THE ROLE OF NON-EXECUTIVE DIRECTORS IN NIGERIAN LISTED COMPANIES

BY

JENNIFER OMOBOLAJI-EPOYUN

A thesis submitted to the University of Huddersfield in partial fulfilment of the requirements for the degree of Doctor of Philosophy

Accounting and Finance - Business School

The University of Huddersfield

March 2016

Abstract

The literature on corporate governance reveals an emphasis on board characteristics and firm performance. The role of the NED is examined under board roles. The concept NED effectiveness is considered as part of board effectiveness revealing a lack of clarity of what distinguishes NED roles from board roles. The literature suggests that a consideration of board roles and effectiveness ultimately covers the purpose of NEDs. The research examined the roles of NEDs in listed companies in Nigeria. The research method utilised in this study was the semi structured interview method. Forty directors and company secretaries were interviewed for the research. The findings of the research revolves around five constructs namely board effectiveness, convergence or divergence with corporate governance principles, NED effectiveness, NED roles and power. The NED requires power to perform their roles, as a result their effectiveness as individuals and a group is restricted to, the weight of influence they carry and exhibit in board room deliberations. The NED is thus hindered by challenges such as information asymmetry. The findings also reveal that, collaboration and team work is crucial for NED and board effectiveness. The different director functions may create hierarchy in the board room. However, a board climate which encourages organisational, rather than performance hierarchy may increase cohesiveness in the board room. The findings reveal that understanding and team work are crucial for successful completion of board tasks. This is because NED roles are not independent of board functions.

The findings reveal that Nigerian NEDs in listed companies apply corporate governance best practices. The Nigerian listed companies have separated the roles of the CEO from that of the chairman. This suggests that listed company boards are most likely independent. However, Nigerian NED's are faced with the challenge of not having adequate company information, through which they can perform their roles. Interestingly, majority of the participants in this research seemed to agree that information asymmetry was the greatest challenge faced by Nigerian NEDs. However, the EXEC participants did not agree with the idea that, Nigerian NED's do not receive adequate information to perform their roles. As a result, the research indicates that NED's play more of a supervisory and supportive role in the board room. Furthermore, it reveals that Nigerian listed companies may comply with local and international best practices. However, the notion of board room independence is not enshrined in listed companies in Nigeria. The research findings also indicate that, the Nigerian institutional environment restricts the practice of good corporate governance. Furthermore, the control and monitoring role of Nigerian NEDs has been restated by the EXECs and the corporate environment. The findings indicate that Nigerian listed boards use private and public company meetings to create a front and influence shareholders and stakeholders' perceptions of directors and the company. Furthermore Nigerian directors use impression management strategies to influence the different actors in the company. There are rare occasions where, stakeholders control the impression management process and this leads a break in the frame and director accountability. The overall key finding of this research is that the findings five constructs are intertwined and are necessary ingredients for NED and board effectiveness.

Key words Impression management, NED, roles and effectiveness

Table of Contents

Contents

Abstract 4

Table of Contents 5

List of Tables 13

List of Figures 14

Dedications and Acknowledgements 15

Declaration 16

List of abbreviations 17

Chapter 1 19

1.0 Introduction 19

1.1 Overview of the Study 19

1.2 Research motivation 22

1.3 Statement of the Problem 24

1.4 Thesis research aims 26

1.5 Thesis research objectives 27

1.6 Research questions 28

1.7 Structure of the thesis 29

Chapter 2 30

2.0 Corporate Governance System in Nigeria 30

2.1 Brief history of Nigerian corporate governance 30

2.2 Relevant corporate governance provisions under the Companies and Allied Matters Act (CAMA 2004) - the division of powers in a company 31

2.2.1 The General Meeting 31

2.2.2 The Board of Directors 33

2.2.3 Disqualification of Directors 34

2.2.4 Duties and Liabilities of Directors 34

2.2.5 The Company Secretary 35

2.2.6 The Audit process under CAMA (2004) 35

2.3 The Role of Regulatory bodies 36

2.3.1 The Corporate Affairs Commission (CAC) 36

2.3.2 Central Bank of Nigeria (CBN) 36

2.3.3 Securities and Exchange Commission (SEC) 37

2.3.4 The Nigerian Insurance Commission (NIC) 37

2.3.5 National Deposit Insurance Corporation (NDIC) 37

2.3.6 Financial reporting council (FRC) 38

2.4 Relevant provisions of the Securities and Exchange Commission's Corporate Governance Code for public companies (SEC code 2011) 39

2.4.1 Roles of the board 40

2.4.2 Board Composition 40

2.4.3 The Role of the Chairman 41

2.4.4 The Role of the Company Secretary 42

2.4.5 Board Committees 42

2.4.6 Multiple Directorships 42

2.4.7 Family and Interlocking Directorship 43

2.4.8 Shareholder Rights 43

2.5 Relevant Provisions of the Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014(CBN code) 43

2.5.1 The Effective Board 43

2.5.2 Board Composition 44

2.5.3 The importance of NED 45

2.5.4 Corporate Transparency 45

2.5.5 Risk Management and Internal Control 46

2.5.6 Right of Shareholders 47

2.5.7 Family Directorship 47

2.5.8 Conflict of interests 47

2.5.9 Tenure of board Members 47

2.5.1.0 Right of Shareholders 48
2.5.1.1 Right of Stakeholders 48
2.5.1.2 Shareholder Associations 48
2.5.1.3 Whistle-blowing 49
2.6 Relevant provisions of the National Insurance Commission Code 2009 49
2.6.1 Board Composition.. 49
2.6.2 Role of the Board.. 49
2.6.3 Family Directorship 50
2.6.4 Rights of Shareholders 50
2.6.5 Conflict of interest 50
2.6.6 Board Committees 50
2.6.7 Accountability, Disclosure and Transparency principles 51
2.7 Relevant Provisions of the Code of Corporate Governance for Licensed Pension Operators 2008 (PENCOM code) 51
2.7.1 Board Composition.. 51
2.7.2 Role of the Board.. 52
2.7.3 Board Committee.. 52
2.7.4 Conflict of interest 52
2.7.5 Accountability, Disclosure and Transparency 53
2.8 Relevant provisions of the Code of Conduct for Shareholder Associations and their members 53
2.8.1 Composition.. 53
2.8.2 Tenure of Officers 53
2.8.3 Shareholder Rights 53
2.8.4 Membership of the Audit Committee 54
2.8.5 Conduct at the AGM 54
2.8.6 Accountability 54
2.8.7 Duties of the Association and its Members 54
2.9 A critique of the Code of Conduct for Shareholder Associations and its Members 54
2.10 Challenges of Corporate Governance in Nigeria 55

