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## **Eliminating Performance Gaps through Corporate Governance for Sustainable Management of Selected Manufacturing Companies in Calabar, Cross River State, Nigeria**

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### **Abstract:**

*The study on eliminating performance gaps through corporate governance for sustainable management was conducted in selected manufacturing companies in Cross River State. The study examined transparency in financial disclosure and accountability in managerial ownership as measures for sustainable management in a dynamic business environment. Two research questions and hypotheses were respectively formulated and agency theory was developed to guide the study. Survey research design was adopted and with a population of 240, a sample size of 152 staff determined with the use of Taro Yamane sampling formula. Stratified sampling method and Bowley's proportional allocation formula was adopted with the aim of preventing bias in representation. A 21-item structured questionnaire facilitated the collection of data and a pilot study was carried out to determine potential weakness in the research instrument. The instrument was developed, validated and tested for reliability using test-retest method. Data were analyzed using Data and simple percentage and histogram to show Normality while regression analysis was used to test the hypotheses using SPSS. Finding shows that corporate governance implementation requires transparent financial disclosure to eliminate performance gaps and improve internal efficiency of the organizations. Priority on transparent financial information is addressed by corporate governance and this prevents fraud or irregularities in accounting for improved financial disclosures. The implication of the finding was the rejection of null hypotheses. The study concludes that performance gaps are eliminated by corporate governance principles which aid in realization of stakeholders' expectation. The study recommends among others that management of the studied organizations should continuously eliminate performance gaps through compliance with International Financial Standards for good practices in corporate governance. Manager's activities should be continuously monitored by board of directors in order to eliminate performance gaps.*

**Keywords:** Corporate governance, financial disclosure, managerial ownership, sustainability management

### **1. Introduction**

Over the years, the incessant corporate practice has made corporate governance a standard for establishing ethical standards to preserve the business environment for investors (Fung, 2014). This has made the development of corporate governance to be linked to protection of interest of shareholders which has gradually gain recognition as approach for impacting internal efficiency of organization (Jizi, Salama, Dixon & Startling, 2014; Tadesse, 2004). As a priority in business organization, transparency and accountability has become yardstick for good performance. Today's investment in stock market across the globe is encouraged by effective corporate governance where information is provided when needed by investors for decision making (Al-Nimer, 2019). However, the development of corporate

governance in Nigeria has enhanced accountability and framework for financial reporting where audited accounting details are made public for interested stakeholders (Elewechi&Okike, 2007). Corporate governance is now the strengthening factor for long term performance of corporation which has attracted significant debate on the important of governance (Arif& Syed, 2015; Ibrahim et al., 2010).Based on this, many academic investigations have affirmed that corporate performance is driven by governance system of organization and governance practice is linked to agency issue of Limited Liability Company where dichotomy between management and ownership has to be harnessed for sustainable growth of the organization (Dabor, Isiawe, Ajagbe&Oke, 2015; Ajagbe& Ismail, 2014; Cheng, 2008). The need for sustainability management is critical in ensuring an organization is able to meet its current needs void of compromise in order to meet expected objectives of environmental quality, economic performance and social responsiveness. These activities are driven corporate sustainability management which prevent the organization from extinction and while remaining competitive in performance through corporate governance principles for realization of stakeholders' expectation. This study is therefore a resource to identify how performance gap can be eliminated through corporate governance in selected manufacturing companies in Calabar, Cross River State.

### *1.1. Statement of the Problem*

The insufficient application of corporate governance principles has been the root cause of crises faced in organizations. Despite the momentum in compliance the issues on it are still on a rise with negative implications on the growth of organization. However, having improved corporate performance in organization is without ease due to performance gaps in corporate financial disclosure and managerial ownership which are bedeviled with issues of transparency and accountability as tools for corporate governance in organization. These, indicates governance responsibility by board and management requires ethical practice and standard that could create enabling environment for investors which must be driven by corporate governance principles. Therefore, this study examined how performance gaps can be eliminated through corporate governance for sustainable management in selected manufacturing companies in Calabar, Cross River State.

