CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

For all businesses across the globe, business growth is becoming more and more significant. Strategically,' generating value' is the ultimate goal of a business. However, a mere maximization of growth will enable the business to achieve its short-term objectives in today's global competitive environment, but not in the long-run target of what they are trying to achieve, i.e. the 'Value Creation' Jung, Ramezani, and Soenen (2010). Empirical shreds of evidence also indicate that the production of value maximizes an organization's business growth rate and decreases sharply once real growth reaches the rate of sustainable growth (Ataunal, 2016). Therefore, recognizing the empirical truth, many businesses have worked hard to achieve sustainable business growth and incorporate it into their long-term strategic plan. The legitimate question of how to achieve business growth remains a fundamental challenge for corporate managers, despite the emerging orientation of corporate growth. One of the major problems faced by the consumer goods sector has to do with sustainable business growth. The inability to maintain growth in the long-run has been a major concern as most developing consumer goods sector have a short life span. This study focused on the consumer goods sector due to the high rate of consumptions and importance it attracts to the society at large. Also, as humans, we live our everyday life on consumable goods.

On the other hand, corporate governance is based on how a corporation is directed or controlled. It takes into consideration company stakeholders as governmental participants, the principal participants being shareholders, company management, and the board of directors. (Harmon, 2017). According to (Shleifer & Vishny, 2015) Corporate governance addresses the ways in which corporate financial institutions ensure that their investment is returned and dictates how the different participating shareholders and other stakeholders, including management and the board of directors, work to decide the course and success of companies. It includes encouraging justice, openness and accountability for companies. Good governance keeps management accountable to owners and other stakeholders on board. (Shleifer & Vishny, 2015 as cited in Al-Haddad, Alzurqan & Al-Sufy, 2011). Unfortunately, some businesses are not able to achieve

sustainable growth and development due to weak corporate governance and other factors such as misrepresentation of knowledge, directors maximizing their personal resources at the expense of the company, disputes occurring as a result of separation of ownership and management. Cioffi (2000) defines corporate governance (CG) as a nexus of institutions defined by company law, regulation of the financial market and labour law. Vishny, (2000) also defines corporate governance as a series of processes by which foreign investors defend themselves from insider expropriation. This structure is intended to regulate and manage the relationships between stakeholders, including the board of directors and shareholders, based on the goals set to rule the company. It also deals with those processes and controls designed to minimize or eliminate the organization's principal-agent problem. In its practical application, corporate governance is believed to be an important key that unlocks the true value of a company regardless of the company size. (Bates, 2013). A company's good governance practice mitigates risk, increases efficiency, opens the door to successful capital markets, and creates an enticing environment for investment, demonstrating openness and social responsibility (Pintea & Fulop, 2014). Since the Cadbury report (2015), corporate governance has gained traction worldwide because of various scandals that have plagued the world of industry, insufficient transparency and unethical business practices. Countries adopting civil law have established corporate governance structures in continental Europe that focus on stakeholders. Sakai and Asaoka (2013) believe that the establishment of an adequate and effective system of corporate governance is a pre-requisite for sustainable business growth. In the current context of globalization, Pintea and Fulop (2014) support the view and say that good corporate governance practices play a crucial role in ensuring sustainable corporate growth. An empirical shred of evidence also indicates that corporate governance practices have a strong impact on the clarification of corporate growth (Li, 2015). In developed countries, several studies have been done to examine the relationship between corporate governance, investment and business growth. In emerging markets, however, very few studies examine this relationship. Moreover, the transparency of disclosure practices is still poor and the concentration of power remains in the hands of directors as well as other key management connections. More broadly, this study examines the effect of corporate governance on business growth of listed firms of consumer goods sector in Nigeria.

1.2 Statement of the Problem

Corporate governance has in recent years assumed considerable significance as a veritable tool for ensuring corporate survival since business confidence usually suffers each time a corporate entity collapses. Many of the recent company scandals were due to the lack of corporate governance standards. Some of the problems that stand against sustainable business growth are weak corporate governance, poor risk management practices, inability to handle expansion, low quality of assets, insufficient supervisory structure and unethical practices. In Nigeria, a survey published in an April 2013 publication by the Securities and Exchange Commission (SEC) showed that corporate governance was at a rudimentary level, as only about 40 percent of the companies quoted had developed corporate governance codes in their firms. With most businesses in Nigeria, the complexity and issue is that the directors work to react, mark their own review scripts, and score high and initiate applause. In terms of poor asset quality, the scheme is also rife with unethical activities that are at odds with good corporate governance standards due to the lack of a risk management process, the use of spurious foreign exchange acquisition papers, and misleading returns on financial and liquidity positions. Despite the importance of the consumer goods sector in the Nigerian economy, the business growth of the consumer goods sector in Nigeria is undermined by some challenges. Some of the challenges include; Nigeria's weak infrastructural condition, unreliable power supply, price sensitivity, conflicts of interest and corporate governance Standards among others. All of these as mentioned above stand as a big hindrance in maintaining the sustainability of business growth in Nigeria consumer goods sector. Majority of the studies both at national and international level were carried out mostly on other sector of the economy such as banks, manufacturing, oil and gas, financial service, among others while ignoring the consumer goods sector despite the importance and vital role the consumer goods sector plays in the economy. Most importantly, in the economy of Nigeria, the consumer goods sector is fast growing and citizens are diving in more and more into this sector. Hence, with due consideration of the above mention, this study deems it necessary to fill the gap by studying the effect of corporate governance on business growth of listed firms in consumer goods sector in Nigeria.

1.3 Objective of the Study

The main objective of the study is to examine the effect of corporate governance on business growth of consumer goods sector in Nigeria. The specific objectives of the study are:

1. To ascertain the effect of board independence on business growth among listed firms in consumer goods sector in Nigeria;
2. To examine the impact of board expertise on business growth among listed firms in consumer goods sector in Nigeria;
3. To evaluate the relationship between board gender and business growth among listed firms in consumer goods sector in Nigeria;
4. To investigate the influence of board meetings on business growth among listed firms in consumer goods sector in Nigeria.

1.4 Research Questions

In view of the problems highlighted above, the following research questions are to be answered:

1. What are the effects of board independence on business growth among listed firms in consumer goods sector in Nigeria?
2. What are the effects of board expertise on business growth among listed firms in consumer goods sector in Nigeria?
3. What are the effects of board gender on business growth among listed firms in consumer goods sector in Nigeria?
4. What are the effects of board meetings on business growth among listed firms in consumer goods sector in Nigeria?

1.5 Research Hypotheses

1. **H_{01}:** Board independence has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.
2. **H_{02}:** Board expertise has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

3. **H_{03}:** Board gender has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.
4. **H_{04}:** Board meetings have no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

1.6 Significance of the Study

This study is of particular importance to business organizations that have guidelines that define and specify the roles of different stakeholders in decision making process. All stakeholders such as board expertise, board of directors, have clearly defined responsibilities. For instance, while shareholders are responsible for approving the appointment of directors, company board sets strategic road maps and play oversight roles over the management of companies. As such, this study improves the company organization's supervisory and managerial capabilities that could eventually lead to company growth. Also, management of companies can benefit from this study by formulating policies and business growth strategy.

1.7 Scope of the Study

The study is intended to investigate the impact of corporate governance on business growth in the consumer goods sector of listed companies in Nigeria. Nigeria is the geographical scope of the study.

1.8 Limitation of Study

Financial constraint- Insufficient funds appear to hinder the researcher's efficiency in sourcing the content, literature or knowledge concerned and in the data collection phase.

Time constraint- The researcher will participate in this analysis with other academic studies at the same time. Consequently, this would reduce the time dedicated to academic work.

1.9 Operational Definition of Terms

Corporate Governance: refers to the following attributes of the board of directors namely board independence, board expertise, board gender and board meetings.

Business Growth: The method of enhancing some indicator of the performance of an organization. Business growth can be accomplished either through improving the company's top line or income through higher product sales or service revenue, or through growing the operation's bottom line or profitability through reducing costs.

Board Independence: This is the condition in which, except as directors, any or a majority of the members of a board of directors have no connection with the company.

Board Meeting: is a formal meeting of a board of directors on a periodic basis.

Board Gender: it is an important aspect of corporate governance which shows the presence of the male directors to the female directors.

Board Expertise: the board expertise is the experience members of the board.

