CORPORATE GOVERNANCE AND ORGANISATIONAL PERFORMANCE IN THE NIGERIAN BANKING INDUSTRY

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Abstract

As a way of sustaining stakeholders' confidence and enhance corporate image, the ethos of corporate governance in relation to organisational performance especially in the banking sector becomes absolutely profound. This study examines the philosophy of corporate governance along the dimensions of social responsibility, transparency, disclosure, and accountability. A cross-sectional survey of 300 staff members of the top five banks in Nigeria participated in the study. Data was collected through the use of a self-administered questionnaire eliciting responses with respect to corporate governance practices in the dimensions stated above. Analysis using simple linear regression revealed that social responsibility significantly influence performance, R Square = 0.567, Beta = 0.753, p=0.000. Transparency significantly influence performance, R Square = 0.618, Beta = 0.753, p=0.000. Disclosure significantly influence performance, R Square = 0.574, Beta = 0.758, p=0.00. Accountability significantly influence performance, R Square = 0.515, Beta = 0.718, p=0.000. Consequently, corporate governance practices significantly influence performance in the banking sector. It is therefore recommended that banks implement corporate governance along these dimensions in order to achieve effective performance.

Keywords: Banking sector, corporate governance, performance, stakeholders,

Introduction

The need to sustain investors and shareholders confidence in the management of banks informs the increasing concerns for corporate governance in the sector. Corporate governance encompasses the organisational structures, methods, mechanisms, and framework that regulate the direction and control of companies which are carried out by individuals who are entrusted with the duty of acting in the best interests of shareholders and other stakeholders (Affes & Jarboui, 2023; Mbu-Ogar, Effiong & Abang, 2017). Moreover, the issue of trust and openness in the management of corporations has been a significant problem for standard setters globally (Okoye, Olokoyo, Okoh, Ezeji & Uzohue, 2020). Corporate governance pertains to the oversight and management of a company with the objective of guaranteeing effective operations and equitable returns for investors (Okoro, 2016; Magdi & Nadereh, 2002). This highlights the importance of organisational stewards or managers acting in the best interest of the firm's core stakeholders, with a particular focus on minority shareholders or investors and emphasises the necessity of ensuring that all actions taken by these stewards or managers are geared towards achieving optimal returns and other favourable outcomes (Sobhy, Ehab & Hussain, 2017).

The recent instances of corporate failures in Nigeria, particularly within the financial sector, have once again brought attention to the necessity of reevaluating corporate governance practices in the country (Okoro, 2016). The turmoil experienced within the Nigerian banking industry has underscored the urgency of adopting corporate governance principles within the sector. The Central Bank of Nigeria (CBN, 2009), the primary regulator of the financial sector in Nigeria, took decisive action on August 14, 2009, by removing the Chief Executive Officers (CEOs) and executive directors of five commercial banks in Nigeria due to their poor adherence to corporate governance standards. It is noteworthy that some of these affected banks were prominent institutions within the country. The apex regulator emphasizes that upholding public confidence through the establishment of robust corporate governance practices is of paramount importance, given the crucial role of the banking industry within the economy (CBN, 2009). Regulatory concerns about the corporate governance practices by commercial banks is been a matter of recurrent decimal leading to punitive sanctions against the management and board of commercial banks in Nigeria. This led to the action of the Central Bank of Nigeria (CBN, 2009) removing key officers and directors of banks due to concerns over inadequate corporate governance practises inside these institutions (Okoye et al., 2020). The malady of conflict of interest perpetuated by the management of the banks tends to erode shareholders and investors' confidence in the prospects of the banks as investors usually exhibit a keen interest in the degree of accountability demonstrated by the board of directors (Gindis, Veldman & Willmott, 2020). Examining corporate governance from the perspectives of social responsibility, transparency, disclosure and accountability in relation to performance contributes to previous studies on this matter especially based on data from the shareholders.

