CORPORATE GOVERNANCE AND ORGANISATIONAL PERFORMANCE: A STUDY OF THE FIRST BANK NIGERIA PLC

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Abstract

As a remedy to the seemingly unending dysfunction in the administration of organisations in various jurisdictions across the world in the face of regulatory provisions and enforcement mechanisms, there has emerged another paradigm for management of corporate bodies known as codes of corporate governance. Nigeria is not left out in the implementation of the codes for best practices in its corporate entities, especially the banking sector. This paper investigated how selected corporate governance variables (legal framework, Ethical dimensions, and risk management dimensions) predict the organisational performance of First Bank of Nigeria Plc. A survey design was used for the study, while convenience sampling was used to select 135 employees of the bank to seek their perceptions on critical issues of corporate governance. The result shows that corporate governance variables significantly predict organisational performance (F =24.53, p =.001). It recommends that relevant regulatory authorities should stress as applicable the importance of the provisions of the relevant statutes for all financial institutions and enforce strict adherence with a corresponding penalty for defaulters.

Keywords: *Corporate Governance, Ethical Standards, Risk Management, Legal Framework and Organizational Performance.*

1. Introduction

Since its inception and adoption as a barometer for best practice in corporate management corporate governance has attracted much attention and research interest especially in relationship with the existence of publicly quoted companies (Claessens & Fan, 2002). The change is crucial to market and economic problems in the light of high-profile corporate setbacks (Strandberg, 2001). Despite multiple financial practices regulations, major corporate accounting controversies have arisen in Enron Corporation, World Com, Tyco, and Parmalat (Dibra, 2016). This contributed to ongoing debates about the appropriate measures to safeguard stakeholder rights and ensure the maximization of shareholder capital (Ejuvbekpokpo and Esuike, 2013). Nigeria has highlighted the need for restructuring of corporate governance, with the occurrence of false financial statements recorded in the cases of Cadbury Nigeria Plc in 2006 following the 1997 Lever Brothers (now UNILEVER Plc) and financial meltdown (Ejuvbekpokpo and Esuike, 2013, Nmehielle and Nwauche, 2004). This study focuses on three critical components of corporate governance, ethical behaviour of Board members: risk management and legal framework measuring them against organisation performance. Specifically, this study provides answers to the question.

To What extent do ethical conducts of the Board members, risk management framework and compliance to legal framework predict performance?

2.0 Literature Review

2.1 Theoretical structure of corporate governance

The fundamental theoretical frameworks of corporate governance include agency theory, stakeholder theory, stewardship theory and dependency theory. The theory of the Agency forms the analytical basis for this article, and it is the fundamental theory of corporate governance. It also affects the internal processes of corporate governance. Agency theory tends to be the parent of all corporate governance theories; this is because company collaborations are founded around the partnership of a principal and agent. The main-agent partnership is rooted in a variety of areas in corporate law, economics, accounting, and management processes. The theory of the agency is based on the relationship between the principal and the agent (i.e. owners and managers) who are employed as delegate and company developer by the principal (shareholders/owners) There is a strong reason to assume that all sides of the arrangement are not necessarily in the best interests of the principal as both are assured of the full gain (Schanzenbach, & Shoked, 2018, Jensen & Meckling, 1976).). Agents expected to handle the business' affairs for the owners or principal's best interest. Instead, the agency could behave in contradiction with the interests of the directors by leveraging intelligence asymmetries and conflicts of interest within the board with a fair intention of escaping retribution (Health & Norma of 2004).

The agency theory therefore offers a frame for considering how managers' actions can be affected by motivation for alignment and intelligence asymmetry (Beaudoin 2008). It is fair for managers earning sufficient pay and benefits to be less susceptible to conflicts with agents. The head also has the duty of duly overseeing the work of the agents to uphold integrity and create avenue for checks and balances. In terms of information asymmetries and self-interest, a basic agency model suggests that managers lack grounds for optimism and aim to fix those issues by the development of structures that match agents' priorities to principal, and to reduce the potential for asymmetries of information and opportunistic behaviour (International Accounting Standards Board, 2007). The company owners and manager are accountable to the shareholders for corporate governance. When the manager cannot reciprocate the trust put by the principal, the directors should act to ensure that the shareholders' goals are fulfilled.