CHAPTER TWO

LITERATURE REVIEW

2.1 Preamble

In this section of the study, studied variables are reviewed conceptually, theoretically and empirically. First, corporate governance and business growth was conceptualized followed by a theoretical review by reviewing resource dependence theory, agency theory and stakeholder's theory while empirical review of relevant studies, together with gaps in the literature, formed the last section of the chapter.

2.2 Conceptual Review

Corporate governance and business growth will be conceptualized in this study. Each of these concepts is described in the following sub-sections.

2.2.1 Concept of Corporate Governance

There is no single definition of corporate governance rather it might be viewed from different point of view. Corporate governance is characterized by Zingales (1998) as 'ownership distribution, capital structure, management compensation structures, takeovers, board of directors, pressure from institutional investors, competition from the commodity market, competition from the labour market, organizational structure, and many more, both of which can be viewed as institutions controlling the mechanism by which quasi-rents are distributed. Corporate governance was also described by Shleifer and Vishny (1997) as "the ways in which corporate finance providers guarantee themselves a return on their investment." Corporate governance was also viewed by La Porta, Silages and Shliefer (2000, 2002) as a collection of processes by which outside investors (shareholders) defend themselves from within investors (managers). Duncan and Cameron, (2014) also described corporate governance as the procedures, processes and knowledge used to guide and supervise an institution's management. The process for achieving transparency between the board, senior management and shareholders is created through a good corporate governance system, while protecting the interests of relevant stakeholders and also creating mechanisms by which the division of power in the company is decided. Donaldson and Davis (2010) argued that corporate governance is a structure governed by a corporate body. It applies to the operation of the company's board and the behaviour of the

company internally and externally. In principle, a company's authority is split into two: the board of directors and the shareholders through the annual general meeting. The board tends to exercise more of a supervisory role, unlike in small private firms, in a public corporation, and individual responsibility and management tends to be delegated downwards to individual competent executive directors (such as a finance director or a marketing director) who deal with specific areas of the company's affairs (McNamara, 2012). Ogundele (2014) also considered governance as the organ of small or large organizations or even large communities that are responsible for managing resources of all kinds within their spheres of influence and thus have the power to govern the organization or community's human and material resources. In order to guide the actions of the members of the company and the related associates of the organization, the administration of a business organization is generally delegated to the board of directors who formulate policies. Corporate governance's mission is to achieve corporate excellence and increase the value of shareholders, while not neglecting the need to balance all stakeholders ' interests (Chukwudire, 2014). Dress and Lumpkin (2012) noted that the division of ownership and management is defined by modern business. There is a divide between those who own the company and those who control, regulate, and direct it. During the annual general meeting, it is from those who own the company that the boards of directors are elected. Duncan and Cameron (2014) asserted that the directors were legally named by shareholders at the company's Annual General Meeting. Therefore, for their actions and practice, the directors individually and the board collectively should be liable and accountable to the shareholders. In addition, the directors should be able to serve as guardians of the properties of the company and also seek to preserve and increase the value. Frank and Graeme (2014) believed that corporate governance is seen as a collection of procedures, laws to be complied with, rather than the desired outcome of directors, the authority exercised over the business of the companies with probity and unquestionable honesty. This suggests that the company has nurtured an incentive for management to behave more in its own interest than in the interest of shareholders, and this is the genesis of Modern Corporation in the 1844 Companies Act. It was not accidental that the Companies Act of 1844 required annual accounts and reports to be audited to better protect shareholders interests. Successful management is based on fairness, the trust of the owners in the stewards and the probity of the stewards (Frank & Graeme, 2014). However, if the managers are not the owners, agency concerns drag company output in as much as the managers are not the residual claimants

of wealth as the decision-makers are not, and as such, these managers can prefer to behave for their own interests (Fama, 2013). Therefore, the framework of corporate governance defines the allocation of rights and obligations between the various members in the company, such as the board, administrators, shareholders and other stakeholders, and describes the rules and procedures for corporate decision-making. Through doing so, it also offers the mechanisms by which the goals of the organization are set, and the means to achieve those goals and track results.

2.2.2 Code of Corporate Governance

According to Frank and Graeme (2014) the followings are considered essential for effective operations of corporate governance in any public limited liability company;

1) Half-yearly financial statement prepared by the management of the entity and subject to a limited scope review (not audited) by the external auditors. Such a review should be conducted and reported in accordance with International Standard on Auditing (ISA) 910. Auditors are also required to issue an engagement letter.

2) It is the responsibility of an auditor not to engage in an entity whose shares he holds, or his blood relatives hold. Hence, such auditor must disclose the interest to the company within 14 days of his appointment and divested within 90 days if he wishes to be engaged.

3) The auditor should not hold office until they have been granted a satisfactory rating under the International Federation of Accounting Committee (IFAC) Code of Ethics Standards Quality Control Evaluation Programme.

4) No auditor can hold an office for more than five (5) years. If this becomes impracticable, it is appropriate to rotate the partner responsible for audit engagement.

(5) The auditor shall provide management with a letter to the entity's board of directors no later than thirty days after the date of the audit report.

(6) The auditor shall attend the Annual General Meeting at which the audited reports are to be submitted for consideration before the shareholders.

7) The auditor does not consider the company's non-audit duties, such as management consulting, accounting systems design, accounting compilation, shareholder services, etc.

8) To the degree that such compliance can be reasonably checked, the auditor should review and certify the statement of compliance with the best practice of corporate governance prepared by the management of the organization prior to publication.

The above listed codes have been issued to serve as standards and guidelines for part of the governance of an organization that deals with certifying the truthfulness and fairness of financial statements (Kala, 2014). They serve as the judge who either justifies or condemn the board of directors based on the information presented in the financial statement.

2.2.3 Pillars of Corporate Governance

In all ramifications of human endeavour, the foundation of corporate governance is the attitude and practice of the society. Inam, (2015) postulated that these values are based on the following:

1) Accountability of power, based on the fundamental beliefs that power should be exercised to promote human well-being.

2) Democratic values, which relate to the sharing of power, representation and participation;

3) The sense of right and wrong;

4) Efficient and effective use of resources;

5) Protection of human rights and freedoms, and maintenance of law and order and security of lives and property;

6) Recognition of the government as the only entity that can use force to maintain public orderliness and national security; and

7) Attitude towards the generation and accumulation of wealth by handwork.

2.2.4 Importance of Corporate Governance

From economic history, corporate governance is relevant in many ways: it enhances a company's control system, which "increases management transparency and maximizes sustainable wealth formation." “Institutional investors believe that better financial performance is achieved through better management, and better managers pay attention to governance, hence the company is more attractive to such investors.” Good corporate governance can lead to an increase in the share price, which can be referred to as the 'corporate governance dividend.' Good corporate governance can lead to social responsibility for a company. Customers and investors may find a

socially responsible company more attractive; therefore, revenues and share prices may increase. Moreover, it will not continue to sound mundane, even boring, until we understand how important the corporate governance system is to human welfare. 'Without the existing corporate governance system, the material progress and technological breakthrough of the last two centuries, ranging from steam engines, cotton gins and telegraphs to automobiles, airplanes and telephones to computers, DNA splicing and cell phones, would not have been possible.

The critical function of the system is to use the company's scarce resources efficiently to yield high profitability. Corporate governance is mainly concerned with the protection of weak and widely dispersed shareholders against directors and managers who are self-interested. It focuses on preventing business collapses and maximizing the company's goal of profitability. Good corporate governance is also germane to securing investor confidence in any corporation (Ajayi, 2011), and for a firm to grow and develop, its governance process and structures must be well run (Akharayi, 2015). Good corporate governance will build anti-corruption and mismanagement protections and foster accountability and economic performance. Sustainable profitability exists at the root of building trust in corporate governance structures. Successful corporate governance frameworks therefore enable organizations to manage their affairs with appropriate oversight and transparency, build value for shareholders through sound investment and innovation, and provide risk-based control systems. Levitt (1999) claimed that corporate governance is 'indispensable to effective market discipline.' If a nation does not have a reputation for sound corporate governance practices, capital will flow elsewhere, "Levitt (2000) succinctly articulated." Capital can flow elsewhere if investors are not happy with the degree of transparency. If a nation opts for loose requirements for accounting and reporting, capital can move elsewhere. All companies in that country bear the repercussions, regardless of how steadfast the activities of a single organization might be. Good corporate governance can enhance investor trust, attract outside investment, and demonstrate a country’s commitment to observing international standards (Oteh, 2013). While good corporate governance can eventually contribute to sustainable economic growth by improving market performance and increasing access to global capital, bad corporate governance tends to undermine the capacity of an organization and can lead to financial problems and even fraud (Oteh, 2013). Poorly regulated businesses do not only pose a danger to themselves, they do to others and Abiodun and Ganiyu (2012) could also bring down the capital market. In virtually all known instances of company distress in the world, weak corporate

