Modelling Corporate Governance Practices for Sustainable Business Practices in Nigeria

Abstract: The focus of this research is the modeling of corporate governance for the attainment of sustainable business practices in Nigeria. The importance of corporate governance on achieving sustainable business practices especially in a developing country like Nigeria cannot be over-emphasized. The research design used in this study was the cross-sectional survey design, associated with the deductive approach used for descriptive research purpose, which was used to model the impact of corporate governance on sustainable business practices in Nigeria. This study analyzed the impact that corporate governance had on indicator variables of sustainable business practices such as: Environmental and Regulatory Framework, Good Corporate Citizens, Codes of Business Ethics, Stake Holders Treatments and Accountability of Officers. The findings elicited from this revealed that corporate governance recorded a positive impact on sustainable business practices in Nigeria within the scope of this study. This assertion was also in concurrence with the findings elicited from past studies such as: Micah & Umobong 2013 and Babalola & Adedipe 2014 whom also recorded positive relationships.

Keywords: Corporate Governance, Environmental and Regulatory Framework, Good Corporate Citizens, Codes of Business Ethics, Stake Holders Treatments and Accountability of Officers.

1.0 INTRODUCTION

1.1 Background to the Study

Corporate governance refers to the quality, transparency and dependability of the relationships between the shareholders, board of directors, management, and employees. It defines the authority and responsibility of each in delivering sustainable value to all the stakeholders in order to attract financial and human capital to the corporation and to ensure sustainability of value creation; the governance mechanisms should ensure to gain the trust of all stakeholders (Arguden 2010). Corporate governance studies emphasize the fact that no single corporate governance model is valid for every country. However, the concepts of equality, transparency, accountability and responsibility appear to be the central concepts in all plausible international corporate governance approaches. Corporate governance affects sustainability development through access to external financing by firms, a lowering of the cost of capital and the associated higher firm valuation, better operational performance through better allocation of resources and better management, reduced risk of financial crises and better relationships with all stakeholders (Karayel, Sayli, & Gormus 2009).

Corporate Governance is a system by which companies are directed and held to account, to one that defines corporate governance as leadership, sustainability and good corporate citizenship (King III September 2009). It comprises of leadership, sustainability and corporate citizenship. Despite the use of the word corporate, more and more countries are applying corporate governance principles to all entities regardless of the manner and form of establishment and whether they are in the public, private and not-for-profit sectors.

Corporate Governance involves the ethical principles, values and practices that facilitate holding the balance between economic and social goals and between the individual and communal goals. The aim is to align as nearly as possible the interests of individuals, corporations and society within a framework of sound governance and common good. This definition rejects the traditional shareholder value approach to corporate governance which is adopted in developed countries, such as the UK and the US, in favor of a stakeholder inclusive approach. In the stakeholder inclusive approach: Boards should consider the legitimate interests and expectations of stakeholders on the basis that this is in the best interests of the organization in the long-term, and not, as in the traditional shareholder value approach, merely as an instrument to serve the interests of shareholders, (maximization of shareholder wealth and investor protection). Shareholders do not have any predetermined precedence over other stakeholders. The best interests of the organization are defined, not in terms of maximizing shareholder wealth and protecting investors, but within the parameters of the organization as a sustainable enterprise and as a corporate citizen.

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Corporate social responsibility, environmental issues and ethics are, therefore, included within the definition of corporate governance, rather than being complementary disciplines as in the shareholder value approach. Corporate governance is also applied to all types of organizations, whether they are in the private, public and not-for-profit sectors. Evidence is mounting that, the adoption of good corporate practices across all three sectors (private, public and not-for-profit) combined with good governance in those other areas covered by the Africa Peer Review Mechanism (APRM), leads to improved sustainable performance, not just within the organizations but also for the country as a whole. This forms the rationale for the standards and codes and objectives adopted to guide corporate governance reforms in Africa under the APRM.

Good corporate governance has eight distinguishing characteristics: discipline, transparency, independence, accountability, responsibility, fairness, ethical conduct and good corporate citizenship. These traits are important because they lead to better performing organizations which are sustainable in the long-term. This in turn leads to economic development as these organizations contribute more to the economy and to society as a whole through the wages, salaries and taxes they pay, and indirectly through the money they pay their supply chain, the vendors, retail outlets, service and training firms and resellers of their products and services.