2.2 Corporate Governance

Comparable corporate governance definitions are numerous. Abor & Biekpe (2005) defined corporate governance as a mechanism for promoting market development and transparency in order to increase shareholder value in the short term as well as in the long term, while at the same time protecting the other stakeholders interests. Kyereboah-Coleman (2007) concluded that corporate governance is organized and processed within a corporation to mitigate the degree of corporate issue by dividing ownership and power. In basic terms, the whole of control, supervision, and management process utilized by strategic management in the best interests of the clients is corporate governance within an operational setting. Ikpefan and Ojeka (2013) define corporate management as rules and procedures system by which the Management Board guarantees responsibility, openness, and effective management. This definition has been used to examine the case study on corporate governance in this paper in relation to which there is minimal analysis.

Over a long time, corporate governance has progressed with a view to structures, frameworks, policies, and procedures, to define formal and informal rules regulating organizations, to enforcing and enforcing those rules and regulations. These rules define the relationship that has been formed and the essence of these relationships that are essential to maintaining a moral equilibrium between social order need and equity. The distribution and development of products and services, the responsible use of force, the defense of human rights and democracy and the maintenance of an organised business system that every person can make a commitment in the quest for a solution to common issues that is creative (Gabrielle, 2003).

The phrase 'corporate governance' refers to the way the corporation exercised authority to control the total inventory of assets and capital of the company in order to maintain and raise the worth of the owners (Ejuvbekpoko and Esuike, 2013) and to meet its company's other stakeholder value (Colley, Doyle, Logan, Stettinius, 2004). It applies to the role played in the decision-making of the board of management, management and non-managers, shareholder interests and other acts taken by shareholders (Oye, 2002). Corporate governance as a concept encompasses all general processes that make the company's shareholders behave in the best interest of the organization. A strong corporate governance structure allows the management of finances and capital to make value-for - money choices and would make sure the capital is expended on creditors and investors when a business runs short of workable projects: Net Present Value (NPV) finances. (Oye, 2002).

2.3 Ethical Behaviour of board members

According to Kumar, (2014), corporate ethics applies to the application of ethical principles to business behavior.' It primarily relates to the decisions taken by the board to exercise their obligations according to regulation, best practice, and as required by stakeholders. Kumar, (2014), said that ethical decisions are critical for the core business goals and the way the business handles them. Boards make actions that have far-reaching implications and that affect staff and other stakeholders directly (Casson, 2013). In comparison, a lack of decisive action may have severe consequences as well. It also applies to the administration of the board and its supervisory role. The Board needs high degree of competency and skill to take charge of its responsibilities, to maintain high standards of competence and to function fairly. The ethos and efficiency of the management reflected by the board of directors of a company deeply influenced by nature. In Casson 's view, (2013) "the absence of good and consistent Board leadership normally leads to discrepancies in behavior, mentality and behaviors resulting from employees ' personal favorites and traditions, rather than ethically motivated." The management board is responsible for defining, articulating, sharing principles, corporate practices, ensuring that the rules, controls and ethical values of all business activities are in order to be integrated and not hindered, as laid down in the Nigerian Governance Code 2018.

Trust is necessary to create a license for the operation and preservation of good corporate relationships, risk management, the brand, and the prestige of an entity. Clearness is a precious commodity, and it is a huge advantage to those who own a corporation as well as to the company management team to guard the commodity. The need to be part of government for ethical conduct and activities was perhaps never more important. Casson (2013) states that the Board of Directors primarily uses five approaches to set the 'tone from the top' of the company. This includes: (i) ethically acceptable behaviour, (ii) board structures and processes, (iii) purpose, strategy, and vision for the business; (iv) value and standards as well as (v) structures & procedures for oversight & control.

2.4 Risk Management

The risk assessment approach to Purdy (2010) involves defining, assessing, and prioritizing risks. While, ISO 31000 described risk as a consequence of ambiguity on organizational goals which may either be positive or negative, be coordinated deliberately through the use of economic resources to minimize the potential and potential effect of unfortunate occurrences, to observe and monitor them or to optimize the opportunities (Purdy, 2010). This can be achieved in the future. Critical concerns of risk management include the following, according to Ejuvbekpokpo and Esuike, (2013) (i) Probability (Likelihood) of an occurrence occurring; (ii) Magnitude (Effect) of the game on fixed goals and (iii) Risk management techniques usually include passing risk to another party; preventing risk; minimizing the adverse impact or likelihood of risk occurring. Popular risks in financial institutions include credit risk, liquidity risk, operating risk, credibility risk , market risk and regulatory risk.

