get the opinion of respondents. Measurement scales such as ordinal scales and interval scales were considered appropriate to measure the variables. Furthermore, measurement of attitudes, perceptions, opinions, appreciation and understanding were carried out using scaling technique. This technique enabled the researcher to translate verbal expressions of feelings, opinions and attitudes into numerals for ease of analysis.

The type of scale used informed the structure of questionnaire designed and administered to respondents. Three-point scale was used. Significant use was made of summated rating scale of the “Likert type”. This type of scale enabled the researcher measure the intensity or degree of agreement or disagreement by the respondent to statements made on VBL, CG and Organisational performance issues. With Likert Scale, it was possible to compare responses among individuals using bar-chart and X2 (chi-square) analyses.

3.3 THE STUDY POPULATION

The choice of population for this study was driven by the need to extract informed and relevant information from full-time employees of surveyed organisation. This is essential in making informed assessments, conclusions and recommendations at the end of the research. The characteristics of the population were determined by limiting the study to full-time employees who are integral part of the company

There are over 100 listed companies listed on the Nigerian Stock Exchange and hundreds of thousand Nigerian companies listed with the Cooperate Affairs Commission in Nigeria. It is therefore very difficult to study all these companies in other to make informed assessments.

A sample size of 10 organisations was selected by Simple random sampling of 22 organisations (Appendix V). The 22 organisations are the 22 most respected companies in Nigeria in 2005 (PricewaterhouseCoopers and Businessday 2005) .In a study commissioned by Pricewaterhouse Coppers in conjunction with BUSSINESS DAY newspaper and conducted by an independent research company to identify the most respected companies and CEO in Nigeria, 22 organisations 10 CEOs were identified. Cadbury Nigeria Plc emerged Nigeria’s most respected company and Aliko Dangote, President Dangote group is most respected CEO (BUSSINESS DAY, 2005). The sampled organisations include both public quoted and privately owned organisations. The organisations can also be classified as Multinational or Nigerian (Indigenous) organisation.

A total of 100 persons were sampled, i.e. 10 staff per surveyed organisation. The criteria for selection are only graduate employees that are full time employee within surveyed organisations are given the questionnaires to fill. The choice of these groups of staff was based on the perceived level of their participation in company decision making process being an integral part of the company unlike the part-time or company employees.

This sampling procedure was considered quite pertinent as efforts were made to use extra measures that sampling method and caliber of respondents was strictly adhered to. An apparent challenge experienced was in the difficulty to persuade employees to complete and return the questionnaire. (Henry, G. T. 1990)

3.4 DATA COLLECTION

Primary Source of Data

Primary data was collected using closed –structured questions.

Questionnaire design

Closed –structured questionnaires were used to obtain responses form from respondents. To encourage high response rate of respondents, anonymity of respondents were ensured and this was communicated to all respondents before they answered the questions i.e. they were not expected to include their names or other forms of identification on the forms. The questionnaire has four sections. Section A covers General Information about the respondent and respondent organisation. Section B, assesses: Values-Based Leadership, Section C: Corporate Governance and Section D: Organisational performance. Sections B, C and D contained 10 questions each and all the questions were could on be answered as YES, NO or NOT SURE for those who were could not commit to certainty.

A pilot assessment (pre-test) of the questionnaire administration was sampled on 20 people to correct for ambiguity of questions and to estimate average completion time. The pilot revealed that the questions were not ambiguous of confusing to the respondents and the completion time ranged from 6 – 10 minutes. Sample questionnaire is presented as Appendix. Competent persons were engaged to in distributing and retrieving the questionnaires.

A total of 100 questionnaires were administered by the researcher and two assistant. There was 100% response rate because the questionnaire was fast to complete, closed structured and they were administered only on scheduled appointment and immediately completed. None of the questionnaires were mailed.

Secondary Data

Secondary data or source of information is very vital for any research work as it will help to reconfirm or proffer answers to research questions (Saunders et al 1997). All the studies organisations had websites and information about the companies was obtained (See Appendix). Also the six out of the ten survey companies are listed companies on the Nigerian Stock Exchange hence their annual report also served as good source of secondary data. Newspapers and other books were used.

The primary and secondary data were comprehensive enough to supply information to make logical and balanced assessments and conclusions on study

3.5 QUALITY OF RESEARCH DATA.

The content of the questionnaire was comprehensive and specific in order to address fully the research questions and hypotheses. Research design may be said to be valid if it enable a researcher elicit the correct responses from the sample subjects (Asika, 2001). Considering that the desired responses were gotten from sample population implies that the research design was valid. In preparing the report of the survey's findings, two objectives were considered;

- Presenting the findings in a manner to minimize the possibility of erroneous or unwarranted interpretations;
- Preparing the report so as to maximize the use of its findings.

3.6 PROCESSING OF DATA

Both quantitative and qualitative data were analyzed. Quantitative analysis was analyzed using 'The Statistical Package for Social Sciences (SPSS), Microsoft Excel package, and Web Chi Square calculator (Web tools). The chi-square test statistic and the distribution of means were used in the testing of the hypotheses and to identify relationships between variables. Quantitative analysis were presented in the form of tables, bar charts, pie-charts, percentage distribution and linear charts

In preparing the data for analysis, consideration was given to the following as a guiding principle.

- Type of data generated, highlighting the level of numerical measurement;
- Format in which data will be input to the analytical software;
- Need to weight cases and methods to use in order to check data for errors.

In presenting data, diagrams were used to explore and understand the data. In all cases where diagrams and tables are used, efforts were made to ensure the following:

- That they have a brief but clear and descriptive title;
- Units of measurement used are clearly stated;
- Sources of data used are clearly stated;
- Notes to explain abbreviations and legends are made;
- The size of the sample on which the values in the table are based is stated;
- Diagrams have clear axis labels;
- Bars and their components are in the same logical sequence;
- Tables have clear column and row headings;
- Columns and rows are in a logical sequence.

3.7 LIMITATIONS OF THE METHODOLOGY

The study was mindful of some limitations beyond the control of the researcher as it relates to discrepancies in some responses of respondents from the same organisation on same questions. Errors that can be corrected from the annual report or websites on general information on the organisations were done to ensure that errors are minimized. Also little can be done about respondents' error in areas of 'halo-effect' but they are noteworthy. Halo-Effect is commonly experienced in many surveys, a situation whereby respondents are biased towards giving favourable or positive answers and compared with giving unfavorable or negative answers.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 INTRODUCTION

The chapter contains analyses on both the quantitative and qualitative data obtained from the questionnaire distributed amongst the employees of the organisations surveyed.

The questionnaire was designed to obtain information on Values-based leadership issues, corporate governance practices and performance standards in the surveyed organisations. The pilot testing of the questionnaires and the fact that only full-time employees of the organisations formed the group of respondents serves as a basis for obtaining informed and credible responses for analysis

The impact of VBL & CG on organisational performances were all obtained from the responses in the questionnaire

4.2 RESPONSES TO QUESTIONNAIRE

The response rate to questionnaire distributed was 100 %. The response rate was determined using simple calculations as stated below.

Response Rate = Total No. of Responses / Total No. of questionnaire distributed x 100

- 100/100 X 100 = 100 %

The 100% response rate was achieved because of the following reasons

- Prior notification and scheduled appointment with respondents on filling of questionnaire
- The questionnaire was closed –structure type easy to complete
- Completion time per questionnaire ranged between 6-10min

- Anonymity of respondents :Non – inclusion of respondents name on questionnaire usually motivates respondents to fill forms and it also reduces 'halo-effect'

Distribution Pattern of Responses

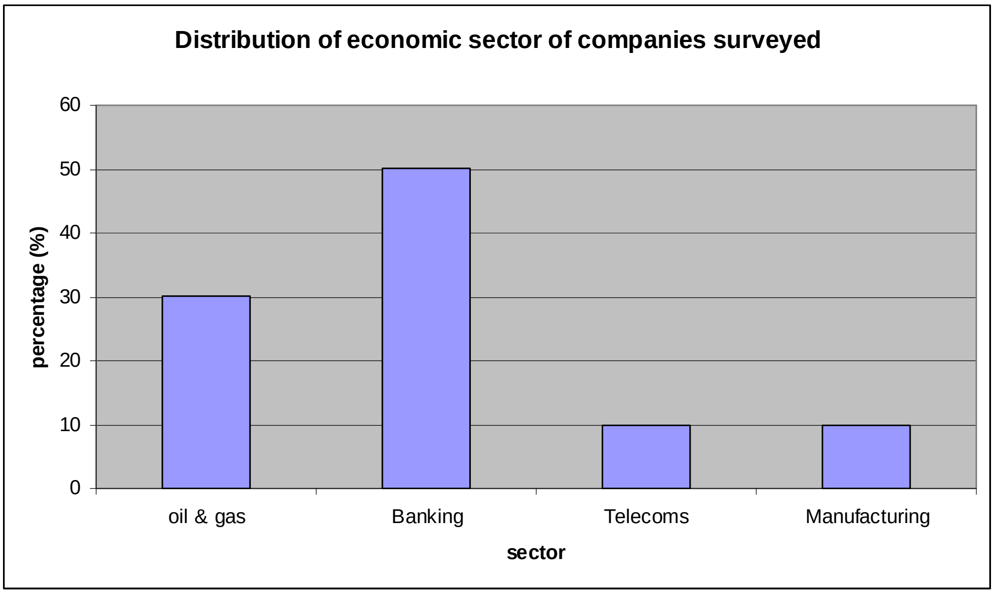
Ten questionnaires each were distributed amongst 10 employees each of the companies that were selected by simple random sampling. (Table4.1). The organisations are listed in the table below

Table 4.1: List of companies surveyed and the distribution of sectors covered

No	Company	Sector	Respondents	% Response
1	Mobil Producing Nigeria (ExxonMobil)	oil and gas	10	100
2	Chevron Nigeria Limited	oil and gas	10	100
3	Shell	oil and gas	10	100
4	Zenith Bank PLC	banking	10	100
5	Citibank (Nigeria International bank)	banking	10	100
6	First bank Nigeria PLC	banking	10	100
7	Guaranty Trust Bank PLC (GTB)	banking	10	100
8	United Bank for Africa PLC (UBA)	banking	10	100
9	Nigerian Breweries PLC (NB Plc)	Manufacturing	10	100
10	MTN	Telecommunications	10	100

Details and information on surveyed organisations are obtainable from Appendix IV. There are 10 companies surveyed and the economic sector covered includes oil and gas, banking, manufacturing and telecommunications. 100% responses were obtained

Fig 4.1: Distribution of economic sectors of companies surveyed



4.3 GENERAL INFORMATION

This section summarizes responses in completed and returned questionnaire. The responses were obtained from 100 respondents in the 10 companies surveyed (Appendix IV: Information on surveyed companies).

Table 4.2: General Information on company and respondents

General Information	Analysis
male	50
female	50
married	80
single	20
Age range(Years)	
35-44	55
26-34	45
20-25	5
Age of company	
Above 47.8 years	5
Below 47.8 years	5
CEO tenure (Average years)	4.3
Employment position	
Above manager	40
below manager	60
Salary	
below N1m	5
below N5m	55
Above 5m	25
Above 10m	15

Work experience	
below 1-5yr	30
5yrs - 10 yrs	20
11yrs - 20yrs	50
Educational qualification	
B.Sc /BA/ HND	100
M.Sc / MA/ MBA	35
ACCA, ACA, ACIS, CIB	10
Nigerian Nationality	100
Type of Organisation	
Multinational	5
Indigenous	5

The general information is essential to identify key information on respondents and the company. The questionnaire analysis on Table 4.2 revealed that there were 50 male and 50 female respondents. Also 80% of the respondents were married whilst 20 % were single.

Majority of the respondents (55%) belonged to the age range of 35- 44 years of age, this could partly explain for majority of surveyed persons being married. The other age rages of 26-34 years and 20 – 24 years accounted for 45% and 5 % of the respondents respectively.

The average age of the sampled organisation was 47.8 years. The oldest company surveyed is First Bank Nigeria Plc being 112 years old whilst MTN was the youngest and 5 years old. Five of the companies were older than the group average whilst the other half were newer. The organisations were classified as new or old based on whether or not they were older or younger than the group average.

The average tenure of the Chief Executive Officers of the organisations is 4.3 years. The longest serving CEO has served for 16 years (since the organisation was established) whilst the youngest serving CEO has served for one year

There were two categories of respondents, i.e. those at managerial level and above and those below the managerial level. 40 % of respondents were Manger and more senior positions whilst 60 % of respondents at not attained managerial position. The essence of these balance distribution of managerial and non managerial employees would give a balance in how different categories of staff perceive their leadership, governance and performances

The salary of respondents ranges from less than N1 million (1 million, Nigerian Naira) to Above N10milion per year. 55% earn between N1-5 million per year whilst only 5 % earn less than one million per year. (USD1 = N135)

The numbers of years the respondents have worked for ranges from less than 5 year to 11 – 20 years. 50 % of the respondents have worked for over ten years.

The surveyed organisation have been classified to two main types (Table 4.3) which are

- Indigenous organisation in which the ownership is Nigerian
- Multinational organisation, in which the companies exist in different countries spanning different continents

Table 4.3: Multinational and Indigenous organisations surveyed

No	Multinational	Indigenous
1	Mobil	Zenith Bank Plc
2	Chevron	Nigerian Breweries Plc
3	Citibank	Guaranty Trust Bank
4	Shell	First Bank Nigeria plc
5	MTN	UBA Plc

4.4 Values- Based Leadership

In order to assess the organisations commitment to Value based leadership, ten questions (Table 4.4) were asked and responses were analyzed as shown on Figure 4.2. Respondents were to answer each question honestly and tick on box per question. All respondents answered all the questions completely

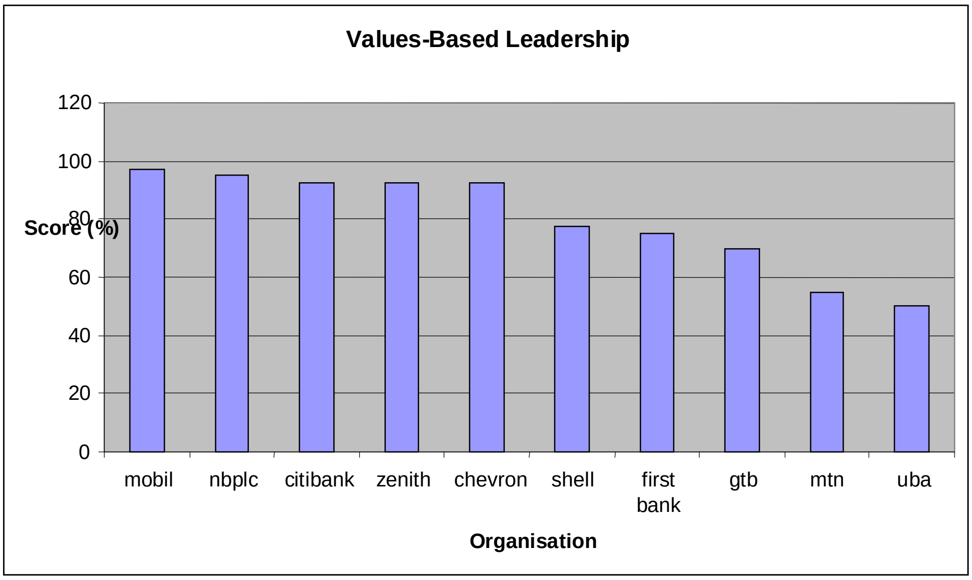
Table 4.4: Questions on Values Based Leadership

		Yes	**Not sure**	**No**
1	Our vision and mission statement is commonly agreed-upon and understood, and adopted by all employees.			
2	Our management has very high leadership determination, persistent and self confidence in the ideas of the vision and corporate values			
3	Management ensures to communicate the significance of best practices at all times and high performance to staff.			
4	Our leadership display a high level of self confidence and also confidence in junior colleagues			
5	Our leadership and management display high level of integrity (i.e. they are trustworthy)			
6	Our culture is highly supportive of and greatly respects individual differences, needs and issues			
7	Individual employees are rewarded for creativity , innovation and teaming			

8	Employees feel a strong sense of mutual trust, fairness, consistency and transparency in the organisation (i.e. emotions, feelings, and personal beliefs are not locked inside but are openly communicated)			
9	Policies , regulations and rules exist and are well stated and are strictly adhered to by our employees			
10	Our management / leadership have zero tolerance to corruption and mal-practices			

Scoring of questions: Yes = 4points, Not sure = 2points, No = 0 point

Figure 4.2: Values Based Leadership assessment



From Fig 4.2, Mobil has the highest assessment score and UBA, the lowest assessment score of the 10 companies surveyed.

The rating grid below also shows that Mobil has an A –rating which is assessed as ‘outstanding’ whilst UBA has a D-rating which is assessed as ‘below average

Maximum score per respondent on values-based leadership section of the questionnaire is 40 points. Maximum score attainable by ten respondents of an organisation is 400 points

In the above assessments, all the points scored by the ten respondents per organisation are summed up are divided by 400 (maximum score per organisation) and multiplied by 100 to convert into the Score (%) per organisation.

The rating grid is an original grid created by the researcher for assessing organisation on questionnaire on Values- Based Leadership, Corporate Governance and Performance used in this research thesis

Table 4.5: Rating Grid

No	Score (%)	Rating	Assessments
1	88.5-100	A	Outstanding
2	76-87.5	B	Above average
3	51-75	C	average
4	26-50	D	Below average
5	0-25	E	poor

Table 4.6: Assessments on Values Based Leadership

company	VBL	Rating
Mobil	**97.5**	**A**
N B plc	**95**	**A**
Citibank	**92.5**	**A**
Zenith bank	**92.5**	**A**
Chevron	**92.5**	**A**
Shell	**77.5**	**B**
First bank	**75**	**C**
GT Bank	**70**	**C**
MTN	**55**	**C**
UBA	**50**	**D**
Company Average	**79.75**	**B**

From above table, 50% of the surveyed organisation had an outstanding assessments whist 10 % had above average assessments, 20 % had average assessments and 10% had below average assessment. (See Fig 4. 3)

60% (3 out of five) of the companies (Mobil, Citibank & Chevron) that had outstanding assessments were multinational organisation whilst 40 % (2 out of 5) were indigenous organisations (NB Plc and Zenith Bank). The reason for the Multinational organisations can be attributable to the commitment to the evolving global best practices that the multinational organisations are being exposed to and the integration of multiple cultures. Commitment to best leadership practices is still at the infancy or experimental phase in most Nigerian organisations

Noteworthy s the fact that 50 % of the organisations scored above the average company score of 79.75 (B-rating) for VBL

Figure 4.3: Companies assessments on Corporate Governance

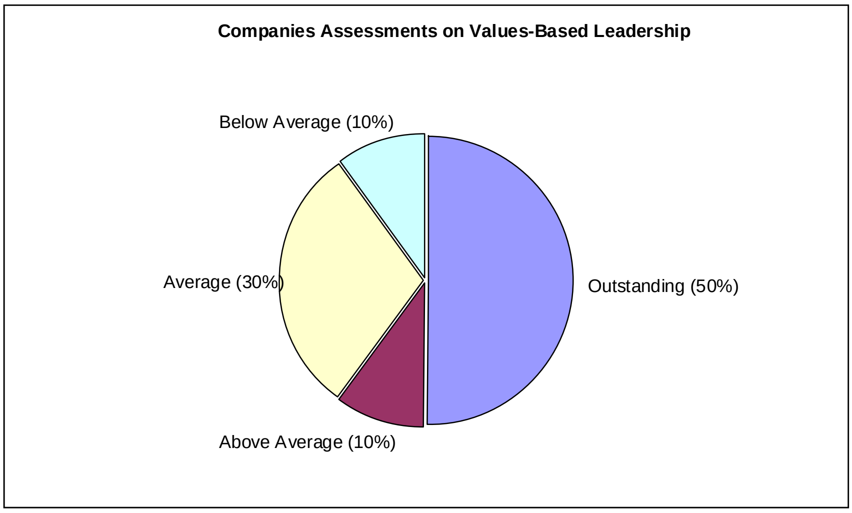


Table 4.7: Analysis of Values Based Leadership Questions

Question	Average Score (%)	Assessment	Rating
1	75	Average	C
2	75	Average	C
3	93	Outstanding	A
4	73	Average	C
5	80	Above Average	B
6	75	Average	C
7	85	Above Average	B
8	55	Average	C
9	95	Outstanding	A
10	93	Outstanding	A

The assessments of questionnaire (Table 4.7) on VBL revealed that:

- Questions 3, 10 , and 11 had and outstanding rating amongst the 10 organisations surveyed
- Questions 5 and 6 had Above average rating amongst the 10 organisations surveyed

- Questions 1, 2 , 6, and 8 had average rating amongst the 10 organisations surveyed

The questions with the highest and lowest scores were questions 9 and 8 respectively amongst the respondents in the surveyed organisations.