2.11 Chapter Discussion 57

2.12 Chapter Summary 62

Chapter 3 Literature review 63

3.1 Theoretical framework 63

3.1.1 Agency theory 63

3.1.2 Interlocking directorates... 72

3.1.3 Stewardship theory 73

3.1.4 Resource Dependency theory 75

3.1.5 Other relevant theories in this Thesis 78

3.2 Conceptual Framework 81

3.3 Corporate governance literature on Sub Saharan Africa 85

3.4 Models on Non-executive directors 86

3.4.1 NED Anglo-US Model... 86

3.4.2 NED European Model... 87

3.4.3 NED Anglo-US versus NED European Model.. 88

3.5 Research on boards of directors 88

3.5.1 Board size 88

3.5.2 Board composition 89

3.5.3 Board Diversity 89

3.5.4 CEO Duality 90

3.6 Roles of NEDs 91

3.6.1 NED control role 91

3.6.2 NED service role 93

3.6.3 NED strategic role.. 96

3.7 Research on NED effectiveness 99

3.7.1 Managerial hegemony theory and NED effectiveness 100

3.7.2 Agency theory and NED effectiveness...100

3.7.3 Resource Dependency and NED Effectiveness...101

3.7.4 Stewardship theory and NED effectiveness...102

3.7.5 Power and influence of NEDs 102
3.8 Research on corporate disclosure 104
3.8.1 Private reporting research 105
3.8.2 Impression management research 106
3.9 Chapter summary 107
Chapter 4 Methodology 108
4.1 Research Approach 109
4.2 Research philosophy 113
4.3 Research method 114
4.3.1 Research Sampling Strategy 114
4.3.2 Recruitment of participants 115
4.3.3 Pre interview questionnaires 118
4.3.4 Semi Structured Interview 118
4.4 Research methodology 120
4.5 Data analysis 123
4.5.1 Interview analysis 123
4.5.2 Category and theme development 127
4.6 Research quality 128
4.6.1 Data saturation 128
4.6.2 Research ethics 128
4.7 Research trustworthiness 129
4.7.1 worthy topic 129
4.7.2 Rich rigour 130
4.7.3 Transferability 130
4.7.4 Significant contribution 131
4.7.5 Triangulation 131
4.7.6 Credibility 131
4.7.7 Dependability 132
4.8 Discussion 132

4.9 Chapter summary 134
Chapter 5 Findings..135
5.1 Introduction 135
5.2 Category and theme development 135
5.3 Introduction to themes and categories 136
5.3.1 'Behind the scenes' 136
5.3.2 Collaboration..136
5.3.3 Value addition 137
5.4 Image management 138
5.5 'Informal interaction' 141
5.7 Shareholder awareness 145
5.6 'No conflict' 148
5.8 Cordial relationship...152
5.9 No hierarchy 158
5.10 Supervision 161
5.11 NED performance challenge and limitation 163
5.12 Collective strategic responsibility 168
5.13 Differentiation of roles 171
5.14 Experience...173
5.15 NED a bridge to the outside world 177
5.16 Conclusion...182
Chapter 6 Discussion 183
6.0 Introduction 183
6.1 Board effectiveness 184
6.1.1 Cordial relationships..184
6.1.2 'No hierarchy'..189
6.2 Convergence or divergence with corporate governance principles 190
6.2.1 Differentiation of roles...190
6.3 NED effectiveness 191

6.3.1 Experience 192
6.3.2 NED performance challenge and limitation 194
6.4 NED roles 195
6.4.1 Supervision 195
6.4.2 Collective strategic responsibility 196
6.4.3 NED a bridge to the outside world..198
6.5 Power 198
6.5.1 Image management...199
6.5.2 Informal interaction 200
6.5.3 No conflict 201
6.5.4 Shareholder awareness 203
6.6 Contribution to knowledge..204
6.6.1 The core essence of the phenomenon...204
6.6.2 The lived experience of directors and company secretaries 205
6.6.3 Relationship of the thesis findings to the study's conceptual framework 206
6.6.4 Relationship of findings to research questions 211
6.6.5 Applicability of the study's theoretical framework to Nigeria 214
6.6.6 Convergence with the literature on the role of company meetings in corporate governance 217
6.6.7 Divergence from the literature on the role of company meetings in corporate governance 218
6.6.8 The findings the case of Sub-Saharan Africa 219
6.6.9 The use of impression management techniques in Nigerian Listed boards a Goffman (1959, 1974) theoretical analysis 225
6.7 Chapter Summary 230
Chapter 7 Conclusion 232
7.1 Thesis summary...232
7.2 Overview of research findings 234
7.2.1 Convergence or Divergence with Corporate Governance Principles 236
7.3 Overview of potential incidental themes 237

7.3.1 Corruption 237
7.3.2 Perceptions of good corporate governance 237
7.3.3 Policy change 237
7.3.4 Role of the chairman 237
7.3.5 Role of the company secretary 237
7.4 Implications 238
7.5 Recommendations for Nigeria 240
7.6 Future research 243
7.7 Limitations 244
References 246
Appendices 270
Appendix 1 270
Appendix 2 271
Appendix 3 274

89,000 words excluding the title page, table of content, list of tables and figures, abstract, dedication, acknowledgements references and the appendix.

List of Tables

Table 1 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM....................................... 61
Table 2 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM....................................... 61
Table 3 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM....................................... 62
Table 4 Participant's host companies.. 116
Table 5 Participants in the research study.. 118
Table 6 A list of the types of phenomenology... 123
Table 7 A list of categories and themes unlocked from the data.. 182

List of Figures

Figure 1 the study's conceptual framework... 84

Dedications and Acknowledgements

I am grateful to God for sparing my life, granting me good health and for the grace to complete this PhD research. There are a few people who I would like to acknowledge their support during my studentship. First, I would like to acknowledge the support of my husband Mr Levi. E-William for his love and financial support towards my studies. Second, I am grateful to my parents Professor Charles and Dr (Associate Professor) Patricia Onocha for their love and financial support during my PhD studentship. Third, I am grateful to my supervisory team Professor Chris Cowton, Dr Yvonne Downs and Dr Deborah Allcock for their support and advice. Fourth, I am grateful to the members of the Financial Ethics and Research Group Business School University of Huddersfield for their constructive comments during my various presentations. Furthermore, I am grateful to the staff members of the research group for providing useful suggestions on gaining access to high profile candidates like boards of directors.

Fifth, I am grateful to my siblings Dr Edesiri Udoh, Charles Onocha and Immanuela Onocha for their love and moral support. Sixth, I am grateful to the University of Huddersfield for sponsoring my attendance at various local and international conferences. I am equally grateful to my main supervisor Professor Chris Cowton for sponsoring the corporate governance conference on key emerging markets in Germany. My attendance at the conference provided me with useful contacts which made it possible for me to gain access to members of listed company's boards in Nigeria. Also, I appreciate the following friends Lynda Macauley, Ebun Okediran, Mope Onitilo, Uche Agbamuche and Jide Owoyomi for their love and support during my studentship. Seventh, I am grateful to the following PhD colleagues namely Dr Franklin Nakpodia, Dr Mercy Wanduara, Dr Sally Arrey, Dr Tariq Alaweh, Craig Schofield, Janet Ho and Maria Iyekelepo for their support and encouragement during my studentship. I am grateful to my colleague Janet Ho who secured funding for a number of writing retreats. A number of these chapters were written at these retreats. Lastly, I am grateful to colleagues in academia and consulting for their contacts, consistent encouragement and useful suggestions on gaining access to boards of directors in Nigeria. They are namely Prof. Emmanuel Adegbite, Dr Akpo and Andrea Onduku, and Dr Larry Okpako.

Declaration

I, JENNIFER OMOBOLAJI-EPOYUN, confirm that the material contained in this thesis has not been used in any other submission for an academic award and that there is full attribution of the work of any other authors.