Effective risk assessment is not about eliminating risk-taking; rather, it is a core driver of business and entrepreneurship. While the need to improve risk management practices has been one of the primary lessons learnt from financial difficulties for both commercial and non-financial businesses. The banking sector faces both financial and non-financial threats. In the context of financial services, the priority seems, of course, to be on financial risks, such as credit, liquidity, or market risks, but there is also a growing emphasis on operating risk. Most companies have suffered the biggest shocks from the financial crisis due to a pervasive lack of risk control.

In certain instances, the risk has not been handled on a commercial basis and has not been adapted to a business approach. Risk managers were sometimes not managers and were not viewed as an integral aspect in the company's strategy execution. In certain cases, the Board members are not informed of the risks facing organizations, although they are intended to ensure that risks are recognized, administered, and conveyed to stakeholders if necessary.
Specifically, Risk management framework of First Bank Holding is guided by its corporate statement which says *The risk management strategy is based on moderate and guided risks within specified limits to ensure sustainable growth in shareholder value* (FBN Holdings PLC Annual Report and Account 119 (2019).

Six risk types are identified with specific risk drives and mitigants to ensure a successful operation. They are as summarise in Table 1.

Table 1: Risk type, risk drivers and mitigants

S/N	Risk Type	Risk Drivers	Mitigants
1	Cyber Risk	Financial loss disruption or damage arising from Information. Technology System failure	Implementations offend-to-end security infrastructure. Performance of annual penetration assessment Authentication upgrade
2	Environmental and Social (E&S) Risk	Environmental risk arising from changes in the atmosphere, water, and land because of human activities. Social risk emanating from the impact of business operations on the environment and society.	Implementations of robust and transparent E&S governance Assessment of E&S governance practices of the clients
3	People Risk	Employees inability to adequately serve clients, support operations and deliver strategy.	Training and development of the employees
4	Technology Risk	Loss arising from system failures that could cause service outages and disrupt business operation	Testing of Technology and application to identify and rectify potential weakness that can result in downtime
5	Regulatory and Compliance Risk	Loss arising from non-compliance with circular, guidelines or codes applicable to the financial services industry.	Robust compliance risk assessment Sound corporate governance practices and effective monitoring of all directives and disclosures
6	Third Party Risk	Loss arising from vendors or suppliers ravaging on contractual obligations.	Enlargement of reputable service providers with and process pedigree Establish appropriate insurance policies against identified contractual risks

Source: FBN Holdings PLC Annual Report and Account 2019.

2.5 Legal Frameworks of Corporate Governance in Nigeria

Corporate governance is not completely new in Nigeria, there are some corporate governance provisions ‘in the Companies and Allied Matters Act, 1990 and 2020; the Bank and Other Financial Institutions Act 1991 (as amended); the Investment and Securities Act, 1999 (as amended); and the Securities and Exchange Commission Act, 1988 as amended (Ejuvbekpokpo and Esuike, 2013). These laws placed the responsibility for regulating corporate governance on the Corporate Affairs Commission (CAC); Security

and Exchange Commission (SEC) and the Central Bank of Nigeria (CBN). These laws embody some OECD corporate governance concepts following rising questions on corporate governance. The SEC, in partnership with other governments, creates a seventeen-member committee that recognizes the need for compliance with international best practices, to recognize shortcomings in Nigeria's existing corporate governance practice and to identify appropriate improvements that will strengthen corporate governance practices. Ejuvbekpokpo and Esuike (2013) claim that the final report approved by the SEC and CAC Boards and has been adapted for publicly quoted firms since 2003 as a code of best practices on corporate governance in Nigeria. Although the 2003 Corporate Governance Code, which has also updated the following basic principles at different times up to 2015:
'The Board shall be liable and accountable for the company's results and business (Ejuvbekpokpo and Esuike, 2013). It outlines the corporate priorities of the organization and guarantees that its human and financial capital are used successfully to accomplish these objectives. To protect and promote the value of shareholders and satisfy business commitments towards its staff and other stakeholders, the Board guarantees that the company is managed and controls the successful management efficiency.