Good corporate governance should apply to all forms of organizations on the continent as many organizations in the public and not-for-profit sectors are the main economic, advocacy and service delivery vehicles. To apply the concepts of good governance to just the private sector would therefore not bring the widespread improvement aimed for. Most economies in Africa rely on agriculture, mining and other extractive industries that potentially may have adverse effects on the environment. Organizations should conduct their operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs.

1.2 Objective of the study

The objective of this study is to empirically ascertain the impact of corporate governance practices on sustainable socio economic development in Nigeria.

2.0 Literature Review

2.1 Conceptual Review

There are numerous definitions of corporate governance. For example, O Donovan (2003) defines corporate governance as "an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business confidence, objectivity, accountability and integrity". Miles (1987) cited in Newman (1998) define corporate governance as a complex set of constraints that shape the post bargaining over the quasi-rents generated by a firm. Hussey (1999), describes corporate governance as the way in which organisations are supervised and the nature of accountability of the managers to the proprietors. Cadbury (1992), define corporate governance as a "system by which businesses are directed and controlled." According to Sir Adrian, corporate governance is "concerned with holding the balance between economic and social goals and between individual and communal goals… the aim is to align as nearly as possible the interests of individuals, corporations and society” cited in (Nmehielle and Nwauche, 2004).

Therefore, the concept implicates rules and regulations that assure that a company is run in an open and a responsible modus such that it continues as a going concern and meets the aspirations of its stockholders, financiers and other stakeholders (Solomon, 2007) as cited in (Nmehielle & Nwauche, 2004).

According to Spitzeck and Hansen (2010), this view has been taken up by stakeholder theorists like Freeman, 1984; Donaldson and Preston, 1995; Letza, Sun and Kirkbride (2004). They argued that stakeholders are essential for the continued existence of the business and they need to be considered in the system. Jensen (2001), claimed that other advocates of agency theory recognize these days that stakeholder interests need to be considered in "enlightened" governance arrangements. It could be stated that the corporate governance system has laid down the sharing of rights and obligations between the diverse contributors of the organisation, for example the directors, executives, equity holders and other stakeholders, and disclose the conventions and processes for corporate decision making (Zu (2007), claimed that doing such, affords the system through which the firm’s aims are set, and the way of reaching those targets and observer performance.

Good corporate governance can make it easier for organizations to raise capital and finance investment. Banks and investors have more confidence in organizations with good governance. It is hoped that improved corporate governance in all forms of organizations in Africa especially when done in the context of wider economic and systemic governance will enhance the confidence of financial institutions and investors both domestic and foreign. This objective focuses on the legal and administrative measures that are in place to facilitate economic activities, advocacy and service delivery, for example, incorporation laws, laws and regulations governing different types of
organizations, permits and licenses, registering property, protecting investors, enforcement of contracts, closing businesses.

In addition, the objective will also address: the effectiveness of both government authorities and self-regulatory authorities in implementation, delivery of services, regulation, monitoring and supervision the independence, capacity and efficiency of the judiciary in enforcement of laws and regulations relating to organizations, the availability of skilled professionals in areas relevant to good corporate governance e.g. Company/chartered Secretaries, lawyers, accountants and auditors. In addition, the objective will also address the informal sector and the regulatory frameworks for the financial institutions that support business. Issues such as infrastructure e.g. roads, ICT systems and availability and reliability of energy supplies should be dealt with under EGM. Most economies split into three sectors.

The Private sector which is that part of the economy which is both run for private profit and is not controlled by the state, includes: family owned businesses, private companies, Micro, Small and Medium Enterprises, as well as the informal sector. The Public sector sometimes referred to as the state sector, which is a part of the state that deals with the production, delivery or allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal. It includes: State Owned Enterprises/ Parastatals and Public Authorities or Commissions. The Not-for-profit sector which is that part of economy where organizations are for non-profit and non-governmental is also called the third sector, in reference to the private sector and the public sector or the Voluntary or Civic sector emphasizing the sector’s relationship to civil society. It includes: Non-Governmental Organizations, Community Based Organizations, Umbrella Bodies, Apex Bodies and other related organizations.

It assesses the mechanisms and practices introduced in your country to ensure more effective leadership and accountability of all the types of organizations listed in objective one above. Bodies that exercise leadership in a particular organization vary including boards of directors, boards of governors, Trustees, management Committees etc. It may be difficult to assess whether leadership in a particular organization is effective or not but corporate governance sets out certain practices to assist leaders in becoming more effective and it is the adoption of these within organizations in your country that this objective is trying to assess.