JENNIFER OMOBOLAJI-EPOYUN
SIGNED: ....
DATE: ....

List of abbreviations

AGM Annual General Meeting

ANT Actor Network Theory

BOFIA Banks and Other Financial Institutions Act

CAC Corporate Affairs Commission

CAMA Companies and Allied Matters Act

CBN Central Bank of Nigeria

CS Company Secretary

DBLS Dual Board Leadership Structure

EFCC Economic and Financial Crimes Commission

EXEC Executive director

FRC Financial Reporting Council

FRCN Financial reporting council Of Nigeria

ICAN Institute of Chartered Accountants Nigeria

ICPC Independent Corrupt Practices and Other Related Offences Commission

ICSA Institute of Chartered Secretaries and Administrators

ICSAN Institute of Chartered Secretaries Nigeria

IFRS International Financial Reporting Standards

IGP Inspector general of police

IPO Initial Public Offering

ISA Investment and Securities Act

ISAN Independent Shareholder’s Association of Nigeria

ISP Ideal Speech

MD Managing director

MNC Multi National Company

NAICOM National Insurance Commission

NAICOM National Insurance Commission

NASB Nigerian Accounting Standards Board

NBA Nigerian Bar Association

NDIC National Deposit Insurance Corporation

NED Non-Executive Director

NGO Non-Governmental Organisation

NIC Nigerian Insurance Commission

NSE Nigerian Stock Exchange

NSSA Nigerian Shareholders Solidarity Association

PENCOM National Pension Commission

PFA Pension Fund Administrators

PFC Pension Fund Custodians

PLC Public Limited Company

Pre AGM Pre Annual General Meeting

Pre AGM Pre Annual General Meeting

PSAN Progressive Shareholders' association of Nigeria

ROE Return on Equity

ROSC Report on the Observance of Standards and Codes

SEC Securities and Exchange Commission

Chapter 1

1.0 Introduction

The aim of this chapter is to introduce the research study. The chapter is divided into seven sections: namely the overview of the study, research motivation, statement of the problem, research aims, research objectives, research questions and contributions. This thesis seeks to investigate the lived experience of the NED. Specifically, the study's methodology is based on a Van Maanen (1979, 1990, and 1997) phenomenological approach. The study's methodology is best suited to an investigation of the lived experience of the NED role. The study is a qualitative study and the following methods were used: semi-structured interviews and a pre-interview questionnaire. The questionnaire was used to recruit participants and the interviews were used to elicit responses from the participants.

The participants of the study were NED, EXECs and company secretaries of listed companies in Nigeria. The thesis' main objective is to evaluate the perceived process through which Nigerian NEDs contribute to the practice of good corporate governance. The thesis hopes to achieve the following three objectives. The objectives include the following. First, to discover the role of NEDs in Nigerian listed companies. Second, to critically assess the effect of board relationships on the NED role. Third, to critically assess the effectiveness of NEDs in Nigerian listed companies.

The rest of the chapter is organised as follows. Section 1.1 introduces the subject of corporate governance and what led to its phenomenal rise. Section 1.2 sets out the motivation for the research. Section 1.3 presents the statement of the problem and the different lenses through which it is viewed. Section 1.4 presents the research aims of the study. Section 1.5 presents the research objectives of the study and summarises how it relates to the research aim. Section 1.6 summarises the research questions and contributions of the study. Finally, section 1.7 presents the organisation of the thesis and a summary of the content of each chapter

1.1 Overview of the Study

The topic of corporate governance has become an important one in recent years. This section will focus on the development of corporate governance in an attempt to present the background of the study. A cursory look at a brief development of corporate governance is necessary, since it reveals the underlying perceptions and expectations of corporate governance practice. Furthermore, it reveals the fundamental basis of corporate governance ideas.

Denis (2001) argues that corporate governance research dates as far back as twenty years. This assertion is based on the premise that the work of Jensen & Meckling (1976) was seen to be ground breaking, since its theory formed the basis of corporate governance research. Denis (2001) also stated that the studies on Adam Smith wealth of nations (Smith, 1776) and Berle & Means (1932) were equally important, but the Jensen & Meckling (1976) study was more influential in terms of the financial economic perspective.

The position of this study is that corporate governance came into existence with the birth of the modern corporation. This is because the word corporate governance from time immemorial did not exist (Keasey, Thompson, & Wright, 1997). However, there was a framework for companies to operate: the company law. This framework operated on the principles of the doctrine of a corporate personality and limited liability. The company was a separate and distinct person and the members had limited liability. The doctrine of separation of ownership and control came into existence from the mere operation of companies trading activities.

The laws created to guide the operation of companies became known as company law. The following chapter discusses the background of company laws and corporate governance codes specific to the Nigerian context. The existence of the corporation also gave rise to the following key concepts transparency and accountability. The company was an abstract person, and as such, humans were to be held accountable for corporate misdeeds.

The 1990s witnessed a series of corporate scandals and a change in the public perceptions of company governance. It may be argued that the scandals revealed that company laws alone were inadequate and did not offer thorough guidance on the operation of the companies. The author Sir Adrian Cadbury stated in the preface of the Cadbury report (1992) that 'standards of financial reporting and accountability heightened by BCCI, Maxwell and the controversy over directors pay has kept corporate governance in the public's eye'. The creation of the Cadbury report was followed by the birth of other codes, such as the OECD (1999) and the Sarbanes Oxley Act (2002).

Specifically in the Nigerian system, the governance codes include the SEC code for public companies (2011), the CBN code for banks (2014), the NAICOM code (2009), PENCOM code (2008) and the Shareholder Associations code of conduct. The Cadbury report (1992) largely influenced the SEC code for public companies (2011) and the CBN code for banks (2014). There are a number of institutions who regulate the practice of corporate governance in Nigeria. They include the following: the Corporate Affairs Commission (CAC), the Central Bank of Nigeria, the Securities and Exchange Commission (SEC), the National Insurance Commission (NIC), the National Deposit Insurance Commission (NDIC), and the Financial Reporting Council (FRC). The corporate governance codes are not harmonised; though similar, there are some slight differences. The CAMA (2004), NAICOM code (2009), SEC code (2011) and CBN code (2014) all provide for the protection of minority shareholders. However, the NAICOM code extends this protection and is the only code which provides that a minority shareholder must be a member of the board. The history of Nigeria's corporate governance will be discussed in chapter 2. Specifically, the corporate governance system in Nigeria will be discussed in chapter 2.

The Nigerian corporate governance institutional environment system is marred by corruption (Okike 2007; Adegbite 2012), a multiplicity of codes (Bello 2016; Osemeke & Adegbite 2016) and poor enforcement mechanisms (Okike 2007; Adegbite 2012). These three key challenges hamper the practice of good corporate governance in Nigeria. The legal and institutional frameworks exist in Nigeria, however, its endemic corrupt system may encourage unethical practices. For instance, Five CEO's of top banks in Nigeria have been removed and prosecuted. Interestingly, these CEO's were celebrated in Nigeria and given a number of awards. Furthermore, these companies had NEDs and independent directors as board members. It is therefore noteworthy to mention that despite all the reforms and corporate governance codes that banks comply with corruption and unethical practices still exist.

