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Original Research Article

Corporate Governance and Organisational Performance in Nigerian Banking Industry

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Abstract: This study examined the relationship between corporate governance and organisational performance in commercial banks in Rivers State, Nigeria. Cross sectional research design was adopted in studying twenty two (22) of these institutions. Our respondents were managerial employees constituting the population of the study. From the field survey, we retrieved and analysed seventy nine (79) copies of questionnaire from the participants; Kendall's tau_b correlation coefficient statistical tool was used to determine the relationship existing between the variables while the p-value obtained were used to test hypotheses developed for the study, partial correlation was adopted for the multivariate level analysis to ascertain the moderating effect of organisational culture on the relationship between the predictor and criterion variables. Findings revealed the existence of significant relationship between the dimensions of corporate governance namely; board ability and board reputation and the measures of organisational performance given as employee retention and customer retention and that organisational culture significantly moderates the relationship between the variables. It was then concluded that ability and reputation of board members of any given business organisation in our case – commercial banks greatly influence the performance of these institutions. This gave rise to our recommendations for the banks and other business organisations operating in this era of heightened competitiveness; that they should look critically into the ability and reputation credentials to ensure the board can deliver to the organisations that which is expected to keep the firm in a strategic position before her rivals, keep her competitive and sustainable; as any organisation that cannot meet up to these demands will be found wanting and may go extinct in the nearest future.

Keywords: Corporate governance, organisational performance, employee retention, customer retention, board ability, board reputation.

1. INTRODUCTION

The banking industry plays an important role in the economy of a nation by mobilizing resources from savings - surplus citizens to savings - deficit citizens (financial intermediation), implementing government's macroeconomic policies and above all, satisfies shareholders and stakeholders expectations of a fair return on investment and equitable distribution of such returns. The failure of firms and financial crises in the international arena predicated the development of corporate governance principles/code by Organisation for Economic Co-operation and Development (OECD) 2015. Nigerian banks have also had their share of this failure that necessitated the reforms that took place in the industry in 2004 and 2012.

Banking firms strive to be effective and efficient, which is the main concern as it impacts on their success and survival. The quest for sustainability makes banking institutions consider their performance in activities and processes that leads to the achievement of their mission. Performance refers to the outcome or output of a process or activity. High performing organization pay attention to the selection of right goals, which is derived from its mission and the efficient usage of resources to achieve these goals. Conversely an organization may be low on the performance continuum, when its goals, though thought as right turns out to be wrong even though its resources were efficiently utilised (Jones *et al.*, 2017).

Lynch (2018) is of the view that for an organisation to be successful, there has to be a connection between strategy formulation and execution by its leaders. Leaders must be willing to evaluate its goals with the realities of the market place. Extant literature (Amah, 2012; Ouedraogo & Leclerc, 2013; Reisel *et al*., 1998; Slocum Jr, 2007; Gunday *et al*., 2011) supports the notion that performance measurement should be linked with an effective management of risk which will impact performance through strong internal control mechanisms such as a firm's corporate governance.

Corporate governance represents a system by which an organization is managed through rules, polices, assignment of responsibility and rights with the aim of promoting accountability, fairness and transparency. It involves, setting up structures and mechanism to control the affairs of organisation to achieve its objectives. The board is vested with the power to direct and control the affairs of organisation. Where ownership is separated from control, an effective board is put in place to monitor and assure the interest of the shareholders and other stakeholders (Jenson, 2001). Good corporate governance enhances performance and accountability, while its failure contributes to financial crises and weak internal control mechanism facilitates the perpetration of fraud (Amah, 2014). Reputational and conduct risk management boarders mostly on the ethical posture and cultural orientation of the firm, an excessive risk culture portents danger for depositors. Mandatory compliance of corporate governance code by regulatory agency/professional bodies and proper disclosure of quality information will encourage responsible conduct. Accountability and transparency impacts on organisation's performance, while well governed firms will likely maintained high stock prices and thereby increase the market values of their firms –(Asogwa, 2016; Duke II & Karkpang, 2011; Matric & Papac, 2014).

In spite of the studies conducted on corporate governance and organisational performance, none had examined organisational performance using the balanced score card formulated by Kaplan & Norton (2007) in terms of financial and non-financial indicators. This study attempts to bridge this gap.