Literature Review

Theoretical Framework

The concept of stakeholder theory as suggested by Freeman (1984) emphasises the importance of corporate accountability towards a diverse set of stakeholders. The theory takes comprehensive perspective by employing an externally-oriented framework that takes into account the concerns and interests of many parties associated with the organisation, such as shareholders, employees, clients, suppliers, and strategic partners (Rashid & Islam, 2013). However, authors like Arenas and Rodrigo (2016) argue that several the concept of taking into account the interests of all stakeholders may have been expanded to a point that is not feasible. Therefore, it is crucial for corporate managers and practitioners to have the ability to determine the appropriate boundaries in this regard (Rodrigo, 2016). Moreover, the position of the theory on the significance of stakeholders is clear and is borne out of the fact that a company acquires resources from its surrounding environment and hence bears a moral obligation to safeguard and conserve said ecosystem for sustainability purposes (Mande & Rahman, 2013). Similarly, the agency theory by Alchian and Demsetz (1972) expanded by Jensen and Meckling (1976) elucidates the dynamic interplay between principals, namely shareholders, and agents, specifically firm leaders and managers and posits that corporate governance procedures are designed with the objective of overseeing and regulating managers through the board (Ueng, 2016). The model is predicated upon a limited perspective on contractual relationships, characterised by an inwardly motivated underlying ideology (Francis, Hassan, & Wu, 2013).

Conceptual Review

Corporate Governance

Corporate governance is the process by which privately or publicly traded companies and their management are regulated. It provides a framework within which a company's goals and performance can be set and tracked (Lemo, 2007). Corporate governance in an organisation or company entails using resources wisely, preserving them, upholding ethical and professional standards, and pursuing corporate goals. It also aims to maintain market discipline, high employee morale, and customer satisfaction, which strengthens and stabilises the organisation or company (Ozuomb, et., al, 2016). Corporate governance is looked at from two angles: the narrow and the broad viewpoints, according to Oyejide and Soyibo (2001). It is abundantly obvious from the foregoing that corporate governance is the cornerstone for a company's existence and improved corporate performance. Financial institutions and creditors are examples of investors because they finance organisations with debt, whereas shareholders finance them with equity. Employees, on the other hand, offer organisations human capital. According to Babatunde and Olaniran (2009), there are two types of corporate governance apparatus: internal and external.

Statutory standards for corporate governance safeguard outside shareholders from expropriation by managers, insiders, or managing shareholders. Administrators or managers may misuse organisational assets at the expense of small shareholders when such procedures are absent, making it harder for outside investors to oversee, which will have an effect on the long-term profitability of enterprises (Ammar, Asif & Ammar, 2013). Corporate governance is also viewed as a means by which managers offer direction and advice and establish an environment that is conducive to teamwork among work units. As a result, managers are required to possess knowledge, expertise, and skills in conceptual thinking, goal-setting, formulating targets, and creating strategies for making appropriate decisions (Lai & Bello 2012). IsahRabiu (2018) argues that good corporate governance is essential in order to: First, draw in investors—both domestic and foreign—and reassure them that their money will be managed securely, effectively, and transparently. Second, develop effective and competitive business enterprises. Thirdly, improve the performance and accountability of people in charge of managing corporations. Fourthly, encourage the effective and efficient use of scarce resources. Corporate governance improves a company's performance and assures compliance. Its guiding principles encourage organisations to perform well by establishing and maintaining a work environment that inspires entrepreneurs and managers to maximise operational effectiveness, returns on investment, and long-term productivity growth (IsahRabiu, 2018).

Organisational Performance

According to Institute of Chartered Accountants (ICAN, 2014), a well-functioning corporate governance framework should facilitate the establishment of robust internal control systems, effective risk management practises, adherence to ethical and legal obligations, promotion of transparent and efficient markets, and instil accountability and trust in organisational management.

Moreover, organisational performance can be referred as the outcomes attained in the pursuit of a firm's objectives (Wei, Liu & Herndon, 2011). The concept of organisational performance is widely recognised as a fundamental aspect of management, serving as a measure of an organization's success (Amin, 2017). The concept of organisational performance encompasses various dimensions, including efficiency, effectiveness, financial viability, and relevance of the organisation (Abdinassir, 2015). The concept of effectiveness pertains to the distinct capabilities that organisations cultivate to ensure the successful attainment of their missions.