The practices are: The adoption of corporate governance and ethics codes; Clear and comprehensive articles of association trust deed etc.; Robust and transparent procedure for the appointment of members of boards. No one dominant personality on a Board where external capital is being used by the organization.; the use of non-executive and independent members of the Board where appropriate Board Charters to include matters reserved to the Board and those delegated to individuals or Board committees, the holding of regular board meetings and board evaluations. Accountability refers to the accountability of the Board to the owners of the organization and in certain circumstances to key stakeholders. This involves the ethical behaviour of organizations both internally and externally. It will look at the development of codes of ethics and other practices to promote ethical behaviour such as whistle blowing regulations, role of professional bodies in promoting ethical standards, role of and challenges faced by the media in reporting unethical conduct, level of ethical and unethical behaviour in organizations, regulations surrounding organizations making political donations.

In providing information in response to this objective, consideration should be given to the application of the African philosophy of teamwork and collaboration known by many names throughout Africa such as Ubuntu in South Africa. This philosophy considers the success of the group above that of the individual, ‘I am because you are; you are because we are’. The section deals with money laundering and corruption. Political corruption is also addressed in the Democracy and Political governance section. This focuses on the effectiveness of the laws and regulations that are in place to protect the interests of an organization’s stakeholders.

Stakeholders include shareholders, employees, customers, suppliers, creditors, the community, the future generation and any other person with an interest in the organization. Although there are mechanisms in place in many African countries to protect the interests of many of these stakeholders, these have not always been effective. It deals with activities by organizations that go beyond the law and make that organization a good corporate citizen. An organization as well as being an economic entity is also a citizen of a country and as such, has a moral and social standing within that country’s society with all the responsibilities attached to that status. As such, an organization when making decisions should consider the impact of their decisions on their stakeholders both internal and external, the environment and society as a whole. This objective focuses on how organizations fulfill these obligations.

Good Corporate citizenship is synonymous with corporate responsibility. Organizations carry out corporate responsibility projects in the following categories: Philanthropy: These projects can be broken down into projects that are ‘feel good’ projects (having very little benefit for society or organizations in the long-term but makes the organizations feel good) e.g. sponsoring an arts project, or local sporting event that

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does not bring much publicity to the company, and projects that give a large benefit to society in the long run but not much benefit to the organization e.g. funding a hospital, assisting a with country disaster recovery etc. Propaganda kinds of projects give the organization a lot of publicity and are usually part of their marketing campaign but the benefit to society is short-lived e.g. Sponsoring a major football tournament Partnering or networking types of projects bring benefit to both the organization and society in the long-term e.g. an accountancy firm partnering with a university to produce more accountancy graduates, or a company partnering with either a health authority or NGO to provide services and products to reduce the impact of a particular disease such as HIV/AIDS, organizations partnering for environmental reasons.

The five objectives for corporate governance under the APRM are: Promoting an Enabling Environment and Effective Regulatory Framework for Business organizations and other entities ; Ensuring Effective Leadership and Accountability of Organizations ; Ensuring Ethical Conduct Within Organizations ; Ensuring that Organizations Treat Stakeholders Fairly and Equitably ; Ensuring that Organizations Act as Good Corporate Citizens.

Sustainable Socio-Economic Development

According to Dobson (1996) Sustainability is a term that has been applied and interpreted in substantially different ways. Crane and Matten (2007) indicated the most common usage of sustainability is in relation to sustainable development, as defined by UNWCED (1987) “development that meets the needs of the present without compromising the ability of the future generations to meet their own needs” (cited by Bebbington & Thomson, 1996).

The perception of sustainability has been widened to include not only environmental reflections, but also the economic and social reflections (Elkington, 1998) as cited in Crane and Matten, (2007). Elkington advocated the Triple Bottom Line (TBL) as it symbolises the notion that business is not having a single objective-specifically economic value, but it has objectives that include environmental and social values too.

The basic ideologies of sustainability from the environment viewpoint concern the effective management of physical resources so that they are conserved for the future. The economic concept would focus on the long-term economic performance of the entity itself, and whilst the key issue in the social perspective is social justice.