Statement of the Problem

The banking industry is pivotal in any economy, hence its stability and viability is of utmost importance to individuals and corporate entities. Banks have evolved over the past two decades, from near collapse in 1997. The number also shrunk to 22 from 89 in 2004 and to bail out of some banks in 2009. Scholars have traced this failure to weaknesses in the internal control mechanisms in banking operations. The Nigerian banking industry is observed to be fraud prone, conduct and reputational risk is high, which borders on the ethical stance of the banks and the quality of its business processes which impacts the way the public construct the image of their activities and inadvertently affects performance (Amah, 2014; Schwaige, 2004).

The board is vested with the power to direct the affairs of the organisation, but in recent times, there has been gross abuse of power, instances where board members award themselves incentives to the detriment of other stakeholder, poor quality information on firm's performance and annual reports, has led to failure of firms and several Nigerian banks as seen from the recently distressed Skye Bank. This has raised eyebrows as to the efficiency of corporate governance mechanism (Asogwa, 2016; Branko & Papac, 2014; Olori & Sylva, 2017). The above therefore makes it imperative to examine the efficiency of corporate governance on firm performance of commercial banks in Port Harcourt, Rivers State.

Operational Framework

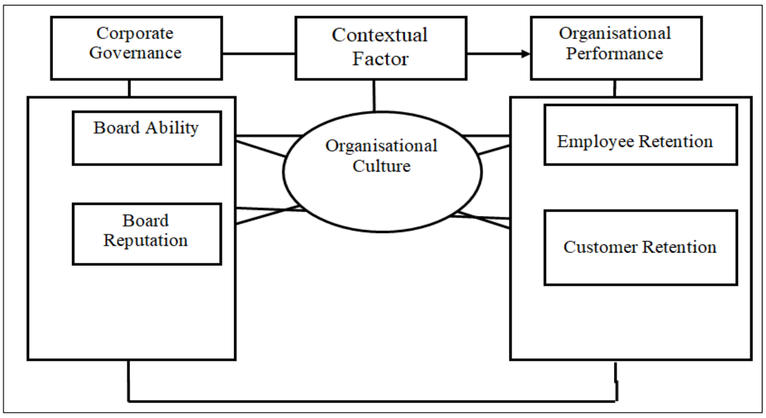

Fig 1: Operational Framework on Corporate Governance and Organisational Performance

Source: Adapted from Molokwu *et al*., (2013), Schwaige (2004), Kaplan and Norton (2007), Amah (2014) for the predictor, criterion and moderator variables

In light of the above, the study aims at evaluating the relationship between corporate governance and organisational performance of commercial banks in Port Harcourt, Rivers State. This is specifically achieved by interpolating the dimensions of corporate governance such as board ability and board reputation with the measure of organizational performance as captured by employee and customer retention based on figure 1 above. The study focused solely on the activities of commercial banks in Port Harcourt, Rivers State. The unit of analysis was at the organisational (macro) level. The inquiry to the study objectives constitute the research question and this led to the following hypothesis formulation as stated in their respective null form.

$H0_1$: There is no significant relationship between board ability and employee retention in commercial banks in Port Harcourt, Rivers State.

$H0_2$: There is no significant relationship between board ability and customer retention in commercial banks in Port Harcourt, Rivers State.

$H0_3$: There is no significant relationship between board reputation and employee retention in commercial banks in Port Harcourt, Rivers State.

$H0_4$: There is no significant relationship between board reputation and customer retention in commercial banks in Port Harcourt, Rivers State.

$H0_5$: Culture does not moderate the relationship between corporate governance and organisational performance in commercial banks in Port Harcourt, Rivers State.

This study adds to the body of knowledge and give insight on how board's ability and reputation can improve performance of banks and other sectors of the economy. Public institutions and policy makers will equally benefit from the study, by entrenching the good corporate governance principles thereby reducing the cost of governance and satisfying stakeholders' expectations. Academicians and researchers will also benefit and it will serve as a reference for further studies.

The study is disaggregated into five distinct sections. This section focused on the introduction of the underlying subject matter. Section two reviews relevant literature with respect to the operational framework of the study. Section three focused on the research methodology. It outlined the method of data collection and test of validity, reliability and data analysis techniques adopted. Section four is concerned with data analysis and interpretation of results. Section five entail discussion of findings, drawing conclusion and making recommendations.