governance has been described as one of the major factors (Ajayi, 2012). Oteh (2013), notes that returns as well as good corporate governance and best practice attract money. In other words, capital would exit the sector if there is a lack of good corporate governance in a market (King I Research, 2012; Levitt, 2011; Oteh, 2013). Good corporate governance is a scientific means for shareholders to achieve a competitive and rational return on investment. Evidence shows that there was better investment efficiency for firms with good governance. Researchers have found that strengthening the corporate governance of a business has a proportionately greater effect on countries with low legal backgrounds. They also indicated that by creating good corporate governance at the level of the organization and offering credible investor protection, corporations can partly compensate for inadequate laws and regulation. White (2013) argues that good corporate governance, as it represents social values, is of importance to nations. Accordingly, how nations want to regulate their businesses influences the investment decisions of the company; companies tend to invest in nations that conform with national governance requirements. Ekineh (2012) argues that "irrespective of how sound macro-economic policies are economic targets cannot be accomplished if institutions are not well regulated by the macro." Recent domestic and global events attest to this and have highlighted the relevance of good corporate governance further. Norwani (2011) added that with the ultimate goal of realizing long-term shareholder value, good corporate governance is aimed at improving company stability and corporate transparency. Corporate governance is described by Ganiyu and Abiodun (2012) as an instrument for socio-economic growth. Ultimately, effective corporate governance can lead to a reduction in the occurrence of corporate errors, a weak internal control system, a poor corporate structure, both management and job indiscipline. Panfilii and Popa (2012) argue that good corporate governance will eliminate distrust between various stakeholders, reduce capital costs and increase profitability, and prevent earnings abuse and fraud Cohen (2004) and Mervyn (2012) added that capital flowed to businesses that practiced and would comply with this type of good governance when it performs. Ganiyu and Abiodun (2012) believe in their research work that corporate governance will significantly benefit the food and beverage industry if properly and efficiently placed in place by infusing better management theory, effective control and accounting systems, strict supervision, effective regulatory structure and efficient use of the resources of the organization resulting in improved results. Oteh (2013) argued that returns as well as good corporate governance and best practice attract money. When there is a lack of good

corporate governance in a sector, with the click of a button, capital will exit the market. For several reasons, the corporate governance of food and beverage firms in Nigeria is significant. The positive link between the production of the food and beverage industry, economic progress and the reduction of poverty can be shown by significant evidence. The recent rise in the GDP of the nation is attributed to a rapid rise in this sector. Therefore, Nigerian food and beverage corporations play an important role in the growth of the country's economy. To restore public confidence and trust in the industry, good corporate governance practices are necessary. This is because poor corporate governance will lead to the bankruptcy of food and beverage businesses, lead to a collapse in the industry and cause significant unemployment, causing poverty and malnutrition, inflation and many other negative effects on the economy.

2.2.5 Corporate Governance in Nigeria

Corporate governance has become an accepted international standard. In June 2000, the Security and Exchange Commission (SEC), in cooperation with the Corporate Affairs Commission (CAC), inaugurated a seventeen (17) member committee chaired by Peterside Atedo in Nigeria, recognizing the need to comply with international best practices. The committee has been appointed to find gaps in Nigeria's existing corporate governance procedures. The membership of the commission, including members of technical associations, the organized private sector and regulatory authorities, was deliberately chosen to cut through all sectors of the economy. A draft Corporate Governance Code based on Codes of Best Practice for Corporate Governance in Nigeria (Institute of Chartered Accountants of Nigeria [ICAN], 2015) was introduced by the committee.

Board of Directors' Composition: The composition of the board as recommended by Companies and Allied Matters Act 2016 is as follows;

a. A mixture of executive and non- executive directors headed by the chairman not to exceed 15 or less than 5.
b. The board must not be dominated by an individual
c. The position of chairman and chief executive officer should be separated to avoid undue concentration of power. In exceptional circumstance where the position is combined there should be a strong non-executive independent director as vice chairman.
d. The member should be upright, knowledgeable and have integrity.

e. Executive director remuneration should be set by remuneration committee made up of nonexecutive directors.

Directors Responsibility: The followings are the general responsibility of directors according to Companies and Allied Matters Act 2016;

- To ensure that the company's affairs are handled in a legal and successful way to increase the production of value.
- To ensure that the value generated is shared by all stakeholders and that its roles involve them in this respect.
- Strategic Strategy Planning
- Senior executive collection, performance assessment and incentives.
- Succession arrangements
- Shareholder correspondence
- Ensure that financial controls are integral and report
- Ensuring that ethical practices are upheld and that Nigeria's rules are followed by the organization.

Shareholders Rights and Privilege: To ensure good corporate governance the following rights and privileges are made available to the shareholders of Public Limited Liability Company in Nigeria (Companies and Allied Matters Act 2016);

a. The shareholders statutory rights and general rights are protected all the time.
b. The decisions made by shareholders at the general meeting must be well implemented
c. The shareholders are given equal treatment while any holder of 20% and above is given a seat on the board. The board must use the general meeting to communicate with the shareholders and encourage participation.
d. The shareholders are to elect the directors and approving the terms and their conditions of directorship.
e. It is important to deliberately choose the location of the meeting so as to make it possible and accessible for the majority of shareholders to participate. The company should not discourage shareholders activities either by institutional shareholders or by organized shareholders group.

f. Information made available to institutional shareholders should also be made available to other shareholders.

2.2.6 Elements of Corporate Governance

Corporate governance as a global phenomenon has many universal characteristics. This study concentrated on four board characteristics: board independence, board expertise, board gender and board meetings as the independent variables.

Board Independence: Board independence is a very important aspect in the corporate governance as the organization's board with independent directors will take better and unbiased decisions as well as the firm will have less financial pressure. Those firms which have their board as an independent tend to face less financial pressure (Palaniappan, 2016). The dominance of independent directors in the board structure of companies can enhance the decision credibility and objectivity. When there is an independent board structure set up within the company, transparency, accountability, disclosure and faithful representation of the financial statements will be enhanced. This is paramount in enhancing the value relevance and creation of value for the shareholders. In short, Independent directors can ensure that the shareholders are appropriately served towards an enhanced value creation.

Board Expertise: Study reports have been limited to date on the technical history and skills of directors. A review of Australian studies based on particular categories of competence such as accounting and political history is given by Gray and Nowland (2015) (Aldamen, et al. 2012, Christensen, et al. 2010, Gray, et al. 2016). They also offer the first detailed categorisation of the skills of the director and describe 11 different groups: Academics, accountants, bankers, analysts, physicians, engineers, supervisors, attorneys, even managing directors, scientists and lawmakers. Their research showed that the diversity of board expertise had little overall effect on company performance, but as assessed by ROA, a negative association was found between non-business-related expertise and company performance. International surveys that look at the history of board members offer critical insight into some of the fundamental factors behind director appointments and draw conclusions based on the abilities of its members on the inner functioning of boards. Agrawal and Knoeber (2001) point to the existence of policy-based directors for firms with roots in politics. Important government contracts; legal credentials for businesses with higher environmental regulation, while Fich (2005), tracks a strong business

reaction to the appointment of other companies' active CEOs. Güner, Malmendier and Tate (2008) discuss the involvement on boards with financial expertise and the subsequent rise in external support, but find that shareholders do not actually benefit from it.

Board Gender: The Board gender has been perceived to be one of the most critical governance problems faced by the owners, the directors and the shareholders. In this way, Rose (2007) suggests that firms can represent the imbalance of society as a whole, like all institutions, and diversity on boards and in top management is thus a reasonable result. Corporate governance is beneficial from the point of view of social stability and the trend of modern corporations is increasingly evident. From an economical point of view, this diversity should not be generated by itself but should contribute to improved corporate values. As a result, there are major benefits and some disadvantages to demand for gender diversity. Overall, gender balance will enhance the management oversight by improving board flexibility and making decisions more difficult and complete. However while gender diversity increases innovation, more uncertainty is provided in decision-making, which implies future disagreements and lower cohesion.