To maintain the different forms of expertise without jeopardizing freedom, compatibility, honesty, and availability of participants at meetings, the board should be adequately integrated due to the relative size and complexities in the operation of the organization. It contains a combination of board members, executive and non-members, led by a chair. Percentage of Non-executive directors must constitute most board members.

The Chairman of the Board shall by statute be a non-executive director whose primary responsibility is to ensure that the Board functions effectively and to ensure that it acts in accordance with the corporate interests of firms. The chairman of the board should not be involved in the everyday operations of the company, as it must be segregated from that of the Chief Executive Officer. If this does not happen, the Board will rob the requisite checks and balances in performing its duties.

The Board meets at least once every three months to properly carry out its supervision role and track management efficiency (Ejuvbekpokpo and Esuike, 2013). In addition, at least two thirds of all board meetings should be required for all members. Non-executive directors should be high-quality professionals with a wide variety of expertise, honesty, and reputation. The plans and decisions of the management in the fields of policy success assessment and vital appointment should be unbiased decision along with necessary review while the Executive Directors engage in the everyday activities and management of the company. They are accountable to the Chief Executive Officer for the divisions they head.

In addition to having other skills provided by roles and duties, executive members may be interested in deciding their remuneration and individuals who are competent in the relevant fields of company business operations.

Table 2 Composition of Board of Directors of FBN Holdings 2013-2019

Year	Executive	Non-Executive/Independent Non-Executive	Male	Female	Total
2013	3	5	8	1	8
2014	2	7	8	1	9
2015	2	8	9	3	10
2016	2	9	8	3	11
2017	2	9	8	3	11
2018	2	9	8	3	11
2019	2	9	8	3	11

Source: First Bank of Nigeria (FBN) Annual Reports of various Years.

In an annual General Meeting (AGM), the Board fixes salaries for its members and recommends them for shareholders approval. To guarantee that the company is successful, the Board undertakes a quarterly peer review of the settlement and payout rate. The composition of the board of directors of First Bank of Nigeria between 2013 and 2019 are as shown in Table 2.

As it can been seen in Table 2, Non-Executive and independent Directors formed the majority of the board members which is in line with the latest Nigerian Code of Corporate Governance released by the Financial Reporting Council of Nigeria under the Federal Ministry of Industry and Investment in 2018 but became operational in 2019 contained seven Parts, 28 principles and additional list of acceptable practices for operators (Nigeria Code of Corporate Governance 2018).

Public corporations show their levels of compliance with the Corporate Governance code in the annual report to the Security and Exchange Commission (SEC). This critical feature has a deliberate and constructive effect on the quality of corporate governance of firms. The commission advocate for the standards and provisions of this code to be followed and demand clarifications where compliance is abused.

An audit committee is mandated by each public corporation according to Sections 359(3) and (4) of the CAMA 1990. The Board of Directors maintains that the commissions are duly formed in the manner set down in the legislation and that it fulfills its legislative duties. The Audit Committee assists in the supervision of the integrity of the financial reports of the organization, in addition to its regulatory duties. Compliance with legal and other regulatory standards, qualification appraisal, independent of external auditors and the performance of the internal and external audit functions of the company. The members of the Committee have fundamental financial literacy and can interpret the financial statements. At least one member must be specialist in management or accounting.

The audit committee shall consist of similar numbers and not more than six directors or members. Members of the board shall be elected by the shareholders and their nominations shall be forwarded on or before 21 days of the date of the Annual General Meeting (AGM) to the Secretary of the Corporation. The Audit Committee's meetings shall be as many as they wish. Smith's study proposes that no less than three sessions can take place during the year. Bad corporate governance has led to the shortcomings of corporations that have serious national economy repercussions. A 2003 SEC study revealed the rudiment of corporate governance, as only roughly 40% of cotes from Nigeria had corporate governance codes in effect. The Central Bank of Nigeria's code of best practices on corporate governance in April 2006 includes principles and practices that encourage effective corporate governance. These standards and practices shall be: Shareholder control, corporate structure, Board membership consistency, management consistency evaluation, monitoring relationship, accountability in the market, credibility of process information, revealing criteria, risk management and internal and external auditors' position.