2. LITERATURE REVIEW

2.1 Theoretical Framework

The theoretical structure upon which this study is based to explain and predict phenomena of corporate governance and organisational performance; the following theories aid the study;

2.1.1 Agency Theory

The Agency theory as first observed by Jensen and Meckling (1976) states that if the principal and agent are utility maximizers, chances are the agent will likely not act in the best interest of the principal. Typically, the agency relationship is established between a principal (owner) who engages some person (an agent) to carry out some functions on his behalf. The divergence between the principal and agent interest can be minimize by the former incurring monitoring costs. The agency explanation also applies to additional cost incurred by the agent called the bonding cost; a type of contractual agreement to guarantee favourable outcomes (performance). It is an opportunity cost to the agent. The main objective of the monitoring and bonding activities is to reduce the residual loss which is also a cost in the agency relationship. There are two problem owners (principals) face, that of not assessing correctly the agent's ability to perform on the job which is termed adverse selection and moral hazard, which has to do with the uncertainty with the level of effort exerted by agent (Eisenhardt, 1989; Fama & Jenesn, 1983; Jensen, 2001).

2.1.2 Stewardship Theory

Stewardship theory was developed by Donaldson and Davis (1993) as a counter weight to the basic assumptions of agency theory, which state that agents (managers) are motivated to serve their interest rather than that of their principal. The assumptions of stewardship theory are that the manager's interests are aligned with the principals as such there is no divergence of interest. The steward derives utility by maximizing the principal's wealth and believes in collaborative behaviour rather than individualistic pursuits with high affinity for intrinsic rewards (Davis *et al*., 1997). Donaldson and Davis (1991) asserted that a well designed organisational structure that empowers the CEO to carry out his functions effectively will enhance shareholders wealth rather than the use of incentive (extrinsic rewards) and critical monitoring mechanism. Situational factors that might influence a switch from being a steward to an agent is induced when there is a drift in contractual relationship due to takeovers, or acquisition, in which case the steward's future and prosperity is uncertain, otherwise, with stability in the organisation and contractual relationship intact, a steward will be motivated always to maximize shareholders wealth asserted (Donaldson & Davis, 1993).

2.1.3 Stakeholder Theory

Stakeholder theory as developed by Reed (1986) recognizes that there are other groups in addition to stockholders whose actions or interest must be part of managerial responsibility. The basic assumption is that multiple interests portends the possibility of generating tension by the various claimants and balancing their various interest and claims is a managerial responsibility. Donaldson and Preston (1995) asserted that stakeholder theory guilds the structural and operational orientation of a firm. Board members should think of the interest of stakeholders and fashion out how to induce their cooperation in furtherance of organisational objectives. They further stated that proper maintenance of stakeholder interest will enhance a firm's reputation. Stakeholders are affected by a firm's success or failure, strategically integrating, their interest will enhance economic and social objectives of the firm.

Conceptual Framework

2.2 Concept of Corporate Governance

Lynch (2018) refers to corporate governance as the influence and power of the stakeholders to control the strategic direction of the organisation in general especially the authority of the chief executives and other senior officers of the organisation. Corporate governance is therefore a system by which an organisation is managed through rules, policies, assignment of responsibility and rights with the aim of promoting accountability, fairness and transparency. It involves, setting up structures and mechanism to control the affairs of organisation to achieve its objectives. Academic research in corporate governance have been directed along various dimensions such as board size, Dalton *et al*., (1998) suggested that the size of the board is a function of the complexity of the firm and the level of uncertainty in its environment. Board composition and leadership structures bordered on dependent and independent board and issues of duality, scholars are of the view that an independent board will be effective monitors. The reason being that they are not dependent on the CEO and therefore are able to critically examine the activities of the board (Asogwa, 2016; Dalton *et al.* 1998; Hillman & Dalziel, 2003). Contrary views, in support of duality, where the CEO is also the chairman of the board hinged on the notion that the CEO is a faithful steward whose interest are aligned with those of stockholders as such the role of the board should be advisory (Donaldson & Davis, 1993).