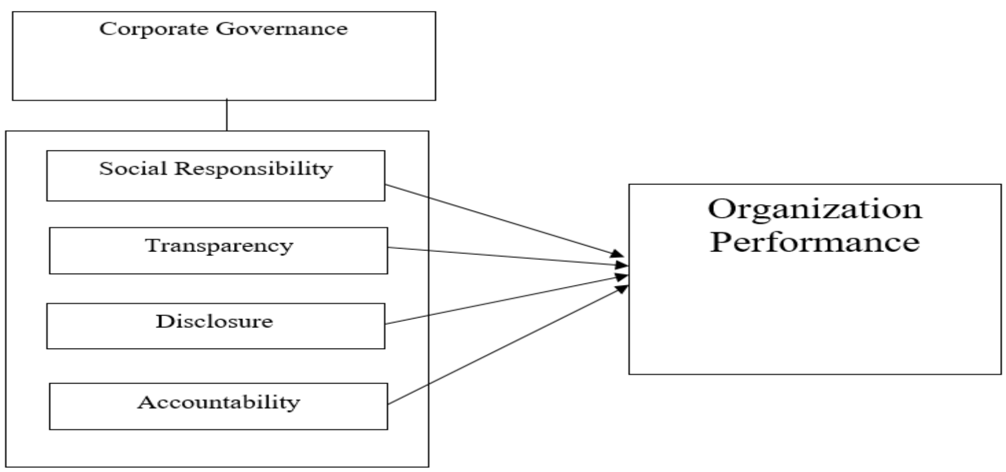

Figure 1: Corporate governance and organisational performance

Social Responsibility and Organizational Performance

Itoya et al. (2022) conducted an ex-post-facto study to examine the impact of CSR on the financial performance of banks in Nigeria. Making use of financial metrics such as earnings per share, gross earnings, and profit after tax and analysis employed by Pearson's correlation and simple regression analysis it was found that a significant positive relationship exist between social responsibility and performance. Isibor (2022) investigated the effect of CSR on the performance of banks in Nigeria. Based on the analysis of

secondary data, unit root tests indicated stationarity, and OLS regression showed a positive and significant impact of CSR on bank performance including profit. Aigbovo and Ashafoke (2019) evaluated the effect of CSR on the financial performance of banks in Nigeria between the period of 2005 – 2016. Using panel data of nine selected banks, the correlation analysis, panel regression, and Granger causality tests. the findings revealed a positive and significant effect of CSR on the financial performance of deposit money banks. Kehinde and Worlu (2018) examined the effect of CSR on the profitability of banks in Nigerian. Analysis using Pearson’s correlation, regression analysis, and ANOVA test statistics indicated that CSR positively influenced the profitability of banks leading to stronger customer loyalty.
Gololo (2016) investigated the relationship between CSR and the financial performance of selected banks in Nigeria. The study utilized secondary data from annual reports of six selected banks over a period of ten years (2002-2011). The study employed multiple regressions for data analysis and the result showed a significant positive impact of CSR on financial performance indicators such as profit after tax, return on capital employed, earning per share respectively (PAT, ROCE, EPS).

Transparency and Organizational Performance
Osho and Adesanya (2018) evaluated the influence of bank transparency on financial performance in the Nigeria's banking sector. Based on reports of the escalating bank failures, the study utilizes data from the financial reports of nineteen banks over a period of ten years (2006-2016). Analysis based on multiple regression analysis results indicate that transparency and disclosure do not significantly influence earnings quality suggesting that regardless of the level of financial disclosure earnings in Nigerian banks do not show improvement. Oino (2019) examined the impact of transparency and disclosure on the financial performance of selected banks, focusing on transparency indicators such as auditing, compliance, risk management, and their effects on performance measures such as bank profitability, liquidity, and loan portfolio quality of 20 banks. Audu (2020) investigated the impact of national transparency on the performance of the financial market in Nigeria using secondary data spanning from 2009 to 2018. Employing a simple regression model, the result reveals a significant positive of transparency on financial performance.