2.5.1 Banks and other Financial Institutions (BOFID) Act 1991 (As Amended) and Corporate Governance

BOFIA 1991 (as amended) is the main regulation regulating all banks and financial institutions in Nigeria. In addition, the Act includes provisions for the establishment of banks, responsibilities of banks, books of accounts to be held by banks, regulation of banks and other miscellaneous matters. Section 2(1) of BOFIA specifies that no individual shall conduct any banking business in Nigeria except as a corporation properly incorporated in Nigeria and holding a valid banking license granted pursuant to the Act. Other subsections of section 2 of BOFIA 1991 include clauses on conditions for the conduct of banking activity in Nigeria and a sanction for non-compliance. Section 10 of the Act states that the right to vote of any shareholder of a bank shall be commensurate with his subscription to the paid-up equity capital of the bank.
Sections 16-23 of the Act include rules on the responsibilities of banks. Section 18 of the Act states that no manager or other bank official shall, in any management whatsoever, directly or indirectly have personal interest in any advance, loan or credit facility and, whether he or she has any other personal interest, see the essence of the dealer to the CBN. It also specifies that no bank manager or officer shall offer any advance, loan, or credit facility to any person, except as allowed by the rules and regulations of the bank.

Section 242 of the Act provides for the preservation of the proper books of accounts for all financial transactions. Sections 30-38 of the Act allow for regulation of banks. Here, the CBN plays a vital role in regularly reviewing the books and affairs of each bank, barring banks from carrying out such operations, removing the banking license of non-performing banks, and winding up certain banks. Section 44 includes provisions on individuals not eligible for appointment as directors, secretaries, or officers of a bank. The Laws and other provisions of the Act are all aimed at directing the affairs of banks, protecting shareholders and other stakeholders, and maintaining good governance in the Nigerian banking industry.

2.5.2 Extent of Compliance of Banks with Corporate Governance Code of Conduct

The topic of corporate governance recently played a leading role in the worldwide financial industry. Following the past failure rates of businesses, the drive for good corporate governance has become important. Chukwuma Soludo, former CBN Governor, issued the corporate management code for banks in March 2006. The action taken by the CBN was appropriate because the financial structure of the nation was fragile and badly regulated prior to banking consolidation. A significant number of banks have a family ownership system that not only strengthens banks' inward credit exploitation but also adds to a banking sector distress. The CBN suggested that the systemic and operating vulnerabilities such as a low balance base and low capital base, the prevalence of few banks, insolvency and illiquidity, over-related deposits from public sector funds, poor performing assets, weak corporate government and the exchange rate, characterized 89 banks with 3,382 branches, which were primarily in urban centres, at June 2004. The CBN said in 2003 that only 40% of Nigeria's cited firms, including banks, acknowledged the presence of corporate governance codes. The CBN's Corporate Governance Code was developed to help uphold the values of corporate governance, to protect the bank's insider from credit misuse. The Corporate Governance codes suggest that the number of non-executive board members should be greater than that of executive members with up to 20 managers. At least two non-executive individuals should be autonomous directors selected by the bank on merit (which should represent any shareholder's interest and maintain no special contractual interest in a bank).

In addition, the code specifies that the current code of ethics for bank directors must be strictly complied with, and failure to comply with the regulatory authority means penalties including withdrawal of the bank's erring directors. In his evaluation of how far the nation's banking sector has come since it was adopted by the regulatory authorities to encourage good corporate governance in the region. The Sanusi reports (2010) that the restructuring of the banking industry led to larger institutions but did not fix inherent shortcomings in the Code of Ethics for Corporate Governance of most institutions. Banks started engaging in illegal and risky trading activities. Increased bank maladministration has been an enriching way of living for many depositors and borrowers throughout most of the industry (Sanusi, 2010). Many banks disappointed in their corporate governance, and the Board of Directors opposed appropriate activities by misleading management to receive unsecured loans at the expense of depositors and investors (Sanusi, 2010). Many bank managers have faced the conflicts of interest, self-service and nonethical associated parties, which violate the CBN rules. Nuhu, (2017) additionally noted that since there was no clear description no single bank had fulfilled the criteria of an independent director.