Board Meetings: Collins, Ntim and Kofi (2001) indicate that board meetings also have significant legislative and policy ramifications. Although the finding that corporate board meetings are good for corporate success confirms King II's suggestion to attend corporate boards at least four times a year, their additional proof of non-linear correlations between corporate board meetings and corporate performance further indicates that the term "one-size" Because SA businesses differ in scale, sector and complexity of practices, it is fair to argue that following a 'flexible and sensitive' approach to corporate board meetings instead of 'one size fits all will boost corporate performance.

2.2.7 Concept of Business Growth

There is no strict meaning of the word ‘Business Growth’. It has multiple definitions for various persons and classes. "The term growth implies an increase in size or an enhancement in consistency as a result of a production phase in which an overlapping sequence of internal modifications leads to an increase in size followed by changes in the characteristics of the increasing entity" (Penrose, 1959). Growth is the business technique used most commonly. It implies rising revenue, properties, net income and an ability to take advantage of the curve of experience to reduce the cost of goods delivered per unit and thereby maximize profits. The cost

cutting is very necessary if the business of a business is rising rapidly and rivals are interested in competition wards in efforts to maximize their market shares. Those businesses that do not get the requisite large-scale manufacturing economy typically face large losses unless they can locate and fill a limited but lucrative gap where unique product or service characteristics can offset higher costs. Business growth, however, means "an economical growth from a financial standpoint that can be maintained profitably for potential gains." In 1977, Higgins popularized the idea of business growth, first suggesting the use of the formula of sustainable growth rate to illustrate the realistic limit for rising businesses. "The market growth rate model explains "whether the proposed growth strategy of the organization can be financed under its current financial constraints or not" (Firer, 2017). "More precisely, the growth rate of industry attempts to describe "the largest annualized growth in the amount of revenue that a corporation can afford without issuing any additional (i.e. new equity or modifying its financial policies). The process of enhancing some indicator of the success of an enterprise is business growth. Business growth may be accomplished either through improving the company's top line or income through increased merchandise revenues or service revenue, or through growing the operation's bottom line or profitability through reducing costs.

2.2.8 Business Growth and Performance

Business growth connotes the movement of a company from its current position to a higher desired state or level of performance. There is also expansion when a company is expanding in size in the form of an expanded number of subsidiaries and staff, which will inevitably contribute to a rise in sales and benefit. Growth could be either external or internal. As the management raises the capital/asset base of the company by either fresh infusion of funds or continuation of benefit, it is internal. When management takes additional capital into the company to finance its growth, it is external (Adefulu, 2014). Sun (2004) describes business growth as a dynamic mechanism of change and a shift from equilibrium to imbalance and from imbalance to higher balance. Enterprise growth is seen as the phase of growth that holds the patterns of healthy and constant overall performance level growth (including production, revenue value, benefit and asset gross) or proceeds to realize the great progress of overall performance and the stage period of quality and level of development. Company success can be accomplished by an organization's ability to achieve productivity and profitability through the utilization of capital available to it. It is a subjective indicator of how effectively a company can use its properties to produce income

from its primary mode of operation. Company growth may be calculated in terms of quantity, for example, as sales volume, market share, amount of output, benefit and employee, company overall valuation, ownership structure, shareholder earnings and dividends, company inventory returns/shares worth, gearing ratio (proportion of equity to debt financing) etc are reported rises. Development, therefore is qualitative where for instance, there is a demonstrable potential for technical advancement, from immature to mature production innovations, optimum investment and performance quality, as well as market growth and change. Huiyuan, (2012).

2.2.9 Importance of Business Growth

Growth can be good for business for many different reasons. For example, it may allow you to:

1. expand your products or services
2. attract more customers
3. increase sales
4. employ more staff
5. take advantage of new opportunities

2.2.10 Types of Business Growth

Growth is the goal of every company, whether expanding into a larger location or exporting your product internationally, the ultimate aim of any business owner is to create a thriving business that creates new goods, services, sites and jobs. It takes a strategic plan and a good understanding of how companies grow to decide the best way to develop a business. There are 4 types of business growth. They include;

a. **Organic Business Growth:** The most basic yet most successful means of growth for a company is organic business growth. Organic growth is focused on creating more goods, services and scope for success in industry. Businesses based on organic growth may purchase a larger outlet, or broaden changes to generate more merchandise. Businesses which are based on organic growth need to expand literally to meet their needs. Organic growth is a good business development strategy for new companies as well as companies that have entered a new market and are facing product shortages. Increased space or production meets increasing market demand and avoids shortages. Organic business development is an

unsustainable method for development but one that will eventually set up a company for potential success.

b. **Strategic business growth**: Strategic business growth centers on a company's long-term development. Organizations that would concentrate on strategic growth have entered their stage of organic business development and need to pursue new markets. A strategic plan for growth could be to enter a previously untapped market through ads, or to produce new goods to add to the stock. Strategic business growth needs the money generated by organic development, as companies do not experience the same acceleration of the watershed industry. It is going to be a steady boost in sales, instead. Strategic growth is an important stage for the plateauing businesses. The strategic company development strategy helps businesses to concentrate on long-term goals and use accumulated resources to achieve those objectives. Strategic growth is difficult for new companies or firms that manufacture less of a product than they are in demand. In the end, strategic market development is a smart technique to make use of when looking at long term business planning.

c. **Partnership/Merger/Acquisition:** Acquiring, merging, or forming a relationship with another company can offer some unique advantages and market growth opportunities for certain businesses. This company growth plan is the most aggressive but also with the most possible results. A well-established merger or acquisition will help a company reach a new market, generate more products and obtain consumer loyalty from another brand.

d. **Internal Business Growth:** is both the simplest and most difficult way to boost business growth. This business development plan uses existing resources rather than looking outward to output, and decides how they can be best used

2.2.11 Measuring Business Growth Rate

The growth rate is the indicator of the rise in sales and the ability of a company to improve over a given period.

Why Measure Business Growth Rate?

It is an indication of the company's revenue percent rise and it is one of the key metrics to assess the performance of start-up firms. This means that a product's growth rate is an indicator of competitiveness and sustainability. This is an indicator of the rapid growth and anticipated

growth of an organization over time. Depending on the industrial and development phases of the market, the rate of growth can be measured as weekly, monthly or annual.

2.2.12 How to Calculate Business Growth Rate

Among other variables, there are several methods to measure the growth rate depending on which sector the firm is engaged in, the company's current capacities, the current funding process, and the company's age.

While there are a variety of options, this basic formula can be used for monthly measure of the rate of revenue growth:

** {[(Second Month Revenue) -(First Month Revenue)]/(First Month Revenue)}* 100%**

There are various methods and some other factors which can be taken into account when estimating a company's growth rates. Experts recommend, for example, beginning the calculations with the costs of a business and testing "key ratios" such as the operating profit margin and the "headcount per client" (i.e., number of employees per client). Other thumb rules include doubling the cost estimates for advertising and tripling the legal and insurance cost estimates, since these categories often incur hidden expenses or vary from provider to provider. You should also track customer care time and provide a point of departure for predicting potential labor costs as the company expands.

2.2.13 What Is a Good Business Growth Rate?

Depending on the market, growth rates vary. However, companies as an aggregate benchmark can have between 15% and 45% of annual growth on average.

2.2.14 Managing Your Business Growth Rate

Growth rates reflect a rise in a company's revenue and an expansion opportunity during that era. Your growth rate should therefore be a key focus within your market. After all, it is necessary to prepare future resource usage and potentially pull in investors searching for potential start-ups. Although growth rates vary from industry to industry, there are many growth strategies that can increase your revenues significantly.