Employed Dimensions of Corporate Governance

2.2.1 Board Ability

Ability is defined by Coffey *et al*., (1994) as the capacity to perform physical and intellectual tasks. Intellectual ability is characterised by the capacity to learn, reason and apply knowledge to solve organisational problems. The application of knowledge to problem solving is known as skills, which is a sine qua non for an effective board. People's performance is a function of their abilities and motives. Ability is can do spirit which a board must possess. The person-job fit relates to how well the abilities and motives of individuals fit the requirement for the job and the reward offered by organisation. (Amah, 2006; Coffey *et al.,* 1994; Hillman *et al.,* 2009). Nicholson and Kiel (2004) posits that human capital has the potential to give competitive advantage to a firm so also is the skills and the degree of skillfulness the individual director possess. Regulatory requirement associates ability or competence with expertise. The competency framework for banks in Nigeria was issued by CBN in 2012. When Directors have appropriate knowledge, skills gained through experience, they become better monitors, competent advisers (Fich & Shivdasani, 2006).

2.2.2 Board Reputation

Reputation is the opinion held about someone or something based on past character or quality or views of someone's ability. Fonbrum (1996) refers to reputation as the sum of the images that stakeholders have of an organisation. Identity is what a firm stands for, organisational culture and its ethical posture promotes the desired identity of a firm and its members. Board reputation is an intangible asset which has the capacity to drive competitive advantage. The quest for sustainable competitive advantage is driven not only by tangible asset but also by intangible asset, as board reputation can create barriers to competitive threats, procure customers retention and employee retention (Schwaige 2004). Srivastava *et al*., (2015) observes that the degree of attentiveness is a function of how board members perceive the potential threat to their reputation, ligation and regulatory sanctions and further stated that if board members are held accountable, there is the likelihood that they ensure they possess the attribute of the ability to function competently, diligently and sound reputation before accepting a seat in any board.

2.3 Concept of Organisational Culture

This study integrates organisational culture as a contextual (moderating) variable through the lens of (Amah, 2014; Denison & Mishra, 1995). Organisational culture refers to beliefs, values and norms that shapes behaviour among members and set the tone of how things are done there. It is an internal form of control as opposed to the externally imposed form of control. Board members are primarily responsible for setting the tone for dominant culture, which translate to business practice in the organisation. Strong culture promotes commitment, creates trusts, cohesiveness and more likely to adapt to changes in environment, while an adaptive culture helps organisation to be proactive in a dynamic environment which it operates, members are open to change, flexible and innovative. Mcshane and Glinow (2014) opined that organisational culture promotes integration amongst employees through ceremonies and rites, the rite of integration builds togetherness as members celebrate events such as end of year, zero defects target, zero lost time injury (LTI), organisation awards such as the most improved bank, while strengthening of commitment is achieved through the rite of enhancement, where employees are recognized and rewarded publicly.

2.4 Concept of Organisational Performance

Performance is the actual outcome of a process or activity. The open system model enable us to view organisation as collecting inputs from the environment, transforming it by adding value and delivering it back as output to the environment. How well an organisation manages this process will determine the level of performance it enjoys. Jones *et al*., (2017) refers to organisational performance as a measure of how efficiently and effectively managers use resources to satisfy customer and achieve organisational goals. The balanced scorecard incorporates financial and non-financial measures of organisational performance driven by vision and strategy. Financial segment incorporates shareholders perceptions and expectation, measures includes rate of return on investment, earnings per share. Objectives and performance measures drawn for the four quadrants are monitored, analyzed and gaps corrected to effectively respond to customers' need and environmental changes. Non-financial perspectives are internal business processes, employee learning and growth and customer. The balanced scorecard gives an overview of performance of the firm from a long term perspective (Ghosh & Mukherjee, 2006; Kaplan & Norton, 2007; Zhang & Li, 2009).

2.4.1 Employee Retention

Employee retention refers to practices organisations employ to keep valuable employees from leaving within a short space of time. When employees remain with organisation it is known as retention and when they leave it is referred to as turnover. Human resource practices of recruitment, supervision, grievance mechanism, training and motivation have impact on employee retention, poor practices may lead to job dissatisfaction and turnover (Nwoka, 2019). Organisation losses significantly when substantial amount of knowledge leaves with employees to their competitors, reputation might be damaged by excessive turnover and loss of morale by those remaining (Chiekezie *et al.*, 2017). Research suggests that job satisfaction is a precursor to employee retention or turnover. Attitudes that employees holds to a large extent determines the direction of their behaviour towards work (Kreitner & Kinicki, 2012 ; Kuvass, 2006; Yamoah, 2013).