This involves continuous improvement in the well-being and the standard of living of the people, which could be summarized in terms of income, health, education, environment and freedoms. For the first three of these, per capita income, life expectancy at birth, infant mortality and adult literacy are the proxies to be measured and compared. In other words, sustainable socioeconomic development is a process, which manages to combine the social, economic and environmental aspects of development, and establish a close link between these three pillars. Good governance, which is about appropriation, participation, responsiveness, accountability and sustainability. It constitutes the above link and one of the preconditions for sustainable development. Indeed, broad-based sustainable socio-economic development is by the people for the people, and the paradigm of building on the indigenous is therefore the necessary condition. The African masses themselves should own, participate and become the end and the means of their development. As indicated in the document on objectives, standards, criteria and indicators for APRM, the socio-economic development section is intended to highlight efforts and progress made in designing appropriate policies and delivery mechanisms in key social development areas.

**This effect, the following four objectives will be dealt with under this section:**

Since economic growth alone does not automatically lead to sustainable socio-economic development and the elimination of poverty, African heads of state and government adopted in 2001, the New Partnership for Africa’s Development (NEPAD) with a view to eradicating poverty and alleviating other social and environment impediments to sustainable growth and development. To this effect, the NEPAD underscores the importance of peace, security, democracy, sound economic management, human rights and good governance as preconditions for sustainable development. Good governance is also endorsed by the African Peer Review Mechanism (APRM).

The main objective of this mechanism, established in 2003 as part of the NEPAD, is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration. Good governance is characterized by appropriation, participation, responsiveness, accountability and sustainability. It is therefore internationally considered as the underlying conceptualization of the broad-based sustainable socio-economic development. Indeed, the promotion and acceleration of a broad-based sustainable socio-economic development will require a top-down and bottom-up approach in the formulation and implementation of policies and strategies geared towards reducing poverty and improving the overall well-being of the people. All stakeholders should own the whole process and actively participate in the promotion of self-reliance and capacity building for self-sustaining development.
To this effect, the country should first rely on its own resources and allocate them wisely for development programmes with particular emphasis on inter-related key priority sectors such as agriculture, environment, health, education and infrastructure. Indeed, with a sharp population increase, land becoming less fertile, the disastrous over-exploitation of water and forest resources and low rainfall in most parts of Africa, there has been increasing poverty and the downward spiral of underdevelopment. The poorer you become, the less you eat with less energy to work and you do not produce enough and the poorer you become. In order to shift from the pitfall of underdevelopment and take-off, there should be a clean break in the vicious circle.

The broad-based sustainable socio-economic development together with its four objectives constitutes the pathway if policies and strategies are carefully formulated and implemented with a monitoring and evaluation system to measure the progress and take necessary corrective measures before it is too late. To this effect, adequate human resources should be identified and developed in each priority sector and in each discipline area in order to, among other things, engage all stakeholders individually and collectively in the whole process. In addition, adequate financial resources should be mobilized first at national level then at regional and international levels to fill the needed gap. To ensure equity in the process, most disadvantaged people should be enabled to enhance their knowledge and manage their livelihoods, especially when development initiatives affect their lives.

To this extent, the sustainable socio-economic development component of the APRM assessments is undertaken under a series of standards and codes, and objectives that are able to provide insight on the progress that African countries are making in terms of reducing inequalities, poverty and hunger through improvement of agriculture production, food security, environment protection and affordable access to natural resources and basic services as development is about the well-being of present people without compromising the life of future generation.

To promote and accelerate broad-based sustainable socioeconomic development objective deals with the way member countries formulate and appropriate policies and strategies for the promotion and acceleration of their socio-economic development process. It is also intended to assess mechanisms and measures put in place for capacity building and financial resources mobilization, allocation and management. Participation of all stakeholders to the broad-based sustainable socio-economic development is very important as it involves people in the whole development process. Each citizen owns the concept and takes active part in it. This second objective will therefore assess policies, strategies and incentive measures put in place to stimulate participation from public servants, private sector, civil society and local communities.

Poverty, unemployment and inequality are inter-related. It focuses on policies, strategies, mechanisms and incentive measures geared towards reducing poverty and inequality through employment creation, education for all as well as access to national resources and basic services.

This objective attempts to measure the progress made towards gender equality with special emphasis on equal access to education for girls at all levels. It will ensure that gender equality is taken into account during the formulation and implementation of the national planning and development policies and strategies. It will try to understand how the government and other local stakeholders are combating gender inequality and giving equal rights, responsibilities and opportunities to women and men, in particular to girls and boys in terms of access to education.

