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## CORPORATE GOVERNANCE AND ORGANIZATIONAL PERFORMANCE IN NIGERIA (A CASE OF THE MULTI NATIONAL IN FOOD AND BEVERAGE INDUSTRY IN NIGERIA)

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### Abstract

*This research work investigates the influence of Corporate Governance on the performance of the Food and Beverage Industry in Nigeria. The quantitative research design was employed. A test sample size of 119 respondents was identified from a inhabitants of 180 employees from Flower Gate Factory Lagos in the review areas and 99.1% responses was recorded. Primary data was used. Structured questionnaire was administered and the answers were analyzed via Pearson Product Moment Correlation on SPSS (Statistical Package for Social Sciences) version 20. The result show that accountability as a measure of corporate governance has significant impact on organizational growth (with  $P=0.000 < 0.05$ ;  $r = 0.840$ ); Board Composition as a measure of corporate governance has significant influences on Organization's Competitive edge ( $P = 0.000 < 0.05$ ;  $r = 0.676$ ); and level of compliance as a measure of corporate governance has significant effect on Organizational profitability ( $P = 0.000 < 0.05$ ;  $r = 0.854$ ).*

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## Introduction

Corporate governance has normal boundless awareness from academia, government, regulators and the upper classes at considerable every over the humankind in the carry on little decades. Corporate breakdown has newly witnessed in in cooperation residential and budding countries with the reported belongings of the East Asia crises of 1997/98, the illness of Enron in 2001 and WorldCom in 2002 and the overall monetary calamity of 2007/2008 in the company of others. These crises emanated from the deficient authority practices from the economic sector – nearly everyone specially extending across basis industries and sectors of economies. In the even vein, corporate governance has been trendy as a contemporary theory in ancient history decades to perk up the recital of companies owed to not inconsiderable size of the follow a line of investigation about impression of corporate control on the managerial running (Eze and Eze, 2018).

Corporate governance issues and how it impacts concert of organizations centre on inadequate domination practices, intelligibility and answerability in the management of companies, corporate fraud and income misappropriation, short of obedience to appropriate means and procedures, ineffective management and ownership structure, ineffective command laws and rules etc. Corporate domination is the aggregate of processes, customs, policies, laws, and institutions disturbing the manner a corporation (or firm) is directed, administered or controlled.

Corporate governance involves the long-term management and management of the touring firms in consonance with the ethics of blame and clearness (OECD, 2010).

Corporate power epitomizes the system of controls, processes, policies, regulations and proceedings harden up by the go on board and Management of a set to make certain the flatten in succession of the company, augment shareholders wealth and suit the appeal of every stakeholder.

Owolabi & Dada, (2011) posits that corporate control is the gel of processes, customs, policies, laws and convention - deals with the relationships in the middle of management, live of directors, calculating shareholders, alternative shareholders and other stakeholders that at the end of the day affects the direction a firm or band is directed, administered or controlled. In addition, the language of corporate domination issued by significant have an account of Nigeria (2014) defines the subject as the rules, processes, or laws by which institutions are operated, in time and governed. It is urban with the major object of increasing a transparent and competent arrangement that will produce the lead of regulation and egg on group of responsibilities in a pro and rational manner.

More than a few studies hold customary the magnitude of lovely corporate power to governmental operation and adult years of evidences from proceeding examine conventional that in attendance exists a convinced suggestion between corporate governance and managerial deed (Love, 2011). nearly every one of these studies investigated quite a lot of constructs which take account of accountability, transparency, boss duality, embark composition, go into size, panel independence, non-executive directors & executive directors, position of lodge of directors, job of examination committees,

boss status, floorboard diversity, ownership concentration, regulations of conduct, message strategies, corporate culture, corporate group responsibility, ethical behavior, discipline, fairness, do awareness, exotic ownership, annoy directorships, directors rewards/compensation, center requirements, auditor's independence, directors' responsibility, shareholders civil rights and privilege, strategic choices, enter structure, fee committees, reliability of economic reporting, separation of place of work of panel lead and CEO, fiscal malpractices among others.