### *1.2. Objectives of the Study*

The broad objective of the study is to examine performance gaps through corporate governance for sustainable management in selected manufacturing companies in Calabar, Cross River State. The specific objectives include:

- Assess how transparency in corporate financial disclosure eliminates gaps in performance for sustainable management in Niger Mills Company Limited and Lafarge Africa Plc, Calabar, Cross Rivers State.
- Examine how accountability in managerial ownership structure eliminates gaps in performance for sustainable management in Niger Mills Company Limited and Lafarge Africa Plc, Calabar, Cross Rivers State.

### *1.3. Concept of Corporate Governance*

Corporate governance implies the act of managing and controlling the system for sharing rights and responsibilities of different stakeholders in an organization where detailed procedures and rules applicable for decision are made known to members (Akdogan&Boyacioglu, 2014).Similarly, Arif& Syed (2015) conceptualize it as principles for directing and controlling the management of organization. Maier (2005) defines it as a set relationship which involves shareholders, its board and management aimed at ensuring accountability for efficiency of the organization. It entails the process and structure for managing and protecting shareholders interest which requires transparency, responsibility, accountability and fairness (Mohan &Chandramohan, 2018). This implies that competitive performance of an organization is guided for business excellence. In the words of Al-ahdal et al. (2020) it's a system that enhances investors, managers and shareholders relationship while providing resources for competitive users. This indicates that corporate governance enhances formulation of objective for achievement of organizational goals. Though the concern for corporate governance aimed to bring investors interest and manager into focus, it ensures that firm managed for achievement of investors objective which profit maximization (Tanko&Kolawole, 2010). Kolk and Pinkse (2010) note that the need for corporate governance is to increase confidence of shareholders based on their return on investment. This to say that effective direction and controlling of corporation is driven by corporate governance which defines the rules and procedures of participants such as shareholder, managers, board and stakeholders who are part of decision making of the corporation (Fung, 2014). It set objectives to be achieved and how to achieve the objective through monitoring of performance. Hence, corporate governance offers board and management the freedom to drive organizational performance based on transparency and accountability, However, Boeva, Zhivkova and Stoychev (2017) also add that it is a management control of organization through procedures and processes carried out by board of directors in relationship with managers, shareholder and external party's Regulatory authority, auditors, and corporate participants. This affirmed that in corporate governance, the rights and responsibilities of members are determined by the corporate governance structure

### *1.4. Theoretical Framework*

This study adopts agency theory developed by M. C. Jensen and W. H. Meckling in 1976 to guide the study. The study stresses the necessity to reduce agency issues through managerial ownership in organization (Din &Attiya, 2011). The theory theorizes agency problems such as monitoring expenditure, residual loss, and bonding expenditure which are costs being incurred.

This theory centers on the relationship existing between principal who is the owner or shareholders and the agent who is the manager. The justification of this theory is that it enables agency problem to be reduced through the use of management mechanism where information asymmetries and conflict of interest is resolved through monitoring

mechanism within the company. It enhances owners confidence where organizational assets are properly managed aimed at eliminating agency fee or conflict of interest. It reduces organizational conflict through increasing disclosure of financial information. Thereby reducing gap that may exist between shareholders and management and this optimize the value of stock in the market

### 1.5. Conceptual Framework

The conceptual framework of this study was based on abstract ideas that is experimented, observed and analyzed by the researcher Mbogo, et al. (2012). Therefore, it addresses gap in performance by harnessing transparency in information disclosure and accountability in managerial ownership. Therefore, the model below shows the framework for eliminating performance gap in selected manufacturing Companies in Calabar, Cross River State