Disclosure and Organizational Performance
Herbert and Agwor (2021) examined the impact of corporate governance disclosure on the financial performance of selected banks listed on the Nigeria Stock Exchange. The study relied on the corporate governance code for public companies 2011 and that of Banks and Discount Houses 2014. The content analysis data extracted from 78 annual reports of 13 commercial banks spanning from 2011 to 2016 categorized into three aspects: board of directors, risk framework, and whistleblowing policy. The results indicated a positive and significant relationship between CGD and the financial performance of banks, particularly in relation to the board of directors and whistleblowing policy (Herbert and Agwor, 2021).
Emmanuel and Sabastian (2015) investigated the impact of corporate governance disclosure practices on bank performance in Nigeria using secondary data from the annual reports of banks listed on the Nigerian stock exchange. The study employed a panel regression analysis technique and find a positive and significant relationship between the extent of disclosure and the performance of banks, which suggests that the higher the level of disclosure the better the performance. Sen (2011) analyzed 50 listed Indian companies to assess the extent of corporate governance disclosure, developing an index based on 67 parameters reflecting Clause 49 of the Indian Listing Agreement. The study finds significant relationship between disclosure and performance and that variations exist in financial disclosure among larger and smaller companies with bigger companies having better level of disclosure compared to smaller ones.
Kamal (2012) examined 95 UAE-listed corporations to measure the extent of corporate governance disclosures across various economic sectors. The study finds significant relationship between disclosure and performance across banking, insurance, and the services sectors.

Accountability and Organizational Performance
Waheed (2016) investigated various aspects of corporate governance and their effects on firm performance, focusing on transparency and accountability. Primary data was collected through questionnaire from a

sample of 200 participants and correlation and regression analysis employed for the purpose of analysis. The results reveal a positive relationship between accountability and transparency with firm performance. Moreover, the findings underscore the joint effect of accountability and transparency to significantly contribute positively on performance.

Han (2020) investigated the effect of accountability and performance based on three accountability mechanisms implementation process such as information provision, assessment, and consequence which represent bureaucratic control in the performance-accountability regime of the Bush Administration. The findings indicate relative success and failure of accountability measures for federal agencies and a positive influence on performance. Al-Ahdal, et al. (2020) conducted an analysis to examine the influence of corporate governance frameworks on the financial performance of enterprises listed in India and the "Gulf Cooperation Council" (GCC) countries. The research employs a sample of 53 non-financial listed firms from India and an additional 53 non-financial listed companies from GCC countries. The data collection spans the period from 2009 to 2016. The findings indicate that there is no significant relationship between board accountability and firms' performance, as measured by return on equity (ROE). Okoye et al. (2020) investigated the relationship between governance practises and bank performance such as profitability in Nigeria. The study employed measures such as bank size, board and directors' share as indicators of accountability while utilising ROA and ROE as measures of financial performance. The Generalised Method of Moments (GMM) was utilised as the estimate technique. The findings indicate that financial performance is significantly influenced by accountability factors such as board size, directors' equity, and business size. Mbu-Ogar, Effiong, and Abang (2017) conducted an investigation on corporate governance and organisational performance with focus on the Nigerian manufacturing industry. The data was anlysed using the ordinary least squares regression approach. The study finds that accountability measures such as size of board and component, as well as audit committee size significantly influence performance such as ROCE.

The study conducted by Ozuomba et al. (2016) examined the impact of corporate governance on the performance of Nigeria Brewery Plc in Enugu State. Accountability was based on variables such as organisational commitment, effective communication between top management and subordinates, and the level of employee involvement in organisational board meetings. The findings also indicate a substantial correlation between employee participation in board meetings and a considerable gain in performance such as market share.