### **Statement of the Problem**

Effective corporate governance set of laws and practices focuses on assuring the ideals of fairness, transparency, accountability, and dependability in cooperation shareholders and stakeholders. In requisition to be for practical purposes and justly governed, businesses requisite not simply first-class inner power that includes vital home factors to corporation such as the lodge of directors (composition), hub providers, stakeholders, and management, but as form conduct & drive in a good institutional environment that includes weighty factors outdoor to the corporation, such as laws and regulations, competitive markets, the media, and transparent outside auditing events (Tura, 2012).

To alleviate corporate power problems, the management (board of directors) of companies are in particular be required to be in custody held responsible and in charge for company's tactical mental picture and go halves ethics for extended period success. By drama these key in tasks, the management and slat be supposed to be undeveloped and accessible to

altogether the stakeholders on examination about the get ready and deed of corporate firms. Furthermore, they are moreover seized liable to reveal completely the means determination criteria's whom decisions were made, adding up to this the in sequence a propos their be in possession of compensation, strategic planning, proposal and appointment of directors, succession of managers, influence mechanisms and other (Ilyas & Rafiq, 2012).

There is no gainsaying in the actuality that efficient corporate governance is a continuing aspect which enables a circle to evolve occupational brilliance competitive edge. It is clever of enhancing slat competence and cooperation which will consequence in a great deal enhanced payback to stakeholders. However, the go aboard has to be constituted in such a tactic that it has good kindness of, and capability to contend with, the matters of the company; useful go over and appraisal of the output of management; and bring to bear of insightful and unbiased thoughts (Adebayo et al. 2014). The optimization of panel in conditions of size, diversity, neutrality and makeup is advantageous for execution – to make certain genteel monitoring; respectable important initiatives for transnational without relying on management; mainly in a set like Nigeria. The board's responsibilities bring in surroundings the firm's strategic goals, only if leadership towards putting the situate goals into effect, supervising the management of the firm and exposure to stakeholders on their stewardship (Kangpang & Duke, 2011).

The vicinity of unease and issues to be addressed in the lessons are centered on accountability, get on composition, smooth

of compliance, organizational growth, competitiveness, and profitability. In Nigeria today, lots of corporations are identified by deficiencies in accounting standards, feeble economic reporting, economic impropriety, meager falling in line with program of paramount practices with its adverse property on put back on investment and productivity. Other corporate harms of Nigerian companies comprise be short of clearness and accountability, ineffective regulate and monitoring which very much reduces investors' confidence in the management. This condition will account for why scores of cooking and infusion activity are not extant in this divide of the world. Previous research focused mainly on financial sector of the economy such as banks and other financial institutions with little attention on how compliance or otherwise affect other sectors, particularly the manufacturing sector.

This problem has brought to light the desire to examine the effect of corporate governance on the performance of multi-national in food and beverage industry within Lagos State, Nigeria.

#### **Literature Review**

#### **Conceptual Review**

#### **Corporate Governance in Nestle Nigeria Plc.**

The priority of Nestlé Nigeria Plc. (hereinafter "Nestlé" or "the Company") is to do profitable prolonged characterize growth. Nestlé has policies and practices that align management of the theater group with the safety of our shareholders. This brings about beneficial bond in the extensive term. Nestlé believes that usefulness corporate control is a

judgmental dynamic in achieving small business success.

The firm is entirely attentive of its responsibilities to shareholders and facility to complete the implementation of polite Corporate Governance. The get on has put in position mechanisms that assist it to review, on a reliable basis, the operations of the companionship as a result as to make certain that our partnership is conducted in accordance with excellent corporate control and total most excellent practices (Nestle twelve-monthly Report, 2018).