2.2.15 Nexus Between Corporate Governance and Business Growth

a. Board Independence and Business growth: Independent management are granted accountability by objective decision-making and careful oversight of the governance mechanism to protect shareholders' interests. They provide the business with more expertise and information and make board decisions and decision more important (Heravia et al., 2011). It is generally agreed that a substantial proportion of the external directors in the 'top tiers' of the companies must be the perfect board, since they bring about balance of control (Hambrick & Mason, 1984). Prior analytical data shows that the company has a greater record than its higher board of independence (Laing and Li, 1999; Bebchuk & Weisbach, 2010; ROUF, 2012; Khan & Awan, 2012; Chen, 2015; Liu et al., 2015; Sarpong-Danquah et al., 2018). In brief, independent management play an important role in maintaining the interest of clients (Byrd & Hickman, 2015).

b. Board's Expertise and Business growth: "Education is the best tool that you can use for transforming the environment" – companies produced and operated by qualified managers tend to work better than those run by untrained managers (Akpan & Amran, 2014). The inclusion of more skilled board directors enriches the knowledge base, the expertise and the professional base of the board. These added benefits contribute to the decision-making process of the Board and eventually the success of the business. Bathula's (2018); Ujunwa's (2012) and Ali's (2016) studies have reported that businesses with highly trained board directors appear to achieve improved results. Ljungquist (2007) suggests that board members with higher credentials are likely to support businesses through a mixture of expertise, strengths and decision-making opportunities.

c. Board Gender and business growth: The presence of women director on the corporate boards has been increasingly recognized as an obligatory element of good corporate governance practices. It is asserted that women directors are more diligent as compared to the male ones in terms of attending the board meeting, monitoring performance, and others (Appiadjei(2017); Khan (2017); Erhardt (2013); Carter (2013). In addition, women's are more cautious, less overconfident, and are innately more risk averse than men's. These traits intensify the board's decision-making process, the monitoring practice, and the performance. The Board gender has been perceived to be one of the most critical governance problems faced by the owners, the

directors and the shareholders. In this way, Rose (2007) suggests that firms can represent the imbalance of society as a whole, like all institutions, and diversity on boards and in top management is thus a reasonable result. Corporate governance is beneficial from the point of view of social stability and the trend of modern corporations is increasingly evident. From an economical point of view, this diversity should not be generated by itself but should contribute to improved corporate values. As a result, there are major benefits and some disadvantages to demand for gender diversity. Overall, gender balance will enhance the management oversight by improving board flexibility and making decisions more difficult and complete. However while gender diversity increases innovation, more uncertainty is provided in decision-making, which implies future disagreements and lower cohesion.

d. Board Meetings and business growth: Collins, Ntim and Kofi (2001) indicate that board meetings also have significant legislative and policy ramifications. Although the finding that corporate board meetings are good for corporate success confirms King II's suggestion to attend corporate boards at least four times a year, their additional proof of non-linear correlations between corporate board meetings and corporate performance further indicates that the term "one-size" Because SA businesses differ in scale, sector and complexity of practices, it is fair to argue that following a 'flexible and sensitive' approach to corporate board meetings instead of 'one size fits all will boost corporate performance.

2.3Theoretical Review for Corporate Governance

Garba, Mikaila and Sanda, (2014) in their work titled corporate governance mechanisms and business growth in Nigeria identified the resource dependency theory, agency theory, and stakeholder theory as the three prominent theories of corporate governance which are discussed below:

2.3.1 Resource Dependence Theory

In 1978, American theorists, Jeffrey Pferrer and Gerald Salancik, introduced the 'Resource Dependency theory' in which the board of directors is treated as a resource that can not only supplant the need for other services, but also affect the environment in its favour and thereby enhance firm efficiency (Bathula, 2018). This theory's fundamental proposition illustrates the

need for environmental relations between the business and external directors (Yusoff & Alhaji, 2012). The board of directors is thus known to be a link between the business and the main services (i.e. knowledge, expertise, access to constituents, and legitimacy) that a company needs for improved success and development from the external world. Putting things together, this theory perceives “the board members, with their knowledge, skills, talents, and professional experience, may be helpful in providing advice and counselling to management in case of limited or lack of inside knowledge. In addition, they could also provide the firm with access to scarce resources by providing the firm with access to their networks” (Sarens & Merendino, 2016).

2.3.2 Stakeholder Theory

The stakeholder theory is merely an extension of the agency view (Amer, 2016). This theory assumes that the “companies and society are independent and therefore the corporation serves a broader social purpose than its responsibilities to shareholders” (Keil & Nicholson, 2013). To be more precise, the philosophy of stakeholders is largely based on the idea that the board of directors of a corporation should function in the best interests of all the stakeholders, rather than only the shareholders. "Any party or person who may control or is influenced by the accomplishment of the goals of the company is a stakeholder" (Freeman, 1984). This group includes - investors, managers, employees, customers, business partners, local communities, civil society and the natural environment (Wheeler & Sillanpaa, 2015). Freeman et al. (2004) propose that by settling current disagreements between them so that the stakeholders do not abandon the contract, business administrators can aim to build as much benefit for stakeholders as possible. In summary, the purpose of this theory is to ensure that stakeholder priorities are matched with shareholder interests (Pandey, 2015).

2.3.3. Agency Theory

In the literature on corporate governance, organization theory is known as one of the prevailing theoretical viewpoints (Daily et al., 2013). The division of possession and power is the central tenet of this philosophy (Pandey, 2015). The theory of the Organization describes circumstances in which principals assign their power and decision-making authority to the agents for specific duties (Eisenhardt, 2013; Ross, 1973) and, provided the incentive, agents in most cases act in a self-interested way, actions that may interfere with the interest of the principal (Eisenhardt, 2013; Jensen & Meckling, 1976). As such, leaders adopt institutional structures that keep an eye on the

agent to curtail opportunistic actions and balance the interests of the parties better (Madison, 2014; Eisenhardt, 2013; Fama & Jensen, 1983). In summary, this theory specifies mechanisms which reduces agency loss (Eisenhardt, 2013) and suggests that agency problems are created, and agency costs are incurred to alleviate these problems (Jensen & Meckling, 1976)

2.4 Empirical Review

Studies abound in the literature, impact of corporate governance on business growth of listed firms of consumer goods sector in Nigeria. The study of Zvavahera and Ndoda (2014) in their report on corporate governance and ethical behaviour, finding shows that top management and the board were unethical in one of these reports. In the way business was done, there was a lack of responsibility and transparency. It was reported that workers went without pay for more than seven months, and top management and the Board compensated themselves handsomely. They also observed that weak corporate governance and unethical behaviour had significant detrimental consequences on the success of both companies and workers. A research on the effect of corporate governance on corporate results was also undertaken by Otten and Tourani-Rad (2006) and found that provisions on financial transparency, shareholder rights and remuneration are relevant for the performance of stock prices. The value of board responsibility, management of the business and organizational conduct is limited. "Effect of Corporate Governance on Financial Results of Indian Electronic Consumer Goods Firms" agreed with Mandal and Al-ahdal (2018) that board independence has no substantial impact on consumer goods sector growth. Charles, Aderimiki and Enilolobo (2018), who concluded that the positive contribution to financial success can be attributed to a major feature of non-executive directors who questions board decisions constructively and thinks of alternate ways of solving an issue or creativity that the board has never contemplated. Johl and Salami (2014) study on "Impact of Board Composition on Firm Performance: A Study on Listed Firms in Malaysia" They suggested that greater emphasis need to be taken by firms to have board members with diverse qualification and directors with accounting/ financial expertise. Aderimiki and Enilolobo (2018) "Corporate Board Diversity and Performance of Deposit Money Banks in Nigeria". The report recommended, among other items, that female directors should be more included on corporate boards. The study clarified that certain female traits, such as listening abilities, can be linked to

the positive outcome. Women are better listeners than men, and this is precisely the talent that is most necessary for managing a business. Adams and Daniel (2009) “Women in the boardroom and their impact on governance and performance”. They posited that board gender/gender diversity is negative and does not significantly affect the performance of an organization. Al-Daoud, Saidin, and Abidin (2016) “Board Meeting and Firm Performance: Evidence from the Amman Stock Exchange”. Their study indicated that board meeting is significantly and positively related to corporate performance as more meetings generate more value for firms. Chukwu (2019) study on 'Audit Committee Features and Timeliness of Corporate Financial Statements in the Nigerian Insurance Sector' study accepted that board/audit meetings had no substantial impact on company development.

2.5 Gaps in Literature

Amidst these prior studies, there are various researchers who examined the relationship between corporate governance and business growth. However, they realized debatable results; some recognized a positive relationship between the variables while some disclosed a negative relationship between the variables. However, after a critical study of these studies at length, it was revealed that majority of the studies both at national and international level were carried out mostly on other sector of the economy such as banks, manufacturing, oil and gas, financial service, among others while ignoring the consumer goods sector despite the importance and vital role the consumer goods sector plays in the economy. Most importantly, in the economy of Nigeria, the consumer goods sector is fast growing and citizens are diving in more and more into this sector. Hence, with due consideration of the above mention, this study deems it necessary to fill the gap by studying the effect of corporate governance on business growth of listed firms in consumer goods sector in Nigeria.