Question with the highest average score by respondents on Values-Based Leadership:

- **Question 9:** Policies , regulations and rules exist and are well stated and are strictly adhered to by our employees

The average score amongst respondents on above question is 95% (This is an outstanding score and assessment of the organisation on the question)

Question with the lowest average score by respondents on Values-Based Leadership:

- **Question 8:** Employees feel a strong sense of mutual trust, fairness, consistency and transparency in the organisation (i.e. emotions, feelings, and personal beliefs are not locked inside but are openly communicated)

The average score amongst respondents on above question is 55%. (This is an average score and assessment of the organisation on the question)

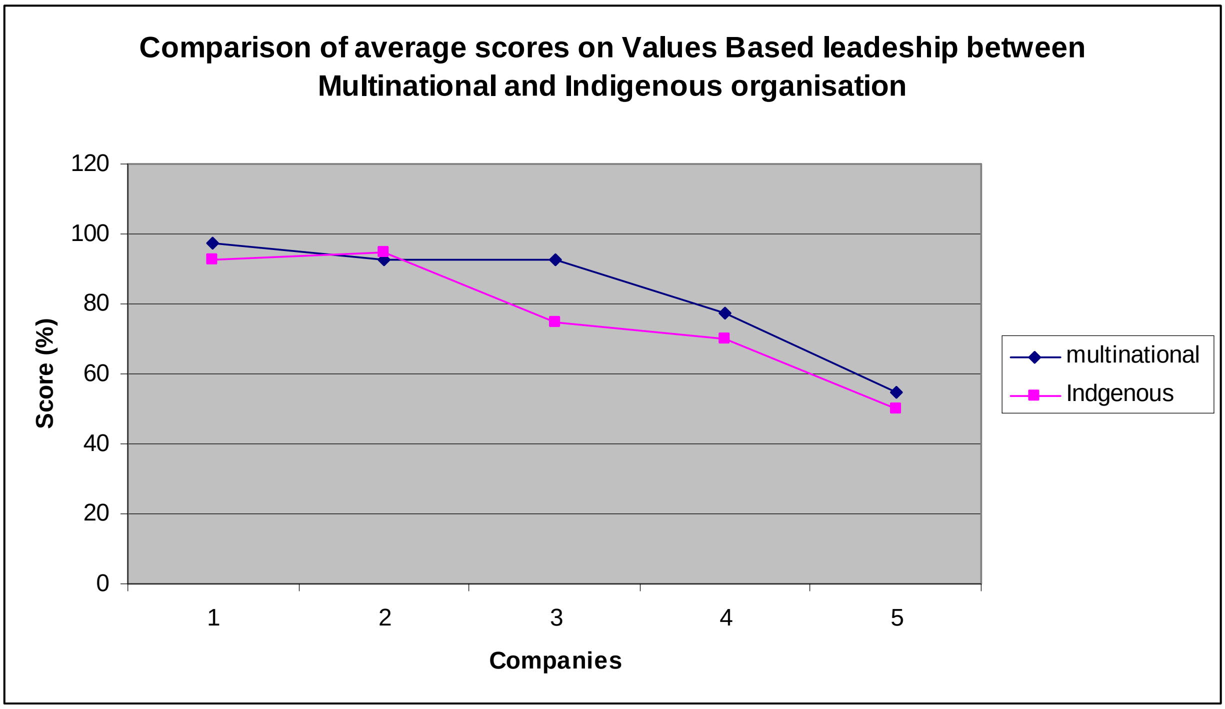
Comparison of average scores on Values Based Leadership between Multinational and Indigenous organisation

Table 4.8: Average Scores of Indigenous and Multinational companies

Company	**multinational**	**Indigenous**
1	Mobil	Zenith
2	chevron	First bank
3	shell	GTB
4	Citibank	UBA
5	MTN	NB Plc

Company	**Multinational (%)**	**Indigenous (%)**
1	97.5	92.5
2	92.5	95
3	92.5	75
4	77.5	70
5	55	50
Average	**83**	**76.5**

Figure 4:4: Comparison of average scores on Values Based Leadership between Multinational and Indigenous organisation



From Table 4.8, the average score of multinational organisation is 83 % compared with the lower scores of indigenous organisations which is 76.5. This is also obvious in Figure 4.4. The curve of multinational organisation is above that of indigenous organisation indicating higher averages.

4.5 Corporate Governance

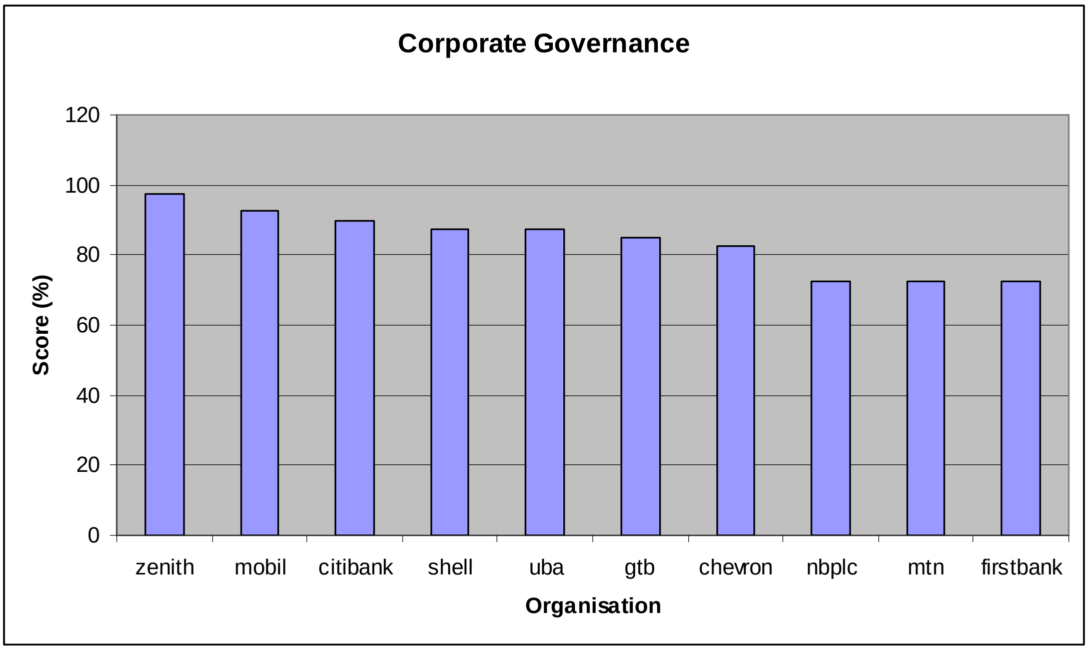
In order to assess the organisations commitment to Corporate Governance (CG), ten questions (Table 4.9) were asked and responses were analyzed as shown on Figure 4.5. Respondents were to answer each question honestly and tick on box per question. All respondents answered all the questions completely

Table 4.9: Questions on Corporate Governance

		Yes	Not sure	No
1	Does your company have a written code of corporate governance wherein the rights of shareholders and duties of the boards are specified?			
2	Does the company have a compliance officer whose task is to ensure full compliance of the company with existing laws and regulations?			
3	Does your board have a code of ethics to prevent conflicts of interest and to ensure that the highest standards of ethics are followed in word and deed?			
4	There is a good alignment (relationship) between the Board and Management in our organisation			
5	Training on corporate governance is provided to employee during staff induction program.			
6	Does your board have a governance committee to help the board perform to its best in assisting the company to achieve its objectives?			
7	Does the company have a written code of conduct / ethics that is distributed to all employees?			
8	Our company will terminate the appointment of any staff found guilty of giving or receiving bribe.			
9	Unequal treatment of employees exists in our organization.			

Scoring of questions: Yes = 4points, Not sure = 2points, No = 0 point

Figure 4.5: Corporate Governance Assessments



From Fig 4.5, Zenith has the highest assessment score and NB Plc, MTN and First Bank has the lowest assessment score of the 10 companies surveyed. From the rating grid (Table 4.5) it shows that Zenith has an A –rating which is assessed as 'outstanding' whilst NB Plc, MTN and First Bank have a C-rating which is assessed as average

Maximum score per respondent on corporate governance section of the questionnaire is 40 points. Maximum score attainable by ten respondents of an organisation is 400 points

In the above assessments, all the points scored by the ten respondents per organisation are summed up are divided by 400 (maximum score per organisation) and multiplied by 100 to convert into the Score (%) per organisation.

Table4. 10: Assessments on Corporate Governance

company	CG	Rating
Zenith	**97.5**	**A**
Mobil	**92.5**	**A**
Citibank	**90**	**A**
Shell	**87.5**	**B**
UBA	**87.5**	**B**
GTB	**85**	**B**
Chevron	**82.5**	**B**
NB Plc	**72.5**	**C**
MTN	**72.5**	**C**
First Bank	**72.5**	**C**
Company Average	**84**	**B**

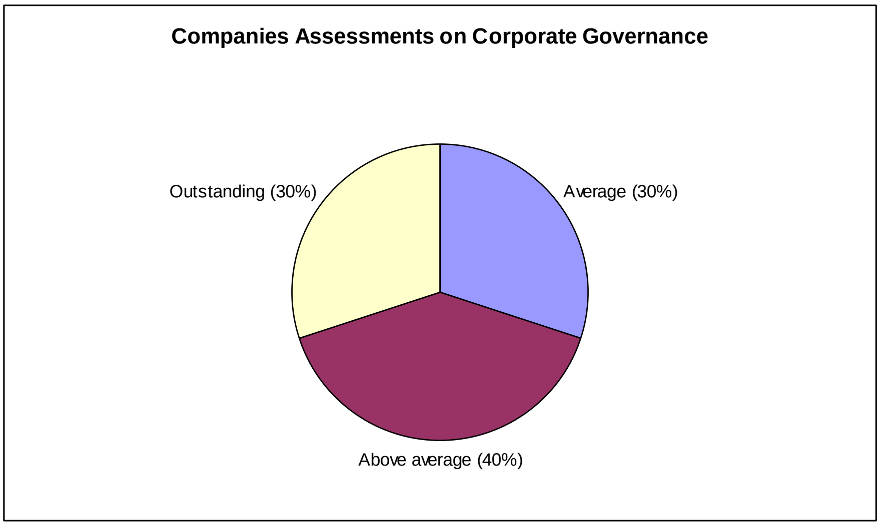
From above table, 30% of the surveyed organisation had an outstanding assessments whist 40 % had above average assessments, 30 % had average assessments. (See Fig 4. 6)

66.66% (2 out of three) of the companies (Mobil and Citibank) that had outstanding assessments were multinational organisation whilst 33.33 % (1 out of 3) was an indigenous organisation (Zenith Bank). The reason for the Multinational organisations better scores can be attributable to the commitment to Corporate Governance and the sanctions e.g. Sarbanes Oxley act 2002 in USA Commitment to CG is still at the infancy or experimental phase in most Nigerian organisations. Sanctions are not strongly enforced due to poorly developed structures and enforcement agencies.

Noteworthy is the fact that 30 % of the organisations were assessed as having below an ‘above average’ assessments.

The average company score for Corporate Governance is 84 %. (This is a B rating)

Figure 4.6: Companies assessments on Corporate Governance



<u>Table 4.11: Analysis of Corporate Governance Questions</u>

Question	Average Score (%)	Assessment	Rating
1	80	Outstanding	A
2	93	Outstanding	A
3	90	Outstanding	A
4	78	Above Average	B
5	63	Average	C
6	63	Average	C
7	95	Outstanding	A
8	93	Outstanding	A
9	100	Outstanding	A
10	88	Outstanding	A

The assessments of questionnaire (Table 4.11) on CG revealed that:

- Questions 1,2,3,7,8,9,10 outstanding rating amongst the 10 organisations surveyed
- Questions 4 had Above average rating amongst the 10 organisations surveyed

- Questions 5 and 6 had average rating amongst the 10 organisations surveyed

The question with the highest score was questions 9. Question 5 and 6 had the lowest scores amongst the respondents in the surveyed organisations.

Question with the highest average score by respondents on Corporate Governance:

Question 9: Unequal treatment of employees exists in our organization.

The average score amongst respondents on above question is 100% (This is an outstanding score and assessment of the organisation on the question)

Question with the lowest average score by respondents on Corporate Governance:

- **Question 5:** Training on corporate governance is provided to employee during staff induction program.
- **Question 6:** Does your board have a governance committee to help the board perform to its best in assisting the company to achieve its objectives?

The average score amongst respondents on above questions is 63%. (This is an average score and assessment of the organisation on the question)

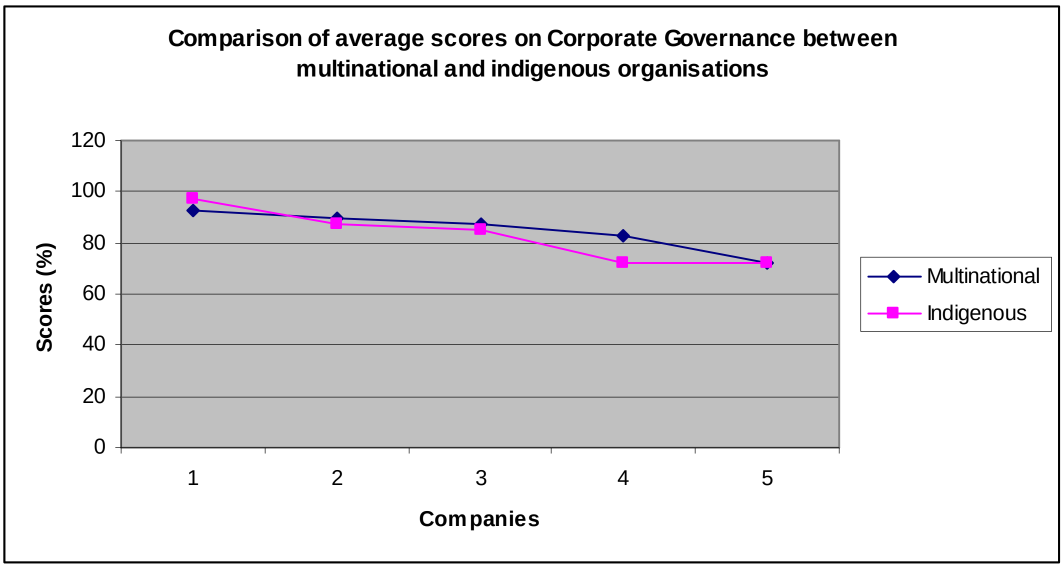
Comparison of average scores on Corporate Governance between Multinational and Indigenous organisation

Table 4.12: Average Scores of Indigenous and Multinational companies

Company	**multinational**	**Indigenous**
1	Mobil	Zenith
2	Citibank	UBA
3	shell	GTB
4	Chevron	NB Plc
5	MTN	First Bank

Company	**Multinational (%)**	**Indigenous (%)**
1	92.5	97.5
2	90	87,5
3	87.5	85
4	82.5	72.5
5	72.5	72.5
Average	**85**	**81.88**

Figure 4:7: Comparison of average scores on Corporate Governance between Multinational and Indigenous organisation



From Table 4.12, the average score of multinational organisation is 85 % compared with the lower scores of indigenous organisations which is 81.88. This is also obvious in Figure 4.7. The curve of multinational organisation is above that of indigenous organisation indicating higher averages.

4.6 Organisational Performance

In order to assess the organisations organisational performance, ten questions (Table 4.13) were asked and responses were analyzed as shown on Figure 4.8. Respondents were to answer each question honestly and tick on box per question. All respondents answered all the questions completely

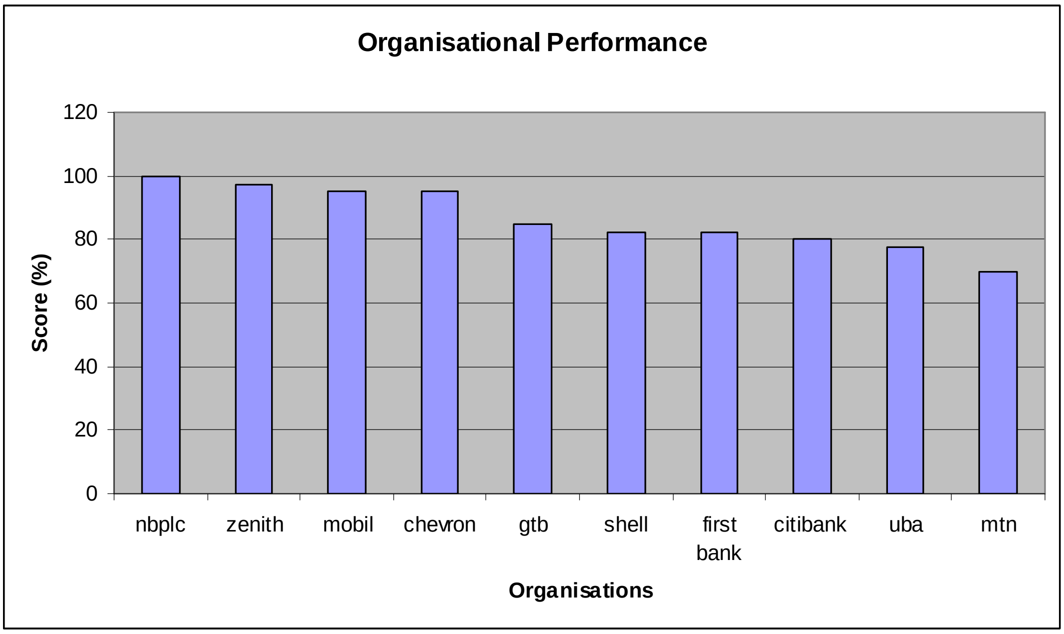
Table 4.13: Questions on Organisational Performance

		Yes	**Not sure**	**No**
1	Our organisation has an outstanding reputation for superior customer service delivery in the industry we operate			
2	Our employee retention is very high (i.e. staff consider our organisation one of the best place to work and the reward system is noteworthy)			
3	The brand reputation of our organisation is associated with excellence and quality service			
4	We commit a percentage of our profit for Corporate Social Responsibility endeavors			
5	Our stakeholders and Investors derive outstanding value from our organisations			
6	Our organisation has zero tolerance to bribery, corruption and unethical practices			
7	Our organisation commits a percentage of profit to research and new product development			

8	Our company has been rated by an external party as an outstanding organisation with an award			
9	Our organisation invests heavily on technology to enhance business processes			
10	Our organization is perceived as highly ethical with credible board members by stakeholders.			

Scoring of questions: Yes = 4points, Not sure = 2points, No = 0 point

Figure 4.8: Organisational Performance Assessments



From Fig 4.8, Nigeria Breweries Plc (NB Plc) has the highest assessment score and MTN has the lowest assessment score of the 10 companies surveyed. From the rating grid (Table 4.5) it shows that NB Plc has an A –rating which is assessed as ‘outstanding’ whilst MTN has a C-rating which is assessed as average

Maximum score per respondent on organisational performance section of the questionnaire is 40 points. Maximum score attainable by ten respondents of an organisation is 400 points

In the above assessments, all the points scored by the ten respondents per organisation are summed up are divided by 400 (maximum score per organisation) and multiplied by 100 to convert into the Score (%) per organisation.