#### **Code of Business Conduct**

The Nestlé set of instructions of partnership Conduct helps the unceasing implementation of the Corporate affair morality and the description of this set of instructions are planned to grant a enclose of situation against the entire doable situations that may occur. Moreover the object of this set of instructions is to Employees must obtain guidance what time they are in disbelief situation, put it on with authorization and honestly and pass up completely folks conduct which may break huddle reputation as well assign fondness to Company's good as an alternative of own or other safety (Nestle twelve-monthly Report, 2018).

Compliance with laws, rules and regulations – Companies and Allied Matters Act, Nestlé ensures that all taxes are promptly and regularly remitted to the three tiers of government: federal, state and local authorities. Nestlé complies with the mandatory provisions of the Code of Corporate Governance in Nigeria issued in 2011 by the Securities and Exchange Commission during the year under review. Also, Nestlé has in place structures and mechanisms to enhance internal control

while the effectiveness of measures for achieving operational and compliance control is constantly reviewed.

Conflicts of Interest - Shareholder Relations- Guiding Principles, Communication with Stakeholders and Transparency in Financial Reporting and Internal Control

Outside directorships and other outside activities - The Board of Directors is the ultimate governing body of Nestlé. The Board is made up of three (3) non-executive directors including the Chairman, two independent non-executive directors and two (2) executive directors. The names of all the directors are stated on page 09 of this Annual Report. The non-executive directors are independent of management and able to carry out their oversight functions in an objective and effective manner.

The position of the Chairman and that of the Managing Director are occupied by different persons. All the directors have access to the advice and services of the Company Secretary.

The following are the specific issues reserved for the Board:

- Succession planning and approval of top executive appointments
- Appointment and composition of the Board and its Committees with their terms of reference
- Approval of the strategic plans and budget of the Company
- Integrity of financial controls and reports
- Review and approval of risk management policies and internal controls
- The determination of accounting and financial control principles, as

well as principles of financial planning

- Approval of interim and annual accounts
- Appropriation and distribution of profits
- Acquisitions, disposals, mergers and joint ventures
- Approval of the remuneration of executive directors
- The appointment and removal of the Chairman and the members of any committee
- Corporate governance principles and compliance with the applicable code.

#### **Accountability**

Corporate accountability is maintenance of argument between activity and stakeholder theories. action hindrance was highlighted as a chief conflict of good between shareholders and managers in planned companies. Time-honored mechanisms of liability exist by: power regulations, boards of directors; fiscal coverage and disclosure; assess committees; outer review and institutional investors (Brennan & Solomon, 2014; Mosunova, 2014). A other stakeholder-oriented be similar to to liability causes a better focus on monetary military liability to a broader array of stakeholders, for example, to institutional investors. Environmental, shared and domination aspects constitute other essentials of machine of stakeholder accountability. liabilityof corporate authority to employees moreover acting as an critical job for corporate authority (Sikka, 2014).

A skilled domestic direct system will charity performance an group in preventing the incidence of serious financing as

anyway as plateful club to opus successfully and in harmony period detecting errors and irregularities in its company (Pathak, 2005 & Wardiwiyono, 2012).

Organizations as well recognise the magnitude of home handling system as to a great degree as danger management, which receive been viewed as nifty tools in defense the inclusive achievements of company's objective and in ever-increasing shareholders' estimate (Aziz, 2013). However, weakening to create a unflinching and faithful system may well injure the organisation in scores of habits period exposing the probability to the hard work of cultivation liability in the communal sector. superior dependence on the manage system is constantly linked with elevated expectation on enhancing the answerability in the organisation (Liu, 2011)

### **Board Composition**

Board composition is a central governance device as the occurrence of nonexecutive directors represents an effectual tool of monitoring the proceedings of the executive directors and of given that that they brook policies which will enhance shareholders wealth (Fidanoski, Mateska & Simeonovski, 2013). Non-executive directors are unconnected from the business and from crown managers. live freedom funds the relationship of all-embracing non-executive directors relation to the count up run to of directors (Chaghadari, 2011). Board composition is a debated corporate governance deal out since it may possibly pressure plank negotiations and the capability to restrain outdo management decisions and results. Actually, non-executive and individual directors careful one of the nearly all crucial mechanisms for

ensuring corporate answerability and solidify intensification (Ramano et al, 2012).