Second, the multiplicity of codes and regulatory bodies in Nigeria create implementation and monitoring problems for companies and regulatory agencies (Bello 2016). Third, there is poor enforcement and deterrent mechanisms in Nigeria. The fines issued by some of these agencies fail to serve as a deterrent to companies. The CAC has reviewed its fines by establishing the Companies Regulation (2012). However, CAMA (2004), for instance, needs a complete overhaul. Furthermore, the power and authority of the FRC and SEC in terms of corporate governance issues need to be delineated. An interesting question is which agency is in charge of corporate governance in Nigeria? An answer to this question may improve implementation problems faced by firms. For instance, listed insurance companies have to comply with SEC code, NAICOM code, CAC reporting requirements and NSE rules. It is required by law that all companies, comply with CAMA (2004). It is submitted, therefore, that a harmonised or combined code would be suitable for all listed and not-listed companies.

1.2 Research motivation

This study was undertaken for a number of reasons. First, the governance composition of Nigerian boards creates the platform for a lived experience study of the NED role. The governance actors in the Nigerian listed companies are the NEDs, EXECs and the company secretary. The company secretary may double as a director. Other governance actors include the senior management team, deputy directors and other persons with the designation director. However, for the purposes of this study, the key governance actors in the company are the NEDs, EXECs and the company secretary. The EXECs and company secretary are usually employees of the company.

Recently, companies in Nigeria have begun to outsource their company secretarial functions. The EXECs and company secretaries often relate with NEDs, and as such have an understanding of the NED role. The NED's role is usually prescribed by the various codes and regulations. The corporate governance codes in Nigeria prescribe the roles of the NED and the board. These roles range from monitoring EXEC actions to overseeing and contributing to the strategic direction of the company. These codes emphasise that NEDs should be independent. The codes prescribe that a company should have a NED and an independent director (NAICOM code 2009, SEC code 2011 and CBN code 2014). The Nigerian governance codes provide for the role of the independent director. The independent director is also a NED who has no affiliation with the company. For instance, an independent director must have no significant financial stake in the company. Also, such a person must not be a former employee, nor have family member(s) or relatives in the company. Gugong (2011) defines an independent director as one who has no affiliation with the firm except for their directorship.

Second, Nigeria's financial sector is the second largest in Africa, after South Africa. This implies that the practices of good corporate governance principles is of paramount importance in Nigeria. It may be argued that the size of Nigeria's financial sector creates the propensity for serious impact on the economy. This indicates that, to protect the interests of stakeholders, the regulators established many laws to protect the economy. The practice of good corporate governance in developing and emerging economies promotes investor confidence (Melyoki 2005; Bokpin & Isshaq 2009). It has been submitted that the existence of shareholder rights, increased corporate transparency and disclosure increased investor confidence in developing countries (Tsamenyi, Enninful-Adu & Onumah 2007). Furthermore, the practice of good corporate governance reduces the propensity for financial distress in firms (Mangena & Chamisa 2008; Ehikioya 2009). It may also be argued that firms in emerging economies which desire economic growth and development must practise good corporate governance (Okeahalam 2004). This is because foreign investors may be discouraged from investing in developing and emerging economies with poor corporate governance systems (Bokpin & Isshaq 2009). Also, Anderson & Maher (1999) found that the quality of corporate governance in a country may affect the development of its equity market. The authors suggest that poor corporate governance practices may lead to slow economic growth.A number of authors (La Porta, Lopez-de-Silanes, & Shleifer 1999; Dunerv & Kim 2005) have argued that countries which aspire for better investment opportunities usually require more external financing, and as a result, require better and stronger corporate governance mechanisms. Ehikioya (2009) also argued that a sound and robust governance system will attract foreign investments.

Third, there is an assumption in the literature that the NED, as an outsider, plays a crucial role in effective decision making (Fama & Jensen 1983) and firm performance (Klapper & Love 2004; Ehikioya 2009; Gugong 2011). There are few of studies on NED roles in emerging economies. The only study which addresses NEDs specifically in Nigeria was conducted by Uwuigbe & Ojeka (2011). The study examined NED roles in the banking industry. The authors used secondary data to investigate the proportion of NEDs and financial performance of banks. The study found that negative but significant relationships existed between ROE and NED. Furthermore, the authors stated that their findings suggest that the negative association is due to the part-time role and busyness of the NED.

Fourth, despite the increase in corporate governance research in sub-Saharan Africa, there have been calls for more research. A number of researchers have examined corporate governance in Africa. This include board characteristics and the financial performance of Nigerian quoted firms (Ujunwa, 2012), SME's (Kyereboah-Coleman & Biekpe, 2006 ; Abor & Adjasi, 2007), the effect of board attributes on capital structure and financial decisions (Abor & Biekpe, 2007); corporate governance standards in Nigeria (Okike, 2007) perceptions of governance (Wanyama, Burton, & Helliar, 2009); board characteristics and involvement in strategic decision making in Nigeria (Ogbechie & Koufopoulos, 2007); corporate governance practices of publicly quoted companies in Nigeria (Ogbechie & Koufopoulos, 2007); financial distress (Muranda, 2006), and corporate governance in Nigeria (Oyejide & Soyibo, 2001 ; Sademola & Soyibo, 2001). Additionally, there are other studies in Nigeria that have focused on corporate governance regulation (Adegbite, 2012); shareholder associations (Uche & Atkins, 2015) and shareholder activism (Amao & Amaeshi, 2008; Adegbite, Amaeshi, & Amao, 2012).

1.3 Statement of the Problem

The debate in academic research has been heightened by different approaches to corporate governance. The key message behind the debate is how to manage the problems that arise from separating ownership and control. This is usually known as the corporate governance problem. The corporate governance problem will be discussed from the following three angles: the influence of definitions, theoretical perspectives and empirical research.

One of the earliest definitions of corporate governance was given by the Cadbury report (1992), as a system by which companies are directed and controlled. Another definition culled from the OECD (2004) principles of corporate governance states that corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. There is no acceptable universal definition of corporate governance (Keasey, et al. 1997); there is a lack of a clear and universal definition for corporate governance. This implies that most studies take a broad or narrow perspective of corporate governance. The use of a particular framework for corporate governance has implications for the research design and results. Therefore, from the beginning of a study, until its conclusion, the governance definition plays a key role in terms of research decisions made in the study.

There are a number of theoretical approaches that have been used to address the corporate governance problem. The popular theories include agency theory, stewardship theory and resource dependency theory. The agency theoretical perspective focuses on preventing managerial entrenchment, thereby protecting the interests of shareholders. The theory's main idea is that managers may pursue self-interests to the detriment of the shareholders. Therefore, the theory recommends an independent board of directors composed of NEDs to prevent managerial dominance.

The stewardship theory is based on the premise that managers can be good stewards, and favours CEO duality, thereby promoting the combination of the roles of NEDs and chairman in one individual (Donaldson & Davis, 1991); (Finkelstein & D'Aveni, 1994; Shen, 2003); (Adams, Almeida, & Ferreira, 2005); (Peng, Zhang, & Li, 2007). The proponents of this theory critique the agency perspective that there are other incentives besides pursuing self-interests. For instance, managers may act in altruistic ways; namely by collaborating with directors to promote the success of the company (Sundaramurthy & Lewis, 2003).