Table 4.14: Assessments on Organisational Performance

company	Organisational Performance	Rating
NB Plc	**100**	**A**
Zenith	**97.5**	**A**
Mobil	**95**	**A**
Chevron	**95**	**A**
GTB	**85**	**B**
Shell	**82.5**	**B**
First bank	**82.5**	**B**
Citibank	**80**	**B**
UBA	**77.5**	**B**
MTN	**70**	**C**
Company Average	**86.5**	**B**

From above table, 40% of the surveyed organisation had an outstanding assessments whist 50 % had above average assessments and 10 % had average assessments. (See Fig 4. 9)

50% (2 out of four) of the companies (Mobil and Chevron) that had outstanding assessments were multinational organisation whilst 50 % (2 out of four) were indigenous organisation (NB Plc and Zenith Bank).

Noteworthy is the fact that 10 % of the organisations were assessed as having below an ‘above average’ assessments.

The average company score for Organisational performance is 86.5 %. (This is a B rating)

Figure 4.9: Companies assessments on Organisational performance

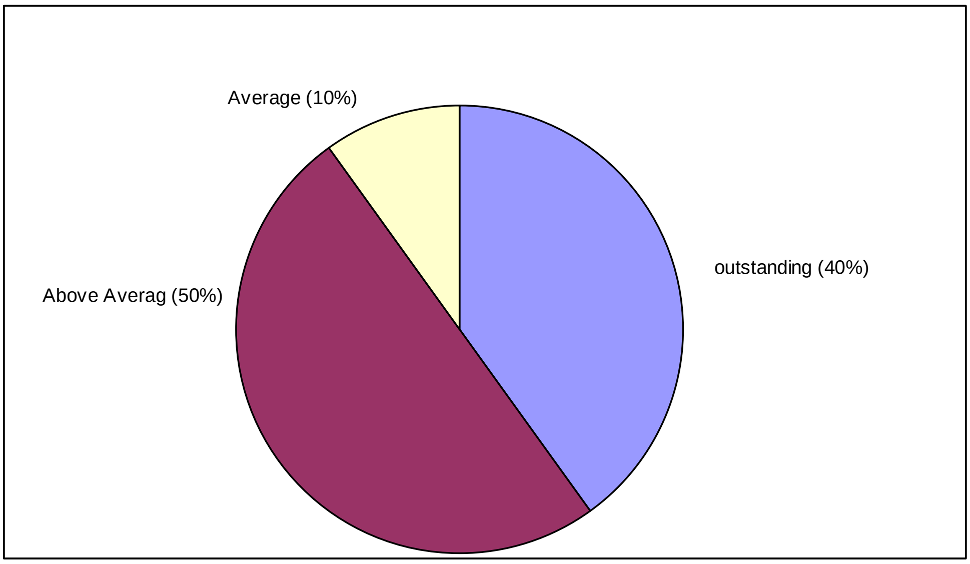


Table 4.15: Analysis of Organisational Performance Questions

Question	Average Score (%)	Assessment	Rating
1	**73**	Average	C
2	**53**	Average	C
3	**88**	Outstanding	A
4	**93**	Outstanding	A
5	**90**	Outstanding	A
6	**95**	Outstanding	A
7	**90**	Outstanding	A
8	**95**	Outstanding	A
9	**100**	Outstanding	A
10	**90**	Outstanding	A

The assessments of questionnaire (Table 4.15) on organisational performance revealed that:

- Questions 3-10, had outstanding rating amongst the 10 organisations surveyed
- Questions 1and 2 had average rating amongst the 10 organisations surveyed

The question with the highest score was questions 9. Question 2 had the lowest scores amongst the respondents in the surveyed organisations.

Question with the highest average score by respondents on Organisational performance:

Question 9: Our organisation invests heavily on technology to enhance business processes

The average score amongst respondents on above question is 100% (This is an outstanding score and assessment of the organisation on the question)

Question with the lowest average score by respondents on Corporate Governance:

Question 5: Our employee retention is very high (i.e. staff consider our organisation one of the best places to work and the reward system is noteworthy)

The average score amongst respondents on above questions is 87%. (This is an above average score and assessment of the organisation on the question)

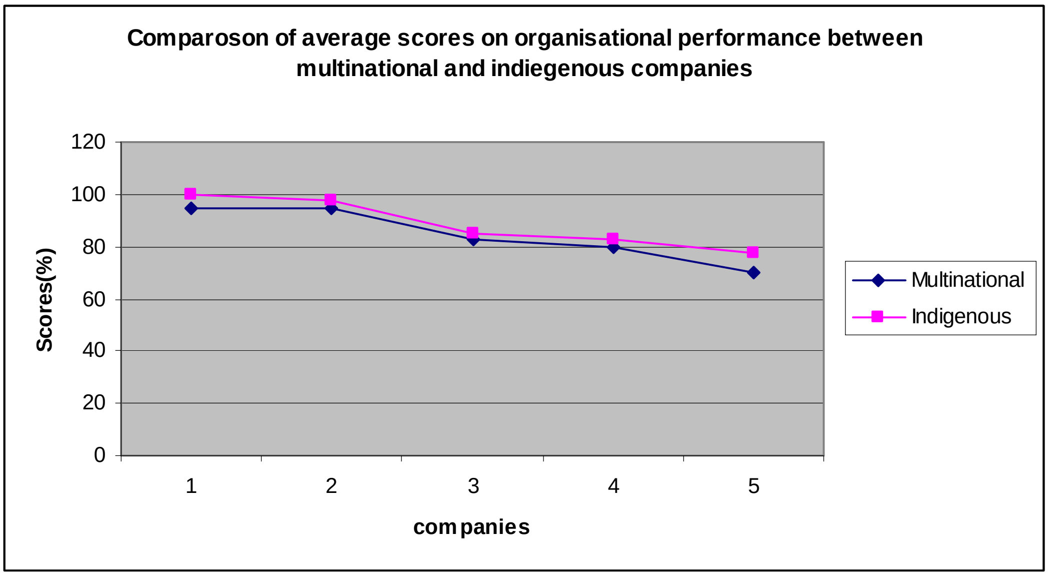
Comparison of average scores on Organisational Performance between Multinational and Indigenous organisation

Table 4.16: Average Scores of Indigenous and Multinational companies

Company	**multinational**	**Indigenous**
1	Mobil	NB plc
2	chevron	zenith
3	shell	GTB
4	Citibank	first bank
5	MTN	UBA

Company	**Multinational (%)**	**Indigenous (%)**
1	95	100
2	95	97.5
3	82.5	85
4	80	82.5
5	70	77.5
Average	**84.5**	**88.5**

Figure 4:10: Comparison of average scores on Organisational Performance between Multinational and Indigenous organisation



From Table 4.12, the average score of multinational organisation is 84.5 % compared with the high score of indigenous organisations which is 88.5. This is also obvious in Figure 4.7. The curve of multinational organisation is below that of indigenous organisation indicating lower averages.

4. 5: Correlation between Values-Based Leadership, Corporate Governance and organisational performance

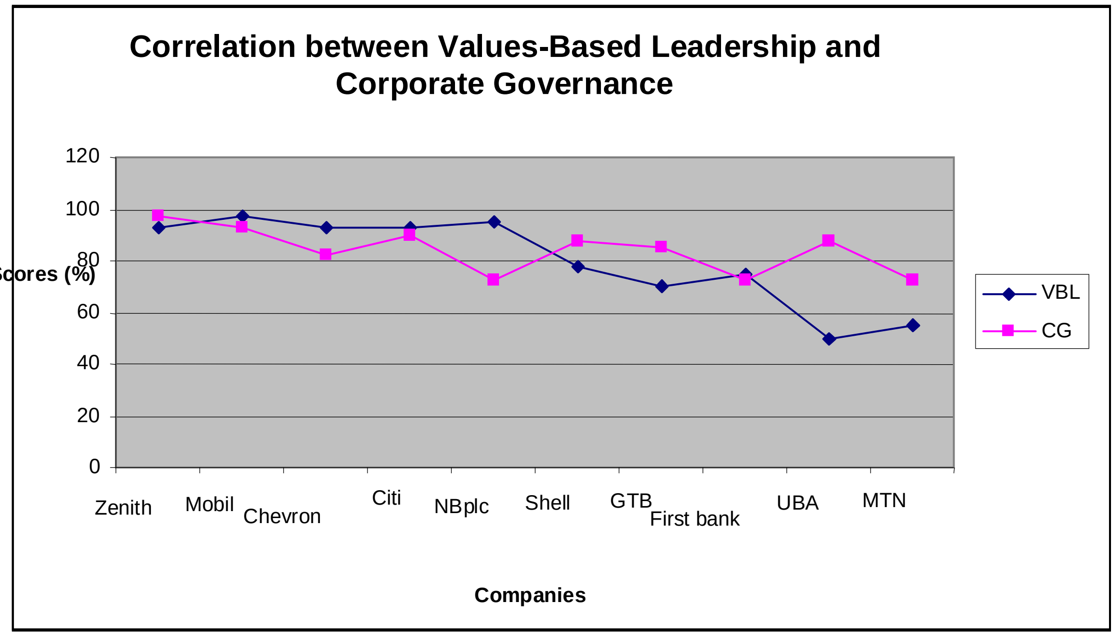
In order to perform the analysis, the companies were ranked according to their overall positions on VBL, CG and Organisational performance as shown on Table 4.17.

Table 4.17: The Overall position (rank) of companies based on assessments on VBL, CG and corporate governance

Overall Position	Company	Values-based Leadership	Corporate Governance	Organisational Performance
1	zenith	92.5	97.5	97.5
2	Mobil	97.5	92.5	95
3	chevron	92.5	82.5	95
4	Citibank	92.5	90	80
5	NB Plc	95	72.5	100
6	shell	77.5	87.5	82.5
7	GTB	70	85	85
8	First bank	75	72.5	82.5
9	UBA	50	87.5	77.5
10	MTN	55	72.5	70
	Average	**79.75**	**84**	**86.5**

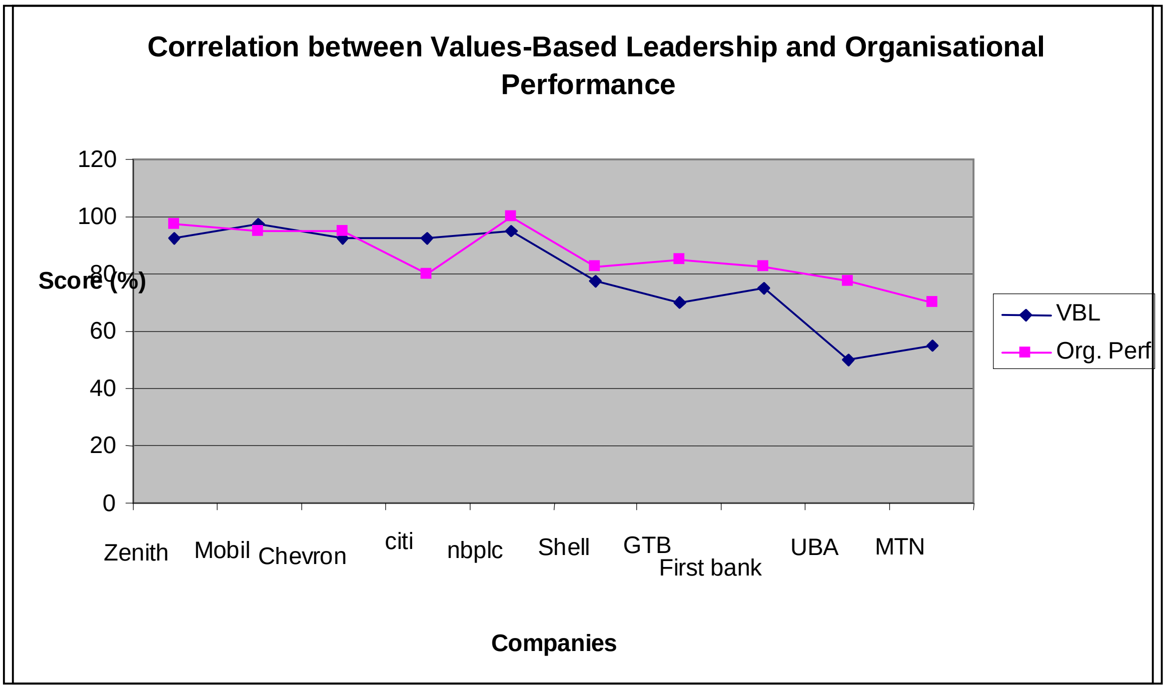
From Table 4.17, Zenith bank ranked first position of all the ten companies surveyed whilst MTN ranked lowest. 60% (3 out of 5) of the multinational organisations were amongst best ranked organisations whilst Indigenous organisations 40% (2 out of five)

Fig 4.11: Correlation between Values-Based Leadership and Corporate Governance



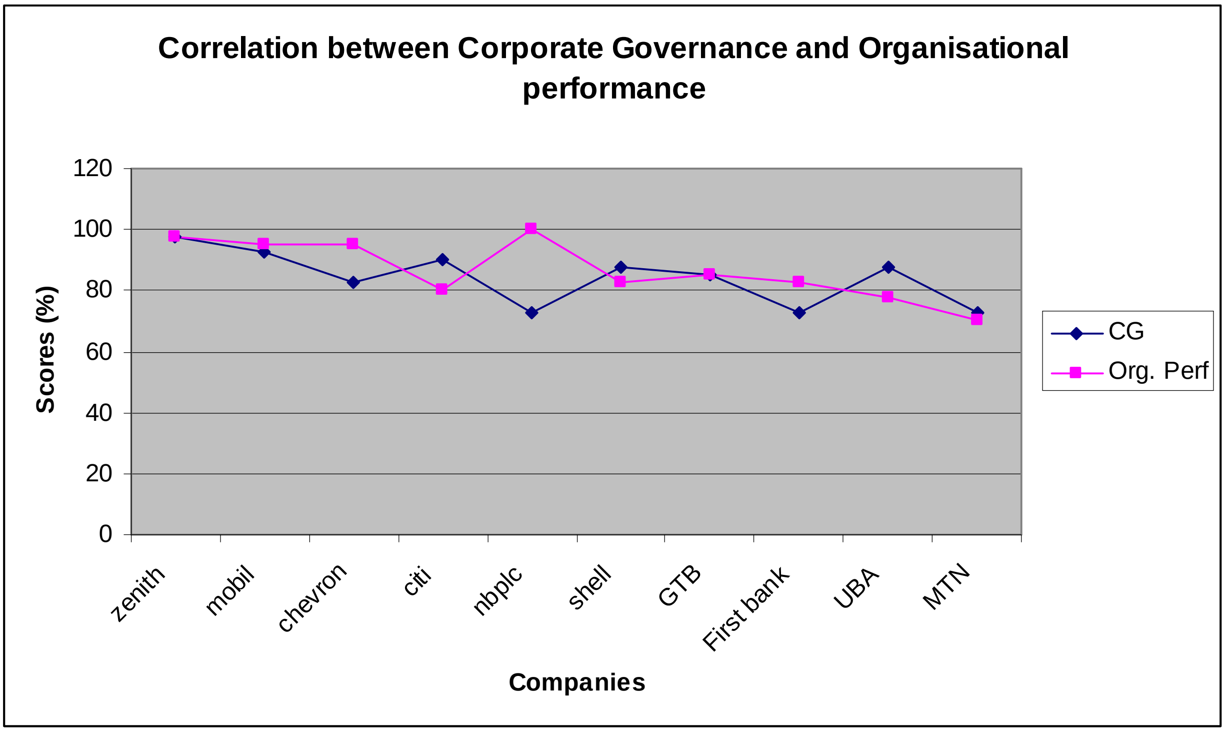
The Correlation between Values Based Leadership and Corporate Governance from table 4.17 is **0.31.** This is a positive but **weak correlation** as shown on Fig 4. 11 (Analysis was done using SPSS)

Fig 4.12: Correlation between Values-Based Leadership and Organisational performance



The Correlation between Values Based Leadership and organisational performance from table 4.17 is **0.81.** This is a positive and **strong correlation** as shown on Fig 4. 12 (Analysis was done using SPSS)

Fig 4.13: Correlation between Corporate Governance and Organisational performance



The Correlation between Corporate governance and organisational performance from table 4.17 is **0.26.** This is a positive but **weak correlation** as shown on Fig 4. 13 (Analysis was done using SPSS)

4.7: Proof of Hypothesis

The Statistical Package for Social Sciences (SPSS) was used in the analysis of the data and Web Chi-square calculator by Georgetown University USA.

The chi-square test statistic and the distribution of means were used in the testing of the hypotheses. The justification for the use of chi-square distribution, with k-1 degrees of freedom, where k is the number of categories, is driven by the fact that the responses fall into categorical data.

Decision Rule

Ho = Null Hypothesis

H1 = Alternative Hypothesis

Reject Ho at 0.05, if the computed value of Chi- Square (X^2) is greater than (X^2) tabulated at (r-1) (c-1) degree of freedom (df)

Since (X^2) calculated (2.725) was less than (X^2) tabulated (9.488) we accept the hypothesis at 0.05 level of significance

Statement of Hypothesis

HYPOTHESIS 1

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or corporate governance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or corporate governance in Nigeria

HYPOTHESIS 2

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 3

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to corporate governance or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

HYPOTHESIS 4

Null (Ho): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 5

Null (Ho): Assessments (Ratings) of companies on Corporate Governance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 6

Null (Ho): Assessments (Ratings) of companies on organisational performance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Proof of Hypothesis

In order to validate the findings from the study a quantitative analysis was carried out through the use of statistical instrument. To this end, the following hypotheses were formulated for testing.

HYPOTHESIS 1

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or corporate governance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or corporate governance in Nigeria

Table 4.18: Chi- Square analysis on association between Values-Based Leadership (VBL) and Corporate Governance (CG)

Association of VBL & CG					
Assessments(Ratings):	**D**	**C**	**B**	**A**	**Total**
VBL	10	30	10	50	100
CG	0	30	30	40	100
Total	10	60	40	90	200

Assessments (Ratings):
A= Outstanding, B= Above Average, C= Average, D= below average

Analysis of result

Interpretation

- Chi-square (calculated) = **21.11**
- Chi-square (table) at P= 0.05 = **7.82**

- Degrees of freedom (df) = 3, P = 0.05, Chi- Square (X^2) tabulated = 7.82
- Calculated Chi- Square (X^2)-21.11 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 2

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Table 4.19: Chi- Square analysis on association between Values-Based Leadership (VBL) and Organisational Performance

Association of VBL & Org. Performance					
Ratings:	**D**	**C**	**B**	**A**	**Total**
VBL	10	30	10	50	100
CG	0	10	50	40	100
Total	10	40	60	90	200

Ratings:

A= Outstanding, B= Above Average, C= Average, D= below average

Analysis of result

Interpretation

- Chi-square (calculated) = **47.78**
- Chi-square (table) at P= 0.05 = **7.82**
- Degrees of freedom (df) = 3, P = 0.05, Chi- Square (X^2) tabulated = 7.82
- Calculated Chi- Square (X^2)-47.78 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 3

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to corporate governance or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

Table 4.20: Chi- Square analysis on association between Corporate Governance and Organisational Performance

Ratings:	C	B	A	Total
CG	30	30	40	100
Org. Performance	10	50	40	100
Total	40	80	80	200

Ratings:
A= Outstanding, B= Above Average, C= Average

Analysis of result

Interpretation

- Chi-square (calculated) = **15**
- Chi-square (table) at P= 0.05 = **5.99**
- Degrees of freedom (df) = 2, P = 0.05, Chi- Square (X^2) tabulated = 5.99
- Calculated Chi- Square (X^2)-15 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

HYPOTHESIS 4

Null (Ho): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Table 4.21: Chi- Square analysis on Values Based Leadership: – Indigenous Vs Multinational organisations

Values Based leadership					
Ratings	**D**	**C**	**B**	**A**	**Total**
Indigenous	10	20	0	20	50
multinational	0	10	10	30	50
Total	10	30	10	50	100

Ratings:
A= Outstanding, B= Above Average, C= Average, D= below average

Analysis of result

Interpretation

- Chi-square (calculated) = **25.33**
- Chi-square (table) at P= 0.05 = **7.82**

- Degrees of freedom (df) = 3, P = 0.05, Chi- Square (X^2) tabulated = 7.82
- Calculated Chi- Square (X^2)-25.33 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 5

Null (Ho): Assessments (Ratings) of companies on Corporate Governance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Table 4.22: Chi- Square analysis on Corporate Governance: – Indigenous Vs Multinational organisations

Corporate Governance				
	C	**B**	**A**	**Total**
Indigenous	20	20	10	50
multinational	10	20	20	50
Total	30	40	30	100

Ratings:

A= Outstanding, B= Above Average, C= Average

Analysis of result

Interpretation

- Chi-square (calculated) = **6.67**Chi-square (table) at P= 0.05 = **5.99**
- Degrees of freedom (df) = 2, P = 0.05, Chi- Square (X^2) tabulated = 5.99
- Calculated Chi- Square (X^2)-6.67 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant.