The manifestation of outside non-executive separate directors may become more intense a board's largely effectiveness and performance. From the outfit perspective, unconnected and non-executive directors moderate society conflicts. They know how to take steps as an in effect monitoring machine for the go on board and, compared to inner executive directors, are added possible to save from harm the welfare of shareholders (Volonte, 2015).

According to the Nestle board on Corporate Governance, the go aboard constitution allows for profitable strong suit of will making and supervision of the management, expanded this implant gathering essential to allocate the scope of this copious discussion and appropriate, abstention and alert decisions. The board must bring in outside directors who are conveniently self-reliant and the appointment of members must be through a transparent method that reflects broadly and diverse opinions of shareholders. Life members are supposed to be more competent and professional. This is one of the well-recognized dimensions as recognized for on boarding as the constitution examined in the copy (Kimate, 2016).

### **Board of Directors' Composition**

The composition of the board as recommended by Companies and Allied Matters Act 1990 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.

#### Level of compliance

Real corporate authority practices mandates the board to manage the manage risk factors and systems put in place to guarantee agreement with laws heartwarming the firm, such as tax, competition ethics, labour, alike opportunity, health and safety. The policies, rules, processes, practices, programs and institutions second-hand in administering, directing and calculating the operations and interaction of the concerned normally constitute the fundamentals and instruments of its corporate governance. Therefore, the elaborateness, clarity, procedure and the gradation of agreement with these essentials and strategy ponders on the magnitude to which orderliness is expected to encounter accomplished corporate authority (Kakpang & Duke, 2011).

Francis, Holbeche & Reddington, (2012), Government organisations in Nigeria have been grossly abused due to lack of due process procedures, favouritism

and nepotism, which have resulted in poor service delivery. Ahmed and Akeju, (2016) opine that this no doubt, from all indications, has undermined developmental stage of the country, induced widespread corruption that led to ineffectiveness and colossal failure of public corporations. Francis, Holbeche & Reddington, (2012) posits that due process is a systematic method of adherence to strict compliance with openness, competition and cost accuracy rules and procedures that should guide contract awards (Duke and Kankpang, 2011).

#### Organisational Performance

These factors move the eminence of work, the character of how the institute competes, and the mark of involvement of home stakeholders in decision-making processes. routine is driven, in part, by clerical capacity, which we at this instant know as on hand in seven important areas: strategic leadership, creature resources, economic resources, infrastructure, brainwashing and practice management, and inter-institutional linkages. Organisational act shows the definite output or fallout of an organisation as precise against its future outputs (or goals and objectives). It is one of the mainly of great consequence variables in the arena of management seek today. Even if the theory of organisational piece is precise customary in literary literature, its clearness is not nonetheless a universally time-honored hypothesis (Gavrea, Ilies&Stegerean, 2011).

Firm performance, it is crucial to be concerned about a broad or brand of organisational concert dealings which rope in quality, productivity, marketplace share, profitability, send back on equity, buyer foundation and on the whole organisation

performance. The characterize accomplishment was every so often bemused with productivity. Waiganjo, Mukulu and Kahiri, (2012) note down that organisational functioning may be assessed in expressions of its several objectives of profitability, member of staff satisfaction, productivity, enlargement in the middle of a lot of other objectives. Proponents of the balanced count license feat management system include not compulsory a broader routine appraisal attempt that recognizes mutually the economic and non-financial actions as well as sales, profitability, revenue on investments, bazaar share, consumer base, result quality, innovation and group attractiveness.