2.4.2 Customer Retention

The value proposition concerning the customer is important, it shows the readiness to meet the expectation of the customer. The relationship between the customer and the service provider is built over time and its maintenance is referred to as retention. The drivers of customer retention is the basic objective of an organisation, because it has the capacity to affect the bottom-line either positively or negatively. Marketing literature suggests that satisfaction alone may not predict customer retention, but trust which is stronger than satisfaction has to be included in building viable relationships. According to Ranaweera and Prabhu (2003) customer retention is a behavioural dimension of loyalty while word of mouth also referred to in literature as customer advocacy is the affective dimension of loyalty. Johnson and Ross (2006) studied the effect of customer satisfaction, affective and calculative dimensions of commitment and triggers on customer retention and showed that customer satisfaction, commitment have direct effect on retention. The study was conducted in a Swedish telecommunication firm with a sample size of 2734 through survey and longitudinal data. Customer loyalty is influenced by comparing their experience with that of their service provider competitor, the weaker the image the stronger their loyalty to their service provider. Anyanwu (2013) stated that the degree of customer satisfaction, market share stability and the flexibility of a company's marketing expenditure is a function of its ability to retain its customers.

2.5 Empirical Review

The relationship between corporate governance variables, board size, audit committee, corporate governance codes, CEO duality and reliability of financial reporting in 20 quoted firms and 20 unquoted firms in Nigeria and their effect on organisational performance indicators of Return on Asset (ROA) and Profit Margin was investigated by Duke II & Kankpang (2011). They found that the corporate governance variable were positively associated with performance while the reliability of financial reports made no difference between the two types of ownership structure. The corporate governance code is particularly important as only 40% of quoted firms had internalized the codes.

In their study on corporate governance and organisation performance, Olanye and Anuku (2014) examined the effect of ethical conduct on employee's productivity in Nigerian banking industry. The study revealed that unethical behaviour by employee was likely to affect organisational performance in that its adverse effect on customers and investors will redefine the firm's trajectory of success, hence organisation should encourage moral conduct as an antidote.

Three commercial banks in Nigeria which formed the sample size of the study examined by Asogwo (2016) with corporate governance variables of transparency, accountability and reformation of corporate governance code to determine its impact on organisational performance. She found a strong relationship between the variables and suggested that the apex bank, Central Bank of Nigeria should ensure compliance with the code to promote transparency, accountability and to achieve organisational performance.

Achims *et al*., (2012) asserted in their study of listed companies at Bucharest Stock Exchange that transparency and disclosure practice improved the market value of companies.

Kyereboah-Coleman (2007) in his study of 155 firms across Africa found that, independent board has a positive impact on growth while the separation of role of CEO from the board chair made the board effective monitors.

A meta-analytic review conducted by Dalton *et al*., (1998) on 54 empirical studies of board composition and 31 empirical studies on board leadership structure and their relationship with firm financial performance. The inferred that there is little evidence between the relationships, which implies that board size, composition and leadership structure does not have a strong correlation with financial performance.

3. METHODOLOGY

This study adopts the cross sectional survey design. The target population of the study consists of all 22 listed commercial banks in Nigeria as approved by the Central Bank of Nigeria. While the accessible population consists of all commercial banks in Port Harcourt, Rivers state where the sample is drawn from. The target population of 22 commercial banks in Port Harcourt, served as our sample. The listed banks include: Union Bank of Nigeria Plc, United Bank for Africa Plc, First Bank of Nigeria Plc, Eco Bank of Nigeria Plc, Standard Chartered Bank Ltd, Access Bank Plc, Citibank Nigeria Ltd, Diamond Bank Plc, Enterprise Bank, Fidelity Bank Nigeria Ltd, First City Monument Bank Plc, Heritage Bank Company Ltd, Main Street Bank, Polaris Bank Plc, Stanbic IBTC Bank Ltd, Sterling Bank Plc, Sun Trust Bank Nigeria Ltd, Unity Bank Plc, Guaranty Trust Bank Plc, Wema Bank Plc, Zenith Bank Plc, and Keystone Bank Plc as culled from the Central Bank of Nigeria (2017) directory

Questionnaire was used in collecting data which constitutes the primary source; for the dimensions of corporate governance, the measures of organisational performance and culture the moderating variable. Copies of questionnaire were administered to managers, heads of departments who stood in proxy for the board of directors.

Method of Data Analysis

The Kendall tau'_ b correlation coefficient was adopted to examine relationships between the predictor and criterion variables. The strength and direction of the moderating variable on the predictor and criterion variable was determined using the partial correlation coefficient. Statistical Package for Social Sciences version 25 a compendium of statistical tools was used for the data analysis.