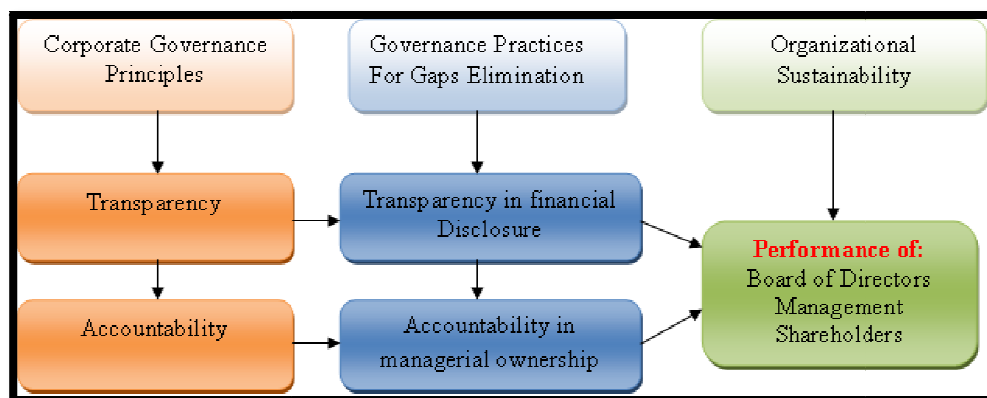


Figure 1: Corporate Governance Practice for Sustainability  
Source: Author 2021

Transparent corporate governance implementation is a source of financial performance improvement which enhanced the internal efficiency of organization (Goel, 2018; Tadesse, 2004). Corporate disclosure relates to the act of communicating information to external parties by the management with the aim of allowing investors to know how sustainable the organization's performance and governance are toward expected benefit (Haely&Palepu, 2001). This is because stronger corporate governance enhances voluntary disclosure in organization. A study by Al-Nimer (2019) identified that voluntary disclosure in organization is influenced by independence of the board, audit committee appointment and shareholding of directors. This implies that the level of ownership is increased by voluntary disclosure and is associated with increase in stock liquidity.

Financial reporting is a form of corporate disclosure where financial statement is disclosed in compliance with International Financial Standard as good practice of corporate governance. There is need for financial reporting to be in conformity with specific rules and format to allow stakeholders have appropriate understanding of information. A strategic issue in corporate disclosures arise as a result of financial crises which points to the importance of corporate governance as a system for sustainable organization (Raithatha&Bapat, 2014). The need for organization to increase disclosure is aimed at reducing conflict between managers who are agents and shareholders. Hence, performance gap in organization is eliminated when organization increases disclosures which reduce gaps between internal and external members of the organization. This in a way promotes stock value in the capital market, enhances liquidity and minimizes cost of capital (McKinnon, 2009; Apostolos, 2009; Lobo, 2001).

It must be noted that disclosure of financial information is on the basis of agency costs which aid shareholders to monitor manager's activities (Jensen &Meckling, 1976). Therefore, adequate disclosure becomes pertinent in ensuring that appropriate information in the annual report is presented to help impact the performance of the organization (Raithatha, Bapat, 2014).Some of the determinant factors of effective financial disclosure for sustainable performance in organization consists of the following:

- Board size is an influencing factor that aid in monitoring managers activities. For instance, various studies have supported that better supervision is achieved as a result of large board size while board size that is small is ineffective in monitoring. Hence, the quality of financial disclosure and reporting is achieved with large board size.
- Board independence of director is adjudged to improve the quality of financial disclosure and reporting. This in a way influences control on manager for effective disclosure because manager's behaviour is effectively monitored (Raithatha&Bapat, 2014)). For instance, effective monitoring, quality financial disclosure and withholding information is reduced when there is at least fifty percentage of external director in the board.
- Board activeness entails the monitoring role of the board which is determined by the number of meetings within a financial year. For instance, monitoring function is effective or affected by the number of meeting and it is a proxy for monitoring managers' activities for sustainable performance of organization (Garcia-Lara et al., 2009). Hence, frequent board meeting improves efficient performance of the organization, and financial disclosure is impacted by the activities of directors

However, fraud in accounting and stock market which has over the years placed priority on reliability and transparency of financial information is addressed by corporate governance. This is because accounting irregularities and financial scandals which are scams have prompted regulatory authorities to develop initiative for improved financial

disclosures, and also to mitigate conflict and ensure absolute auditors independence towards protecting the interest of investors' thereby increasing capital market confidence (Leuz, 2003; Lang & Lundholm, 2000). Therefore, weak corporate governance militates against shareholders interest and further hinders adequate corporate performance system from improved financial performance and valuation.

Strategic importance of financial disclosure to stakeholders is noted to be a tool for organizational stability. Holder-Webb, Cohen, Nath and Wood (2008) stress that by improving financial stability and avoiding financial scandal makes organization to be civic minded and socially responsible in disclosing information in relation to corporate governance to overcome doubtful managerial practice. This is because information disclosure is a public good and very useful for investors on the market security of the organization (Prescott, 2008). Therefore, disclosure is beneficial when transparent financial information is voluntarily disclosed in order not to put market stability at risk. Hence, disclosure remains sustainable approach that is essential for desired stability of market returns.