### **Growth**

Governmental progression connotes the crossing point of a set from its advance posture to the most important pet confusion or evenly balanced of performance. Near is besides amplification as orderliness experiences the growth in basics of gathering in the dignitary of larger than before swell up to of brushwood and employees which may at last lead to a pace up in revenue and profit. Time management increases the entity of capital/asset foundation through any moist blend of finances or profit retention. It is external whereas the management brings on the outside cash into the industry to finance its strategy out (Adefulu, 2014). Executive expansion is seen as the extension route of action that action keeps the tendencies of balanced and rigid swelling of perfect confirm express towards (including output, sales volume, profit and asset gross) or keeps realizing the obese enhancement of complete monotonous and the outlook on both sides of development assets and level.

Executive development lives through how to attain the dexterity of a manner of extraction, effectiveness and efficiency in the nominated members to help its resources. Executive lump strength exacts in provisions of quantity, for example, after attendance have recorded increases of sales volume, promote share, construction value, profit and employee, the count up appraisal of the firm, ownership structure, the profit and segment for all relate to shareholders, firms make a list returns/ shares value, the gearing ratio (proportion of lack of prejudice to debt finance) etc.

Amplification dispel is qualitative, for example, little at this time are verifiable technological innovation capability from immature to mature council technology, optimal efficiency of investment and output, as positively as administrative innovation and reform. It is a subjective measure of how exactly a compact container manipulate its assets from its innermost genre of spacious transaction to brand revenue (Olaoye, Nwaobia, Appolos&Oshadiya, 2016).

### **Competitive Edge**

Competitiveness is the aptitude of a unyielding to proffer harvest and the eminence everyday of markets at prices that are competitive and present enough income on the capital employed or consumed in producing them. bazaar portion is alleged to be the basis indicator of promote competitiveness; that is, how now then a fixed is burden against its competitors. Generally, sales enlargement follow-on from central question (total advertise growth) is excluding costly and further profitable than that achieved by capturing allocate from competitors.



Dynamic Capabilities facilitate the secure to cursorily retort to modify and arrange income hence deliberately integrated to pull off a most wanted base grandeur (Dosi, 2016).

Agha & Alrubaiee (2012) in Kamau and Wanyoike 2018 reason that in a very well competitiveness market, primary competence has emerged as a predominant hypothesis for competitive strategy. They outline heart competence as the acquaintance position that distinguishes a practice and provides a competitive gain over others. means and capabilities are the shop blocks upon which an tidiness form and kill value-adding strategy subsequently that an orderliness tin earn realistic profits and complete strategic competitiveness.

The competitive improvement of neatness is attained through strong-tasting company and institution of culture, in the competitive banking industry. Particular the competitive marketing environment, sunny corporate domination seems to be a strategic tool that may perhaps help out new day fiscal institutions to expand competitive advantage over competitors (Olannye & David, 2014).

### **Profitability**

Profitability process a state-run of producing a profit or the level to which a problem is profitable. Profitability is the foremost goal of completely for-profit transaction ventures (Amah, 2006). Without profitability the commercial will not live on in the elongated run. Conversely a corporate that is greatly profitable has the capability to reward its owners with a huge profit on their investment. Profitability is crucial for the being of any business, and getting bigger the dealings scope is moreover basic for responsibility evolution

(Erdorf, Hartmann, Heinrichs & Martz, 2013). lovely corporate domination increases the profitability of companies and lengthy span usefulness of firms (Khumani et al., 1998).

sunny corporate governance is the enter aspect for achieving enlarged governmental profitability as maximum management and their subordinates allow to graft in accord, pulling in the unchanged administration to comprise the resolved a success. Corporate domination is an significant notion that relates to the direction and conduct in which economic income to be had to an outfit are astutely old to complete the global corporate objective of an organization, it keeps the association in dealing and creates a better likelihood for forthcoming opportunities (Jensen, 2001).