The proponents of the resource dependency theory argue that organisations exert control over their environment by co-opting resources in order to survive (Pfeffer & Salancik, 1978;

Casciaro & Piskorski, 2005). As a result, the social capital and competencies of directors becomes important in reducing environmental uncertainty (D'Aveni, 1990; Hillman, 2005; Stevenson & Radin, 2009). It can be argued that the existence of different theoretical perspectives provides different approaches to solving the corporate governance problem.

It has also been argued that these different approaches have led to different and competing diagnoses (Keasey et al.1997). As a result, there have been calls for a multi-theoretic approach to corporate governance (Roberts, McNulty, & Stiles, 2005). This is because each approach addresses and justifies an angle of the governance phenomenon. Therefore, multiple theoretical approaches may be more suitable for explaining the corporate governance phenomenon.

The empirical research on corporate governance has focused largely on firm performance. It can be argued that good financial performance is necessary for a company's continued existence. The corporate governance literature on firm performance addresses the link between board characteristics and corporate financial performance. The most common board characteristic that is considered is board composition, which is typified by the proportion of NEDs on the board. There have been mixed findings on the connection between board characteristics and firm performance. For instance, some studies found improved performance in companies dominated by NEDs (Pfeffer & Salancik 1978; Vafeas 1999).

There were other studies which found no relationship (Weisbach, 1988; Johnson, Daily, & Ellstrand, 1996; Bhagat & Bolton, 2008). Furthermore, others found a negative relationship between the proportion of NEDs and corporate performance (Yermack, 1996; Bhagat & Black 2002).The studies above focus on the connection between boards and firm performance The NED is a member of the board and plays a key role in improving the firm's performance. The inconsistency in the link between board characteristics and board roles has raised concerns about the role of the NED. There are a number of reasons which may explain the mixed results in corporate governance and firm performance research.

First, Jensen & Ruback (1983) state two reasons for a lack of a positive relationship between the proportion of NEDs and firm performance. They include a lack of expertise and the impact of CEO control. The authors also state that the expertise of NEDs and CEO power contributes to the influence of the CEO in the board room. Second, inconsistency in research findings may be due to the dominance of the quantitative research. Most quantitative studies usually test theories and undertake a deductive approach. The focus of quantitative research is to generalise from random samples to a larger population. Therefore, research methods such as questionnaires and secondary data are usually employed in order to derive large data sets. It can be argued that the mixed findings in quantitative research created the platform for the rise of qualitative research methodologies. Thus, there have been calls for qualitative methods and new methodologies in corporate governance research (Roberts et al. 2005).

One of the key concerns regarding mixed results in governance research was that studies which focus solely on structural characteristics, legislations and corporate governance codes, are detached from the role of the individual director. This is because directors are better placed to discuss their roles and board operations (Spencer, 1983; Leblanc, 2005). Furthermore, despite the plethora of research on firm performance, the role of the director matters towards good governance, and ultimately, improved firm performance. Third, it is quite difficult to gain access to the board of directors, hence the focus on secondary data. It is common knowledge that observing boards of directors may provide further insight into director roles (Leblanc 2005). The problems associated with access to data may explain why there are few qualitative studies on NEDs.

1.4 Thesis research aims

The aim of this thesis is to investigate the lived experiences of the NEDs' role in Nigerian listed companies. The methodological approach specifically suited to the study of the lived experience is phenomenology. The use of the philosophical underpinnings of phenomenology facilitates the examination of participants and the researcher's interpretations of the lived experience (Van Maanen 1979). It may be observed that few studies consider the lived experience of the NED role. The studies include those of Parker (1990), Roberts & Stiles (1999), O'Higgins (2002), Roberts (2002), Ahrens & Khalifa (2013), Boxer, Perren & Berry (2013).

A possible reason for the lack of research on the lived experience of the NED role and corporate governance is the emphasis on research in the firm performance and board effectiveness field. As a result of this, due to the perceived link between firm performance and board characteristics, there is a plethora of quantitative studies and empirical testing of agency theory. This has led to a number of calls for research into board process research. Huse (1998), specifically referring to small firms, states that there is a lack of research into the 'role, structures and processes of boards' (Huse 1998, p.219). Similarly, Pettigrew (1992) identified that there is a lack of research on the relational dynamics in and round the board room (Pettigrew 1992, p.178).

The NED is identified as a director who is not an employee and is not involved in the day to day running of the company (Higgs report 2003, SEC code 2011). The director, in his or her non-executive capacity, is thus expected to bring in independent judgement, expertise and protect the interest of the shareholders. As a result, the independence of NEDs is crucial to NEDs performing the following roles' strategy, monitoring performance of EXECs, reviewing EXEC pay and risk management (Higgs report 2003).

There is a lack of clarity of NEDs' roles in existing research. The following early studies as cited in Spencer (1983), reveals that there was considerable interest in the role of director before the advent of governance codes (British Institute of, 1972; Heller, 1970). This explains why NEDs are ascribed prescriptive roles based on governance codes, such as the Cadbury (1992) and the Higgs (2003) reports. More recently, reviews on role of the NED reiterate roles identified in governance codes (Pearce & Zahra, 1992; Johnson et al.1996) in governance codes. Furthermore, there is a perceived tension between the control and strategic roles of NEDs (Cadbury report 1992). The Cadbury (1992) and Hampel (1998) reports advised against the increased tension between these roles.

1.5 Thesis research objectives

The thesis research aim, an investigation of the lived experience of the NED role, is examined through the perspectives of the NED, EXECs and company secretaries. The lived experience of this thesis includes the multiple interpretations of the 'NED phenomenon'. The three sets of participants of this study experience the phenomenon in similar and different ways. The EXEC and company secretary participants relate with the NED on a regular basis. The EXECs provide and oversee the necessary information that NEDs require to perform their roles. The company secretary oversees the legal, compliance and company secretarial functions of the company. The NEDs in this study held other NED positions. Others who did not hold NED positions had held such positions in the past.

Therefore, the thesis' key objective is to evaluate the perceived process through which Nigerian NEDs contribute to the practice of good corporate governance. The lived experiences of NED, EXECs and company secretaries will elucidate the process through which the NEDs contribute to the successful governance of the company. Therefore, to investigate the lived experience of the NEDs' role, the objectives of the study include the following. First, to discover the role of NEDs in Nigerian listed companies. Second, to critically assess the effect of board relationships on the NED role. Third, to critically assess the effectiveness of NEDs in Nigerian listed companies.

The thesis' research aims and objectives are intertwined in the following ways. First, the three sets of participants' lived experience and interpretation of the NED role will clarify the Nigerian NEDs' role in listed companies. The following governance codes, SEC code, CBN code and NAICOM code provide for the role of the NED. This research seeks to clarify and investigate if there are specific NED roles which are unique to the Nigerian environment.