Conclusion

- Reject Ho

- Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 6

Null (Ho): Assessments (Ratings) of companies on organisational performance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Table 4.23: Chi- Square analysis on Organisational Performance: – Indigenous Vs Multinational organisations

Performance				
	C	**B**	**A**	**Total**
Indigenous	0	30	20	50
multinational	10	20	20	50
Total	10	50	40	100

Ratings:

A= Outstanding, B= Above Average, C= Average

Analysis of result

Interpretation

- Chi-square (calculated) = **12** Chi-square (table) at P= 0.05 = **5.99**
- Degrees of freedom (df) = 2, P = 0.05, Chi- Square (X^2) tabulated = 5.99
- Calculated Chi- Square (X^2)-12 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

CHAPTER 5

DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter discusses the findings from the data analysis carried out in the preceding chapter and attempt to relate it to findings from other studies in similar areas. The underlying objective is to establish if the findings were in line with existing knowledge or provided an insight into new knowledge or opportunities that will be of interest to corporate organisations and the society. Several issues were examined in this research work as they relate to impact of Values-Based Leadership and Organisational performance in Nigeria.

The core areas that form the focus of discussion on the findings from the study include the following

- General information on the surveyed organisation and characterization of the respondents and organisation surveyed
- The assessments of Values Based Leadership in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The assessments of Corporate Governance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The assessments of Organisational performance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The proof of hypothesis and correlations between Values based leadership, corporate governance and organisational performance

5.2 Responses to questionnaire

The analysis of the responses from the questionnaires distributed gives some level of confidence to the data generated from this study despite the obvious limitations to the study of this nature.

In order to undertake appropriate statistical analysis, a sample size of 100 questionnaires was considered reasonable and manageable. From the analysis of the responses, 100% response rate was achieved and all respondents answered all questions. The implication of this level of response is that there is every certainty that at least 100% of the samples would represent the characteristics of the population. The 100% response rate is a rare feat but was achieved because of prior notification and scheduled appointments with respondents, all the questions asked were 'closed-structured' and completion time ranged between 6 – 10 minutes and ambiguity was addressed by carrying out a questionnaire pilot assessment. Importantly, anonymity of respondents also motivated respondents to honestly complete the questionnaire thus eliminating 'halo-effect'. 100 questionnaires were distributed equally amongst 10 organisations i.e. 10 respondents / organisation

Ten organisations were surveyed out of the 22 most respected organisations in Nigeria in 2005. The ten organisations being 45% of the most respected organisations were selected by simple random sampling thereby ensuring a credible and representative sample size. It would be impossible to make an assessment of all companies in Nigeria in order to make a logical conclusion on research subject however an assessment of a representative sample of the most respected organisations spanning both the publicly quoted and privately owned organisation would proffer a representative, credible, valid and reliable result. The study on most respected companies in Nigeria was conducted over a four month period by an independent research company commissioned by PricewaterhouseCoopers in conjunction with BUSSINESS DAY newspaper (Business day Vol 4 No200). 60 % of the surveyed organisations were companies quoted on the Nigerian Stock exchange whilst 40 % were private limited liability companies thus a mix and opportunity to assess differences between the various types of organisation exits.

5.3 General information on the surveyed organisation and characterization of the respondents and organisation surveyed

Ten companies were surveyed and could be classified along different headings in order to reveal more information and analysis. The classifications include but are not limited to

- Publicly quoted on Privately owned limited liability companies
- Multinational or Indigenous organisation
- Economic sector e.g. oil and gas , Telecommunication etc

Most of the analysis and results in this study focused more on the classification under multinational and indigenous organisations because of the bad reputation Nigeria as a nation and its establishments has earned for corruption (Transparency International). It is therefore very valuable and informative to compare the assessments of multinational organisations and indigenous organisations with the aim of understanding the major differences in values, commitment to good governance and performances.

What is noteworthy from this study is the representation of companies in Nigeria as shown in Table 5.1

Table 5.1: Classification and analysis of companies surveyed

Classification	Analysis	
Publicly quoted on Privately owned limited liability companies	Publicly quoted company 70 %	Privately owned company 30%
Multinational or Indigenous organisation	Multinational 50%as	Indigenous 50%
Economic sector	Oil & Gas (30%), Banking (50%), Telecoms (10%) Manufacturing (10%)	

The male and female respondents were 50 persons respectively and this is should account for very balanced responses. In organisations there are discriminations amongst gender lines, this representation would reveal a true picture of VBL in organisations. The study revealed 95% of respondents are aged between 26 – 44 years and 50 % of the respondents have worked for between 11 & 20 years. This study shows that majority of the respondents are experienced staff and also married and were very willing to share their sincere experiences working with their organisations.

The average age of the companies was 47.8 years which explains that there are some sort of succession plans that have attributed to the survival of the organisations.

The average tenure of CEOs is 4.3 years with a range of 1- 16 years. Zenith Bank Plc, a Nigerian company has had a founding CEO for 16 years and what is noteworthy is that the long tenure with commitment to VBL and CG has also accounted for the outstanding organisational performance. This should imply that commitment to VBL & CG is very critical to the success of an organisation as against just having a 'sit-tight CEO who is not committed to VBL or CG

60% of the respondents were below managerial level whilst 40 % had attained managerial level. The significance of this is that the responses to the questionnaire can be accepted as credible since the perceptions and opinions of different cadre of staff within an organisation usually differs and what is most important in studies of this nature is to have balanced view that is representative of all cadres of staff. Usually in Nigeria, junior level of staff tend to be more dissatisfied with the organisation because of perceived 'mistrust' and lack of fairness by the management of their organisation as also observed from questionnaire analysis.

100% of the respondents were graduates of Tertiary institutions possessing either a Bachelors degrees from Universities or Higher National Diplomas from polytechnics whilst 35 % had Masters Degrees from Universities. 10 % of the total population had professional memberships in addition to their qualifications. With this level of educational status, respondents are able to comprehend the questionnaires properly and provide very objective and informed answers.

All the respondents are Nigerians who were employed in either indigenous or multinational organisations.

5.4 The assessments of Values Based Leadership in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed

It is very important to have assessments or ratings of Nigerian companies on VBL as a guide or tool for prospective or current stakeholders to make personal or corporate decisions. One of the greatest challenges today includes lack of Values Based leaders and abounding corrupt / selfish leaders. CEO's of some banks have been arrested for financial crimes and fraud which is not expected of Values Based Leaders. Other sectors have also had CEOs associated with corrupt financial practices both in private and public sectors of the economy.

This study identified the commonest issues, problems and challenges faced by companies with respect to VBL in Nigeria. Also the surveyed companies were assessed and ranked from 1st to 10th position accordingly (Table 4.6).

Mobil scored 97.5% using the scoring grid (Table 4.5) and was assessed as having an 'A-rating' (outstanding performance). On the other hand, UBA scored 50 % and was ranked 10th position with a 'D-rating' (below average assessment) using the scoring grid.

Analysis of the question of VBL (Table 4.4) reveals very interesting and authentic results. In analysing the questions, all the respondents' answers per questions were scored in percentages and the questions were ranked from 1st to 10th position. The essence of the ranking of questions is to reflect commitment to certain VBL criteria listed as questions 1-10 (Table 4.4) by the surveyed organisations

Table 5.2 Assessment of VBL questions from the questionnaire

Position (Ranking)	Question number	Score (%)	Assessment
1	9	95	Outstanding
2	10	93	Outstanding
2	3	93	Outstanding
4	7	85	Above average
5	5	80	Above average
6	2	75	Average
6	1	75	Average
6	6	75	Average
9	4	73	Average
10	8	55	Below average

From Table 5.2, the highest commitment to VBL in the surveyed companies was on question 9(Ranked 1st – outstanding performance) i.e. Policies, regulations and rules exist and are well stated and are strictly adhered to by our employees. It is clear that like what hold the organisation together is to have a shared, agreed upon and clearly communicated set of norms, values and statements that guide their daily behaviour and methods of interaction with each other in the company (kuczmarski, S.C. & kuczmarski, T.D. 1995). What must also be mentioned is that the unemployment rate in Nigeria is 'high' as such employees protect their employment status by working hard and adhering to their employee regulations

It is also note worthy of leadership commitment to VBL in questions 10 & 3. These questions were ranked 2nd (outstanding assessment). Management / Leadership have zero tolerance to corruption and mal-practices. Corruption in companies is a real problem in Nigeria. In 2001, 2002 & 2003, Nigeria was ranked the second most corrupt country in the world by Transparency International (Wikipedia 2006), whilst countries like Finland, Norway and Sweden who have been rated amongst the least corrupt countries in the past five years by Transparency International. It should however be noted that company management communicates significance of best practice and high performance to staff at all times despite the high somewhat high tolerance to corruption in Nigeria. Communication of the focus of management to employee is important for company success but these can hardly be achieved if management fails to motivate the staff accordingly e.g. by not fulfilling their commitment and obligation to staff.

Questions 7 and 5 were ranked 4th and 5 position respectively with above average assessments. There is a particular need for concern particularly on question 5 - ‘our leadership and management display a high level of integrity (i.e. they are trustworthy)’. Question 5 ordinarily should rank 1st or 2nd because integrity and trustworthiness is very important to lead people and build a successful and lasting organisation. Enron and Anderson despite their strong brand and reputation paid the ultimate price by becoming extinct because their leadership had issues with integrity and trust. The point to note that employees do not perceive integrity and trust as the greatest commitment of their leadership and that companies should generally score outstanding and not above average assessment in this VBL criteria

Question 1, 2 & 6 were all ranked 6th position (average assessment). Question 1 – ‘our vision and mission statement is commonly agreed –upon and understood, and adopted by all employees’. This is a VBL criteria that should at least have an outstanding assessment because when employee do not buy in to the vision and mission of a company, the company usually fails-to-thrive of ‘die’. The CEOs and company leadership should ensure that vision and employee adoption is achieved for immediate and lasting organisational success

Question 4 ranked 9th position (average assessment). Again the assessment for VBL on level of confidence for both senior and junior employees should be outstanding. Leaders who are wishy-washy or who are uncertain, cause their followers to hold back support and their lack of confidence can translate into outright mutiny and rebellion if the leadership is not strong enough to male a decision stick. (Loeb & Kindel 1999)

Question 8 ranked 9th position (average assessment). Question 8 - Employees feel a strong sense of mutual trust, fairness, consistency and transparency in the organisation (i.e. emotions, feelings, and personal beliefs are not locked inside but are openly communicated). From the respondents the least commitment to VBL criteria is question 8. These clearly explain why there is a high level of Anomie in organisations. Employees perceive that ‘leadership’ commitment to, fairness, consistency, mutual trust and transparency in the organisation is below their expectation. It also translates to the Leadership that is not honest, sincere or ‘walk their talk’. All companies should aim at scoring and A-rating (outstanding assessments) on question 8, for lasting successes and company growth.

This study on VBL has been able to reveal the commitment to the different VBL criteria in Nigerian organisations. What is noteworthy is that the commitment to Integrity, honesty, fairness, transparencies collectively fall short of outstanding assessments which should be the benchmark for assessments. Integrity or lack thereof is at the heart of today’s business scandals and lack in the markets in particular and business in general. In many of the current corporate scandals the board failed because it did not take responsibility for the organisations integrity. The directors did not see the organisation’s integrity as an extension of their own integrity (Stout J. H., 2000)

In support of above statement by Stout, William H Goddwin Jr., CEO of CCA Industries , his requirements that decisions be honest stands out in a world plagued by corporate scandal. ‘I have never found dishonesty to be rewarding in any manner’ he says. He said that a person can become a better leader by ‘getting a good education practically and academically and always work hard to achieve your goals, and remember to be honest and ethical (Yaverbaum, 2004)

A comparison of the MNCs and Indigenous organisation was analyzed also in the areas of Highest and poorest commitment to VBL based on the company ratings on VBL questionnaire respondents

Noteworthy of mentioning also is that 50% of all the companies surveyed had outstanding assessments on VBL. Out of the companies with outstanding assessment, 60% were multinational companies (MNCs) whilst 40 % were indigenous companies. The ready explanation for the differences in the performances of the multinational companies and indigenous ones could be attributable for the deliberate effort by MNCs to comply with OECD guidelines for multinational enterprises to operate internationally on best practices whilst the indigenous organisations are yet to commit to such guidelines and also have overcome challenges of leadership amongst leadership of their organisation and stakeholders (OECD 1991).

20% of the MNCs scored 100% on question 8 whilst no indigenous organisation had such an outstanding response i.e. One MNCs company (Citibank) have 100% of their respondents attest to the fact that with their leadership 'Employees feel a strong sense of mutual trust, fairness, consistency and transparency in the organisation (i.e. emotions, feelings, and personal beliefs are not locked inside but are openly communicated)'.

60% companies have 100% of their respondents attest to the fact that their leadership display high level of integrity (i.e. they are trustworthy). Out of all these companies, 50% were MNCs (Shell, Citibank, and Mobil) and 50% were also indigenous organisation (Zenith Bank, Guaranty Trust Bank and Nigeria Breweries Plc). The implication of these confirms the fact that Values Based Leadership is a deliberate effort or leadership commitment rather that the fact that a company is an indigenous or MNCs. Despite the level of corruption in Nigeria compared to other countries that own the MNCs, it would have been easy to blindly conclude without a study of this nature that it is only MNCs that would have 100% of the respondents attest to high level of integrity of their leadership. It is also note worthy that these six organisations are rated as the top three of MNCs and Indigenous companies surveyed respectively

The overall average of MNCs on VBL is 83% which is higher when compared to 76.5% of indigenous organisations, This can be attributable to their commitment to VBL and best practices guidelines the MNCs adheres

The overall industry average on VBL is 79. 75 which is Lower that the Average of the MNCs but higher than the Nigerian average of 76.5%

Finally this set of questions on VBL can be applied to any organisation for assessing their commitment to VBL, comparing their assessment with the industry average of 79.75. The scoring grid (Table 4.5) would be used for the rating / assessing. The desirable result is for a company to have and outstanding assessment (A-Rating) or at least and above average rating. Many studies have shown a strong correlation between Values Based Leadership and organisational performances and these was also revealed in this study (Table 4.17 & Figure 4.12)

5.5 The assessments of Corporate Governance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed

It is very important to have assessments or ratings of Nigerian companies on CG as a guide or tool for prospective or current stakeholders to make personal or corporate decisions. One of the greatest challenges today includes lack of commitment to Corporate Governance in Organisations, and abounding corrupt board of directors. Within the last five years in Nigeria banks such as First Banks had fired its CEO' on issues that bordered on Governance and also Econet Wireless Nigeria as it was then called. In the public sector, the 'leadership' that should govern, guide & direct the corporate performance usually connive to enrich themselves and end up 'killing' the organisations e.g. Nigeria Airways , Nigeria National Shipping Line. These two organisations no longer exist due to bad and corrupt governance. Quoted companies in the Nigerian Stock Exchange (NSE) have some level of commitment to adherence because such companies must comply with some levels of regulation. That not withstanding, some companies have engaged in 'creative' accounting i.e. declaration of 'falsified accounts with usually overstated profit to unknowing shareholders e.g. Lever Brother Nigeria under Late Mr. Rufus Giwa as CEO. The Companies that have been involved in creative accounting however and the collaborating accounting firms in Nigeria however have not been heavily sanctioned like

Enron and Arthur Anderson were in USA. It is therefore important that stiffer sanctions as contained in Sarbanes and Oxley Act should be instituted in Nigeria to control companies engaging in similar fraudulent activities (Sarbanes–Oxley Act of 2002).

This study identified the commonest issues, problems and challenges faced by companies with respect to Corporate Governance in Nigeria. Also the surveyed companies were assessed and ranked from 1st to 10th position accordingly (Table 4.10).

Zenith scored 97.5% using the scoring grid (Table 4.5) and was assessed as having an 'A-rating' (outstanding performance). On the other hand, First Bank scored 50 % and was ranked 10th position with a 'C-rating' (average assessment) using the scoring grid.

Analysis of the question of VBL (Table 4.9) reveals very interesting and authentic results. In analysing the questions, all the respondents' answers per questions were scored in percentages and the questions were ranked from 1st to 10th position. The essence of the ranking of questions is to reflect commitment to certain Corporate Governance criteria listed as questions 1-10 (Table 4.9) by the surveyed organisations

Table 5.3 Assessment of CG questions from the questionnaire

Position (Ranking)	Question number	Score (%)	Assessment
1	9	100	Outstanding
2	7	95	Outstanding
3	2	93	Outstanding
3	8	93	Outstanding
5	3	90	Outstanding
6	10	88	Outstanding
7	1	80	Above average
8	4	78	Above average
9	5	63	Average
9	6	63	Average

From Table 5.2, the highest scores on CG in the surveyed companies was on question 9(Ranked 1st – outstanding performance) i.e. Unequal Treatment of employees exists in our organisation. It is obvious that this is a Governance issue or problem. Unequal treatment leads to lack of peace and this greatly affects organisational performance. The work place must nurture the value of equality where each person is important. What is noteworthy is the high commitment to a criterion that would only promote bad corporate governance. Nigeria since independence has been ruled for more years by military dictators or leaders who have been elected through heavily rigged elections. The implications of this have been bad governance, nepotism, corruption, discrimination in all spheres of official and social life. It is very common to observe more men on the boards of Nigerian companies quoted on the Nigerian Stock Exchange. This really is an issue despite the increasing population of women in the workplace. The board room is still regarded as an exclusive men's club.

It is also note worthy of commitment to CG in question 7. These question ranked 2nd (outstanding assessment). Question 7 – 'Does the company have a written code of conduct / ethics that is distributed to all employees?' It is very essential that all companies ensure that employees are conversant with code of conduct and ethical issues.

With the high level of corruption and bribery in Nigeria, the logical conclusions would have been to imagine that corruption levels are high because employees are not informed on such issues. One of the most crucial steps in entrenching good governance is to share or provide information to employees. Beyond providing information, training and evaluation and sanctions to non compliant employees must be enforced.