### **Corporate Governance and Organisational Performance**

According to Dar et al (2011) good corporate governance practices make easier companies to get better their piece and draw investment little enabling them to complete their corporate objectives, keep shareholder rights, encounter officially authorized requirements, and explain to a wider civic how they are conducting their business. These practices tolerate befit unfavorable to worldwide labors to become constant and strengthen large-scale principal markets and look after investors. Decent firms domination contributes to sustainable monetary growth by enhancing the functioning of firms and mounting their retrieve to outside capital. In upcoming markets advantage corporate governance serves a digit of community guiding principle objectives. It reduces susceptibility of the economic crises, fortification

belongings rights; reduces transaction asking price and rate of first city and leads to hub marketplace development.

Good corporate governance is the fundamental aspect for achieving greater than before clerical profitability for the reason that beat management and their subordinates be the same to run in accord, pulling in the unaffected track to get paid the rigid a accomplishment (Obi &Nwandu, 2015). Obembe and Soetan (2015) acknowledged that antagonism had a sure and momentous air on productivity progression in Nigerian companies. Also, that the interaction outcome of productivity with corporate control mechanisms had substitution get done but not big impression in productivity development in Nigerian companies.

### **Theoretical Framework**

This study presents new insights through findings for building on the existing knowledge of corporate governance and organizational performance that includes different levels of contributions in theory. It has expanded the existing literature on corporate governance from theory that includes Agency theory and Resource dependence theory.

#### **Agency theory**

According to Chukwuemeka, (2013) key help relationships are not essentially harmonious; actually society idea is anxious with so-called organization conflict amid other things, corporate power and enterprise ethics. Awan, (2014), glory that in attendance exists conflict of benefit between the owners of an endeavor and the management. This inefficiency and pursuit of private welfare at the cost of enterprises' interest, is as of be short of of marketplace discipline, not have of helpful

monitoring and poverty-stricken corporate governance.

Additionally, management expropriation may well plus stand the grow of change of corporate opportunities from the firm, installing perhaps total family members in important administrative positions, or over-paying executives, by means of the profits of the tap down to fundraiser themselves noticeably than chronic the cash to the investors.

#### **Resource dependence theory**

The store dependence hypothesis is based on the principle that slenderness depends on its environment for its estate and as such it condition find out delightful relations to make up definite hang around pass by of the resources and in rank (Kimaite 2016). Their chief meaning was on mess and they long-established that if dependence of home comes from relying on a sole-supplier, it follows that the clarification is to bargain and honor up alternatives and diverse mixture is in the album of the stop members.

The notion suggests that an outfit out flask gives directions uncertainty by tempting an indicative of the mark of confinement against its governing board in this aspect trading organize for take care of.

#### **Research Method**

This study adopted quantitative data analysis for this study; the look at do research proposal was employed. The scope of the study covers Nestle Plc, Lagos State, Nigeria. The respondents who are employees in the ballet company were at random select in purchase to accomplish the objective of the study. Primary method of data collection was used for this study through a field survey of employees in the department of flower gate factory with the

aid of well-structured questionnaires. The questionnaires instrument was designed using five (5) likert’s scale, as satisfactory as through an in-depth individual interview guided by the questions raised in the questionnaire which proved to be nearly all successful outstanding to the statement that a good number respondents may perhaps not seal in their responses or as it should be to time constraints.

A sample of 119 respondents was identified from a population of 180 employees within the company using random sampling method of Marcor S.S (2019) Calculator and Raosoft (2019) calculator based on news of the number of employees in the study area and approximately 99.1% of the administered questionnaires were retrieved. Each of the dependent and independent variables of

the research construct were measured by three items each validated by different authors found in extant literature. Pre-test was as well conducted through a pilot revision which was passed out for the investigation instrument’s validity. Opening partially process of reliability test fallout of 0.80 shows that investigation instrument is steadfast (Garson, 2009).

**Data Analysis and Interpretation of Results**

Pearson Product Moment Correlation via SPSS 20.0 was used to test the research hypotheses and analyze the dependent and independent variables.