Second, participants' lived experiences of the NED role may affect board relationship in two ways. Firstly, EXECs to a large extent determine which roles the NED performs in the boardroom. EXECs who seek the advice of NEDs may pursue a collaborative role with NEDs. These EXECs may view NED's monitoring or control role as necessary for the success of the company. Therefore, such EXECs may encourage constructive criticism. The environment of such boards may be described as being a 'maximalist' board culture (Pettigrew & McNulty 1995; McNulty 1998), because they encourage NEDs to have an impact in the firm. An implicit assumption is that such boards will have a good working relationship. Secondly, in instances where a NED has been a former employee of the company, the role of the NED may be restricted or negotiated (Roberts & Stiles 1999). The NED, will therefore have to use, will and skill to exert influence in such 'minimalist' (Pettigrew & McNulty 1995; McNulty 1998) board rooms.

Third, the lived experiences of participants will reveal the extent to which Nigerian NEDs are effective in their roles. Furthermore, participants' experiences will reveal if any the challenges faced by Nigerian NEDs. The multiple perspectives of participants may indicate any key challenges faced by Nigerian NEDs. Furthermore, multiple perspectives will indicate similar or contrasting views in terms of challenges that Nigerian NEDs face while performing their roles.

1.6 Research questions

Therefore, given the peculiar nature of the Nigerian corporate environment, and the paucity of empirical studies on the lived experience of the NED role in Nigeria, this thesis seeks to empirically answer the following questions. First, what is the perceived process through which NEDs ensure accountability of EXEC's? Second, does the relationship between EXECs and NEDs affect NED roles? Third, how do NEDs balance their need to monitor EXECs and at the same time contribute strategy? Fourth, how can NED effectiveness be explained?

The thesis seeks to provide answers to the research questions in the following ways. First the study aims to delineate the process through which NEDs perform their roles. Specifically the thesis seeks to examine how NEDs evaluate EXEC performance. Second, the study seeks to provide evidence on how board room relationships affect the performance of the NED role. Third, the study seeks to provide evidence, if any, on the tension between the

NEDs monitoring and strategic roles. The following chapters 3, 5 and 6, provide the platform through which the research questions will be answered.

1.7 Structure of the thesis

The first chapter has introduced the research topic through a brief overview of the study. The following chapter will set the scene for the study and discusses the underlying principles of corporate governance in Nigeria. The third chapter describes the research methodology used in the study. The chapter justifies the choice of, and use of particular research methods and methodology that will be utilised throughout the study. The research findings are then presented in chapter 5. The findings are presented as categories with various themes unlocked from them. The next chapter discusses the findings of the study and outlines the convergence towards, and divergence, from the literature. The final chapter concludes the study and summarises its contribution to knowledge. The chapter encompasses a number of recommendations, possible future research and the limitations of the research study.

Chapter 2

2.0 Corporate Governance System in Nigeria

The aim of this chapter is to discuss the corporate governance system in Nigeria. The authors Okike (2007) and Adegbite (2012) have stated that to ensure the effectiveness of corporate governance principles in a country, those principles must be monitored by the law. They also argue that there must be strict compliance and an enforcement regime within the legal framework of the country (Okike, 2007; Adegbite, 2012). This suggests that corporate governance codes and relevant laws are necessary for the practice of good corporate governance.

The following chapter is divided into twelve sections. The first section discusses the relevant history of Nigerian corporate governance. The second section discusses the relevant corporate governance provisions of the Companies and Allied Matters Act (2004) (CAMA). The third section discusses the role of institutions in corporate governance. The following five sections discuss the relevant provisions of the various corporate governance codes. Then, the following three sections critique the corporate governance system in Nigeria. The final section concludes the chapter.

2.1 Brief history of Nigerian corporate governance

The history of corporate governance in Nigeria dates back to its colonial days. The British companies in operation in Nigeria during the colonial era were governed by British laws. Okike (2007) argues that many of the corporate governance challenges in Nigeria have their roots in its colonial past, when Nigeria inherited the British corporate governance system. Nigeria gained independence on the 1st of October 1960, which led to the replacement of the Nigerian Companies Ordinance of (1922) by the Nigerian Companies Act (1968). However, UK company law remained a huge influence on Nigeria. For instance, the Nigerian Companies Act (1968) was a replica of the Companies Act of (1948) (Okike 2007). The end of the colonial era resulted in a shaky structure for the practice of good corporate governance in Nigeria for the following reasons.

First, Nigeria's legal framework for companies was underdeveloped, and not adequate to deal with its peculiar business environment and socio-cultural and political issues (Okike 2007). Second, after its independence, the Nigerian government encouraged domestic ownership and control to restrict foreign ownership. This may have been a key strategy to prove economic liberation, however, foreign ownership may have ensured that there were checks and balances in the system. This is because foreign investors will have sought to protect their interests by ensuring that companies were run ethically and properly. The restrictions in foreign ownership under the Nigerian Enterprise Promotion Act of 1972 and 1977 allowed foreign participation for up to 40% or 60% depending on the industry. There were many foreign companies who bought stakes through local investors in order to hold more stakes in Nigerian companies than was allowed by law (Achebe, 1989). This suggests that foreign companies still had a high stake in Nigerian companies. However, there is no evidence regarding the power and influence of foreign investors after Nigeria's independence.

2.2 Relevant corporate governance provisions under the Companies and Allied Matters Act (CAMA 2004) - the division of powers in a company

2.2.1 The General Meeting

Section 64 of CAMA provides that there are three organs of a company - namely the general meeting, the board of directors and the managing director. The managing director's power depends on the extent to which the board of directors delegates their powers to the office. Section 64 provides for default powers to the general meeting. These powers enable the general meeting to act in a variety of circumstances. First, the general meeting can institute proceedings on behalf of the company. Second the general meeting can ratify or confirm actions of directors. Third, the general meeting has powers for the appointment and removal of directors. Fourth, the general meeting has power to amend the articles of association.

There are four types of company meetings in Nigeria - statutory meeting, annual general meeting, extra ordinary meeting and pre-annual general meeting. The statutory, annual general meeting and extra ordinary meetings are recognised by law. The Pre-annual general meeting (Pre AGM) came into existence as a result of company practice, and is not recognised by law. The statutory meeting is only for public companies and is held six months from the date of incorporation. The aim of this meeting is to assess the statutory report required by section 211 of CAMA, which sets out a report of matters such as shares allotted, shares paid for, descriptions of directors and details of any pre-incorporation contract.

The Annual General Meeting (AGM) is governed by section 213 of CAMA. This section provides that a 'company shall hold in each year an annual general meeting and not more than fifteen months shall elapse between the holding of two annual general meetings'. The

CAC has the power to ensure that if a company fails to convene an AGM, it can call or direct the calling of a meeting on the application of any member and give directions as the court thinks it fit to enable the meeting to be held. This suggests that the AGM is a very important meeting.

Furthermore, section 214 of CAMA provides for mandatory matters such as ordinary business, which must be discussed at the meeting. These include a declaration of dividends, the presentation of financial statements, reports of directors, the election of directors in place of those retiring, the appointment of members of the audit committee, and fixing of auditors remuneration, amongst other matters. The extra ordinary meeting of a company is governed by section 215 of CAMA. This section provides that the board of directors may convene an extra ordinary meeting when they deem fit. Furthermore, any member or group of members may requisition a meeting if they hold no less than one tenth of the paid up capital; or in the case of a company not limited by shares, the members representing no less than one tenth of the total voting rights. Section 215 also provides that once the directors have been given notice of a requisition, the directors are required to proceed to convene the meeting within 21 days of such notice. If the directors refuse to convene the meeting then the members who called the meeting may convene the meeting. However, these members must be the ones who requisitioned the meeting. Also, they must represent half of the total voting rights of all those who requisitioned the meeting.