Methodology

The research employed a survey research approach. The study's population consists of employees of the top five banks in Nigeria, "Access Bank Plc, Zenith Bank Plc, First Bank Plc, United Bank for Africa Plc and Guaranty Trust Bank Plc". The population comprises of staff of the five banks estimated at 84000 obtained from the websites of the respective banks. Using the "Taro Yamane" (1967) sample size determination formula, a sample of 400 staff of the banks was randomly obtained to participate in the study. The researchers employed the Cronbach's Alpha technique to assess the instrument's suitability. Table 1 shows the result of pilot study indicating the instrument's reliability as the Apha values results exceeded the recommended 0.6 (Said, 2018; Pallant, 2001; Nunnally & Bernstein, 1994). The "Cronbach's alpha coefficient" for the respective constructs are social responsibility, transparency, disclosure, accountability and organisational performance. Data was analysed using simple linear regression analysis and percentages for inferential and descriptive statistics respectively.

Table 1: Result of Pilot Study

Constructs	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
Social Responsibility	.826	.839	5
Transparency	.874	.898	5
Disclosure	.737	.743	5
Accountability	.812	.830	5
Organizational Performance	.706	.741	10

Results and Discussion

Table 2: Results of Analysis Respondents' Demographic Characteristics

Variables	Labels	Frequency	%
Gender			
	Male	121	40.3
	Female	179	59.7
Age			
	20 years and below	16	5.3
	21-30 years old	107	35.7
	31-40 years old	115	38.3
	41-50 years old	62	20.7
Highest education completed			
	Technical/OND	34	11.3
	HND/Bachelor degree	162	54.0
	Master/MBA	101	33.7
	Ph. D/DBA	3	1.0
Years of Service			
	Less than equal to 5 years	48	16.0
	6- 10 years old	117	39.0
	11-15 years old	110	36.7
	16 years and above	25	8.3
Management Level			
	Top management	52	17.3
	Middle management	207	69.0
	Low management	41	13.7

Source: Field Survey, 2024

Table 4.1 summarizes the demographic characteristics of respondents based on gender, age, highest education completed, years of service, and management level. In terms of gender, 40.3% of respondents are male and 59.7% are female. Regarding age, participants are distributed as follows: 5.3% are 20 years and below, 35.7% are aged 21-30, 38.3% are aged 31-40, and 20.7% are aged 41-50. In terms of educational attainment, 11.3% of respondents have Technical/OND qualifications, 54.0% hold HND/Bachelor's degrees, 33.7% possess Master's/MBA degrees, and 1.0% have obtained Ph.D./DBA degrees. Furthermore, the distribution across different tenure categories reveals significant insights into participants' professional experience: 16.0% have less than or equal to 5 years of service, 39.0% have been in service for 6-10 years, 36.7% for 11-15 years, and 8.3% have 16 years and above of service. Lastly, the distribution across management levels highlights the organizational hierarchy represented among participants: 17.3% are in top management positions, 69.0% in middle management, and 13.7% in low management roles.

Hypothesis 1:

H_{01}: Social responsibility has no significant effect on the organizational performance of the Nigerian banking sector.

Table 2: Result of Social Responsibility and Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753[a]	.567	.565	.42999

a. Predictors: (Constant), Social Responsibility

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.041	1	72.041	389.640	.000[b]
	Residual	55.098	298	.185		
	Total	127.139	299			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Social Responsibility

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.508	.138		10.925	.000
	Social Responsibility	.656	.033	.753	19.739	.000

a. Dependent Variable: Organizational Performance

Table 2 shows the result of impact of social responsibility on organizational performance.

The model summary indicates a strong positive correlation (R = 0.753) between social responsibility and organizational performance. The R Square value of 0.567 suggests that approximately 56.7% of the variability in organizational performance can be explained by social responsibility. The adjusted R Square, which adjusts for the number of predictors in the model, is slightly lower at 0.565, indicating a robust model fit. The ANOVA result shows the significance of the model a high F-value of 389.640 significance level (Sig.) of 0.000. The unstandardized coefficient (B) for social responsibility is 0.656, meaning that for each unit increase in social responsibility, organizational performance increases by 0.656 units. The standardized coefficient (Beta) of 0.753 indicates a strong positive effect of social responsibility on organizational performance. The t-value of 19.739 and the significance level (Sig.) of 0.000 confirm that the predictor (social responsibility) is statistically significant.