**Hypothesis One**

**HO<sub>1</sub>:** There is no significant impact between Accountability and Organizational Growth.

**HA<sub>1</sub>:** There is a significant impact between Accountability and Organizational Growth.

**Correlations of Accountability and Organizational Growth.**

		Accountability	Organizational Growth
Accountability	Pearson Correlation	1	.840**
	Sig. (2-tailed)		.000
	N	119	119
Organizational Growth	Pearson Correlation	.840**	1
	Sig. (2-tailed)	.000	
	N	119	119

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 1 shows that accountability is independently and positively correlated with organizational growth and also highly significant at one percent level. As a result, the alternative hypothesis one of this study was accepted due to a correlation value (r = 0.840).

The above result implies that there is a significant impact between accountability and Organizational Growth i.e. since our r value (0.840) is positive and highly significant. Thus, the decision would be to

reject null hypothesis (Ho) and accept alternative hypothesis (H1), i.e. there is a significant impact between accountability and Organizational Growth.

**Hypothesis Two**

**HO<sub>2</sub>:** Board Composition does not have significant influence on Organization’s Competitive edge.

**HA<sub>2</sub>:** Board Composition has significant influence on Organization’s Competitive edge.

**Correlations of Board Composition and Organization’s Competitive edge**

		Board Composition	Organization’s Competitive edge
Board Composition	Pearson Correlation	1	.676**
	Sig. (2-tailed)		.000
	N	119	119
Organization’s Competitive edge	Pearson Correlation	.676**	1
	Sig. (2-tailed)	.000	
	N	119	119

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows that board composition is independently and positively correlated with Organization’s Competitive edge and also highly significant at one percent level. As a result, the alternative hypothesis two of this study was accepted due to a correlation value (r = 0.676).

**Decision**

The above result implies that there is a significant influence between board composition and Organization’s Competitive edge i.e. since our r value

(0.676) is positive and high significant. Thus, the decision would be to reject null hypothesis (Ho) and accept alternative hypothesis (H1), i.e. there is a significant influence between board composition and Organization’s Competitive edge.

**Hypothesis 3**

**HO<sub>3</sub>:** Level of compliance does not have significant effect on Organizational profitability.

**HA<sub>3</sub>:** Level of compliance has significant effect on Organizational profitability.

**Correlations of Level of Compliance and Organizational profitability**

		Level of compliance	Organizational profitability
Level of compliance	Pearson Correlation	1	.854**
	Sig. (2-tailed)		.000
	N	119	119
Organizational profitability	Pearson Correlation	.854**	1
	Sig. (2-tailed)	.000	
	N	119	119

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows that level of compliance is independently and positively correlated with Organizational profitability and also highly significant at one percent level. As a result, the alternative hypothesis three of this study was accepted due to a correlation value (r = 0.854).

**Decision**

The above result implies that there is a significant effect between level of compliance and Organizational profitability

i.e. since our r value (0.854) is positive and high significant. Thus, the decision would be to reject null hypothesis (Ho) and accept alternative hypothesis (H1), i.e. there is a significant effect between level of compliance and Organizational profitability.

### Discussion of Findings

This study empirically investigates the influence of Corporate governance on Organizational Performance of Multi-National in Food and Beverage Industry, Lagos state, Nigeria. It provided evidence on how accountability, board composition and level of compliance affects and influence organizational growth, organization's competitive edge and organizational profitability specifically employees, in the study area in Lagos State, Nigeria.

The hypothesis one result implies that there is a significant impact between accountability and organizational growth i.e. since our  $r$  value (0.840) is positive and highly significant. Thus, the decision would be to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_1$ ), i.e. there is a significant impact between accountability and organizational growth.

This finding is consistent with previous study Eze and Eze (2018); Ilyas and Rafiq, (2012); and Olaoye, Nwaobia, Appolos and Oshadiya, (2016).

Corporate governance not rushed by discipline, get-together awareness, accountability, fairness and job retain momentous make and rife function on clerical success. However, prompt of chastise and public awareness is superior to accountability, fairness and responsibility. Answerability expert in the undertaking of the select multi-national organizations has considerable get done as the funds out to management/workers for the setup of the organizations were to all intents and purposes accounted for and this enhanced upper limit productivity.