CHAPTER THREE

METHODOLOGY

3.1 Preamble

This chapter discusses the process and procedures employed to achieve the objectives of the study. It covers the research design, methods and techniques of data collection and analysis. The chapter begins with the discussion of the research design adopted for the study, and then followed by the population and sample of the study. The chapter also discussed the sources and method of data for the study as well as the technique of data analysis employed. It also presents the model of the study and the justifications of the methods and techniques adopted in the study.

3.2 Research Design

To archive the objective of this study, the longitudinal research design method was adopted.

3.3 Population of the Study

The population of the study comprises of 17 listed companies in Nigeria consumer goods sector.

3.4 Sample of the Study

The study made use of 17 listed companies of the population as the adequate sample size in which the selection was on a random basis so as to enhance fair representation.

3.5 method and source of Data collection

In the course of this study, secondary data will be extracted from the annual financial statements of the sampled companies as presented on their websites and as published in Nigerian Stock Exchange Fact Books. Panel data methodology will then be explored to obtain sufficient data required for Multiple Regression Analysis. This will involve collection of data from seventeen (17) listed companies over a period of five (5) years covering 2014– 2018.

3.6 Model Specifications

The model for this study was formulated in line with the research objectives. It shows the relationship between the dependent, explanatory and moderating variables. It can be written in form of equation as shown below:

$BG = \beta_0 + \beta_1 BI + \beta_2 BE + \beta_3 BG + \beta_4 BM + \varepsilon$

Where:

BG = Business growth.

BI = Board independence

BE = Board expertise

BG = Board gender

BM = Board meetings

β_0 = Intercept

$\beta_{1}, \beta_{2}, \beta_{3}$, and β_4 = Regression Coefficient

- ε = Error Term

3.7 Variables Measurement

The dependent variable in this study is the business growth while the independent variables are the board independence, board expertise, board gender and board meetings. The definitions and measurements of these variables are presented in table 3.1 below:

Table 3.1: Variables Definitions and Measurements

S/N	**Variables**	**Measurement**	**Notation**
1	Business growth	Percentage of total turnover.	BG
2	Board independence	Proportion of non-executive directors.	BI
3	Board expertise	Presence or absence of financial expert.	BE
4	Board gender	Ratio of female to male present.	BG
5	Board meetings	Ratio of board members attendance.	BM

3.8 Method of Data Analysis

The method of data analysis will include descriptive and inferential statistics. Descriptive statistics will include computation of means and standard deviation. Inferential statistics to be explored include correlation and multiple linear regression analyses.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

4.0 Preamble

This chapter describes the study's analyses and conclusions as set out in the methods of analysis. The results of the study were presented to explore the impact of corporate governance on Nigeria's consumer goods sector of business growth. Secondary data from the annual audited accounts of the sampled companies as presented on their websites and as published in Nigerian Stock Exchange Fact Books were retrieved during this analysis. In line with the research goals, other sections of the data analysis were carried out.

4.1. Data Presentation, Analysis and Interpretation

4.1.1 Descriptive Analysis

Table 4.1: Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Business Growth	85	6.24	8.92	7.7054	.65951
Board Independence	85	.00	.93	.5619	.25716
Board Expertise	85	.00	1.00	.9412	.23669
Board Gender	85	.00	.44	.1580	.11613
Board Meetings	85	.74	1.00	.9309	.06969

Source: Researcher's Analysis, 2020

From Table 4.1 above, the maximum values, minimum values, the mean (average), and standard deviation were shown. The results expressed in Table 4.1 helps to provide some insight into the nature of listed firms in consumer goods sector in Nigeria. First, it can be observed that on the average, in a 5-year period (2014-2018), the firms used for this study were characterized by a positive growth level= 7.71. This is an indication that most firms in consumer goods sector in Nigeria have a positive growth level; while board independence, board expertise, board gender, and board meetings have an average of 0.56, 0.94, 0.16, and 0.93 within the period of the study respectively. The minimum value for business growth is 6.24 while the maximum is 8.92. Furthermore, board independence recorded a minimum of 0.00 and a maximum of 0.93, while board expertise has a minimum of 0.00 and a maximum of 1.00 within the study period. Lastly, Board Gender recorded a minimum of 0.00 and a maximum of 0.44 while board meetings have a minimum of 1.00 and a maximum of 0.93 within the study period.

4.2. Test of Hypotheses and Discussion

Table 4.2: Linear Regression Analysis between corporate governance and business growth of consumer goods in Nigeria

Table 4.2.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.286[a]	.082	.036	.64764

a. Predictors: (Constant), Board Meetings, Board Expertise, Board Gender, Board Independence

Source: Researcher's Analysis, 2020

Table 4.2.1 above shows that corporate governance and business growth has a weak correlation (coefficient R) of 0.286 indicating that there is a positive relationship between the variables while the increasing degree in corporate governance will increase business growth by 28.6%. Analysis in table 4.2.1 also shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables) R square equals 0.082, that is, corporate governance (through its variables; Board Independence, Board Expertise, Board Gender, Board Meeting) explains 8.2% of observed change in business growth.

Table 4.2.2: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.981	4	.745	1.777	.142[b]
	Residual	33.555	80	.419		
	Total	36.536	84			

a. Dependent Variable: Business Growth
b. Predictors: (Constant), Board Meetings, Board Expertise, Board Gender, Board Independence

Source: Researcher's Analysis, 2020

The Analysis of Variance (ANOVA) was used to check how well the model fits the data. Moreover, the change statistics shows that the research model and variables are not fit ($p>0.05$). The ANOVA results showed that at 0.142 level of significance, there exists enough evidence to conclude that corporate governance was not useful for predicting business growth of firms in consumer goods sector in Nigeria. From the results, it can be concluded that there is no linear relationship between the dependent variable and the independent variable. It also shows that the F-value which is the mean square model divided by the mean square residual yielded F=1.777

Table 4.2.3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.363	1.124		6.553	.000
	Board Independence	-.104	.287	-.041	-.364	.717
	Board Expertise	.038	.302	.014	.126	.900
	Board Gender	1.632	.622	.287	2.623	.010
	Board Meetings	.116	1.074	.012	.108	.915

a. Dependent Variable: Business Growth

Source: Researcher's Analysis, 2020

From the regression coefficient result above, the estimated model becomes:

BG = 7.363 – 0.041 BI + 0.014BE - 0.287 BG– 0.012BM + 1.124

From the regression coefficients, a unit increase in Board Independence will lead to a 0.041 decrease in Business Growth of the selected firms in consumer goods sector in Nigeria. A unit increase in Board Expertise will lead to 0.014 units increase in Business Growth of the selected firms in consumer goods sector in Nigeria. Also, a unit increase in Board Gender will lead to a 0.287 increase in Business Growth of the selected firms in consumer goods sector in Nigeria. Lastly, a unit increase in Board meetings will lead to a 0.012 units increase in Business Growth of the selected firms in consumer goods sector in Nigeria.

4.2.1 Test of Hypothesis One

1. H_0: Board independence has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

From table 4.2.3, the regression result shows that Board independence has a significance level of 0.717 ($p>0.05$). This finding hence accepts the null hypothesis H_0 that Board independence has no significant effect on business growth and rejects the alternate hypothesis that Board independence has a significant effect on business growth.

4.2.2. Test of Hypotheses Two

1. H_0: Board expertise has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

From table 4.2.3, the regression result shows that Board expertise has a significance level of 0.900 ($p>0.05$). This finding hence accepts the null hypothesis H_0 that Board expertise has no significant effect on business growth and rejects the alternate hypothesis that Board expertise has a significant effect on business growth.

4.2.3. Test of Hypotheses Three

1. H_0: Board gender has no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

From table 4.2.3, the regression result shows that Board gender has a significance level of 0.010 ($p<0.05$). This finding hence accepts the alternate hypothesis H_0 that Board gender has a significant effect on business growth and rejects the null hypothesis that Board gender has no significant effect on business growth.

4.2.4. Test of Hypotheses Four

1. H_0: Board meetings have no significant effect on business growth among listed firms in consumer goods sector in Nigeria.

From table 4.2.3, the regression result shows that Board meetings have a significance level of 0.915 ($p>0.05$). This finding hence accepts the null hypothesis H_0 that Board meetings have no significant effect on business growth and rejects the alternate hypothesis that Board meetings have a significant effect on business growth.