Questions 2 and 8 were ranked 3rd position with outstanding assessments. It is note worthy that there is a high commitment to enforcing compliance to company laws and regulations by recruitment of compliance officers in the companies. Also there is a high consensus amongst respondents that companies would terminate appointment of any staff guilty or receiving bribes. 80 % of MNCs attest to the fact that they would terminate the employment of their staff compared with 60% of the indigenous organisations. It should be stated that in some instances, U.S. corporations are barred from adopting a host country's business practices. In some countries, it is ordinary business practice to pay bribes to get favourable treatment from businesses and government. The foreign corrupt practices act of 1977 outlaws overseas bribery (OECD 1991). This has been reflected in the answers of respondents working in the U.S. owned multinational organisation. Question 3 & 10 were ranked 5th & 6th position respectively (outstanding assessment). The responses to these questions imply that the boards are very committed to CG and some degree of conflicting interest bordering on high ethical standards does exist on the board of companies and there are also some perception issues that suggest that the boards of directors are not highly ethical, responsible and valuable to all stake holders. The CG criteria on question 10 is very key for success of a publicly quoted company especially because the perception the board of directors has a positive correlation with the market valuation of the company stocks and often considered in making investment decisions on company stocks. For non quoted stocks, it may affect credit facilities from suppliers or over draft facilities from bankers. Companies should ensure that the board is composed of responsible people with high level of integrity. Such directors must be informed on the company business and also be interested in the corporate growth of the organisation

Question 1 and 4 were ranked 7th and 8th position respectively (above average assessment). Question 4 states- 'There is a good alignment (relationship) between the

Board and Management in our organisation' obviously for a board to be very effective, the relationship between the board and management in the organisation must be very good. It should be noted that even when there is good relationship between the board and the CEO, which does not always exist, the board often fails to speak up to challenge the CEO, either because it doesn't want to or because it is not organized to do so. The CEO may be too strong – minded to take guidance. He may listen and not change. Good governance raises a good point about the need for boards to talk without the CEO being present. That's not very common. You need to have the opportunity to sit in executive session and talk frankly with fellow board members about what's going on well and what's not in he succession process , particularly concerning the CEO' role. Those sessions should be a routine element of board meetings. Otherwise the CEO may feel offended if he or she is suddenly asked to leave the room (Conger, Fingold and Lawlwer 111 (1993).

Question 5 and 6 were both ranked 9th position (average assessment). These assessments are poor particularly for question 5 that states 'Training on corporate governance is provided to employee during staff induction program'. The questionnaire responses to question 5 is very revealing and this may just be on of the many key reasons to the endemicity of corrupt practices in the government and privately owned organisations. It is only in 10% of the surveyed organisation that all the staff of the surveyed organisation responded that training on corporate governance is provided to employee during staff induction program. In the training and commitment to CG in an organisation, the most critical part is to first inform and educate people on CG and then conduct ongoing training and staff assessment on CG compliance in the organisation. The assessment of this question indicates that company commitment to question 5 receives the least attention compared to other assessed CG criteria and that is why commitment to corporate governance in organisations can be described as failing to thrive or almost non existence. It is therefore not surprising that the lack of corporate governance is attributable to the high levels of corruption and fraud in the private and public. For a developing country such as Nigeria corporate governance is of critical importance. In its recent history, the lack of corporate governance has led to economic upheavals. Two examples illustrate the point being made. In the late 1980 and early 1990s the country witnessed a near collapse of the financial sector through the phenomenon of failed banks and other financial institutions. In consequence, the Failed Banks (Recovery of Debt) and Financial Malpractice in Banks Act[20] was promulgated to facilitate the prosecution of those who contributed to the failure of banks and to recover the debt owed to the failed banks. Secondly, the privatization and commercialization program of the Nigerian Government was a reaction to the failure of corporate governance in state owned enterprises (SOE). (Nmehielle & Nwauche, 2004). .

This study on CG has been able to reveal the commitment to the different CG criteria in Nigerian organisations. What is noteworthy is that the commitment to training on CG during staff induction is very low (Average assessment or A-rating). This falls short of and expected out standing assessments (A-rating) which should be the benchmark for assessments. Companies should ensure that there is a company wide training of staff on CG and also periodic evaluation of staff by human resources on CG.

A comparison of the MNCs and Indigenous organisation was analyzed also in the areas of Highest and poorest commitment to CG based on the company ratings on CG questionnaire respondents

Noteworthy of mentioning also is that 30% of all the companies surveyed had outstanding assessments on CG. Out of the companies with outstanding assessment, 66.66% were multinational companies (MNCs) whilst 33.33 % were indigenous companies. The ready explanation for the differences in the performances of the multinational companies and indigenous ones could be attributable to more commitment to Corporate Governance and best practices by MNCs. It is interesting to note that despite the low commitment to CG and best practices in Nigeria, Zenith Bank, an indigenous company had the highest assessment amongst the surveyed company. Mobil and Citibank were also assessed to have an outstanding performance. The implication of these finding is that there must be an active commitment to CG to have an outstanding performance in addition to training on CG during staff induction program.

100% of the companies surveyed scored 100% on question 9 i.e. ‘Unequal treatment of employees exists in our organization.’ This implies that the work places in Nigeria are not an egalitarian community where people are treated as equals. Without equality i.e. equal respect for each employees work there would be abuse of company values, policies, bad governance and anomie. Corruption would also thrive especially when some staff are treated as ‘untouchables’ or ‘Sacred staff who are above the law.’

30% of the companies with the lowest assessed commitment to question 5 are the multinational companies i.e. they rarely conduct Training on corporate governance to employee during staff induction program. This is an interesting revelation that should be compared with practices of multinational companies in other countries to find out if the practice in Nigeria is an exception to the rule. Also the supply of company rules / regulations that border on governance might address CG issues. Whatever be the case, these are not substitutes to conducting training on CG at employee inductions.

The overall average of MNCs on CG is 85% which is higher when compared to 81.88% of indigenous organisations, This can be attributable to their commitment to CG and best practices guidelines the MNCs adheres to.

The overall industry average on CG is 84% which is Lower than the Average of the MNCs but higher than the indigenous company average of 81.88%

Finally this set of questions on CG can be applied to any organisation for assessing their commitment to CG, and also to compare their assessment with the industry average. The scoring grid (Table 4.5) would be used for the rating / assessing. The desirable result is for a company to have and outstanding assessment (A-Rating) or at least and above average rating. Many studies have shown varied correlation (from none to positive) between corporate governance and organisational performances. In this study, a positive correlation was revealed in this study (Table 4.17 & Figure 4.13)

5.6 The assessments of Organisational performance in Nigerian organisations and the comparison between the multinational and indigenous organisations surveyed

It is very important to have assessments or ratings of Nigerian companies on organisational performances as a guide or tool for prospective or current stakeholders to make personal or corporate decisions. This study identified the commonest issues, problems and challenges faced by companies with respect to organisational performance in Nigeria. Also the surveyed companies were assessed and ranked from 1st to 10th position accordingly (Table 4.10).

In Nigeria today, ‘creative accounting’ and falsification of financial reports to shareholders is an issue. Unilever Plc formerly called Lever Brothers Nigeria limited engaged in presenting doctored / deliberately falsified financial reports to stakeholders to make the organisational performance ‘look good’. In this study the use of financial reports was not used to assess organisational. In a survey of more than 250 executives across a wide industry spectrum about issues related to value creation, some 85 % reported that they recognized the importance of investment in intangible assets like employees and customer (Boulton, Libert & Samek 2000). What is most interesting is that although CEOs ranked ‘customer satisfaction’ and ‘employee retention’ as the top two measurements of value creation, neither is included in today’s formal reporting system on issues related to value creation performance , rather other qualitative parameters which can be used to assess organisations were used.

One research supported what is increasingly recognized: much of the value being created today falls outside the formal financial reporting systems. Microsoft became the worlds most highly valued company in 1998. By January 1, 2000, its market value had climbed to some $60 billion. That’s the value perceived by investors even though the company’s book assets were only $31.3 billion at the end of the third quarter 1999 (Boulton, Libert & Samek 2000).

Companies are creating value in this millennium, by identifying the company’s most important sources of value – paying close attention to the intangible assets that fall largely outside the formal measurement system. In the new economy, sources of value include both traditional assets, such as financial and capital facilities and entirely new classes of assets. Transactions promoted by new technologies and the internet are building new markets and connecting people and companies in more efficient ways that compress time and space. The result is improved productivity and asset use.

Essential performance measures in the new millennium include tangible, financial and intangible assets in descending order as follows: Customer satisfaction, employee retention, revenue growth, profit margin, net operating margin, technology investment, brand recognition, market share, image of company amongst shareholders, return on assets, return on shareholders investments, price to earning ration and patent & new product development .

In this study, Nigerian Breweries (NB Plc) scored 100% using the scoring grid (Table 4.5) and was assessed as having an 'A- rating' (outstanding performance). On the other hand, MTN scored 70 % and was ranked 10th position with a 'C-rating' (average assessment) using the scoring grid.

Analysis of the question on Organisational Performance (Table 4.14) reveals very interesting and authentic results. In analysing the questions, all the respondents' answers per questions were scored in percentages and the questions were ranked from 1st to 10th position. The essence of the ranking of questions is to reflect organisational performance listed as questions 1-10 (Table 4.9) by the surveyed organisations

Table 5.4 Assessment of Organisational Performance questions from the questionnaire

Position (Ranking)	Question number	Score (%)	Assessment
1	9	100	Outstanding
2	8	95	Outstanding
2	6	95	Outstanding
4	4	93	Outstanding
5	5	90	Outstanding
5	7	90	Outstanding
5	10	90	Outstanding
8	3	88	Outstanding
9	1	73	Average
10	2	53	Average

From Table 5.4, the highest score on organisational performance in the surveyed companies was on question 9. (Ranked 1st – outstanding rating) i.e. 'Our organisation invests heavily on technology to enhance business processes'. 100% of organisation surveyed scored 100% on assessed questionnaire. Within the last decade technology has enhanced business transactions and earned incomes of organisation. Banks now invest heavily invest on technology in order to support online real time banking nationwide. Transaction can also be performed via telephone, internet, ATM machines etc. Investment on technology is not limited to the banking sector, the telecoms and oil and gas sectors also invest heavily on technology for their operations. In the public sector in Nigeria, there is still a lot of room for improvement as most processes and record storage are still manually done. This explains why there is high level of inefficiency, underperformance and corruption in the public sector in particular.

Question 8 and 6 are ranked second among the criteria for Organisational Performance. Question 8 states-'Our Company has been rated by an external party as an outstanding organisation with an award'. This revelation is very significant especially because the 'market valuation' is very important for the performance of the performance of an organisation shares/ stocks. Also an award is an attestation for outstanding performance in a specific area being assessed. 70% of the entire organisation surveyed had awards for outstanding performance. Also the rating of all the companies surveyed had and outstanding performance overall. Also question 6 revealed that ‘Our organisation has zero tolerance to bribery, corruption and unethical practices’. Corruption and unethical practices may account for short term profitability but this profitability is usually not sustainable in the long term and this has been shown with the celebrated Enron scandal in U.S.

Question 4- ranked 4th out of the 10 questions asked on organisational rating i.e. ‘We commit a percentage of our profit for Corporate Social Responsibility (CSR) endeavors’. All the respondents from only 30% of the companies surveyed explicitly. Companies that have a strong commitment to CSR are usually viewed as responsible by stakeholders and such companies also enjoy high patronages by customers in return and all these lead to increased earnings and customer retention. Nokia has benefited immensely from being committed to CSR and have awesome patronage and increasing earnings to in their financial reports.

Question 5, 7 and 10 ranked 5th and assessed as outstanding rating. Question 5 states ‘Our stakeholders and Investors derive outstanding value from our organisations’ Companies that create value to their customers usually get more investments from their current customers and are also able to attract new prospects from previous performances. A classical example is Microsoft which is a multibillion dollar organisation. In Nigeria, Guaranty Trust Bank and First bank as also examples of organisations that create value to stakeholders and they have been posting increasing profit in their ‘books’ year after year. Question 7 states ‘Our organisation commits a percentage of profit to research and new product development’. Again, Microsoft is a company associated with innovation, research and product development, thereby increasing its sales and profit margin and performance. In Nigeria, Guaranty Trust bank and Zenith bank are outstanding organisations in this area. Question 10 states-‘Our organization is perceived as highly ethical with credible board members by stakeholders’. Ordinarily, question 10 is a performance that should rank amongst the first three positions because credibility like reputation is a denominator for long term survival and growth of any company but this is not the case in this study. It is however remarkable that companies surveyed have rated these criteria highly for organisational performance

Question 1 was ranked as 9th position and assessed as average rating. Question 1 state – 'Our organisation has an outstanding reputation for superior customer service delivery in the industry we operate'. This is a noteworthy revelation in that respondents have rated customer service as in a distant 9th position of the entire 10 questions. Question ordinarily should be rated amongst the first three positions because essential performance measures in the new millennium include tangible, financial and intangible assets. The two highly criteria rated as first and second are customer satisfaction, employee retention respectively. The implication of the findings of this study is that companies must refocus and make more commitment to customer satisfaction if they are to be an effective organisation that desire outstanding organisation performance. 40% of the surveyed organisation had all their respondents attest to being reputable for customer service. An average rating is below expectation for sustained outstanding company performance. Clients that are satisfied would usually patronize and willingly encourage other customers to patronize customer centric companies, as such there must be active program in companies that would ensure superior customer service delivery with efficient protocols to handle complaints and grievances, management.

Question 2 was ranked 10th position and assessed as average rating. Question 2 state – 'Our employee retention is very high' (i.e. staff consider our organisation one of the best place to work and the reward system is noteworthy). Only 30% of all the respondent of surveyed organisations attest that their organisation id one of the best place to work. Again as earlier stated, employee retention is considered as the second essential performance measure on this millennium by some researcher. The implication of this finding is that employees are not strongly motivated to remain in their organisations for certain reasons which include their reward system. There is an age long adage that state that 'if you pay peanuts, you get monkeys'. A caution to this adage is that the reward system is not limited to salaries or allowances but include the staff welfare packages. It is very difficult to plan shot to long term corporate strategies with employees that are unwilling to remain in the organisation and surely the organisational performance is bound to be negatively affected with a high turnover rate of staff. One major factor that may account to this high turnover rate could be attributed to employee attitude toward staff that they can be easily and readily replaced in order words they are not rally valued. Companies must focus on fair and equitable reward systems that attract and retain employees if they are to always attain an outstanding organisational performance. Employees should be treated not as tools but value creation assets in an organisation.

This study has been able to reveal the commitment to the different organisational performance criteria in Nigerian organisations. What is noteworthy is that the companies focus on customer satisfaction and employee retention is very low (Average rating). This falls short of and expected outstanding assessments (A-rating) which should be the benchmark for essential performance measures. Companies should ensure that there is a company wide approach to superior customer service delivery and employee retention program.

A comparison of the MNCs and Indigenous organisation was analyzed also in the areas of Highest and poorest rating on organisational performance based on the company ratings on CG questionnaire respondents

Noteworthy of mentioning also is that 40% of all the companies surveyed had outstanding assessments on organisational performance. Out of the companies with outstanding assessment, 50% were multinational companies (MNCs) and 50% were indigenous companies. The four companies with outstanding ratings in descending order of scores are Nigeria Breweries, Zenith Bank, Mobil and Chevron. This reveals that commitment to criteria for essential performance measure is very critical in assessing organisational performance compared with the type of organisation (i.e. MNCs or Indigenous Company) .

100% of the companies surveyed scored 100% on question 9 i.e. Our organisation invests heavily on technology to enhance business processes ' This implies that the work places in Nigeria are creating value with the use of technology. All the surveyed organisations have websites and can transact with clients via the internet i.e. they are creating value to stakeholders seamlessly on 24 hour basis. With the nationwide branches of banks, the only logical way to serve customer online real time is via their technology infrastructure and this is also applicable to other sectors of the economy. There is however a sharp contrast in the level of investments when the private sector is compared with the public sector. The private sectors have committed more investments in use of technology and their operations are also driven by technology.

Of all the 10 companies surveyed only 20 % of the MNCs and 20% of the indigenous companies has all their respondents attest to the fact that employee retention is high and that they had a noteworthy reward system. The identical results between the MNCs and indigenous company is not surprising because of the discriminatory reward systems obtainable in both types pf companies but what is noteworthy is that some of the MNCs that subscribe to OECD guidelines of operating MNCs and best practices are aware that discriminatory wages between 'locals' and expatriate or international staff is condemned in the guidelines.

The overall average of MNCs on organisational performance is 84.5% which is lower when compared to 88.5% of indigenous organisations. This can be attributable to the share / equity ownership held by CEOs of indigenous companies surveyed compared to that CEOs in MNCs this has been reported in research studies. The CEOs of Zenith Bank & Guaranty Trust Bank (indigenous companies) are co-founder and substantial share holders of the companies. Also the CEO of UBA has substantial shares in the company although not a co-founder of the company

The overall industry average on CG is 86.5% which is higher than the Average of the MNCs but lower than the indigenous company average of 81.88%

Finally this set of questions on organisational performance can be applied to any organisation for essential performance measurement in the absence of financial reports or where they cannot be relied upon as authentic or reporting standards are not consistent. The scoring grid (Table 4.5) would be used for the rating / assessing. The desirable result is for a company to have and outstanding assessment (A-Rating) or at least and above average rating. Many studies have shown varied correlation (from nil to positive) between corporate governance, Vales-based leadership and organisational performances. In this study, positive correlations were revealed in this study (Table 4.17, Figure 4.12 and Figure 4.13)

5.6The proof of hypothesis and correlations between Values based leadership, corporate governance and organisational performance

This study confirmed the findings of previous researches and also revealed some noteworthy relationships amongst values based leadership, corporate governance and organisational performance. The results and analysis on proof of hypothesis are in section 4.6. Below are the discussions of the results

HYPOTHESIS 1

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or corporate governance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or corporate governance in Nigeria

The findings in this study and analysis of results (Fig 4.18) revealed the following

- Calculated Chi- Square (X^2)-21.11 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

This study confirmed that the assessment (ratings) of companies is dependent on their commitment to Values-based leadership or organisational performance in Nigeria. The ratings compared (Table 4.5) ranged from Poor (E), below average (D), Average (C), above average (B) and Outstanding (A)

From the study, it was revealed that companies that were committed to VBL also had high commitment to Corporate Governance in order words, there is a positive correlation and this was also confirmed in correlation studies in Fig 4.11.

Also the study confirms earlier studied that Values Based leadership and 'Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring. The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy. As a result, the cost of capital is lower and firms are encouraged to use resources more efficiently, thereby underpinning growth

HYPOTHESIS 2

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

The findings in this study and analysis of results (Fig 4.19) revealed the following

- Calculated Chi- Square (X^2)-47.78 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

This study confirmed that the assessment (ratings) of companies is dependent on their commitment to Values-based leadership or organisational performance in Nigeria. The ratings compared (Table 4.5) ranged from Poor (E), below average (D), Average (C), above average (B) and Outstanding (A)

From the study, it was revealed that companies that were committed to VBL also had very high commitment to organisational in order words, there is a strong and positive correlation and this was also confirmed in correlation studies in Fig 4.12.

Also the study confirms earlier studied that Values Based leadership has a very strong positive correlation of 0.81 with organisational performance. An organisation committed to VBL has outstanding organisational performance because staff are allowed to actively participate in decision making and participation in profits. If there is only participation in profits and not in decision making, people will not see any way of influencing the returns that come to them. If there is participating in decision making and not in profits, they will fill it is illegitimate because all the gain goes to the organisation (‘Values Added’ by

Peter O'Toole INC Jan 1986). Also, in an organisation with commitment to VBL, Values influences the decisions that are made and impact the courses of actions taken. The work organisation has values system in place and employee are committed to ideas, actions, decisions, directions which in turn creates financial profitability and value

HYPOTHESIS 3

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to corporate governance or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

The findings in this study and analysis of results (Fig 4.19) revealed the following

- Calculated Chi- Square (X^2)-15 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

From the study, there is a positive correlation and this was also confirmed in correlation studies in Fig 4.13.

It is often assumed that there is a direct and clear causal link between the actions of the board and the success of the organisation, measured in terms of such factors as profitability, reputation, and share price. In reality, this link to business performance is rarely strong, ranging from satisfactory to weak. This study revealed that the association between Corporate Governance and organisational performance is positive and weak. The value being 0.26 (Fig. 4.13)There is renewed emphasis on corporate governance—not only how well the organisation succeeds, but how well it is run and regulated, formally and informally.

An extensive worldwide survey conducted by McKinsey & Company found compelling evidence that the shares of companies perceived by informed investors to have strong and effective boards of directors command a premium of as much as 20% on their share price.

While it is difficult to prove conclusively that there is a direct causal relationship between the effectiveness of a company's board of directors and that company's performance in the marketplace, there is plenty of evidence to show that a weak and ineffectual board—especially one dominated by a powerful CEO—will sooner or later commit strategic or other errors that will seriously damage the company's performance, and in some cases bring it to the brink of ruin.