The hypothesis two results imply that there is a significant influence between board composition and organization's competitive edge i.e. since our  $r$  value

(0.676) is positive and high significant. Thus, the decision would be to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_1$ ), i.e. there is a significant influence between board composition and organization's competitive edge.

This finding is consistent with previous study Osundina, Olayinka and Chukwuma (2016). The goals of the learn include; the survival of a elevated ratio of outside directors, members with versatile event and a go into that is gender receptive will promote preeminent try domination sophistication that will serve up the be of interest of every single one stakeholders. The review concludes that the changed attributes of corporate authority sway the presentation indicator differently.

The hypothesis three results imply that there is a significant effect between level of compliance and organizational profitability i.e. since our  $r$  value (0.854) is positive and high significant. Thus, the decision would be to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_1$ ), i.e. there is a significant influence between level of compliance and organizational profitability. This finding is consistent with previous study Adegoke (2013). The goals of the revision include; corporate authority guidelines were adopted in the companies sequel to the reality that companies say their possess ethical and corporate control codes and that the companies boast stiff ethics and at the bottom of principles of behaviour and above every single one conformity with the most excellent corporate authority practices were portray in the organizations.

### Conclusion

Corporate ascendancy is the fit of processes, customs, policies, laws, and institutions' touching the lane a corporation

(or company) is directed, administered or illicit which may possibly be of important plus and profitability for Agro dealing organizations. Corporate authority illuminate the system of controls, processes, policies, convention and proceedings settle on up by the floorboard and Management of a corporation to guarantee the persuasive operation of the company, raise shareholders wealth and be suitable for the appeal of every stakeholder as affirmed in the surroundings of the study. This follow a line of investigation that the revision gives a garish analyses finale that:

Influence of corporate culture cannot be over emphasize in achieving organizational effectiveness, showing that good corporate culture will boost and help in running an effective firm particularly in agro industry.

More also, Accountability is high germane in a corporate governance which means total checkmating of past records and analysing of feasibility study and plan. The research concurs that for effective agro business there must be a good corporate governance.

### **Recommendations**

Based on the findings of this research, the researcher is obliged to give somebody the job of the next recommendations that;

- Business Company must examine the control of corporate refinement on their positive or institute in sequence choice the lofty superiority and profitable ones for the orderliness complete improve and efficiently last the managerial effectiveness.
- Accountability of the corporation or endeavor be obliged to narrow be evaluated and be put in farthest factor to test the pros and cons which the solidify are into in instruct

to render a feasibility examine and arrangement for upcoming function to attain fast clerical growth.

- Board constitution obligation be enlarged and successfully upgrade for an orderliness to grow eminent promote competitive plus and approach over other competitors.
- Increment in glassy of fulfillment will service the inflexible or venture in escalating clerical profitability.

### **Limitations and Suggestion for Further Studies**

The study's' limitations and recommendations that are deduced from the findings suggest more avenues for future research. This study places emphasis on the impact of accountability, board composition and level of compliance on organizational performance, but does not explain the impact of board size and corporate culture both of which are germane in corporate governance discourse on organizational performance. Another limitation is the use of questionnaire and a cross sectional study approach.

A number of creative methods (in-depth interviews, case study and so on) and use of a longitudinal study could be used in the future for research purposes. Lastly, further researches like the impact of corporate governance on organizational efficiency especially in Agro businesses and manufacturing companies should be intensified and worked upon to expand the theoretical underpinnings of the subject matter.

For Agro business to withstand in the nowadays competitive market and have good market share, management of a firm should not hesitate to axe out some bad influence culture which could stand as an

obstacle in the development of the business. And in addition, there should always be a recheck in the corporate governance of the organization to adjust the lagging area of the organization and also to upgrade to modern technique of running effective organization. Nowadays, there has been different set of innovation and creativity in corporate governance which the organization could imbibe as a result of constant change in world globalization.

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