2.2 Empirical Review

In a recent survey by Accenture in 2012 that covers eight markets around the world to explore the relationship between sustainable business and commercial growth, many companies are placing the stewardship of the environment and society at centre stage of their operations which made them to be better placed to improve their reputation, comply with regulations and reduce costs.

Micah & Umobong 2013 carried out a study in the Niger Delta Region of Nigeria and found a positive association between good corporate governance and sustainable development. The study surveyed five major oil companies in the Niger Delta region of Nigeria. A drawback of this work lies in its small sample size. Another study on Corporate Governance and sustainable banking in Nigeria bemoaned the weak corporate governance culture currently pervading the sector but acknowledged a possible positive link between corporate governance and sustainable development. In another study, Babalola & Adedipe 2014 undertook a study restricted to a specific industry, this time the banking industry. In this study, a positive relationship was established between corporate governance and business sustainability practices. This study suffers from the fact that only in-depth interview was used in the study aside that it is also industry specific (Dembo & Rasaratnam 2015).
3.0 METHODOLOGY

3.1 Research design

The research design used in this study was the cross-sectional survey design, associated with the deductive approach used for descriptive research purpose. On the basis that it involves sampling of elements selected from the population of interest, collection of quantitative data to be measured at a single point in time.

3.2 Population of the study

The population of SMEs for this study consisted of all Micro Small and Medium Enterprises (MSMEs) in the selected States, of the South-South region, registered with the states’ MSME development agencies and the states’ Ministries of Trade Commerce and Industry; with a minimum capital base N1,000,000. The population therefore comprised a total of ten thousand, four hundred and seventy six (10,476) Micro Small and Medium Enterprises operating within the agricultural sector.

3.3 Sample and sampling Technique

For the purpose of determining the minimum returnable sample size from the given population, the Taro Yamane (1967) sample size estimation technique was employed.

Based on the applied sample estimation technique, a sample size of four hundred and twenty one (421) was arrived at. However, in order to achieve a minimum response rate of 65% as posited by Cochran (1977) and Bartlett, Kotrlik and Higgins (2001), the oversampling procedure is employed.

Furthermore, for the purpose of this study, the multistage random sampling techniques were adopted. The questionnaire was structured in close-ended five-point Likert scale and sub-divided into four main sub-sections.

Reliability test was conducted for each of the latent variable based on the number item that measured it. The result indicated that all the variables are reliable and are certified for further analysis, as all the variables have values of the Cronbach Alpha above 0.7. A value of 0.7, Pallant (2004) asserted is generally recommended, however, Hinton, Brownlow, McMurray and Cozens (2004) stated that, an “Alpha score above 0.75 is generally taken to have a high reliability.

3.4 Model Specification

The model for the study is therefore stated thus in functional form:

Model Three

\[ \text{COG} = \beta_1 \text{ERF} + \beta_2 \text{GCC} + \beta_3 \text{CBE} + \beta_4 \text{SHT} + \beta_5 \text{AOO} \] 

To account for other indices not included in the model we introduce the stochastic variable.

\[ \text{COG} = \alpha + \beta_1 \text{ERF} + \beta_2 \text{GCC} + \beta_3 \text{CBE} + \beta_4 \text{SHT} + \beta_5 \text{AOO} + \epsilon \]

Where:

- \( \text{COG} \) = Corporate Governance
- \( \text{ERF} \) = Environmental and Regulatory Framework
- \( \text{GCC} \) = Good Corporate Citizens
- \( \text{CBE} \) = Codes of Business Ethics
- \( \text{SHT} \) = Stakeholders Treatments
- \( \text{AOO} \) = Accountability of Officers

\( \alpha \) = slope, \( \beta_1 \sim \beta_5 \) = Coefficients and \( \epsilon \) = stochastic variable, which shows the influence of other indices affecting the dependent variable.

4.0 RESULT AND FINDINGS

<table>
<thead>
<tr>
<th>Table 1: Model Summary</th>
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<tr>
<td>Model</td>
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<tr>
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<tr>
<td>1</td>
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<tr>
<td>a. Predictors: (Constant), ERF, GCC, CBE, SHT, AOO</td>
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Source: SPSS 20.0 output

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<th>Table 2: ANOVAa</th>
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<td>Model</td>
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<tr>
<td>Regression</td>
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<td>Residual</td>
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<tr>
<td>Total</td>
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a. Dependent Variable: Corporate Governance
b. Predictors: (Constant), ERF, GCC, CBE, SHT, AOO