A mixture of Executive, non-Executive and autonomous non-Executive Board members was created as part of the present Nigerian Corporate Governance Code of 2018, which took effect in 2019. In addition, the creation of separate Board committees and the presidency are also compatible with the code of ethics. In brief, the World Finance Journal and several other awards won the FBN Holdings Best Corporate Governance Award (FBN Holdings 2019, pp13-18).

2.6 Organisation Performance

Organizational performance measures the successful and productive use of both financial capital and non- financial resources to meet the ultimate goals of the business, covering both shareholders' wealth and profit maximization goals. It can be calculated using long-term business performance metrics (Zubaidah et al., 2009). The hypothesis of the study is therefore stated as

1. *H_0: Ethical behaviour of board members, Risk management dimensions and Legal framework of corporate governance will jointly and independently predict organisational performance.*
2. *H_0: Ethical behaviour of board members, Risk management dimensions and Legal framework of corporate governance will jointly and independently predict employee morale.*

3.0 Methodology and data

3.1 Research Design

The research design used for this study was a survey which focuses on the selection of sample among the population. Owing to the large number of staff of the First Bank Nigeria Plc, a sample size of one hundred and fifty (150) staff members selected from branches within the Ikeja Local Government area of Lagos State, using a convenience sampling method. The choice of First Bank was informed because it was the first to be established in Nigeria in

1894 and rated the overall second best in 201 9 (FBN Holdings Annua Report, 2019).

3.2 Research Instrument

The research instrument is a structured questionnaire and divided into two sections. Sections contained the biodata of the respondents, while section B contained measurements of the variables under study.

3.3 Measurement of variables

Corporate governance operationalised into three independent variables with Cronbach's alpha for each namely (i) ethical dimensions of the Board (0.83) (ii) risk management framework (.81) and (iii) legal framework (0.73). While organisational performance was measured using the rating of profitability, return on Investment (ROI) and volume of customer deposit for financial performance, on the other, rating of employees morale and job satisfaction are used to measure non-financial performance. Respondents rated the extent of compliant with ethical behaviour of board members on integrity, honesty, fairness, and respect on a scale of four. Risk management framework has seven items, while the legal framework measured with three items. Respondent rated the level of organisation complying with the preparation of financial statements by the International Financial Reporting Standard.

3.4 Tools of analysis

Multiple Regression equations were used to test the hypothesis of the study with the aid of the Statistical Package for Social Sciences (SPSS). Multiple Regression equations are of the form.

Model Specification

OProft = f (β1Lf + β2Ed + β3Rm + U)
EmplM = f (β1Lf + βEd + β3 Rm + U)
Where OProft = Organizational Performance (Model I)
EmplM = Employees' morale (Model II)
β0 = Intercept
β1, β2, & β3 = estimated coefficients
Lf = Legal Framework
Ed = Ethical Dimension
Rm = Risk Management
U = Stochastic/Random variables
The hypothesis was evaluated using the multiple regression analysis.

4.0 RESULTS

4.1 Test of hypothesis

Table 3: Summary of Results multiple regression equation

Models		B	T	Sig (p)	R	R^2	AdjR^2	F	Sig (p)
Profitability (DV)									
Constant		1.331	4.363	.001**					
Legal framework		.098	1.315	.191					
Ethical dimensions		.084	1.062	.290	.635	.409	.387	24.534	.001**
Risk Mgt Framework		.409	6.326	.001**					
Model 2 Employee Morale (DV)									
Constant		2.945	6.411	.001**					
Legal framework		.076	.675	.501					
Ethical dimensions		-.253	-2.096	.038*	.288	.083	.057	3.250	.025*
Risk Mgt Framework		.252	2.597	.011*					

*p < .05; and **p < .001

Multiple regressions are used to test the extent to which legal framework, ethical dimension and risk management framework predict organisational performance. The result shows that the legal framework, ethical dimensions, and risk management framework are significant predictors of organisational performance. Two models tested; the three predictors' variables tested on profitability as well as employees' morale as presented in Table 1. Model one shows that the joint correlations (R) of the three variables 63.5%; while the predictor variables explained 40.9% of total variations (R^2) in organisational performance. Also, F statistics (F =24.53, p =.001) measures the significance of the estimated regression equation, which implies that the estimated regression equation is adequate to predict organisation performance using the combined corporate governance variables. A critical appraisal of each of the predictor variables for model 1 reveals the importance of the risk management framework with a coefficient of 0.409 and p-value = .001. It implies that risk management explained over 40.9% variations in profitability performance.