Hypothesis 2:

H_{02}: Transparency has no significant effect on the organizational performance of the Nigerian banking sector.

Table 3: Regression Result of Transparency vs. Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786[a]	.618	.617	.40364

a. Predictors: (Constant), Transparency

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.589	1	78.589	482.369	.000[b]
	Residual	48.551	298	.163		
	Total	127.139	299			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Transparency

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.164	.140		8.343	.000
	Transparency	.747	.034	.786	21.963	.000

a. Dependent Variable: Organizational Performance

Table 3 shows the result of the effect of transparency on organizational performance. The model summary coefficient (R) of 0.786, suggesting a very strong relationship between transparency and organizational performance. The R Square value is 0.618, indicating that 61.8% of the variability in organizational performance can be explained by transparency. The adjusted R Square, slightly lower at 0.617, confirms the model's robustness even after accounting for the number of predictors.

The ANOVA result validates the model's significance with F-value of 482.369 with a significance level (Sig.) of 0.000. The unstandardized coefficient (B) for transparency is 0.747, indicating that a one-unit increase in transparency is associated with a 0.747 unit increase in organizational performance. The standardized coefficient (Beta) of 0.786 reflects a strong positive influence of transparency on organizational performance. The t-value of 21.963 and the significance level (Sig.) of 0.000 confirm that transparency is a statistically significant predictor of organizational performance.

Hypothesis 3:

H_{03}: Disclosure has no significant impact on the organizational performance of the Nigerian banking sector.

Table 4: Regression Result of Disclosure and Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758[a]	.574	.573	.42608
a. Predictors: (Constant), Disclosure				

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.040	1	73.040	402.328	.000[b]
	Residual	54.100	298	.182		
	Total	127.139	299			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Disclosure						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.133	.154		7.350	.000
	Disclosure	.747	.037	.758	20.058	.000
a. Dependent Variable: Organizational Performance						

Table 4 shows the result of the impact of disclosure on organizational performance, providing compelling evidence of a strong positive impact. The model summary shows a coefficient (R) of 0.758, indicating a strong positive relationship between disclosure and organizational performance. The R Square value is 0.574, meaning that 57.4% of the variability in organizational performance can be explained by disclosure practices. The adjusted R Square, at 0.573, confirms the robustness of the model with an F-value of 402.328 with a significance level (Sig.) of 0.000.

The coefficients table provides detailed insights into the influence of disclosure on organizational performance. The unstandardized coefficient (B) for disclosure is 0.747, suggesting that a one-unit increase in disclosure corresponds to a 0.747 unit increase in organizational performance. The standardized coefficient (Beta) of 0.758 reflects a strong positive impact of disclosure on organizational performance. The t-value of 20.058 and the significance level (Sig.) of 0.000 further confirm the statistical significance of disclosure as a predictor.

Table 5: Regression Result of Accountability and Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.718[a]	.515	.514	.45474

a. Predictors: (Constant), Accountability

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.517	1	65.517	316.834	.000[b]
	Residual	61.622	298	.207		
	Total	127.139	299			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Accountability

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.282	.165		7.753	.000
	Accountability	.707	.040	.718	17.800	.000

a. Dependent Variable: Organizational Performance

Table 5 shows the result of the influence of accountability on organizational performance. The model summary presents a coefficient (R) of 0.718 indicating a strong positive relationship between accountability and organizational performance. The R Square value of 0.515 suggests that 51.5% of the variability in organizational performance is explained by accountability. The adjusted R Square, very close at 0.514, confirms the robustness and reliability of the model after accounting for the number of predictors. The ANOVA table further supports the model's significance with a significance level (Sig.) of 0.000. The coefficients table provides detailed insights into the influence of accountability on organizational performance. The unstandardized coefficient (B) for accountability is 0.707, indicating that for each one-unit increase in accountability, organizational performance increases by 0.707 units. The standardized coefficient (Beta) of 0.718 reflects a strong positive effect of accountability on organizational performance. The t-value of 17.800 and the significance level (Sig.) of 0.000 confirm that accountability is a statistically significant predictor of organizational performance.