The Pre AGM is a meeting that is held prior to the AGM. The meeting is usually attended by major shareholders and stakeholders of the company. The directors of the company usually call for a Pre AGM when the company is facing challenging times or turbulent times. The aim of the Pre AGM is to resolve any impending issues before the AGM. The Pre AGM is thus used to ensure that the AGM is successful. There are key differences between an AGM and a Pre AGM. First, the AGM is attended by regulatory officials from the CAC. By contrast, the directors decide who they invite to the Pre AGM. Second, the AGM is a structured and formal meeting and must address some mandatory matters required by CAMA. On the other hand, the Pre AGM is not required and recognised by the law. Therefore, the proceedings of such meetings are at the sole discretion of the board of directors. The code of conduct for shareholder associations and members (2014) provides for the Pre AGM (principle 2). However the code does not define the Pre AGM, it only specifies that the rights of shareholders should not be manipulated at the Pre AGM.

Third, the AGM is usually a public meeting for all shareholders and stakeholders. On the other hand, the Pre AGM is a private meeting and its attendance is restricted. The Pre AGM thus plays a role in the governance of a company. There are also two types of private meeting. First, the board meeting is also a private meeting, therefore, the minutes and attendance are the documents which prove that the meeting took place. The Pre AGM is however peculiar to Nigeria. Second, there are private meetings between directors and fund managers (Roberts, Sanderson, Barker & Hendry 2006).

2.2.2 The Board of Directors

A number of sections in CAMA show that the role and duties of directors is a necessary recipe for a company's success. This is because the directors are the human agents necessary for a company's success and the practice of good corporate governance. The articles of association can at best help to delineate the functions and powers of the officers and directors of the company, but it does not guarantee success of the company, neither does it reduce the agency problem or discipline directors and managers of the company.

Section 224 of CAMA defines a director as one who is appointed to direct the company's affairs in an executive or non-executive capacity. This definition also includes a shadow director, with whom the directors are accustomed to. The board of directors constitutes a number of directors in a company. Section 246 CAMA provides that the board can only be duly constituted when it has two directors. The section further provides that a company with less than two directors must appoint new directors, and failure to do so means that the company cannot carry on business after one month. CAMA further stipulates that directors of such companies that continue business and breach the legal requirement of the minimum number of directors will be liable for its debts during that period.

The CAMA requires that shareholders exercise their rights by contributing to the decision of the appointment of directors. The board has the power to appoint new directors to fill casual vacancies due to death, resignation, removal and retirement. CAMA allows the directors to increase the number of directors as the articles allow. However, the shareholders at a general meeting shall have the power to increase and reduce the number of directors and determine the manner of rotation for director retirement.

This is not prejudicial to the principle that if a company holds out a person as a director, the company will be bound by his or her acts. If a person who has not been duly appointed and is purported to have acted on behalf of the company, he will be liable. However, section 260 CAMA states that the company will be bound by the acts of a director not duly appointed. It is, therefore, necessary that directors are duly appointed as it might have serious financial and legal consequences for directors if the reverse is the case.

2.2.3 Disqualification of Directors

The CAMA recommends that only rightly qualified candidates are appointed as directors. Persons who are declared bankrupt cannot be appointed as directors. This preclusion includes the prohibition of appointing directors who have been convicted of an offence related to company matters. Such matters include the formation, promotion and management of the company.

A member, liquidator, creditor and an official receiver can make an application to the court for an order to wind up the company on the ground of non-qualification of directors. This is necessary in order to ensure that only suitably qualified candidates are employed as executives and appointed as NEDs on the board. This will help the company to accomplish its objectives and to protect the rights of stakeholders in the process.

2.2.4 Duties and Liabilities of Directors

The CAMA recognises the importance of the duties of directors, and therefore directors are described as trustees, agents, servants or employees of the company. Directors are described as trustees because they are agents of the shareholders, and as such, they must exercise their powers with utmost good faith. This means that they must account for any secret profit.

In respect of contracts entered into by directors, they are governed by the principles of agency. This means that directors will be personally liable for any decision that is ultra vires or goes beyond their powers. CAMA provides for the liability of directors by discussing two main common law duties, which have been codified in CAMA. They include fiduciary duty and duty of care and skill. Section 279(1) CAMA codifies the case law principle on the fiduciary duty of a director.

CAMA states that these fiduciary relationships come into existence when the director acts as an agent of the shareholder. The board gives account of their stewardship at the AGM, annual reports, and other meetings. CAMA codifies the common law principle of duty of care and skill which is described as acting in the interest of the company. The common law principles relationship, division and exercise of corporate powers between the major organs of the company have been codified in CAMA sections 63(1)-(6) and section 64.

CAMA provides that boards may carry out their functions through board committees. They can appoint a managing director and delegate responsibilities to the person. The interrelationship between the shareholders and directors is the crux of corporate governance as discussed by various theories of corporate governance. This is because there are many interests and stakeholders. This is typified as a conflict of interest between varying principals and the agents.

2.2.5 The Company Secretary

Section 298 of CAMA imposes a number of duties on company secretaries. These duties include attending meetings of the company, the boards of directors and its committees, rendering all necessary administrative and secretarial services. Furthermore, the duties include advising on compliance with the relevant laws, maintaining the registers and records required by CAMA. Section 295 CAMA requires the directors to ensure that the company secretary can discharge the duties of the office.

This section also provides for additional requirements for a public company such that the secretary must either be a chartered secretary, a legal practitioner, a chartered accountant or somebody who despite not being any of the above mentioned professionals has performed the job for a period of no less than three years in a public company. Section 279 of CAMA provides that 'the secretary shall not owe fiduciary duties to a company in general except when he acts as the agent of the company', such that 'he cannot make secret profits, let his duty to conflict with his interests or use confidential information obtained from the company'.

2.2.6 The Audit process under CAMA (2004)

Section 358 of CAMA provides for the qualifications of auditors. This section provides that the auditor must be a chartered accountant recognised to practice law in Nigeria. Furthermore, in order to ensure auditor independence and avoid a conflict of interest, this section provides that the auditor must not be an officer or employee of the company. Also the auditor must not offer consultancy or professional advice in any other capacity to the company.

Section 368 of CAMA provides that auditors must exercise all such care, diligence and skill as is reasonably necessary in each particular circumstance. The above section also provides that when a company suffers loss as a result of an auditor's inefficiency, the directors are under an obligation to institute an action of negligence against such an auditor.

The above section also provides that if the directors refuse to institute an action of negligence against an auditor, a member may do so after giving thirty days' notice to the directors of his or her intention to do so. Section 359 of CAMA provides that the audit report of a public company should be submitted to an audit committee. The audit committee consists of 6 members with a mix of an equal number of directors and representatives of shareholders. The members of the committee are not to be remunerated for their services. The audit committee plays a major role in ensuring that the company's accounting and internal control system is robust and adequate.