Operational Measures of Variable

The board ability construct is conceptualised as the capacity to perform various tasks in a specific job. It is characterised by the capacity to learn, reason and apply knowledge (skill and expertise) to solve organisational problems. The statement items were adapted from Molokwu *et al*., (2013). Board Reputation constructs is a conceptualised as an attitude construct with both the cognitive (competence) and affective components. Board reputation is construed as competency, transparency and accountability. The statement items were adapted from the work of Schwaige (2004). The criterion variable which is organisational performance was measured using the Balance Score Card concept developed by Kaplan and Norton (1992) to measure financial and non-financial measures. Employee retention is conceptualised as practices that enhances job satisfaction and lends to retention. The statement items were adapted from the work of Adeoye and Field (2014) and (Weis, Dawis, England & Lofquist 1967). Customer retention statement items was adapted from Cheng and Chiu (2008). The moderating variable is organisational culture was adapted from Denison and Mishra (1995), Denison *et al*., (2003) e.g. (our leaders and managers practice what they preach).

Validity and Reliability

The validity of employed instruments were ascertained by the administration of study questions to informed researchers and scholars in the underlying field of study. The study reliability test was carried out using the Cronbach Aplha estimation. All employed variables showed significant reliability as tabulated below as follows.

Table 1: Cronbach's Alpha and Composite Reliability values for variables study

	Reliability Statistics	
Variables	**Conbach's Alpha**	**No. of Items**
Board Ability	.800	11
Board Reputation	.952	6
Employee Retention	.717	5
Customer Retention	.726	4
Organisational Culture	.874	5
Composite reliability value	**.853**	**5**

Source: SPSS Output-Version 25

4. RESULTS AND DISCUSSION

From the 110 administered questionnaires, only 79 copies were retrieved and observed to be properly filled out. The study therefore proceeded to evaluate the demographic composition of respondents as follows;

Table 2: Demography of Respondents

		Frequency	**Percent**
Gender of Respondents	Male	40	50.6
	Female	39	49.4
Educational Qualification	NCE/OND	2	2.5
	BSC/HND	10	12.7
	MA/MBA/MSC	31	39.2
	Phd/Others	36	45.6
Marital Status	Married	56	70.9
	Single	23	29.1
Age of Respondents	18-30 years	6	7.6
	31-40 years	29	36.7
	41-50 years	44	55.7
Duration of respondents with their Organisations	Below 10 years	5	6.3
	15-20 years	38	48.1
	Above 20 years	36	45.6
Staff strength of each organization	Below 20	12	15.2
	21-30	36	45.6
	Above 30	31	39.2

SPSS output, Version 25 – Field Survey, 2018

Table 2 shows that the higher distribution on male employees 40 (50.6%); followed by respondents reported as females – 39 (49.4%). It is also observed that the highest distribution of respondents are reported to hold PhD/other academic qualifications with a frequency of 36 (45.6%) followed by those reported with MA/MBA/Masters degree – 31 (39.2%); followed by respondents reported with BSc/HND 10 (12.7%); followed by those reported with NCE/OND – 2 (2.5%). A higher distribution on respondents are married employees - 56 (70.9%); followed by respondents reported as single – 23 (29.1%). The highest distribution on the age bracket of 41-50 years 44 (55.7%); followed by respondents reported within the age bracket of 31-40 years – 29 (36.7%); followed by those within 18-30 years bracket 6 (7.6%). More respondents have stayed for a duration of up to 15-20 years duration – 38 (48.1%), followed by those reported as having stayed above 20 years making a frequency of 36 (45.6%) and those reported as having stayed for below 10 years (6.3%) and the highest distribution is on those reported as having a staff strength between 21-30 36 (45.6%); followed by those reported above 30 staff strength – 31 (39.2%) and those below 20 (15.2%).

Bivariate Level Analyses

This section is concerned with testing hypotheses stated earlier in section one; using Kendall's tau_b correlation coefficient statistical tool and the p-values obtained; hence the decision rule; reject null hypothesis if p-value obtained is less than the alpha value of 0.05 and accept the null hypothesis when p-value is greater than the alpha value (0.05).