Discussion of Findings

This study investigated the influence of corporate governance on organizational performance of banks Nigerian. The discussion of findings centres on the research questions that were formulated for this study. The first research question seeks to determine the effect of CSR on the organizational performance. The findings shows that social responsibility significantly enhances the organizational performance in the Nigerian banking sector. This result is consistent with the findings of Itoya, et al. (2022), also Isibor (2022) and Aigbovo and Ashafoke (2019) whose studies find that social responsibilities positively influenced the financial performance of banks, leading to stronger customer loyalty. In terms of how does transparency affect the organizational performance of the Nigerian banking sector? The finding shows that transparency plays a crucial role in significantly enhancing the organizational performance in the Nigerian banking sector. The strong positive relationship between transparency and organizational performance, with a substantial portion of performance variability explained by transparency practices, underscores the importance of openness and clear communication for achieving superior performance in the banking sector.

The finding supports the finding of Osho and Adesanya (2018) and Oino (2019) as well as Audu (2020) who ascertained that increased transparency positively influenced the performance of financial institutions.

In terms of what is the impact of disclosure on the organizational performance of Nigerian banking sector? The findings show that disclosure has a significant positive impact on the organizational performance of the Nigerian banking sector. In other words, banks that provide comprehensive and accessible information about their financial performance, transparently communicate policies related to board composition and responsibilities, disclose the existence and functioning of board committees and provide timely information on changes in ownership structure see significant improvements in performance. This outcome is in tandem with Herbert and Agwor (2021); Agwor and Amuchechukwu (2020); Emmanuel and Sabastian (2015); Sen (2011); Kamal (2012) who posited that banks with higher levels of disclosure also exhibited better performance. On how does accountability influences the organizational performance of the Nigerian banking sector? The result shows that accountability has a significant positive influence on the organizational performance of the Nigerian banking sector. Banks that foster a governance structure promoting accountability among employees, board members, and executives, establish mechanisms for holding individuals accountable for their decisions and actions, and demonstrate a strong commitment to ethical conduct and integrity experience improved performance. The strong relationship between accountability and organizational performance suggests that a notable portion of performance variability is explained by accountability measures and underscores the critical role of accountability in driving superior performance outcomes, ensuring higher standards of ethical behavior and operational effectiveness. The finding is consistent with Han (2020); Han and Hong (2019); Ullah, Rehman, and Waheed (2016) whose findings underscore that accountability significantly contribute to positive outcomes in firm performance.

Conclusion and Recommendations

The analyses the profound impact of corporate governance practices specifically, social responsibility, transparency, disclosure, and accountability on organizational performance. The findings consistently demonstrate strong positive relationships between these corporate governance constructs and performance metrics. Banks that prioritize social responsibilities initiatives, maintain transparency in their operations, disclose comprehensive information, and uphold high standards of accountability tend to achieve superior organizational performance. These practices not only enhance stakeholder trust, employee commitment and organisational credibility and also contribute to operational efficiency and ethical integrity within the sector. It is therefore recommended that fostering a culture of responsible governance practices will be crucial for the performance of Nigerian banks aiming to sustain growth, navigate regulatory challenges, and maintain competitive advantage in the marketplace.

Implications of the Study

The outcome of the study provides very profound practical and theoretical implications. The findings of this study suggest the need for the staff and management of corporate organisations especially in the banking sector to adhere to crucial corporate governance factors such as social responsibility, transparency, disclosure, and accountability as these have impact on organizational performance. From the theoretical perspective, the study confirms the role of the stakeholder theory which emphasises the importance of corporate accountability towards a diverse set of stakeholders and provides the comprehensive perspective by employing an externally-oriented framework that takes into account the concerns and interests of many parties such as shareholders, employees, clients, suppliers, and strategic partners associated with the performance of the organisation (Rashid & Islam, 2013). Furthermore, the study implies the importance of the agency theory which elucidates the dynamic interplay between principals, namely shareholders, and agents (Jensen and Meckling, 1976).

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