HYPOTHESIS 4

Null (Ho): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

The findings in this study and analysis of results (Fig 4.19) revealed the following

- Calculated Chi- Square (X^2)-25.33 is greater than Chi- Square (X^2) tabulated-7.82
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

From the study, it was revealed that companies that the rating of a company using the rating grid (Table 4.5) was dependent on the type of company. From Table 4.8, the average score of the assessed multinational companies was 83% which is higher than 76.5% obtained by indigenous organisations. This is also illustrated in on fig 4.4. The study shows that the ratings or performances of MNCs were better than those of indigenous companies when compared.

The MNCs in this study are mainly from developed countries that are subjected and committed to codes and policies on best practices and Corporate Governance. In addition there are enforcement agents that ensure that defaulters are punished. Studies and reports on Nigeria have revealed massive corruptions amongst CEOs in the private and public sector and also the enforcement agencies are very few and therefore defaulters have higher chances of getting away with wrong practices and poor CG. Only one of all the organisations surveyed had a VBL rating of below average and this was an indigenous organisation

Despite the revelation of this study it is noteworthy to state that 40% of the organisations that were assessed as having outstanding rating on commitment to VBL were indigenous organisations.

HYPOTHESIS 5

Null (Ho): Assessments (Ratings) of companies on Corporate Governance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

The findings in this study and analysis of results (Fig 4.19) revealed the following

- Calculated Chi- Square (X^2)-6.67 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

From the study, it was revealed that companies that the rating of a company on corporate governance using the rating grid (Table 4.5) was dependent on the type of company. From Table 4.9, the average score of the assessed multinational companies was 85% which is higher than 81.88% obtained by indigenous organisations. This is also illustrated in on fig 4.7. The study shows that the ratings or performances of MNCs were better than those of indigenous companies when compared.

The MNCs in this study are mainly from developed countries that are well regulated and comply with codes such as Sarbanes and Oxley act 2002 for quoted companies in USA and also OECD principles guidelines for European MNCs. There are codes in Nigeria but there is still lack of strong commitment to good Corporate Governance and committed to codes and policies on best practices and Corporate Governance. In addition there are enforcement agents that ensure that defaulters are punished. Studies and reports on Nigeria have revealed massive corruptions amongst CEOs in the private and public sector and also the enforcement agencies are very few and therefore defaulters have higher chances of getting away with wrong practices and poor CG.

Despite the revelation of this study it is noteworthy to state that the organisations with the highest score on CG assessments is an indigenous organisation which buttresses the point that commitment to good Corporate Governance requires a strong corporate commitment by just any company to have an outstanding rating

HYPOTHESIS 6

Null (Ho): Assessments (Ratings) of companies on organisational performance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

The findings in this study and analysis of results (Fig 4.19) revealed the following

- Calculated Chi- Square (X^2)-12 is greater than Chi- Square (X^2) tabulated-5.99
- The distribution is significant.

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

From the study, it was revealed that companies that the rating of a company on organisational performance using the rating grid (Table 4.5) was dependent on the type of company. From Table 4.16, the average score of the assessed multinational companies was 84.5% which is lower than 88.5% obtained by indigenous organisations. This is also illustrated in on fig 4.10. The study shows that the ratings or performances of Indigenous companies were better than those of multinational companies when compared.

The Indigenous companies in this study like other MNCs surveyed are rated as the most respected companies in Nigeria as such the high rating on organisational performances is justifiable. The indigenous companies listed are listed on the stock exchange and in a study of five year cumulative returns of fortune magazines survey of ‘ most admired forms’, Antunovich et al found that those ‘most admired’ had an average return of 125% whilst the ‘least Admired’ returned 80% .

Some researchers have found that the largest CEO performance incentives came from ownership of the firm's shares, while other researchers found that the relationship between share ownership and firm performance was dependent on the level of ownership. The level of share ownership amongst the CEOs of the indigenous companies like Zenith, GTB and UBA is high when compared with the MNCs and this may support research findings

CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary of findings

Since independence in 1960, Nigeria has undergone series of economic and political upheavals and experimentation and has been led more by military dictators that seize power by the barrels of guns. After the latest period of military dictatorship—under Generals Ibrahim Babangida (in power 1985–93) and Sani Abacha (in power 1993–98)—the country's reputation for economic mismanagement and corruption worsened considerably but, after the sudden death of Abacha in 1998, a new experiment with democracy was begun in 1999. The consequences of long dictatorship government in Nigeria since independence has also negatively influenced the leadership styles of democratically elected leaders and leaderships of public and private sector organisations

This study is therefore predicated on the need to assess the impact of values-based leadership and corporate governance on organisational performance. The summary of findings from the study is presented based on the following subject headings:

- General information on the surveyed organisation and characterization of the respondents and organisation surveyed
- The assessments of Values Based Leadership in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The assessments of Corporate Governance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The assessments of Organisational performance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed
- The proof of hypothesis and correlations between Values based leadership, corporate governance and organisational performance

General information on the surveyed organisation and characterization of the respondents and organisation surveyed

This study revealed some valuable data on the average employee ages, CEO tenure, qualification status and age ranges of the survey institutions that cuts across publicly quoted and privately owned companies. This information should serve as a reference for future researchers especially because such statistics are not readily available in literature neither are they data based in Nigeria for retrospective, longitudinal or prospective studies.

Evidence from literature studies and analysis of findings from this study revealed as follows:

- The response rate to the distributed questionnaire was 100%. This was achievable because of the unambiguous closed –structured questions that could be completed within 6-10 min and also prior appointments were made with respondent and anonymity of respondents was emphasized.
- The male: female ratio amongst respondents was 1:1. The value this adds to the authenticity of this report is the balance that corrects for any gender issues or perceptions held by the different sexes
- The surveyed organisations are representative of organisation in the private sector of the economy. They included both publicly quoted and privately owned companies. 50% were multinational companies and 50% were indigenously owned companies
- This study revealed that 50% of the respondents had worked for between 11-20 years and the all possessed a minimum of B.Sc or HND qualification from a tertiary institution, whilst 35% possessed Masters qualifications from a university
- Noteworthy in this study is that the average CEO tenure in Nigeria is 4.3 years which is similar to the 4 years of single-term tenure for a democratically elected president in Nigeria or The United States of America. The longest serving CEO who has worked as a founding CEO for 16 years (Jim Ovia of Zenith Bank PLC)

has shown outstanding commitment to VBL and Zenith Bank was rated as the best rating amongst the companies surveyed in this study

The assessments of Values Based Leadership in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed

One of the greatest challenges in Nigeria today is the lack of Values-Based Leaders and leaderships in organisations. Since independence, Nigeria has been led by corrupt heads of States Such as General Sanni Abacha and this has not been limited to the public service, In the private sector, Late Mr. Rufus Giwa, CEO of Lever Brothers Limited (Now UNILEVER Plc) was alleged of corrupt practices which included falsification of financial reports of the companies to shareholders (creative accounting)

This study has assessed surveyed companies and also designed a questionnaire and grid tables (fig 4.5) for stakeholders or anyone to make personal or corporate decisions on the commitment of organisations to VBL.

- The overall industry average on commitment to Values-Based Leadership in surveyed organisation is 79.75. The Multinational organisations surveyed had an average of 83% and indigenous organisations had an average of 79.75
- This study has revealed that 50% of all the companies surveyed had outstanding assessments on VBL
- Also this study has been able to reveal the commitment to different VBL criteria in Nigerian Organisations. The commitment to Integrity , honesty , fairness, transparencies collectively fall short of outstanding assessments which should be the benchmark for assessments
- This study confirms finding of other studies that there is a strong positive correlation coefficient of 0.81 between values base leadership and organisational performance. Companies that were very committed to VBL also had high commitment to organisational performance

- The highest commitment to VBL as attested to by respondents in the surveyed companies was on question 9 which states: 'Policies, regulations and rules exist and are well stated and strictly adhered to by our employees.

- The least commitment to VBL as attested to by the respondent in the survey was on question 4 and 8. The respondents do not perceive their leadership to have high level of self confidence or confidence in junior colleagues (Question 4). Also the respondents least rated question 8 i.e. 'Employees feel a strong sense of mutual trust , fairness, consistency and transparency in the organisation (i.e. emotions, feelings and personal beliefs are not locked inside but are openly communicated)

The assessments of Corporate Governance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed

Corporate governance is a multifaceted subject, but an easy approach may be to simply adopt one size fits all model. But academic research shows that there is no governance 'magic bullet and no substitute for thoughtful contextual analysis. Relevant rules include applicable laws of the land as well as internal rules of a corporation. Relationships include those between all related parties; the most important are the owners, managers, directors of the board, regulatory authorities and to a larger extent employees and community at large

This study has been able to achieve a tool /mechanism for assessing commitment of organisations to corporate governance without employing financial statements that are often falsified, created or overstated. The study also confirmed that there is a positive correlation between CG and organisational performance

This study has assessed surveyed companies and also designed a questionnaire and grid tables (fig 4.5) for stakeholders or anyone to make personal or corporate decisions on the commitment of organisations to Corporate Governance.

- The overall industry average on commitment to Corporate Governance in surveyed organisation is 84%. The Multinational organisations surveyed had an average of 85% and indigenous organisations had an average of 79.75
- This study has revealed that 30% of all the companies surveyed had outstanding assessments on VBL
- Also this study has been able to reveal the commitment to different CG criteria in Nigerian Organisations. The commitment to training on corporate provided to employee during staff induction program in all surveyed companies is rated as average. This assessment fall short of benchmark rating .This should be an outstanding assessment.
- This study confirms finding of other studies that there is a positive correlation coefficient of 0.26 between values base leadership and organisational performance. Also noteworthy in this study, Companies that were rated as having outstanding commitment to CG had outstanding assessment on Organisational performance
- This study revealed that all respondents attested that ‘ Unequal treatment of employees exists in their organisation (Table 4.9 Question 1) Outstanding commitment to CG as attested to by respondents in the surveyed companies was on question 2 which states: ‘Does the company have a written code of conduct / ethics that is distributed to all employees?.

The least commitment to CG as attested to by the respondent in the survey was on question 5 and 6. Question 5-‘Training on corporate governance is provided to employee during staff induction program’. Question 6- Does your board have a governance committee to help the board perform to its best in assisting the company to achieve its objectives?

The assessments of Organisational performance in Nigerian organisation and the comparison between the multinational and indigenous organisations surveyed

In this study the use of financial reports was not used to assess organisational. Also this study has been able to achieve a tool /mechanism for assessing commitment of companies to organisational performance without employing financial statements that are often falsified, created or overstated. Companies are creating value in this millennium, by identifying the company's most important sources of value – paying close attention to the intangible assets that fall largely outside the formal measurement system. In the new economy, sources of value include both traditional assets, such as financial and capital facilities and entirely new classes of assets. A major challenge in Nigeria today is assessing companies on organisational performance especially because of falsified accounting reports that have been presented to stakeholders of organisations in making informed decisions. Within the past decades, banks such as Savannah and Peak Merchant banks that had healthy financial reports had their licenses withdrawn by the Central Bank of Nigeria because they were financially distressed and could no longer meet obligations of stakeholders. Also the issue of creative accounting / falsification of financial reports are also a major problem. Unilever Plc formerly called Lever Brothers Nigeria limited engaged in presenting doctored / deliberately falsified financial reports to stakeholders to make the organisational performance 'look good'.

The study also confirmed that there is a positive correlation between VBL & organisational performance and also corporate governance and organisational performance.

This study has assessed surveyed companies and also designed a questionnaire and grid tables (fig 4.5) for stakeholders or anyone to make personal or corporate decisions on the commitment of companies to performance.

- The overall industry average on commitment to organisational performance in surveyed organisation is 86.5%. The Multinational organisations surveyed had an average of 84.5% and indigenous organisations had an average of 88.5%
- This study has revealed that 40% of all the companies surveyed had outstanding assessments on organisational performance.

- Also this study has been able to reveal the commitment to different organisational performance criteria in Nigerian Organisations. The average commitment to Staff retention in surveyed companies is as average i.e. this assessment fall short of benchmark rating that should be an outstanding assessment.
- This study confirms finding of other studies that there is a strong positive correlation coefficient of 0.81 between values base leadership and organisational performance. The correlation coefficient between corporate governance and organisational performance is positive with a value of 0.26. Also noteworthy in this study, Companies that were rated as having outstanding commitment VBL & CG had outstanding assessment on Organisational performance
- This study revealed that all respondents attested to commitment to staff retention as being the overall lowest assessment in question 2 (Table 4.13) which state 'Our employee retention is very high (i.e. staff consider our organisation one of the best place to work and the reward system is noteworthy)'
- The most outstanding commitment to organisational performance is attested to by respondents in question 9, which states 'Our organisation invests heavily on technology to enhance business processes'.

The proof of hypothesis and correlations between Values based leadership, corporate governance and organisational performance

This study confirmed the findings of previous researches and also revealed some noteworthy relationships amongst values based leadership, corporate governance and organisational performance. The results and analysis on proof of hypothesis are in section 4.6. Below are the discussions of the results

HYPOTHESIS 1

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or corporate governance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or corporate governance in Nigeria

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 2

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to Values Based Leadership or Organisational performance in Nigeria

HYPOTHESIS 3

Null (Ho): Assessments (Ratings) of companies are independent of their commitment to corporate governance or Organisational performance in Nigeria

Alternative (H1): Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

Conclusion

- Reject Ho
- Assessments (Ratings) of companies are dependent of their commitment to corporate governance or Organisational performance in Nigeria

HYPOTHESIS 4

Null (Ho): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on Values Based Leadership in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 5

Null (Ho): Assessments (Ratings) of companies on Corporate Governance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on Corporate Governance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

HYPOTHESIS 6

Null (Ho): Assessments (Ratings) of companies on organisational performance in Nigeria is independent of the type of company (i.e. Multinational or Indigenous)

Alternative (H1): Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Conclusion

- Reject Ho
- Assessments (Ratings) of companies on organisational performance in Nigeria is dependent of the type of company (i.e. Multinational or Indigenous)

Correlation coefficients

This study confirmed the following on the impact of values based leadership and corporate governance on organisational performance

- There is a strong positive correlation of coefficient with a value of 0.81 between VBL and Organisational Performance
- There is a positive correlation of coefficient with a value of 0.31 between VBL & CG
- There is a positive correlation of coefficient with a value of 0.26 between CG & Organisational performance

6.2 CONCLUSIONS

The main thrust of this study apart from assessing then impact of values based leadership and corporate governance on organisational performance, is to emphasize the need for a new and total commitment to Values based leadership and corporate governance in both the public and private sector of the economy in Nigeria for sustainable and value creating performances by organisations

Values Based Leadership and Corporate Governance is very important now than ever before in Nigeria for ensuring sustainable value creation in companies and communities. Since independence in 1960 Nigeria has been led by selfish and corrupt military and democratically elected leaders. Also, there have been nine military coups of which force and the barrel of the gun has been the important credential to occupy the number one citizen status of head of state. The outcome of the accumulated coercive leadership by the military has extended to the civil service and public sector of the economy where massive abuse of corruption and bad governance also exist.

This study focused on Values based leadership (VBL) and corporate governance and confirmed the strong positive correlation of coefficient that exists between VBL and Organisational performance. Also the objectives of these studies were achieved and research questions were answered.

Value based leadership is a relationship between an individual (leader) and one or more followers based on shared strongly internalized ideological values espoused by the leader and strong followers' identification with these values. With VBL in any company, value creation for the staff and company is ensured because staff loyalty is not an issue. Loyalty like VBL is the fuel that drives financial success and prosperity of the company. Leaders too often confuse profits with purpose, therefore taking the low road to short-term gains at the expense of employees, customers, and ultimately investors.

According to Kofi Annan (UN Secretary General), 'Good Governance and sustainable development are indivisible. That is the lesson of all our efforts and experiences from Asia to Latin America. Without good governance- without the rule of law, predictable administration, legitimate power and responsive regulation- no amount of funding, no amount of charity will set us on path of prosperity'.
This study confirmed the statement and study of Kofi Annan & Mckinsey respectively by revealing a positive coefficient of correlation between corporate governance and organisational performance.

Noteworthy in this study, there is a high commitment of company leadership to having policies, regulations and rules that are well stated and strictly adhered to by employees. The major issue and challenge revealed from this study is that the employee perceives that the expected strong sense of mutual trust, fairness consistency and transparency in the organisation falls has the lowest commitment of the organisation leadership. It is therefore not surprising that employees are usually willing to sacrifice or put in their best in their organisation because they do not perceive their employers as very transparent, trustworthy and fair.

This study also revealed the company is strongly committed to distributing a written code of conduct to their employees. The least commitment to the measured CG criteria reveals that training on CG during staff induction program should be improved upon also being the poorest assessment

Multinational companies (MNC's) had a higher average assessment on VBL and CG when compared with the indigenous organisations. This could be explained with the higher commitment to best practice and CG by the MNC's). In Nigeria, little has been done to set up a model to be followed perhaps because the publicly quoted companies are still very inactive (with exception of few sector e.g. Banking) because of their capitalisation. It should however be stated that in October 2003, Securities and Exchanges Commission (SEC) formally codified the corporate governance tenets contained in publication titled 'Code of Corporate Governance in Nigeria. The average assessment of organisational performance in the indigenous organisations was higher that that of MNC's. This could be attributable to the fact that the over 50% of CEO's of the indigenous have high level of ownership in the shares of the organisation and confirms findings of previous researchers.

Within the Last eight years, noteworthy of mentioning is that Nigeria has also produce some outstanding leaders that have distinguished themselves globally as anti-corruption crusaders and locally created values for the stakeholders and the Nation despite the high level of corruption in Nigeria. Mr. Nuhu Ribadu, the Chairman of Economic and Financial rime Commission (EFCC) has waged a strong war against money launderers and financial crime offenders and advance fee fraud tricksters. With Ribadu's efforts, Nigeria has gained over 20 points from being the second most corrupt country five years ago in the Transparency International survey of countries world wide (Wikipedia 2006). Also worthy of mentioning is Prof. Dora Akunyili, the Director –General of NAFDAC who was recognized and awarded the most prestigious award by Transparency International as the most outstanding anti-corruption crusader in 2004.

In this study, organisational performance was measured using non-financial parameters because it is not uncommon for companies to present falsified figure. Also in line with the extensive research in value creation Low .J and Kalafut P.C. estimate that fully one third of an organisation's value is derived from elements that can't be seen such as brand equity, strategy execution, reputation and innovative culture (Low J & Kalafut P C 2002). Respondent attested to organisational performance criteria with the highest assessment as:
- 'our organisation invests heavily on technology to enhance business processes'
On the other hand the organisational performance criteria with the least commitment and score is on employee retention i.e. 'our employee retention is very high (i.e. staff consider our organisation one of the best place to work and the reward system is noteworthy)'. In this study, six hypotheses were tested and the results were analyzed and confirmed.