### *1.6. Corporate Managerial Ownership*

In any corporate organizations, the rights and responsibilities of members are determined by the corporate governance structure. This has made corporate governance a tool for harmonizing gap between management and shareholders as firm ownership structure increasingly influence governance though different types of owners which exist in organization (Connelly, Hoskisson, Tihanyi & Certo, 2010). A study by Mandaci and Gumus (2010) note that ownership structure that is overly diffused make shareholders not motivated in close monitoring of management decision, this is because lower benefits that is accrued cannot be compared to the cost of monitoring the activities of managers and this adversely affect performance. On the other hand, concentrated ownership structure allows shareholder to control managers' activities which prevent inefficiency and improve performance in the organization (Shleifer & Vishny, 1986). However, this results to shareholder having priority for their interest which could lead to agency problem between them and the managers, and they must accept agency cost as measure to minimize the agency problem.

Studies have revealed that managerial ownership helps in preventing conflicts of interest between owners and managers and equally increases the firm value. However, managers' interest is aligned when there has significant ownership more than outside shareholders, and their interest is entrenched when there is large ownership by shareholders and this reduces the firm value (Mandaci & Gumus (2010); Demsetz, 1983). Mueller and Spitz (2002) reveal that one of the challenges with suppliers of finance to organization is majorly how to get their returns on investment. For instance, investing fund in low-level project by managers (agents) instead of distributing the funds to shareholders (owners) who have significant investment opportunities in the environment may affect the confidence of shareholders. This constitutes strategic performance gap and bridge of trust in management which requires managerial discretion for effective control or accountability in the system. This agency conflict is therefore addressed by corporate governance framework for sustainable management of the organization.

Managerial ownership is an element of corporate governance which requires monitoring by board for quality earnings (Khafid & Arief, 2017). The need to monitor financial disclosure is based on the notion that managerial ownership could cause the possibility for managers to manipulate financial statement. This act of manipulation is seamlessly possible with managers with low ownership stock which thereby manipulate accounting information or numbers (Niu, 2006). Similarly, monitoring is ineffective by board members with lower stock ownership and this cause issues in monitoring managers activities. Therefore, the need for independent board in monitoring the management becomes a success factor for effective governance in organization.

### *1.7. Sustainability Management*

Sustainability as a concept is built on the assumption of fostering organization's longevity with increasing expectation of corporate responsibility which requires transparency in workplace. Finding by Haanaes (2016) shows that sixty-two percent of executive adopted sustainability as important competitive tool in workplace which helps to establish long term value consideration about social, ecological and economic environment that organization operates. Therefore, sustainability has made organization to have strong commitment to goal achievement as they become transparent in addressing issues.

El-Haggag and Samaha, (2019) Conceptualize sustainability management as systematic approach which provides guidelines for evaluating, managing, and improving sustainability through optimization resources used in achieving organizational success. This justifies that sustainable management is a practice adopted by organizations as business goal to support business long term viability. Therefore, sustainability management has made many organizations to focus on corporate governance principles to drive sustainable business efforts. For instance, environmental regulation compliance, sustainable initiative and policies, establishing sustainable performance goals, proposing sustainable leadership, building awareness on sustainability etc are enablers of sustainable management. Krechovska and Prochazkova (2014) stress that sustainability management is linked to value creation to shareholders through minimization of negative and maximization of positive effect of the social, environmental and economic issues. This has made increasing attention to be given to sustainability where issues address through corporate social responsibility.

El-Haggag and Samaha, (2019) emphasizes the important of integrating sustainability into organization which requires setting clear performance and target and undertaking a learning process to achieve sustainable outcome in organization. Hence, sustainability management is effective based on top management involvement which promotes strategic relevance in communication and reputation in corporate social responsibility. However, a study by Kiesner and Baumgartner (2019) stress the critical factors that drives internal and external corporate sustainability to be: cost



reduction, innovation, legal compliance, risk management, quality management, competitive advantage, corporate reputation, economic performance, and social and environmental responsibility of organization.