Model two shows that ethical dimensions ($p < 0.05$) and risk management ($p < 0.05$) are significant predictors of employees' morale. Interestingly, the coefficient of ethical dimensions shows a negative implying that employee' perceptions of ethical behaviour of corporate governance affect employees' morale negatively, this may be as a result of perceived disequilibrium in the share of financial and other benefits among employees,' board members and other stakeholders. Risk management has a positive and significant effect on organisation performance. Overall, the estimated regression equation is significant (F =3.250, p =.0.025).

Table 4: Financial Performance of First Bank Holdings 2015-2019

S/N	2015	2016	2017	2018	2019
	₦	₦	₦	₦	₦
Gross Earning	502.8bn	581.8bn	595.4bn	587.4bn	627.0bn
NET Interest Income	265.2bn	304.4bn	331.5bn	285.3bn	290.2bn
Non-Interest Income	97.9bn	165.5bn	113.7bn	132.0bn	159.2b
Operating Expenses	222.7bn	220.9bn	238.0bn	266.0bn	314.7bn
Profit before Tax	21.6bn	22.9bn	56.8bn	63.9bn	83.6bn
Customer Deposit Base	2970.9bn	3,104bn	3,143.3bn	3,467.7bn	4,019.8bn
Customer loan Advances	1,817.3bn	2,083.9bn	2,001.2bn	**1,670.5bn**	1852.4bn
Earnings Per Share	0.44	0.39	1.43	₦ 1.61	₦ 1.95
Return of Average Assets	2.8%	3.0%	7.6%	1.1%	1.3%

Sources: Annual Reports of First Bank Holdings 2015-2019.

5. Discussion of findings

Corporate Governance (CG) is the product of the separation of ownership of organisation and managers. Institutionalisation of a quality and effective CG assures owners of a reasonable return on their investments. This study has empirically established that a quality Corporate Governance enhances improved performance. The financial performance of First Bank between 2015 and 2019 as shown in the Annual Reports validated the findings in the Table 4.

Table 4 clearly show a consistent increased performance aside from 2018 when gross earnings fell from 595.4bn to 587.4bn, the performance picked up in 2019. Also, Non-interest income fell from 165.7bn in 2016 to 113.7bn in 2017. Overall, the financial performance of Firs Bank Holdings consistently improves, and this can be attributed to effective Corporate Governance.

6. Conclusion and Recommendation

In summary, the regression run on the analyses indicates a good prediction of the legal framework, ethical dimension, and risk management dimensions of corporate governance on organisational performance. It clearly shows that corporate governance has a very significant effect on organisational performance in the banking sector in Nigeria with a particular reference to First Bank Nigeria Plc. Compliance with the code of conduct of board members is not negotiable as those in the custodian of shareholders trust. Equality of rights and privileges of stakeholders protected at all-time such that the potential investors could be encouraged and having confidence that their investments are managed by credible people.

Based on these findings it is recommended that board of directors of banks should clarify and make public their roles and responsibilities in conjunction with global best practices and they must be able to act with the high level of integrity. The Board should be able to provide shareholders with some modicum level of accountability. Code of conduct that promotes ethical and responsible behaviour for Board members and the management team. Intentional advocacy must be ensured in the organisations through different channels to intimate all stakeholders with the ethical standards required to ensure best practices.

Each organisation must be made to adopt an ideal and useful risk management framework of corporate governance that helps minimise the organisation's exposure to uncalculated risks and' help to take corrective actions when faced with uncertainties. Also, relevant regulatory authorities should stress as applicable the importance of the provisions of the relevant statutes for all financial institutions and enforce strict adherence or compliance with a corresponding penalty for defaulters. To achieve this, Corporate Affairs Commission (CAC), Central Bank of Nigeria (CBN) and the Security Exchange Commission (SEC) need to set up a joint monitoring and compliance team to ensure that Nigerian businesses, especially banks, follow and implement the corporate governance code.

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