Source: SPSS 20.0 output

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The analysis result shown in Table 1, 2 and 3 above presents the result of the relationship between Corporate Governance (COG) and various independent variables. The result of the regression estimate from Table 3 above indicates that there is a positive relationship between Corporate Governance (DPG) and Environmental and Regulatory Framework (ERF). This is evidenced by coefficient value of 0.768. Statistically, the Sig. value of 0.000 is lower than the acceptable significance value of 0.05. This means that environmental and regulatory framework significantly relate to corporate governance. Good Corporate Citizens (GCC) has coefficient value of 0.319. Statistically, the Sig. value of 0.000 is lower than the acceptable significance value of 0.05. This means that GCC is significantly related to COG. Also Codes of Business Ethics (CBE) was observed to be positively related to Corporate Governance (COG) with a coefficient value of 0.103 and a Sig. value of 0.078. Stake Holders Treatments (SHT) from the result has a negative and significant effect on Corporate Governance (COG). This evidenced by a coefficient and Sig. value of -0.190 and 0.006 respectively. Furthermore, Accountability of Officers (AOO) positively affect Corporate Governance (COG) with a coefficient value of 0.028. This effect is however, found to be insignificant since the Sig. value is 0.731.

**Table 3: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
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<th>Sig.</th>
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<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
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<tr>
<td>(Constant)</td>
<td>.390</td>
<td>.169</td>
<td>2.312</td>
<td>.021</td>
</tr>
<tr>
<td>ERF</td>
<td>.768</td>
<td>.086</td>
<td>.612</td>
<td>8.963</td>
</tr>
<tr>
<td>GCC</td>
<td>.319</td>
<td>.050</td>
<td>.271</td>
<td>6.324</td>
</tr>
<tr>
<td>CBE</td>
<td>.103</td>
<td>.058</td>
<td>.092</td>
<td>1.765</td>
</tr>
<tr>
<td>SHT</td>
<td>-.190</td>
<td>.069</td>
<td>-.161</td>
<td>-2.741</td>
</tr>
<tr>
<td>AOO</td>
<td>.028</td>
<td>.083</td>
<td>.026</td>
<td>.344</td>
</tr>
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a. Dependent Variable: Corporate Governance

Source: SPSS 20.0 output

Before such strategy is implemented, it has to be formulated first with particular attention given to environmental and regulatory framework and stakeholders’ treatment. The need is to ensure that the corporation operates within government regulatory framework without harming other stakeholders. Business as a going concern is setup to create value and maximize profit. In pursuance of good corporate citizenship businesses in Nigeria environmental agencies as with many oversight bodies in Nigeria, has the capacity to monitor environmental issues. The extents of operations of such agencies operation oftentimes are inadequate leading to environmental hazard and litigations. Another pressing issue on corporate governance in developing countries is public-private partnership as a vehicle for delivering development. It is observed that in most developing countries there is yet achieve a desired level of public-private partnership. This when given attention will promote corporate governance. From a strict technical standpoint, the notion of governance derives its conceptual status as being historically part of the assemblage of the state. The totality of executive or administrative functions of the state, with a view of fulfilling terms of social contract or constitutional obligations to the citizenry, constitute governance, properly speaking. There is, therefore, a bit of a difference between the notion of governance and government.

**SUMMARY**

Regarding the present conditions, enterprises and companies, in order to encounter challenges and activities besides their competitors in developing countries, must adopt long-term policies and each corporation must develop a comprehensive and complete plan regarding the visions, missions, objectives, conditions, internal facilities, and external opportunities and threats. Corporate governance provides the platform for strategic management process that determines whether an organization excels, survives or dies depending on the manner in which it is undertaken by the stakeholders. In turbulent business environments dominant in African countries, the ability to implement new strategies quickly and effectively may well mean the difference between success and failure for a corporation.

**CONCLUSION**

This article was carried out to model corporate governance practices for sustainable business practices in Nigeria. It is imperative to note that corporate governance is a vital concept in business and is very essential for the growth, stability and proper administration and control of any business organization in order to attain sustainable business practice and achieve the goals and objectives of the business or organization. From the result of the analysis above, it is evident that corporate governance has impacted positively and significantly in enhancing sustainable business practices in Nigeria within the scope of this study. The finding of this study in agreement with the findings elicited from past studies on similar subject...
matter such as; Micah & Umobong 2013 and Babalola & Adedipe 2014 who observed a positive impact of corporate governance on sustainable business practices in Nigeria.

**REFERENCES**