## 2. Methodology

This study adopts survey research design to obtain relevant information and with a population of 240 which covers all management staff, Board of Directors and major shareholders of Niger Mills Company Limited and Lafarge Africa Plc Calabar, Cross River State. The sample size was determined using Taro Yamane formula. Stratified sampling method and Bowley's proportional allocation formula was adopted with the aim of preventing bias in representation. Four Point Likert Scale was used in developing the questionnaire for data collection because the respondents are experienced and versatile in knowledge on the topic under investigation. Although a total of 152 copies of questionnaire were distributed, 145 were retrieved and this shows the response rate of 95 percent. Regression analysis was used to ascertain the validity of the constructs. Descriptive statistics was used in summarizing data and hypotheses were tested using regression analysis and were done with the use of SPSS version 23

## 3. Data Analysis

### 3.1. Distribution of Respondents

The researcher distributed a total of 152 copies of questionnaire to management staff, board of directors, and major shareholders of Niger mills and Lafarge Africa Plc in Cross River State. The response rate of return was 95 percent (that is 145 questionnaires were completed and retrieved by the researcher) as seen in Table 4.1.

| S/N | Option                                 | Frequency | Percentage |
|-----|--|-----------|------------|
| 1   | Number of questionnaires retrieved     | 145       | 95         |
| 2   | Number of questionnaires not retrieved | 7         | 5          |
|     | Total                                  | 152       | 100        |

*Table 1: Distribution and Return of Questionnaire*  
*Source: Field Survey, 2021*

### 3.2. Data Cleaning and Preliminary Analysis

The following preliminary data analysis was performed before the data was used for the analysis; this was done by the researcher to ascertain that the data is free from all forms of multivariate assumptions.

### 3.3. Missing Data

The data set had some missing values in it but since this did not amount to 50% of the total data, the missing values were replaced with the values gotten from the series mean test that was carried out in SPSS.

### 3.4. Test for Normality

Test of normality for the variables was statistically and graphically done, skewness and kurtosis values were generated for all the variables in the study as seen in table 4.2. A rule of thumb for normal data is that skewness and kurtosis should not exceed + or - 2.58 (Hair et al, 2010). All the variables were normally distributed as shown by the table.

| Variables      | Observation | Skewness | Kurtosis |
|----------------|-------------|----------|----------|
| Transparency   | 145         | -.676    | -.655    |
| Accountability | 145         | -.437    | -.779    |

*Table 2: Normality Test Result*  
*Source: SPSS version 21*

Furthermore, the histogram was used to graphically illustrate the normal distribution of the data (see Figure 2).

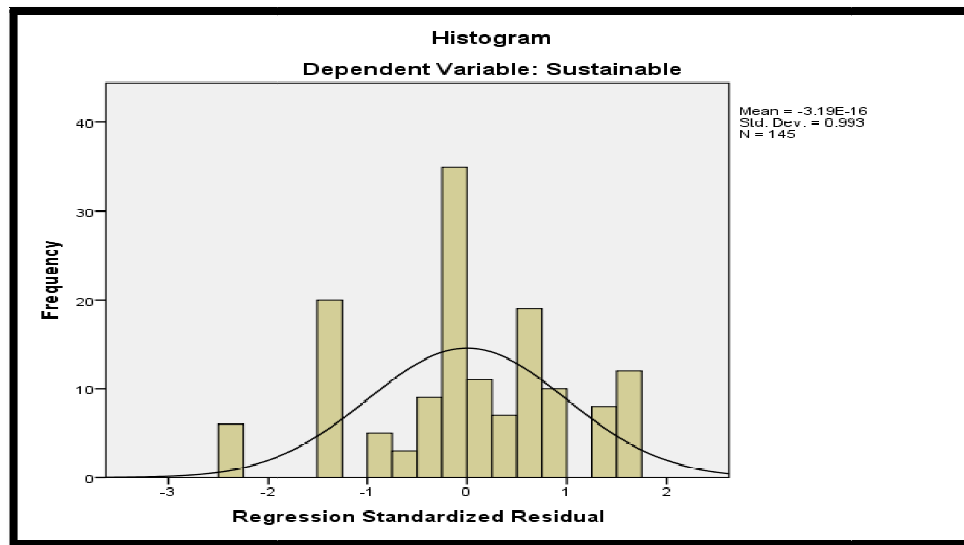


Figure 2: Histogram Showing Normality of Data

### 3.5. Test for Linearity

The Pearson Product Moment Correlation was used to test the relationship among variable of the study as shown by Table 3