4.3 Discussion of Findings

This study investigated the effect of corporate governance on business growth of listed firms in consumer goods sector in Nigeria. The data generated were subjected to both descriptive and inferential statistics. The descriptive statistics revealed the individual characteristics of the variables used in this study while the inferential statistics tested the hypotheses using the multiple linear regression analysis.

The test of hypothesis one was to ascertain whether board independence has a significant effect on business growth. This study revealed that board independence has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.717 ($p>0.05$). This result is consistent with the work of Al-ahdal and Mandal (2018) "Impact of Corporate Governance on Financial Performance of Indian Electronic Consumer Goods Firms" but against that of, Aderimiki, Charles and Enilolobo (2018) who asserted that the positive contribution to financial performance can be attributed to important trait of non-executive directors which is to constructively challenge board decisions and think of alternative ways to approach a problem or an innovation that the board has never considered.

The test of hypothesis two was to ascertain whether board expertise has a significant effect on business growth. This study revealed that board expertise has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.900 ($p>0.05$). This result is inconsistent with the research of Johl and Salami (2014). They suggested that greater emphasis need to be taken by firms to have board members with diverse qualification and directors with accounting/ financial expertise.

The test of hypothesis three was to ascertain whether board gender has a significant effect on business growth. This study revealed that board independence has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.900 ($p>0.05$). This result is consistent with the work of Charles, Aderimiki and Enilolobo (2018) “Corporate Board Diversity and Performance of Deposit Money Banks in Nigeria”. The study recommended among other things, that there should be more representation of female directors on corporate boards. They explained that the positive result can be attributed to some female characteristics such as communication skills. Women are better listeners than men, and this is exactly the skill that is most critical for managing an organization. This result is however in contrast to the work of Adams and Daniel (2009) “Women in the boardroom and their impact on governance and performance”. They posited that board gender/gender diversity is negative and does not significantly affect the performance of an organization.

The test of hypothesis four was to ascertain whether board meetings have a significant effect on business growth. This study revealed that board meetings have no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.900 ($p>0.05$). This result is consistent with the research of Chukwu (2019). He agreed that board/audit meetings have no significant effect on business growth. However, this result is inconsistent with the work of

Abidin, Al-Daoud, Saidin, (2016) “Board Meeting and Firm Performance: Evidence from the Amman Stock Exchange”. Their study indicated that board meeting is significantly and positively related to corporate performance as more meetings generate more value for firms.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Preamble

In this section of the study, the researcher provides a summary of the findings derived from the study, the conclusion of the study, recommendation for the study and suggestion for further studies.

5.1 Summary of the Study

Corporate governance has in recent years assumed considerable significance as a veritable tool for ensuring corporate survival since business confidence usually suffers each time a corporate entity collapses. Fulop and Pintea (2014) support the view and claimed good corporate governance practices play a crucial role to assure corporate sustainable growth, in the present context of globalization. The global financial catastrophe that swept the financial markets and economies around the world, causing bankruptcies and resulting economic recession has pushed the concept of corporate governance into the limelight (Fulop and Pintea, 2014).

This research was established to examine the effect of corporate governance on business growth of consumer goods in Nigeria. The findings of the research were discussed in detail and the objectives of the study were linked to the current findings of the research. The secondary source of data was obtained from annual reports of the selected consumer goods firms in Nigeria and as published in Nigerian Stock Exchange Fact Books. This study used a longitudinal method of research design to gather data for the period of 2014-2018 from 17 selected deposit money banks in Nigeria which was extracted from their respective annual reports. The study focused on four explanatory variables as proxies for the independent variable (Corporate Governance); board

independence, board expertise, board gender, and board meetings and one dependent variable which is business growth.

The resource dependency theory, agency theory, stakeholder theory and the stewardship theories are the fundamental theories in this study. The resource dependency theory represents the need for environmental linkages between the firm and outside directors. Accordingly, the board of directors is considered as a link between the firm and the key resources (i.e., information, skills, access to constituents, and legitimacy) that a firm needs from the external environment for better performance and growth. (Alhaji, & Yusoff, 2012). The Agency theory is considered as one of the dominant theoretical perspectives in the literature on corporate governance (Daily *et al.,* 2013). Agency theory discusses situations, in which principals delegate their authority of control and decision-making for particular task to the agents (Eisenhardt, 2013; Ross, 1973).

Furthermore, the stakeholder theory assumes that the "companies and society are independent and therefore the corporation serves a broader social purpose than its responsibilities to shareholders" (Keil & Nicholson, 2013). To be more specific, the stakeholder theory is principally based on the premises that a firm's board of directors should be working in the best interests of all its stakeholders, rather than only the shareholders. Lastly, stewardship theory views managers as stewards (Pandey, 2015) and presumes that they will behave as trustworthy stewards of the organization and focus on the collective well-being of the constituents in the firm regardless of the managers' self-interests (Wesley, 2010; Donaldson & Davis, 2011).

Furthermore, multiple linear regression analysis was used to test the four research hypothesis. The probability level was set up at 5% significance. The result of the multiple linear regression analysis can be summarized as below;

1. Board independence has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.717 ($p>0.05$)
2. Board expertise has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.900 ($p>0.05$)
3. Board gender has a significant effect on business growth of consumer goods in Nigeria (p value=$0.010<0.05$)
4. Board meetings has no significant effect on business growth of consumer goods in Nigeria with a significance level of 0.915 ($p>0.05$)

5.2 Conclusion

This study examined the effect of corporate governance on business growth of consumer goods in Nigeria. This study concludes that board independence has no significant effect on business growth of consumer goods in Nigeria. This study also discovered that board expertise has no significant effect on business growth of consumer goods in Nigeria. Also, this study revealed that board gender has a significant effect on business growth of consumer goods in Nigeria. Lastly, this study also found out that board meetings have no significant effect on business growth of consumer goods in Nigeria. The study therefore concludes that there is no significant effect of corporate governance on business growth of consumer goods in Nigeria.

5.3 Recommendation

Since this study revealed that there is a non-significant effect between corporate governance and business growth, this study therefore recommends that consideration of other sectors that affects corporate governance and business growth such as; weak corporate governance, poor risk

management practices, inability to handle expansion, low quality of assets, insufficient supervisory structure, unethical practices and many more should be therefore considered.

5.4 Suggestion for Further Studies

The researcher suggests that for effective conclusive study on the effect of corporate governance on business growth of listed firms of consumer goods sector in Nigeria, a replica study should be carried out in another sector other than the consumer goods sector. The researcher also suggests that in future studies, the period covered should be extended. External stakeholders like government regulations, media exposure and market competition should also be considered as they play an important role in ensuring proper corporate governance processes in a business organization. In addition, the data used in this analysis was extracted from only the Nigerian business environment; consequently, restricting the freedom to generalize the result of this research for other nations. Researchers from other countries are encouraged to carry out similar studies are in their countries.

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Appendices

Appendix 1

S/N	**LIST OF COMPANIES**
1	CADBURY
2	CHAMPION BREW. PLC
3	DANGOTE SUGAR REFINERY
4	FLOUR MILLS NIG
5	GUINNESS NIG PLC
6	HONEYWELL FLOUR MILL PLC
7	INTERNATIONAL BREWERIES PLC
8	MCNICHOLS PLC
9	N NIG. FLOUR MILLS PLC
10	NASCON ALLIED INDUSTRIES PLC
11	NESTLE NIGERIA PLC
12	NIGERIAN BREW. PLC
13	NIGERIAN ENAMEL
14	PZ CUSSONS NIGERIA