Table 3: Correlation between dimensions of corporate governance and measures of Organisational Performance

Correlations					
Kendall's tau_b			Board.Ability	Empl.Reten	Customer.Ret
$H0_{1-2}$	Board.Ability	Correlation Coefficient	1.000	.876**	.783**
		Sig. (2-tailed)	.	.000	.000
		N	79	79	79
			Board.Rep	Empl.Reten	Customer.Ret
$H0_{3-4}$	Board.Rep	Correlation Coefficient	1.000	.961**	.740**
		Sig. (2-tailed)	.	.000	.000
		N	79	79	79
Control Variables			Corp.Governance	Org.Performance	Org.Cult
$H0_5$	Corp.Governance	Correlation	1.000	.948	.915
		Significance (2-tailed)	.	.000	.000
		Df	0	77	77
	Org.Performance	Correlation	.678	1.000	
		Significance (2-tailed)	.000	.	
		Df	76	0	
a. Cells contain zero-order (Pearson) correlations.					

SPSS output, Version 25 – Field Survey, 2018

i. The result of the tested $H0_{1-2}$ revealed the existence of a significant relationship between board ability and the measures of organisational performance; (τb = .876**, p = .000; τb = .783**, p = .000); Nicholson and Kiel (2004) supported this empirical position by their view that though board's composition is construed to reflect its human capital needs in literature, its (human capital) presence is not synonymous with its effective use, rather the ability of the board to carry out its role is dependent on how well or the ability to understand a firm's business circumstances which is translated majority of the times in employee welfare and the corresponding result of customer satisfaction and retention. Coffey *et al*., (1994) corroborated the view by asserting ability as the capacity to perform physical and intellectual tasks which delineates the application of knowledge to problem solving which is a sine qua non for an effective board. Though Chiekezie *et al*., (2017) posited that employees in commercial banks in Nigeria do not stay long with organisation due to what they consider as poor compensation practices, our study shows that at the managerial level, job satisfaction and job security is fairly stable. Further on customer retention, the ability of the board to craft strategies to engender satisfaction and trust in customers was found to be significant in this study which is consistent with the views of (Ranaweera & Prabhu, 2003).

ii. The result of the tested $H0_{3-4}$ revealed the existence of a significant relationship between board reputation and the measures of organisational performance; (τb = .961**, p = .000; τb = .740**, p = .000); Fombrum (1996) refers to reputation as the sum of the images that stakeholders have of an organisation. Identity is what a firm stands for, organisational culture and its ethical posture promotes the desired identity of a firm and its members; for favorable organisational outcomes, such that promotes employee satisfaction and retention; then activities that will engender this positive perception must be institutionalized within the system. Similarly, Onuoha (2008) was of the opinion that ethical issues arises because of conflict of interest with various stakeholders, it is the responsibility of top management to drive acceptable ethical standards and put in place, procedures and policies that encourage disclosure of unethical behavior, while unethical behavior is sanctioned, ethical behavior should be rewarded so that reputation of the corporation is not marred. Our findings is also in agreement with Yang *et al*., (2015) who established in their study there is a significant positive relationship between corporate reputation and job satisfaction. Hence board members reputation is inseparable from their organisations which impacts performance. Board members with poor reputation in terms of competence and integrity, not only lose their seats but harm the organisation financially which translates to loss of job, loss of customers and investors confidence (Fich & Shirdassani, 2005).

iii. The $H0_5$ showed the moderating effect of organisational culture on the relationship between corporate governance and organisational performance (r (76) = .678, n = 79, p = .000) and (r (77) = .915, n = 79, p = .000); to support this empirical position; Kreitner & Kinicki (2012) stated that organisational culture encapsulate an organisation's beliefs, values, norm, language, symbols, and myths that organisational members identify with and are accepted as guides to expected behaviors. Amah (2014) differentiating culture from climate stated that culture is the vehicle through which organisation's goal and objectives are achieved, while organisation's climate (individual perceptions of polices, practices and procedures) is a function of its culture; as a result, positive culture will institute the policies of corporate governance to affect organisational wide outcomes. Corroborating this view Momot and Litvinenko (2012) asserted that organisational culture through the dimension of involvement, consistency, adaptability and mission demonstrated significant effect on enterprise efficiency, which is indicative that success is achieved by valuing employees and customers.