The study on the impact of values based leadership and organisational performance would have been an easy one if a national guidelines for VBL, CG and Organisational assessment criteria / measures are in place or operational. Also if the financial reports are reliable and readily available for research studies or assessment, studies of this nature would be easier. This study was also tasking especially when monitoring of organisational performance is not a routine activity. The lack of quantitative measures for organisational performance gives an alternative approach and partially complete picture; therefore it is obvious Nigeria is easily handicapped in assessments and ratings of companies due to poor reporting, recording and dissemination of such information by the Corporate Affairs Commission (CAC) in Nigeria.
It is noteworthy to mention that despite the establishment of regulators and acts in Nigeria that should ensure best practices and good governance, unending malpractices and bad governance is still very prevalent in both public and private sectors. Such acts in Central Bank of Nigeria Act (CBN Act), Company and Allied Matters Act (CAMA), Investments and Securities Act (ISA), Banks and Other Financial Institutions Act (BOFIA), Insurance Act (IA), National Insurance Commission Act, Corporate Affairs

Commission (CAC). The main deductions why corruption and bad practices persists is because of poor enforcements of penalties by responsible enforcers, very poor values amongst company leaderships, inadequate commitment of companies on VBL & CG

This study has been able to design and contribute to the body of knowledge by providing an easy to use questionnaire and rating /scoring grid for assessing the impact of Values Based Leadership and Corporate Governance on Organisational performance. With these assessment tools, organisations would be able to optimize all their assets (human, financial, technology, material etc) in creating sustainable value and incremental organisational performances year on year

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6.3 RECOMMENDATIONS

1. Values Based Leadership and Corporate governance are essential for creating values in organisations community and in the country and make Nigeria deviate form the unending bad practices, embezzlement of funds and mass corruption that currently prevail in Nigeria. It is therefore, recommended that government in addition to regulators should consider adopting a pragmatic approach to redirect best practices in Nigeria in line with the trends in the developed countries. To this end, policies such as Organisation for Economic Cooperation & Development (OECD) 2004 guidelines for Good governance should developed and adopted for operating companies in Nigeria

2. Combating corruption. Several anticorruption institutions have been established by the government such as, Independent Corruption Practices Commission (ICPS), Economic ad Financial Crimes Commission (EFCC), Cyber-Crime Commission, Code of Conduct Bureau. Despite the existence of these institutions, crime and corruption rates are high in organisations and communities. It is recommenced that these institutions should be strengthened with appropriate capacity, funding and legal powers. (G-8 commission 2004)

3. Promoting transparency and accountability and trust. The leaderships of many organisations are not committed to transparency, fairness trust and accountability and these has negative impact on the communities they operate in addition to misleading stakeholders and de-motivating employees. It is recommended that government should put pressures on Multinational companies to reveal the size and signing bonuses and new contracts in areas such as Oil & Gas. Leaders should be made accountable for their wrong doings by enforcements of appropriate sanctions i.e. there would be no sacred cows.

4. Training and Compulsory Continuing Program on Education (CPE). This study revealed that the commitment to training on CG during employee induction rated least amongst other CG criteria assessed. Training and Education is the most important method of passing knowledge on CG to employees. Some companies such as the Diageo of which Guinness Nigeria PLC is a subsidiary shares its new code of business conduct to build on the company commitment to Good governance. It is recommended that

regulatory bodies (e.g. CBN) ensures that they design similar documents for companies and each employee is made to read, understand and commit to comply with the code

5. VBL, CG & Performance Measurements. Many companies in Nigeria fail to thrive and others have ceased to exist due to bad corporate Governance has was experience in the Enron saga. Apart from encouraging companies to establish and also attracting foreign investors, it is recommended that government should produce policies that would also evaluate commitments to VBL and CG. Also sanctions should be enforced on companies that are found wanting. An example of such suggested policy document that has been created is the OECD guidelines for multinational enterprises, the financial aspects of Corporate Governance UK, Sarbanes and Oxley act 2002 etc

6. Improving the investment climate: In Nigeria the cost of doing business is very high and one of the logical approach is for companies to attempt to 'beat the system' Sharp practices is replaced with best practices and the frustration of leadership rubs on the employees very often. It is recommended that the Government should go the way of China, India and Uganda that are reaping the rewards of improving their investments climates. Government should improve infrastructure such as quality of power, transportation and telecommunications. Also macroeconomic instability and policy uncertainty is a major issue and unending challenge that organisations have to contend with

7. Law enforcement agents: The corruption amongst the staff of the police force and some enforcement agencies is high. It is not uncommon for Leaders to thrive and report 'good' company reports because they are sure to bribe their ay through crime. Even when cases of malpractices are reported the police only respect the highest 'briber'. This has greatly contributed to people resorting to disregarding good governance and VBL. It is recommended police force and other enforcement agents are to be given better compensation and also education and training that would motivate them to enforce sanctions

8. Employer employee relationship: The level of anomie is high amongst employees because they perceive that employers are not trustworthy, fair and consistent. This is most common in organisation where corporate vision and mission statements are not shared with employee and they also consider that they are not valued. The low employee morale directly leads to poor performance and often a high turnover rate in the companies. It is recommended that associations such a National Employers Consultative Association (NECA) should improve staff compensation and welfare packages in addition to personnel development.

9. Institutions: There is a dearth of institutions that provide formal training on leadership and Corporate Governance in Nigeria despite the strong correlation between VBL and organisational performance. The major challenge is that in Nigeria getting into leadership can be as easy as rigging elections or bribing ones way through to automatically evolve overnight into a leader. To change this trend focus of governments or even universities should be to establish leadership training institutes or faculties where leadership skill is learned.

10. Africa Peer Review Mechanism: About 23 African countries have agreed to the African Peer Review Mechanism (APRM), a system of review to monitor their own political and economic performance. It is recommended that government should show more commitment to Good governance in a similar manner like Ghana, the country setting the pace in the exercise. Areas in which the government should focus on include but are not limited to executive effectiveness, economic management, corruption control and electoral process. Democratic governance and respect for human rights are the foundations for political ad social stability

11. Organisational performance: The get rich quick syndrome of organisations irrespective of whatever way the wealth is created should shift to creating value by committing to best practices, ethical behaviour, corporate social responsibility, VBL and Corporate governance. Organisations have reduced performances to financial profits only and tend to value even the staff training and development as important. All this must change and it is recommended that non financial parameters such as employee retention,

investment in technology, production development, brand equity etc should be used as also key indicators in measuring performances.

12. Code of Best Practices. The code best practice in Nigeria has commendable recommendations but they are voluntary and cannot be enforced. Companies should be enforced by appropriate regulators such as CAC & NSC to show compliance with the code in Annual returns to CAC or in the annual general meeting of the companies. Also NSE should request a statement from each listed company spelling out if the company did not comply with the code of best practices. If not, NSE should request that an explanation be given as to why the company is not in compliance

13. Corporate Social Responsibility. Publicly quoted companies in addition to privately owned Multinational organisations should be mandated that they should commit a percentage of their profit to the socio-economic and environmental development of the communities they operate in.

14. Values Base Leadership Check list: It is important that there is an evaluation or systematic assessment of companies for values based leadership in order to entrench good values and sustained organisational performance. There are some tools which can be used by companies for self assessment to know whether there is outstanding commitment to Values Based Leadership in the company. One of the tools for said self assessment has been developed by the researcher, in the form of a set of questionnaires with a scoring grid, which can be completed and assessed by the companies themselves

15. Corporate Governance Check list: It is important that there is an evaluation or systematic assessment of companies for good Corporate Governance in order to know whether the corporate governance of a company is already well implemented. There are some tools which can be used by companies for self assessment to know whether there is outstanding commitment to Corporate Governance in the company. One of the tools for said self assessment has been developed by the researcher, in the form of a set of questionnaires with a scoring grid, which can be completed and assessed by the companies themselves

Finally, the recognition that VBL and CG have a positive impact on organisational performances must now have a central position in the corporate direction and code of best practices of organisation. It is not enough to also have sanctions, but they must be enforceable and all the parties implicated must be sanctioned when an offence is committed. Enron and Arthur Anderson paid the 'ultimate price' but that was because there was sanction in place to check the bad corporate governance of Enron and unprofessional conduct of Anderson and importantly, the regulators were committed to enforcing the sanctions.

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LIST OF APPENDIX

APPENDIX I: Questionnaire

The Impact of Value-Based Leadership and Corporate Governance On Organizational Performance

Dear Respondent,

This survey is designed to ascertain the impact of value-based leadership and corporate governance on organizational performance.

Please note that names of respondent are not required, the forms should be completed honestly and all information supplied is confidential. Kindly respond to each question according to your experience in your **current employment**. This study (PhD project) should assist in identifying the impact of values that promote organizational performance. The results would be used in planning and designing performance related programs in the immediate future.

Thank you.

With Best Regards,

Dr Abiodun Osiyemi
PhD Student, St Clements University
Email: aosiyemi@yahoo.com
Tel: **0803-300-8505**

Section A. General Information: Kindly tick (X) where applicable

1. Sex: Male ______ Female________
2. Marital Status: Single _________Married _____________others______
3. Age: 20-29_____30-39_____40-49_____50-60____Over 60___
4. Nationality: Nigerian______ Non-Nigerian___________
5. Name of Organisation:_______________________ Age of your organisation: _____
6. How long has your current CEO occupied the position: (years) _________
7. Web site address of organization:_____________________
8. Staff level (cadre): Below manager ___ full Manager &above____ Director____ Others (Specify)_______
9. What is your highest academic qualification: ___________________________
10. List any professional qualification:____________________________________
11. Work experience (years) : 1-5__ 5- 10 ___ 11-20___ 21- 30___ Over 31_____

Instruction on How to respond to all questions

Kindly respond to each question according to your experience in your current employment, using the following format.

Section B. VALUE-BASED LEADERSHIP

Please mark appropriate box applicable to you with X and be as honest as you can.

		Yes	**Not sure**	**No**
1	Our vision and mission statement is commonly agreed-upon and understood, and adopted by all employees.			

2	Our management has very high leadership determination, persistent and self confidence in the ideas of the vision and corporate values			
3	Management ensures to communicate the significance of best practices at all times and high performance to staff.			
4	Our leadership display a high level of self confidence and also confidence in junior colleagues			
5	Our leadership and management display high level of integrity (i.e. they are trustworthy)			
6	Our culture is highly supportive of and greatly respects individual differences, needs and issues			
7	Individual employees are rewarded for creativity , innovation and teaming			
8	Employees feel a strong sense of mutual trust, fairness, consistency and transparency in the organisation (i.e. emotions, feelings, and personal beliefs are not locked inside but are openly communicated)			
9	Policies , regulations and rules exist and are well stated and are strictly adhered to by our employees			
10	Our management / leadership have zero tolerance to corruption and mal-practices			

Section C. CORPORATE GOVERNANCE

Please mark appropriate box applicable to you with X and be as honest as you can.

		Yes	**Not sure**	**No**
1	Does your company have a written code of corporate governance wherein the rights of shareholders and duties of the boards are specified?			
2	Does the company have a compliance officer whose task is to ensure full compliance of the company with existing laws and regulations?			
3	Does your board have a code of ethics to prevent conflicts of interest and to ensure that the highest standards of ethics are followed in word and deed?			
4	There is a good alignment (relationship) between the Board and Management in our organisation			
5	Training on corporate governance is provided to employee during staff induction program.			
6	Does your board have a governance committee to help the board perform to its best in assisting the company to achieve its objectives?			

7	Does the company have a written code of conduct / ethics that is distributed to all employees?			
8	Our company will terminate the appointment of any staff found guilty of giving or receiving bribe.			
9	Unequal treatment of employees exists in our organization.			
10	The board of directors of our organisation is perceived as highly ethical, responsible and valuable to all stakeholders. (I.e. investors/shareholders, employees etc.)			

Section D. Performance Measurement

Please mark appropriate box applicable to you with X and be as honest as you can.

		Yes	**Not sure**	**No**
1	Our organisation has an outstanding reputation for superior customer service delivery in the industry we operate			
2	Our employee retention is very high (i.e. staff consider our organisation one of the best place to work and the reward system is noteworthy)			
3	The brand reputation of our organisation is associated with excellence and quality service			
4	We commit a percentage of our profit for Corporate Social Responsibility endeavors			
5	Our stakeholders and Investors derive outstanding value from our organisations			
6	Our organisation has zero tolerance to bribery, corruption and unethical practices			
7	Our organisation commits a percentage of profit to research and new product development			

8	Our company has been rated by an external party as an outstanding organisation with an award			
9	Our organisation invests heavily on technology to enhance business processes			
10	Our organization is perceived as highly ethical with credible board members by stakeholders.			

Thank you, for completing this questionnaire

Please return form to

Dr Abiodun Osiyemi

PhD Student St Clements University

Email: **aosiyemi@yahoo.com,**

Tel: **0803-300-8505**

APPENDIX II: Nigeria – Key Facts

Source: BUSINESS. The Ultimate Resource. Bloomsbury publishing plc 2002.pp 1654-6

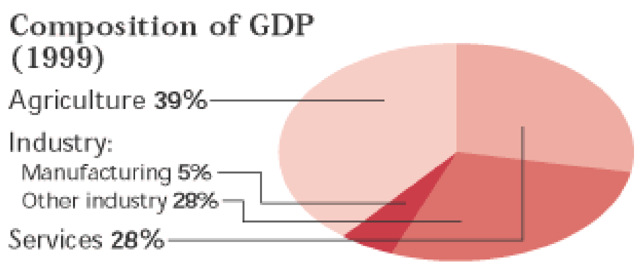
Nigeria

Key Facts 1999

GNI	$31,600 million; world's 57th
GNI pc	$260; world's 187th
Head of government	president
Currency	naira (N)

Capital	Abuja
Population	108,945,000, growing at 2.5% p.a.
Land area	910,800 square km
Population density	120 per square km
Life expectancy	50 years
Infant mortality	112 per 1,000 live births
Languages	English, Hausa, Yoruba, Ibo, and other languages
Best buy	textiles, jewellery, carvings

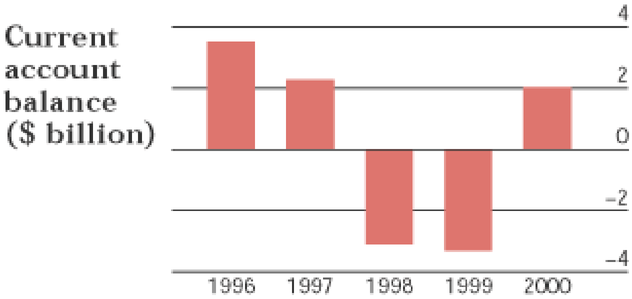
Economic Structure



Africa's most populous country, Nigeria has undergone a series of political and economic upheavals since its independence in 1960. Having survived a civil war, in which the Ibos of the south-east sought to break away but were eventually forced to surrender in 1970, the country subsequently fell increasingly under the control of military rulers. Successive experiments with democracy tended to founder because of the interaction of complex regional, ethnic, and religious differences across the country. After the latest period of military dictatorship—under Generals Ibrahim Babangida (in power 1985–93) and Sani Abacha (in power 1993–98)—the country's reputation for economic mismanagement and corruption worsened considerably but, after the sudden death of Abacha in 1998, a new experiment with democracy was begun in 1999. A former military ruler, Olusegun Obasanjo, was voted in as president with declared objectives to root out corruption and to restore good economic management. The federal government is the dominant political force in the country, although there are also 36 state governments and about 800 local government areas.

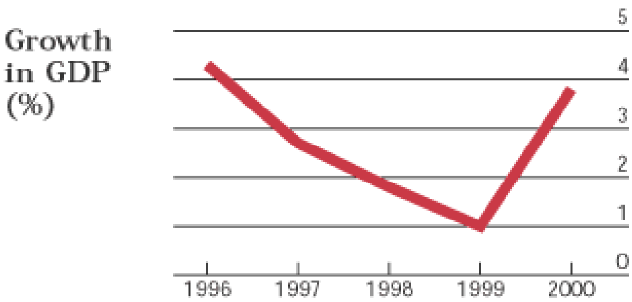
Formerly reliant on its agricultural productivity and diversity, since the early 1970s the Nigerian economy has been dependent almost entirely on crude oil exports, and as a result has suffered a series of economic ‘booms and busts’. Between 1972 and 1974 the federal government’s earnings from oil jumped by a factor of five, and oil has ever since accounted for at least 65% of government revenues and 90% of national exports. While the domestic economy continued to be dominated by agriculture for many years, even this pattern has begun to change, with the oil industry now contributing 40% of GDP and agriculture only 28%. In addition, the manufacturing sector has not kept pace despite very heavy investment in industry in the 1970s and early 1980s. The contribution of manufacturing to GDP currently stands at only 4%.

The heavy financial influence of the government has tended to discourage the growth of a genuine private sector in Nigeria, and it has also undermined the efficiency and delivery of basic services. The government’s accumulation of heavy foreign and domestic debts in the financing of projects, most of which failed to deliver financial returns, has also became a severe deterrent to new initiatives. A succession of financial and political crises in the 1980s and 1990s severely undermined investor confidence and, although there was a gradual liberalisation of legislation governing foreign investment, the business climate failed to improve. Since the early 1980s, the only attraction for significant foreign investment has been in the oil and gas industry, and this pattern seems set to continue, especially as several major new finds of oil and gas have been made in offshore waters.



In the 1980s and 1990s there was only very limited privatisation across the economy. The most significant withdrawal of government ownership occurred in the banking sector. The largest state-owned companies, and particularly the Nigerian National Petroleum Corporation (NNPC), the National Electric Power Authority (NEPA), and Nigeria Telecommunications (Nitel), persistently failed to perform the tasks for which they were established as monopoly providers. Although their continued existence was a matter of national pride for successive governments, their functioning tended to become distorted by political influences, which not only left the financial accounts of these state-owned companies in disarray, but also undermined any efforts to privatise them. In view of their controversial history, any sale of shares in these largest enterprises could be expected to prove equally contentious. Arrangements to privatise NEPA and Nitel were, however, beginning to move forward in early 2002.

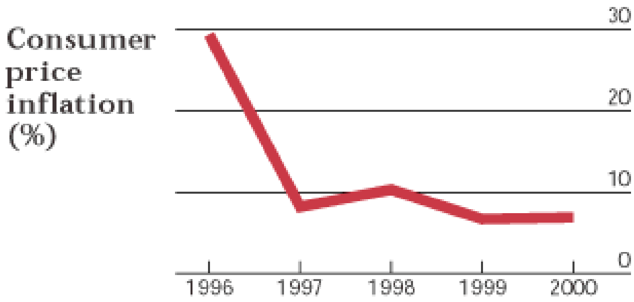
Economic Policy



In the 1970s, Nigeria adopted methods of central planning for government-owned projects in nearly all the economic sectors. Most of these projects were designed on a large scale—with the hope of preparing Nigeria for intensive industrial and agricultural development—but they were subject to delays, inefficiency, and corruption in both their preparation and their realisation. As a result the largest projects, including a multi-billion-dollar iron and steel complex and some petrochemicals plants, were incapable of starting production, although the fiction that they were 'nearing completion' was maintained for many years. Many of the largest government investments collapsed and fell into disuse, including the steel rolling mills, vehicle assembly plants, and giant irrigation schemes in Nigeria's arid northern states. Debts were payable on these projects even though they were failing to earn any revenue. Even the key facilities to generate electricity and to refine Nigeria's oil for the domestic fuel market were allowed to fall into disrepair.

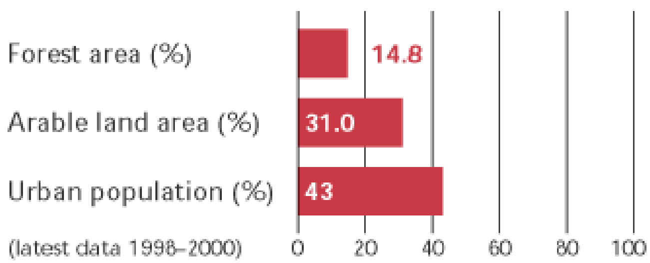
Negotiations with the IMF and World Bank led to the first of Nigeria's structural adjustment programmes, which was launched with a substantial devaluation of the naira in 1986. Import licensing and the allocation of foreign exchange were liberalised, and the agricultural marketing boards were abolished. Although these reforms helped to free up the business environment, they had very little impact on the real economy and failed to stimulate the intended development of non-oil exports. Manufacturing companies achieved some success in developing their local sources of raw materials, but the depressed domestic economy could not provide the essential growth in the market that would justify continuous reinvestment.

Economic management lapsed in the early 1990s, partly under the influence of the boost to oil prices provided by the Gulf War crisis, and partly in response to domestic political developments. Aborted elections in 1993 produced a new political crisis, followed by a change of government and a return to economic nationalism, with the imposition of fixed exchange and interest rates and a prolonged failure either to honour or to renegotiate the government's debt-service obligations. From 1996 there was a renewed statement of commitment to economic adjustment, although the key decisions on the most pressing structural matters were repeatedly deferred. The civilian government of President Obasanjo, which took office in May 1999, indicated its commitment to liberal market reforms but faced strong political opposition to any rapid implementation of its fuel price liberalisation strategy and of its privatisation programme. It's declared policies in favour of making Nigeria a 'fast-growth economy'—in which basic services would be improved and poverty would be eliminated—were not implemented.