|                |                     | Transparency | Accountability |
|----------------|---------------------|--------------|----------------|
| Transparency   | Pearson Correlation | 1            | .123           |
|                | Sig. (2-tailed)     |              | .142           |
|                | N                   | 145          | 145            |
| Accountability | Pearson Correlation | .123         | 1              |
|                | Sig. (2-tailed)     | .142         |                |
|                | N                   | 145          | 145            |

Table 3: Correlations among Variables  
Source: SPSS Version 21

The result in the table above shows that there is a linear relationship among variables of the study. Figure 3 shows the graph illustrating the relationship between the variables of the study.

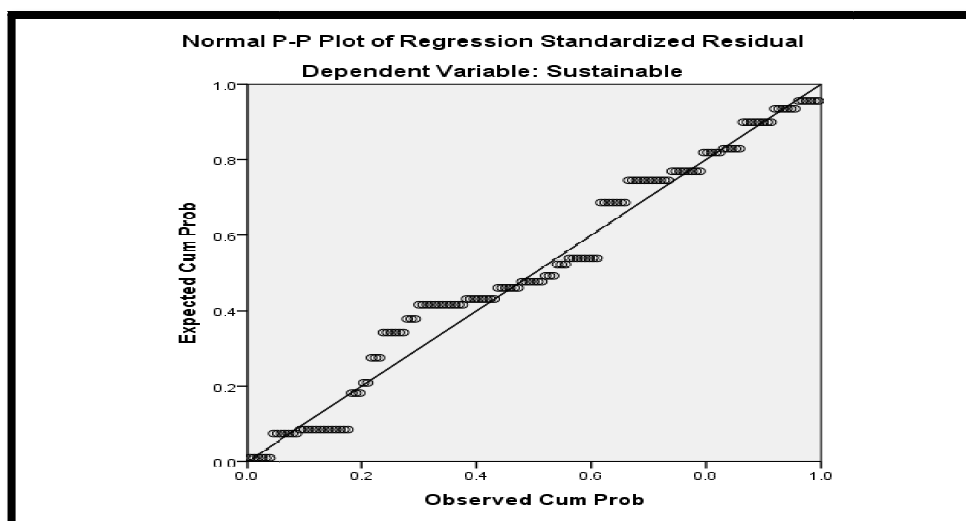


Figure 3: Normal Probability Plot Showing Linearity

### 3.6. Test of Hypotheses

#### 3.6.1. Hypothesis 1

- H<sub>01</sub>: Transparency in corporate financial disclosure does not significantly eliminate gap in board performance for sustainable management in selected public organization in Cross Rivers State.

| Model                                   | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|-------------------|----------|-------------------|----------------------------|
| 1                                       | .828 <sup>a</sup> | .685     | .683              | .727                       |
| a. Predictors: (Constant), Transparency |                   |          |                   |                            |

Table 4: Model Summary of Transparency in Corporate Financial Disclosure and How It Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: SPSS Version 21

| Model                                   |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|---|------------|----------------|-----|-------------|---------|-------------------|
| 1                                       | Regression | 164.513        | 1   | 164.513     | 311.476 | .000 <sup>b</sup> |
|   | Residual   | 75.529         | 143 | .528        |         |                   |
|   | Total      | 240.041        | 144 |             |         |                   |
| a. Dependent Variable: Sustainable      |            |                |     |             |         |                   |
| b. Predictors: (Constant), Transparency |            |                |     |             |         |                   |

Table 5: Analysis of Variance (ANOVA) Transparency in Corporate Financial Disclosure and How it Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: SPSS Version 21

| Model                              |                | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|------------------------------------|----------------|-----------------------------|------------|---------------------------|--------|------|
|                                    |                | B                           | Std. Error | Beta                      |        |      |
| 1                                  | (Constant)     | -.705                       | .179       |                           | -3.946 | .000 |
|                                    | Accountability | .987                        | .056       | .828                      | 17.649 | .000 |
| a. Dependent Variable: Sustainable |                |                             |            |                           |        |      |