5. CONCLUSION AND RECOMMENDATIONS

CONCLUSION

It can be inferred that; board ability directly relates with organisational performance; where ability connotes the capacity to perform intellectual (capacity to learn, reason and apply knowledge to solve organisational problems) tasks. The application of these series of knowledge to problem solving is known as skills as possessed by the board to influence organisational outcomes. Accordingly, board reputation is significantly related with organisational performance as it concerns the sum of the images that stakeholders have of an organisation; its identity as what a firm stands for, its culture and its ethical posture thus promoting the desired identity of a firm and its members and the corresponding good outcomes for the business institution.

Also, from our empirical findings; organisational culture has significant influence on the relationship between corporate governance and organisational performance thus strengthening the relationship between them, thus we conclude that corporations with dominant cultures that adopt and implement good policies formulated at the board as well as cultures that uphold good ethical practices will ultimately be differentiated from a host of others in the designated industrial arena.

RECOMMENDATIONS

The following recommendations were arrived at, as a result of prior findings and conclusions reached relative to the variables studied. Thus the position of board of directors is critical and strategic for organisations as they formulate the strategic direction, decisions reached can make or mar the organisations. Therefore it is of essence for organisations operating in this era of heightened competitiveness to look into the abilities of their boards so as to ensure best outcomes are derivable. Board ability is a critical resource that can help keep tab on the competition and the decisions reached to handle environmental shocks, disturbance and prevention of non-strategic conflicts in the system. Board members are primarily responsible for setting the tone for dominant culture, which usually translates to business practice in the organisation. Therefore modern corporations should strive to promote strong cultures that promotes commitment, creates trusts, cohesiveness and more importantly that enables easy adaptation to changes in environment. Business organisations should ensure dominant cultures that promotes sound ethical practices as this will ensure sustainability for the business units. Owners of organisations should ensure that ability and reputation is given due consideration in the selection and appointment of board members to guaranty a good return on investment.

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APPENDIX A
QUESTIONNAIRE SECTION (B)

S/N	**BOARD ABILITY**	**SA 4**	**A 3**	**D 2**	**SD 1**
1.	Board members have good understanding of our business circumstance				
2.	The board sets clear organisational goals on growth potentials				
3.	The governing board of our bank delays actions until issues became urgent and critical				
4.	Our governing board tends to focus more on current concerns than on preparing for changes in the business environment				
5.	Board members have clear vision on where our bank should be in three years or more, on product/services, administrative or operational innovation				
6.	Within the past year, the board of our bank has reviewed the organisation's strategies for attaining its long-term goals ahead of competitors				
7.	Board members have enough experience to detect problems on directors implementation of organisational goals				
8.	Board member have requisite academic qualifications to detect problems within organisation				
9	Board members have experience sufficient to add value to the decision-making and evaluation processes				
10.	Board members initiate directors' involvement in skill transformation and training on individual employee				
11.	Board members periodically set aside time to learn more about issues facing directors and managers in the process of development of new initiatives and implementing change				
S/N	**BOARD REPUTATION**	**SA 4**	**A 3**	**D 2**	**SD 1**
1.	Board members perform at premium level and are reliable				
2.	Board members are forthright in giving information to stakeholders				
3.	Board members are trustworthy				
4.	Stakeholders have a lot of respect for our board of directors and operational processes				
5.	Board members are innovator rather than imitators with respect to bank's products and services				
6.	Our board favors clashing with competitors and adopting a very competitive, undo-the-competitors posture				

S/N	PERFORMANCE EMPLOYEE RETENTION	SA 4	A 3	D 2	SD 1
1.	There is opportunity for advancement on the job				
2.	My pay is commensurate with my efforts				
3.	Job security is guaranteed by my bank				
4.	There is chance for me to contribute to ideas				
5.	I am satisfied with the policies and practices in terms of welfare packages/ benefits				

S/N	PERFORMANCE CUSTOMER RETENTION	SA 4	A 3	D 2	SD 1
1.	Our bank finds new ways of adding value to customer experience				
2.	Our bank’s success largely depends on how customers perceive us in terms of quality and reliability				
3.	Feedback mechanism is an appropriate measure to gauge and respond to customer’s feeling/needs				
4.	Board members expertise contributed to the stability/ growth of our bank in the last three years				

S/N	CULTURE	SA 4	A 3	D 2	SD 1
1.	Authority is delegated so that people can act on their own				
2.	The leaders and managers practice what they preach				
3.	There is a clear and consistent set of values that governs the way we do business				
4.	Innovation and risk-taking are encouraged and rewarded				
5.	There is a clear mission that gives meaning and direction to our work				