Economic growth was insignificant in the 1980s and averaged an annual rate of 2.7% in the 1990s. GNP per capita remained almost unchanged at little more than $300. GDP growth was recorded at 2.8% in both 1999 and 2000. Although oil exports flowed at maximum capacity, the economy continued to be depressed by deficient infrastructure, low non-oil investment, poor industrial capacity utilisation, rising unemployment, and increasing poverty. Inflation, which was 30% in 1999, fell to 15% in 2000. The prevailing high interest rates began to fall somewhat in 2000. The value of the naira continued to slide in early 2001.

Geography/Resources

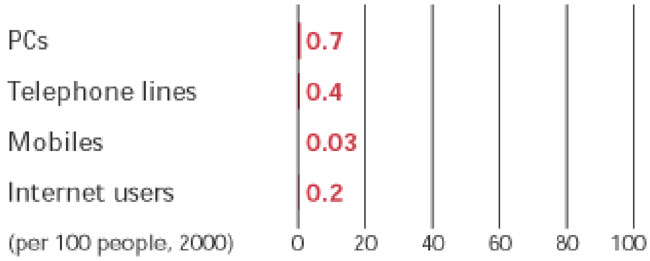


Nigeria encompasses the lower Niger-Benue basin and the Niger delta, with highlands rising along its eastern border with Cameroon and on the Jos plateau, which is surrounded by plains with large rocky outcrops. Towards the coastline, much of the land is low-lying at less than 300 m. The climate is both equatorial and tropical, with high rainfall in the south, where there are two wet seasons, and a single rainy season followed by a long dry season in the north. There are many areas of high soil fertility throughout Nigeria. The vegetation ranges from mangrove and rain forests in the south to savannah and grassland in the north. Agricultural activity is widespread, predominantly carried out by traditional methods. There is also substantial livestock rearing, especially of cattle in the north.

The principal mineral resource is of hydrocarbons, both onshore and offshore from the Niger Delta. High-grade crude oil and natural gas are gathered from small wells, although much of the gas is simply burned off into the atmosphere. Solid minerals include tin, columbite, iron ore, coal, gold, and gemstones.

The population consists of about 250 ethnic groups, although ten of these constitute about 80% of the total—these are the Yoruba, Hausa, Fulani, Ibo, Ijaw, Kanuri, Tiv, Edo, Nupe, and Ibibio. Much of the population is concentrated in the southern part of the country, especially around the largest cities, which include Lagos, Ibadan, Benin, Port Harcourt and Enugu. There is also considerable density of population around Kano, the largest city of the north. The newly-built capital city of Abuja, located in the so-called Middle Belt, has grown rapidly since the early 1990s.

Communications/Energy



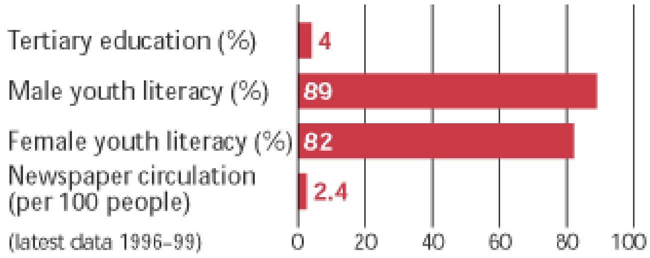
Nigeria has a fairly extensive road network, with about 37,000 km having been paved. However, poor vehicle maintenance and low safety standards mean that the country has a very high accident rate. The antiquated railway network of 3,500 km has undergone some piecemeal rehabilitation but provides very inefficient services. There are extensive daytime domestic air services between 11 airports in major cities, and there are three international airports at Lagos, Abuja, and Kano.

A privatisation process for the telecommunications company Nitel commenced in 2001, and two mobile telephone companies were awarded licences to start operations.

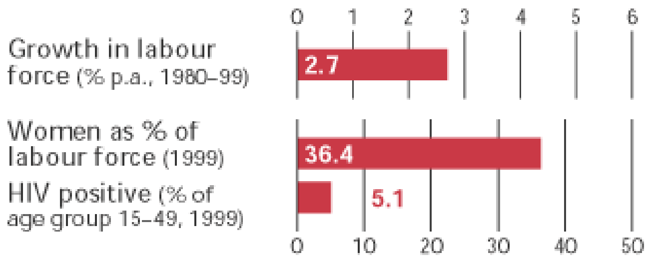
Electricity provision is in the hands of NEPA, which has been subject to persistent inefficiency and breakdown. Crucial generating facilities at the giant Kainji hydroelectric plant and the largest thermal power station at Egbin, Lagos, have been more often out of action than in service. Plans to restructure and privatise NEPA were being put together in 2001.

The oil industry is focused almost entirely on maintaining Nigeria's high level of exports. The NNPC has a joint venture stake of 60% in most of the production operations, which are run principally by Shell, Chevron, ExxonMobil, Texaco, TotalFinaElf, and Agip. Total national production has been close to 2 million barrels per day for several years. The government has awarded numerous new licences to companies to develop both large offshore and small onshore fields. Natural gas exports have also begun to expand since the start of operations of the Shell-managed company Nigeria LNG.

Education/Employment

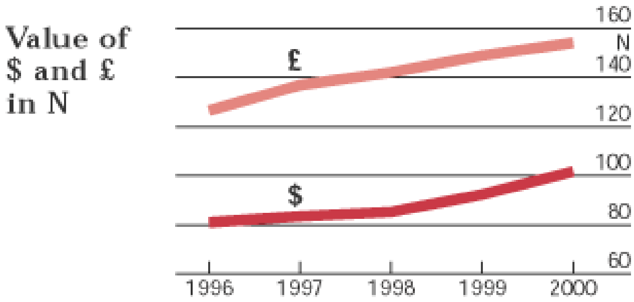


The federal and state systems of education suffered a sharp decline in recurrent and capital resources from 1982 onwards. Primary schooling has been maintained at a basic level, but the standards of secondary and tertiary education have tended to decline. Many of the country's best teachers have emigrated in search of higher salaries and better career prospects. Pupils in primary school numbered 16 million in 1994, while there were 4.4 million secondary students and 380,000 students in higher education.



The largest employment sectors are agriculture (about 40% of the economically active population), trade (about 25%), and government and other services (about 17%).

Fiscal/Financial

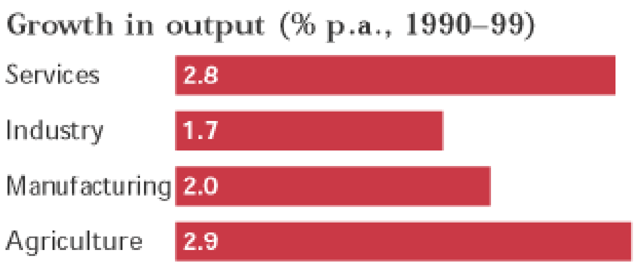


The Central Bank of Nigeria operates with a degree of independence from the federal government. The largest banks are United Bank of Nigeria, United Bank for Africa, and First Bank of Nigeria, all of which are predominantly Nigerian-owned. Several foreign-owned banks have operations in Nigeria. A universal banking system came into force in 2001 whereby banks can engage in unrestricted financial services without requiring specific commercial or merchant banking status.

After many years in the doldrums, the stock market began to recover strongly in the course of 2000, with a recovery in company profits and an increase in market capitalisation. However, foreign portfolio investment in Nigeria remained extremely limited, and was considered unlikely to pick up until greater progress was made in the privatisation programme.

Attempts to rationalise the taxation system have tended to be undermined by the efforts of state governments to raise their own revenues and by popular resistance to the introduction of VAT. Levels of corporate taxation have been progressively reduced, but companies still have to pay for non-delivered services, such as electricity, and also have to spend heavily on providing these services for themselves. Such considerations have negated the effectiveness of official incentives offered to foreign investors.

Business Opportunities



There would be good prospects for new investment on all fronts were a political and economic framework established within which Nigerians could agree to live. In the absence of this framework, the principal foreign investors have been, and will continue to be, the major oil companies, which are interested primarily in offshore oil and gas developments. Telecommunications companies have also shown some interest, and companies were awarded licences to operate mobile services in 2001. Potential investors in other sectors hope for substantive improvements in the running of Nigeria's fuel and power infrastructure.

The long-term investment prospects are considerable across the whole spectrum of the Nigerian economy, whether in agriculture, manufacturing, distribution and retail, financial services, transportation, or tourism. Meanwhile, different areas of Nigeria are moving at different speeds, according to their location and relative economic power. Although the capitals of the states in the Niger delta that host onshore or offshore oil operations have assumed a strategic importance, the economic centre of gravity continues to rest in Lagos, which remains Nigeria's dominant financial and industrial centre.

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Norwegian Council for Africa, Index on Africa: www.afrika.no/index

Political Resources on the Net: www.politicalresources.net

APPENDIX III: Nigeria milestones since 1960

Source: Wole Soyinka 2006, You Must Set Forth at Dawn. Published by Bookcraft Ibadan 2006. Pp XIV – XXV.

NIGERIA MILESTONES SINCE 1960

1960	
1 October.	Independence from Britain.
1962	
May.	State of Emergency declared in Western Region; Abortive census exercise.
1963	
August.	MidWest Region created.
1 October.	Nigeria becomes a Republic.
November.	Fresh census: 55.67 million.
1964	
December.	Election crisis.
1965	
Oct-Dec.	Political crisis deepens after Western Regional elections.
1966	
15 January.	First military coup; overthrow of First Republic, Ironsi regime.
29 July.	Second military coup, Gowon regime.
Sept-Oct.	*Ad Hoc* Constitutional Conference.
1967	
January.	Aburi meeting to forestall imminent Civil War.
27 May.	Creation of twelve states to replace four regions.
30 May.	Ojukwu announces secession of Eastern Region and declares Republic of Biafra.
6 July.	Start of Civil War.
1970	
12 January.	End of Civil War.

1973	
November.	Provisional population census results announced: 79.76 million; later annulled.
1975	
29 July.	Third military coup, Murtala Mohammed regime.
1976	
3 February.	Twelve states replaced by nineteen states.
13 February.	Fourth military coup (abortive); Murtala Mohammed assassinated. General Olusegun Obasanjo becomes Head of State.
1978	
21 September.	1979 Constitution promulgated, ban on politics lifted.
1979	
1 October.	Inauguration of Shagari as civilian president, Second Republic.
1980	
December.	Fundamentalist Muslim uprising in Kano (Maitatsine riots).
1981	
22 June.	Governor Balarabe Musa of Kaduna State impeached.
1983	
13 Aug-3 Sept.	Federal and state elections.
31 December.	Fifth military coup, Buhari regime.
1985	
27 August.	Sixth military coup, Babangida regime.
20 December.	Seventh coup (abortive) announced; coup plotters, including Gen. Maman Vatsa, executed.
1986	
January.	Return to civil rule by October 1 announced, Political Bureau appointed.
February.	Nigeria joins Organisation of Islamic Councils.
1987	
March.	Christian-Muslim clashes in Kafanchan, Kaduna, Zaria, Katsina.
11 July.	White paper on Political Bureau Report; timetable for return to civilian rule on 1 October 1992 announced.

September.	Two more states (Akwa Ibom and Katsina) created.
1989	
May.	Constitution promulgated; two-party system adopted.
5 October.	Nigerian Electoral Commission recommends six out of thirteen political associations.
7 October.	Armed Forces Ruling Council dissolves all thirteen political associations and 'manufactures' two parties: National Republican Convention (NRC) and Social Democratic Party (SDP). Opposition calls for a National Conference.
1990	
22 April.	Eighth military coup led by Major G. Orkah (abortive).
August.	ECOMOG moved to Liberia.
1991	
April.	Muslim-Christian conflicts in Bauchi.
27 August.	States increased to thirty.
12 December.	Federal capital moved from Lagos to Abuja.
14 December.	Federal state assembly and gubernatorial elections.
1992	
2 January.	Presidential election shifted to 5 December, 1992.
19 March.	Census results announced: 88.5 million.
Aug-Sept.	Party presidential primaries.
October.	AFRC annuls presidential primaries, dissolves NRC and SDP executive committees.
November.	Presidential election postponed to 12 June 1993, and date of hand-over to civilians to 27 August.
5 December.	National Assembly inaugurated.
1993	
2 January.	Transitional Council headed by Ernest Shonekan appointed; NDSC replaces AFRC. Calls for a Sovereign National Conference resume.
29 March.	Presidential candidates nominated: NRC – Bashir Tofa, SDP – MKO Abiola.
10 June.	Abuja High Court grants ABN an injunction to stop presidential election.
12 June.	Presidential election holds.
16 June.	ABN secures another injunction to stop further release of election results by NEC.
23 June.	Presidential election annulled; NEC and transition programme suspended.

27 August.	Babangida 'steps aside', Interim National Government (ING) named, with Ernest Shonekan as Head of State.
10 September.	19 February, 1994 announced as date for new presidential election.
24 September.	Abiola returns from self-exile.
10 November.	Lagos High Court declares ING illegal.
17 November.	Ninth military coup, Abacha regime; all democratic and transition structures dissolved.

1994

14 January.	Commission for Constitutional Conference appointed.
May.	National Democratic Coalition (NADECO) issues ultimatum to the Abacha regime to relinquish power by 31 May.
June-July.	Abiola proclaims himself president, paralysing anti-government restoration of 12 June presidential election; strikes and demonstrations by oil workers and other civil society constituents.
July.	Constitutional Conference begins.
December.	'First Phase' of Transition to Civil Rule programme which stipulated 17 January, 1995 as date of lifting of ban on politics, announced.

1995

March.	Coup plot involving former Head of State, General Olusegun Obasanjo and forty-four others 'uncovered'. He goes on trial with others. Death sentence later commuted to life imprisonment.
27 July.	Report of Constitutional Conference submitted.
1 October.	'Comprehensive' timetable for return to civil rule on 1 October 1998 announced.
10 November.	Ken Saro-Wiwa and eight other Ogoni minority rights activists executed; world-wide condemnation.
11 November.	Nigeria expelled from CommonWealth.

1996

30 September.	Five new political parties announced.
1 October.	Six more states and 138 local government areas created.

1998

June.	Sani Abacha dies. Abdulsalami takes over and immediately begins to release political detainees including former Head of State, Olusegun Obasanjo.
July.	MKO Abiola dies suddenly. Renewed calls for a Sovereign National Conference

1999

May.	Olusegun Obasanjo is sworn in as civilian president after disputed election. Calls for a Sovereign National Conference continue.

2000

December.	The Oputa Panel for Human Rights inaugurated.

2001

December 23.	The nation's Attorney-general, Bola Ige is assassinated in his house.

2003

May.	Obasanjo re-elected amidst accusation of massive rigging. Public calls for a Sovereign National Conference remain unabated. Obasanjo refuses.

2004

	Acquittal of Ige murder accused, including prime suspect, former Osun State Deputy Governor, Iyiola Omisore.

2005

February.	To stifle calls for a Sovereign National Conference, Obasanjo sets up National Political Reform Conference. Its composition and terms of reference rejected by civil movements and some states who insist on a genuinely representative Sovereign National Conference.
June.	South-South delegates to the conference walk out over dispute on how much of oil revenue should go to oil producing areas.
July.	Obasanjo receives report of the conference and declares it a success. Opposition pronounce it a fraud, and proceed with plans for their own National Conference.
October 1	The People's National Conference is inaugurated in Lagos.

Three Regions, 1955

Four Regions, 1963

Twelve States, 1967

Nineteen States, 1976

Twenty-one States, 1987

Thirty States, 1991

Thirty-six States, 1995

APPENDIX IV: Information on surveyed companies

Information on surveyed companies

S/n	Name of organisation	Company profile
1	Chevron Nigeria Limited. www.chevron.com	Chevron Nigeria Limited, a Multinational company. It is an American company that participates in the Energy, oil & Gas in Nigeria. Chevron was established 43 years ago. Additional information is obtainable from www.chevron.com
2	Citibank (Nigeria International Bank). www.citigroup.com	Citibank Nigeria is registered as Nigeria International bank in the Country. Citibank is a multinational American company and ranked amongst the top 10 banks in the world. Additional information on Citibank Nigeria is obtainable from www.citigroup.com
3	First Bank Plc. www.firstbanknigeria.com	First Bank of Nigeria PLC is a Nigerian Publicly owned company quoted on the Nigerian stock exchange and established 112 years ago. First Bank currently has a branch network of about 387 out of which 307 (92%) are on-line, real time. First bank is ranked amongst the top 5 banks in Nigeria. Additional information is obtainable from www.firstbanknigeria.com

4	Guaranty Trust Bank Plc. www.gtbplc.com	Guaranty Trust Bank is a Nigerian company, quoted on the Nigerian Stock exchange. It is rated amongst the best banks in Nigeria with Fitch Ratings-an international rating company of AA-. GTBank was established 16 years ago. The quality of the banks management system and conformity with global best practice received further acclaim with the conferment of the International Standards Organisation (ISO) 9001:2000 certification on it by Standards Organisation of Nigeria (SON) in July 2006. A first feat recorded by a Nigerian Bank. Additional information is obtainable from www.gtbplc.com
5	Mobil Producing Nigeria. (Also know as EXXONMOBIL) www.exxonmobil.com	ExxonMobil is a Multinational American company and is also quoted on the Nigerian Stick Exchange. Its success in the energy and petrochemical industries makes it possible for it to contribute to the well-being of the local areas it makes significant investments and provide products. ExxonMobil was established 99 years ago Additional information is obtainable from www.exxonmobil.com
6	MTN. www.mtnonline.com	MTN Nigeria communications Limited is a Multinational company and the leading cellular communications provider in Nigeria. . The company

		is a subsidiary of South African MTN. With the exceptional performance of MTN Nigeria, the group has been able to take the Africa's telecom lead off archrival Vodacom also of South Africa. MTN Nigeria was established in 200. Additional information is obtainable from www.mtnonline.com
7	Nigerian Breweries Plc. www.nbplc.com	Nigerian Breweries PLC (NB Plc) PLC is a Nigerian company Listed on the Nigerian Stock Exchange (NSE). NB PLC was previously the most capitalized listed company on the NSE and is the producer of Star Lager beer on of the most reputable brands in Nigeria. NB Plc was established 50 years ago. Additional information is obtainable from www.nbplc.com

8	Shell www.shell.com	Shell is a Multinational company. Shell Petroleum Development Company (SPDC) is the largest oil and gas company in Nigeria together with Shell Nigeria Exploration and production company (SNEPCO). Shell was established 65 years ago. SPDC & SNEPCO produce over 45 % of Nigeria's total crude, contributing to economic growth and sustainable development. The petroleum sector accounts for 80% of government revenues and 90% of foreign exchange earnings. Additional information is obtainable from www.shell.com
9	United Bank for Africa (UBA Plc). www.ubagroup.com	UBA is a Nigerian company listed on the Nigerian Stock exchange and ranked amongst the top 5 banks in Nigeria. UBA recently reported a balance sheet size in excess of N1 trillion, the first by any Nigerian bank in history. UBA was established 50 years ago. The Banker's top 100 sub-Saharan African bank's listing also has UBA as among the leading banks in Africa. Additional information is obtainable from www.ubagroup.com
10	Zenith Bank Plc. www.zenithbank.com	Zenith Bank Plc is Nigerian company listed on the Nigerian Stock Exchange and was established 16 years ago. The bank has been able to cut a niche for itself as a strong information communication

		technology institution. For the third year running the bank clinched the web jurist award conducted by the website rating arm of Phillips consulting. Web jurist is a portal dedicated to supporting and encouraging online business in Nigeria. Zenith Bank maintained its position as the third most profitable bank in Nigeria for six consecutive years. Additional information is obtainable from Additional information is obtainable from www.zenithbank.com