Table 6: Coefficients of Transparency in Corporate Financial Disclosure and How It Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: SPSS Version 21

Tables 4 show the effect of transparency in corporate financial disclosure and how it eliminates gaps in performance for sustainable management in selected public organization in Cross Rivers State, the table which is the model summary reveals that the relationship between both variables is 82.8 percent (as seen in the *R* column). The *R*<sup>2</sup> value (0.658) indicates that 65.8% of the dependent variable (sustainable management) can be explained by the independent variable (accountability). This is very significant. The value of the adjusted *R*-square of .683 indicates goodness of fit of the data to the model.

The *F*-test (311.476, *p*<0.05) of the relationship in Table 5 indicates that the overall prediction of the independent variable to the dependent variable is statistically significant, therefore, the regression model provides sufficient evidence to conclude that transparency in corporate financial disclosure does eliminate gaps in performance for sustainable management. The “sig” column in the table reveals that transparency in corporate financial disclosure does have a significant effect on sustainable management. This is as a result of the fact that “sig” = 0.000, *p*>0.05.

Table 4.6 above shows the coefficient table which provides more information as to how transparency in corporate financial disclosure does eliminate gaps in performance for sustainable management in selected public organization in Cross Rivers State. The “sig” column in the table reveals that the “*P*” value is less than 0.05 which means that the independent variable is statistically significant. The result shows that there is significant effect of transparency in corporate financial disclosure on sustainable management (Beta = 0.828, *P*<0.05). Therefore, the null hypothesis was rejected.

### 3.6.2. Hypothesis 2

- *H*<sub>02</sub>: Accountability in managerial ownership does not significantly eliminate gap in board performance for sustainable management in selected public organization in Cross Rivers State.

| Model                                     | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|-------------------|----------|-------------------|----------------------------|
| 1   | .789 <sup>a</sup> | .637     | .634              | .781                       |
| a. Predictors: (Constant), Accountability |                   |          |                   |                            |

Table 7: Model Summary of Accountability in Managerial Ownership How It Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: SPSS Version 21

| Model                                     |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|---|------------|----------------|-----|-------------|---------|-------------------|
| 1   | Regression | 152.824        | 1   | 152.824     | 250.568 | .000 <sup>b</sup> |
|   | Residual   | 87.217         | 143 | .610        |         |                   |
|   | Total      | 240.041        | 144 |             |         |                   |
| a. Dependent Variable: Sustainable        |            |                |     |             |         |                   |
| b. Predictors: (Constant), Accountability |            |                |     |             |         |                   |

Table 8: Analysis of Variance (ANOVA) of Accountability in Managerial Ownership How It Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: SPSS Output, 2020

| Model                              |                | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|------------------------------------|----------------|-----------------------------|------------|---------------------------|--------|------|
|                                    |                | B                           | Std. Error | Beta                      |        |      |
| 1                                  | (Constant)     | .372                        | .134       |                           | 2.739  | .007 |
|                                    | Accountability | .932                        | .059       | .798                      | 15.829 | .000 |
| a. Dependent Variable: Sustainable |                |                             |            |                           |        |      |

Table 9: Coefficients of Accountability in Managerial Ownership How It Eliminates Gaps in Performance for Sustainable Management in Selected Public Organization in Cross Rivers State

Source: Source: SPSS Version 21

Tables 7 show the effect of accountability in managerial ownership and how it eliminates gaps in performance for sustainable management in selected public organization in Cross Rivers State the table which is the model summary reveals that the relationship between both variables is 78.9 percent (as seen in the *R* column). The *R*<sup>2</sup> value (0.637) indicates that 63.7% of the dependent variable (sustainable management) can be explained by the independent variable (accountability). This is very insignificant. The value of the adjusted *R*-square of .634 indicates goodness of fit of the data to the model.