15	UNILEVER NIGERIA
16	UNION DICON
17	VITAFOAM NIG PLC

APPENIX 2

2014	TOt	TOt-1	BG	NED	TOTAL	BI	BE	F	TOT	BG	ATT	TOT	BM
1	30,518,586	35,760,753	-14.66	5	7	0.71	1	2	7	0.29	44	49	0.9
2	3,302,383	2,233,259	47.87	7	9	0.78	1	0	9	0	1	1	1
3	94,855,203	103,153,735	-8.04	8	10	0.8	1	2	10	0.2	48	60	0.8
4	332,142,685	301,941,329	10	10	11	0.91	1	0	11	0	64	70	0.91
5	109,202,120	122,463,538	-10.83	8	12	0.67	1	2	12	0.17	44	48	0.92
6	55,084,305	45,709,382	20.51	5	10	0.5	1	0	10	0	41	50	0.82
7	18,493,907	17,388,632	6.36	7	9	0.78	1	1	9	0.11	34	36	0.94
8	519,799,955	430,970,796	20.61	0	6	0	1	1	6	0.17	1	1	1
9	13,509,406	11,701,741	15.45	9	11	0.82	1	0	11	0	37	44	0.84
10	11,250,544	10,837,261	3.81	7	9	0.78	1	1	9	0.11	40	45	0.89
11	143,328,982	133,084,076	7.7	4	8	0.5	1	2	8	0.25	28	33	0.85
12	307,226	302,528	1.55	7	14	0.5	1	2	14	0.14	60	62	0.97
13	2,569,751	2,516,038	2.13	0	7	0	1	0	7	0	41	49	0.84
14	72,905,679	71,343,088	1.19	3	10	0.3	1	3	10	0.3	34	36	0.94
15	55,754,309	60,004,119	-7.08	4	7	0.57	1	1	7	0.14	27	29	0.93
16	-	-	0	4	8	0.5	0	0	8	0	1	1	1
17	16,712,922.00	16,808,851.00	-0.57	4	9	0.44	1	2	9	0.22	39	42	0.93
2015													
1	27,825,194	30,518,586	-8.83	5	7	0.71	1	2	7	0.29	33	35	0.94
2	3,501,845	3,302,383	6.04	8	9	0.89	1	1	9	0.11	1	1	1
3	101,057,905	94,855,203	6.54	7	9	0.78	1	2	9	0.22	63	48	0.76
4	308,756,525	332,142,685	-7.04	14	15	0.93	1	0	15	0	50	56	0.89
5	118,495,882	109,202,120	8.51	7	13	0.54	1	2	13	0.15	52	56	0.93
8886	49,057,511	55,084,305	-10.94	4	14	0.29	1	1	14	0.07	45	56	0.8
7	20,649,295	18,493,907	11.65	7	9	0.78	1	1	9	0.11	34	35	0.97
8	1,009,806,763	519,799,955	94.27	0	6	0	1	1	6	0.17	1	1	1
9	10,529,075	13,509,406	-22.06	9	11	0.82	1	0	11	0	37	44	0.84
10	16,178,197	11,250,544	43.8	7	9	0.78	1	4	9	0.44	50	65	0.77
11	151,271,526	143,328,982	5.54	4	8	0.5	1	2	8	0.25	1	1	1
12	293,906	307,226	-4.34	8	15	0.53	1	2	15	0.13	74	75	0.99
13	2,608,286	2,569,751	1.5	0	7	0	1	0	7	0	1	1	1

14	73,126,020	72,905,679	0.3	3	10	0.3	1	3	10	0.3	42	44	0.95
15	59,221,748	55,754,309	6.22	6	11	0.55	1	3	11	0.27	26	28	0.93
16	-	-	0	4	8	0.5	0	0	8	0	1	1	1
17	16,853,042.00	16,712,922.00	0.84	4	8	0.5	1	2	8	0.25	42	47	0.89
2016													
1	29,979,410	27,825,194	7.74	6	8	0.75	1	2	8	0.25	59	72	0.82
2	3,864,943	3,501,845	10.37	10	11	0.91	1	1	11	0.9	1	1	1
3	169,724,936	101,057,905	67.95	7	9	0.78	1	2	9	0.22	53	72	0.74
4	342,586,459	308,756,525	10.96	14	15	0.93	1	0	15	0	62	73	0.85
5	101,973,000	118,495,882	-13.94	7	12	0.58	1	2	12	0.17	64	74	0.86
6	50,883,780	49,057,511	3.72	9	15	0.6	1	2	15	0.13	57	60	0.95
7	23,269,364	20,649,295	12.69	5	9	0.56	1	1	9	0.11	43	46	0.93
8	1,093,805,288	1,009,806,763	8.32	0	6	0	1	1	6	0.17	1	1	1
9	979,038	10,529,075	-90.7	9	11	0.82	1	0	11	0	1	1	1
10	18,291,792	16,178,197	13.06	7	10	0.7	1	4	10	0.4	63	63	0.91
11	181,910,977	151,271,526	20.25	4	7	0.57	1	1	7	0.14	1	1	1
12	313,743	293,906	6.75	8	15	0.53	1	2	15	0.13	73	75	0.97
13	2,795,190	2,608,286	7.17	0	6	0	1	0	6	0	1	1	1
14	69,527,537	73,126,020	-4.92	4	11	0.36	1	3	11	0.27	43	50	0.86
15	69,777,061	59,221,748	17.82	6	10	0.6	1	3	10	0.3	43	44	0.98
16	-	-	0	4	8	0.5	0	0	8	0	1	1	1
17	13,569,873.00	16,853,042.00	-19.48	4	8	0.5	1	2	8	0.25	32	32	1
2017													
1	33,079,446	29,979,410	10.34	5	7	0.71	1	2	7	0.29	35	40	0.88
2	4,777,313	3,864,943	23.61	10	11	0.91	1	1	11	0.09	1	1	1
3	204,422,379	169,724,936	20.44	7	9	0.78	1	2	9	0.22	54	52	0.96
4	524,464,448	342,586,459	53.09	13	15	0.87	1	1	15	0.07	50	55	0.91
5	125,919,817	101,973,000	23.48	8	12	0.67	1	2	12	0.17	58	61	0.95
6	53,227,891	50,883,780	4.61	6	14	0.43	1	2	14	0.14	58	60	0.97
7			56.98	5	8	0.63	1	1	8	0.13	43	45	0.96

	36,527,807	23,269,364											
8	967,193,655	1,093,805,288	-11.58	0	4	0	1	1	4	0.25	1	1	1
9	1,330,536	979,038	35.9	6	11	0.55	1	0	11	0	1	1	1
10	27,064,325	18,291,792	47.96	7	10	0.7	1	4	10	0.4	65	70	0.93
11	244,151,411	181,910,977	34.21	4	7	0.57	1	1	7	0.14	1	1	1
12	344,563	313,743	9.82	8	15	0.53	1	2	15	0.13	70	74	0.95
13	2,528,319	2,795,190	-9.55	0	6	0	1	0	6	0	1	1	1
14	78,215,660	69,527,537	12.5	5	10	0.5	1	3	10	0.3	48	51	0.94
15	85,193,369	69,777,061	22.09	6	10	0.6	1	3	10	0.3	40	45	0.89
16	-	-	0	4	8	0.5	0	0	8	0	1	1	1
17	17,695,820.00	13,569,873.00	30.41	5	9	0.56	1	3	10	0.3	34	36	0.94
2018													
1	35,973,479	33,079,446	8.75	5	7	0.71	1	2	7	0.29	27	28	0.96
2	4,763,757	4,777,313	-0.28	10	11	0.91	1	2	11	0.18	1	1	1
3	150,373,083	204,422,379	-26.44	7	8	0.88	1	2	8	0.25	45	56	0.8
4	524,464,448	524,464,448	22.54	12	14	0.86	1	1	14	0.07	54	56	0.96
5	142,975,792	125,919,817	13.55	7	11	0.64	1	2	11	0.18	51	51	1
6	71,476,319	53,227,891	34.28	6	15	0.4	1	2	15	0.13	51	60	0.85
7	120,610,825	36,527,807	230.19	8	13	0.62	1	8	13	0.23	62	70	0.89
8	786,912,331	967,193,655	-18.64	0	4	0	1	1	4	0.25	19	20	0.95
9	2,861,752	1,330,536	115.08	5	10	0.5	1	0	10	0	36	43	0.84
10	25,769,352	27,064,325	-4.78	7	10	0.7	1	4	10	0.4	64	70	0.91
11	266,274,621	244,151,411	9.06	4	7	0.57	1	1	7	0.14	1	1	1
12	324,389	344,563	-5.85	6	9	0.67	1	2	9	0.22	39	39	1
13	1,650,999	2,528,319	-34.7	0	6	0	1	0	6	0	24	24	1
14	80,552,808	78,215,660	2.99	5	10	0.5	1	2	10	0.2	48	51	0.94
15	92,899,969	85,193,369	9.05	7	11	0.64	1	3	11	0.27	47	50	0.94
16	-	-	0	4	8	0.5	0	0	8	0	1	1	1
17	19,534,101.00	17,695,820.00	10.39	5	10	0.5	1	2	10	0.2	32	40	0.8