The *F*-test (250.568, *p*<0.05) of the relationship in Table 8 indicates that the overall prediction of the independent variable to the dependent variable is statistically significant, therefore, the regression model provides sufficient evidence to conclude that accountability in managerial ownership eliminate gaps in performance for sustainable management. The “sig” column in the table reveals that accountability in cooperate managerial ownership has a significant effect on sustainable management. This is as a result of the fact that “sig” = 0.000, *p*<0.05.

Table 9 above shows the coefficient table which provides more information as to how accountability in managerial ownership structure eliminates gaps in performance for sustainable management in selected public organization in Cross Rivers State. The “sig” column in the table reveals that the “*P*” value is less than 0.05 which means that the independent variable is statistically significant. The result shows that there is a significant effect of accountability in cooperate managerial ownership on sustainable management (Beta = -0.798, *P*<0.05). Therefore, the null hypothesis was rejected.

#### 4. Discussion of Findings

The result of the first hypothesis reveals that transparency in corporate financial disclosure has significant effect on sustainable management (Beta = 0.828, *P*<0.05). This is in consensus with the finding of Goel (2018) that transparent corporate governance implementation is a source of financial performance improvement which enhanced the internal efficiency of organization. Responses from respondents indicate 80(55.7%) and 45(31%) respondents which constitute a total of 125(86%) responses strongly agreed and agreed respectively that corporate governance implementation requires transparent financial disclosure for improved internal efficiency of the organization. This is fact because compliance with International Financial Standard is a good practice of corporate governance in financial reporting. Therefore, determinant factors such as board size, board independence, board activeness have enhanced effective financial disclosure for sustainable performance in the organization. Priority on transparent financial information is addressed by corporate governance and this prevents fraud or irregularities in accounting for improved financial disclosures. The organizations are able to ensure that strategic financial disclosure to stakeholders is aimed at promoting organizational and financial stability and also aid to overcome doubtful managerial practice

From the test of hypothesis two it is seen that there is a significant effect of accountability in cooperate managerial ownership on sustainable management (Beta = -0.798, *P*<0.05). This is in agreement with Connelly et al. (2010) that in any corporate organizations, the rights and responsibilities of members are determined by the corporate governance structure. Responses from respondents reveal that 75(52%) and 40(28%) respondents which constitute a total of 115 (80%) responses strongly agreed and agreed respectively that corporate governance structure is used in determining the rights and responsibilities of managers, board and shareholders for accountability. This is fact because managerial ownership influences board of directors to monitor the activities of manager for quality earnings and to prevent possible manipulation of financial statement. In the studied organizations corporate accountability is carried by executives' ownership, board ownership, block-holders etc. who are stakeholders in promoting governance system of the organization. Hence, effective accountability in financial reporting offers motivation for performance and ensures that mangers are monitored in their actions. Also, it helps to prevent conflicts of interest between owners and managers which equally increase the firm value



## 5. Conclusion and Recommendations

Effective elimination of performance gap through corporate governance for sustainable management is driven by the need for transparency in financial disclosure of and accountability in managerial ownership structure of the studied organizations. These justifies that sustainability management enables the organization to meet their current needs void of compromise in order to meet expected objectives of environmental quality, economic performance and social responsiveness. Hence, performance gaps are eliminated by corporate governance principles which aid in realization of stakeholders' expectation. The following recommendations were adduced from the study:

Management of the studied organization should continuously eliminate performance gap through compliance with International Financial Standard for good practice in corporate governance. Transparent financial information disclosure should be organizational priority in addressing corporate governance issues in order to promote financial and organizational stability against uncertain managerial practice. Management decision on board size, board independence, board activeness should be the basis for effective financial disclosure for sustainable performance in the organization. To achieve these would require improved internal efficiency of the organizations to implement corporate governance system based transparent financial disclosure. This is in conformity with Tadesse, (2004) and Al-Nimer (2019)

Corporate governance structure should be used to determine the rights and responsibilities of managers, board and shareholders for effective accountability. Manager' activities should be continuously monitored by board of directors to eliminate performance gaps that is unethical to the growth of the organization. Managerial ownership through executives' ownership, board ownership, block-holders should responsible for corporate accountability in order to promote governance system of the organization. To achieve these would require effective accountability in financial reporting and motivation for performance by stakeholders in the organization in order to prevent conflicts of interest between owners and managers. This is in line with the study by Alzoubi (2016)

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