2.3 The Role of Regulatory bodies

2.3.1 The Corporate Affairs Commission (CAC)

The CAC was established to replace the Companies Registry established by the Nigerian Companies Act of (1968). Section 1 of the CAMA (2004) establishes the CAC, and charges it with the responsibility of supervising and regulating the formation, incorporation, registration, management and winding up of companies. It is responsible for keeping an up to date register of all companies in Nigeria. It can also undertake an investigation into the affairs of a company in the interest of shareholders and the public.

All companies are required by CAMA to submit their audited accounts to the CAC within forty two days of the AGM. The registrar of companies is saddled with the responsibility of ensuring compliance of the Act. However, according to Okike (2007), the CAC has failed to discharge its duties of monitoring compliance of the provisions of CAMA. This has led to the growing practice of non-compliance by a number of auditors and companies, due to a lack of deterrent mechanisms in place. Other reasons for non-compliance include poor enforcement mechanism, corrupt practices and poor record management.

2.3.2 Central Bank of Nigeria (CBN)

The CBN is the statutory body solely responsible for regulating banks and other non-banking financial institutions. It was established by the Central Bank of Nigeria Act of 1958. This act has been repealed by the Banks and Other Financial Institutions Act (BOFIA). Its operations began on the 1st of July 1959 as a banker's bank and regulator of some aspects of the capital market. At this time, the Nigerian Stock Exchange (NSE) did not exist. The CBN Act requires it to report to the federal ministry of finance rather than the president, as in the previous act. There are two important sections of the Central Bank Act 1958, namely sections 4 and 39.

The Section 4 of the act charges the bank as a regulatory body to ensure monetary stability and a robust finance structure in Nigeria. Section 39 provides that, the bank must oversee banking services by cooperating with other banks, maintaining a strong ethical code and promoting policies that are in the interest of the economy. The CBN has a large role to play in the economic stability of the country and should prevent inflation or other financial defects that would be detrimental to the country. This is achieved by regulating the circulation of money in the economy and that which is available for investment in the capital market.

2.3.3 Securities and Exchange Commission (SEC)

The Investments and Securities Act 2007 (ISA) establishes the SEC. This is the apex regulatory organisation for the Nigerian capital market. The main function of the SEC is to supervise the securities market and ensure orderly market conditions through the monitoring of compliance to the requirements of the ISA. Section 13 of the ISA enables SEC to establish the necessary departments needed to fulfil its purpose and functions. These departments include surveillance, registration, investigation rule-making, dispute resolution, enforcement and compliance. The SEC, through its departments has the following responsibilities. Firstly, it monitors the registration of all securities.

Secondly, it protects the interests of investors through its investigation and surveillance departments. Finally, it ensures that there are penalties for directors and companies which breach the ISA. It is in the interest of the public and the economy to prevent abuses, such as insider dealings that could lead to the detriment of the company (OECD, 2004).

2.3.4 The Nigerian Insurance Commission (NIC)

The NIC was established by the National Insurance Commission Act. The main function of the commission is to establish a criterion for the operation of insurance businesses in Nigeria. This is a very important role, since it not only regulates insurance company affairs, but also the interests of the public. It also regulates transactions between Nigerian and foreign insurers. It advises the Federal Government on insurance matters. Additionally, it liaises with other regulatory bodies on insurance matters. The commission has a monitoring, compliance and enforcement mechanism.

The monitoring role of the commission is conducted through a complaint's bureau. The bureau entertains complaints from the public and other insurance personnel and companies. The compliance and enforcement role of the commission are conducted through the inspectorate department. The commission is empowered to inspect and examine the books and records of an insurance organisation. The NIC act provides sanctions and penalties for organisations which fail to comply with the disclosure requirements of the legislation.

2.3.5 National Deposit Insurance Corporation (NDIC)

The NDIC was established by the NDIC Act of 15th June 1988. The main purpose of the corporation was to manage and operate the deposit insurance scheme. The NDIC has five functions namely deposit insurance, bank supervision, distress resolution, bank liquidation and the formation and implementation of policy.

First, the NDIC Act empowers the corporation to insure deposit liabilities of licensed banks and other licensed deposit-taking financial institutions up to a particular amount. This is to ensure that in the event of a failure the interest of the public is protected. Furthermore, the public will also have faith in the banking sector that their deposits are insured to an extent. Any institution that fails to comply with this provision will be subject to a fine.

Second, the corporation is charged with the responsibility of monitoring the banks and other institutions to protect the depositor's money. This supervision also includes inspection, scrutiny of the organisation systems in order to reduce the risk of failure and ensure that there is a robust banking system in place.

Third, the corporation is responsible for providing financial and technical assistance to failing financial institutions. The assistance could include loans or guarantees. Technical assistance includes assistance in the governance of a failing institution. The corporation performs this role in collaboration with the CBN.

Fourth, the corporation is in charge of the orderly and efficient closure of failed institutions. It is vital that the liquidation process is managed properly to minimise disruptions to the banking system. The corporation handles the distribution of assets realised upon closure of institutions. The depositors are favoured above and over other shareholders.

Fifth, the corporation contributes to the development of suitable banking policies. This is necessary in order to ensure a robust framework in the banking system and encourage fair competition in the country. The corporation also has the power upon approval of the Minister, to remove any officer of an institution who has contravened any law. An officer could also be removed if the person engages in unsound practices, which may lead to financial distress in the bank. The corporation also advises the minister on the need to close any failing institution if, in its opinion, it might endanger the interests of depositors.

2.3.6 Financial reporting council (FRC)

The Financial Reporting Council of Nigeria Act 2011 (FRCN Act) establishes the FRC of Nigeria as a body corporate with common seal and perpetual succession. The council was formerly called the National accounting standards board (NASB). The board is composed of a chairman, two representatives from the Association of National Accountants of Nigeria

(ANAN), an executive secretary of the council and one representative from seventeen various federal institutions in Nigeria.

The federal institutions include the CAC, CBN, Federal ministry of finance, Federal ministry of commerce, Federal Inland Revenue, NSE, NIC and SEC amongst others. Section 23 of the FRCN Act (2011) provides that the FRC has powers to establish a directorate of corporate governance. The FRC, through the directorate of corporate governance, is empowered to act as the foremost corporate governance authority in Nigeria.

2.4 Relevant provisions of the Securities and Exchange Commission's Corporate Governance Code for public companies (SEC code 2011)

Nigeria's journey towards using voluntary codes stems from the realisation that companies that practice international corporate governance principles are more likely to attract foreign investors. The idea of attracting foreign investment is a necessary good for emerging economies such as Nigeria. This led the Securities and Exchange Commission, the regulatory body of the Nigerian capital market to inaugurate the Atedo Peterside Committee on Corporate Governance of Public Companies on 15th June 2000.

The abstract of the code provides that, the first SEC code was created in 2003 and reviewed in 2008. The latest SEC code is that of 2011. The abstract also provides four reasons why the SEC code was created. First, to identify the weaknesses and restrictions for the practice of good corporate governance in Nigeria. Second, to recommend ways in which companies can apply the code. Third, to advice on issues that are crucial for the practice of good corporate governance. Fourth, to ensure that the code enshrines the principles of international corporate governance best practices.

The committee undertook this great task by administering detailed questionnaires to public companies in order to gather current information on their company operations. Subsequently a comparative analysis of corporate governance practices in emerging economies and developed countries was done.

The code applies to three groups of companies. First, all public companies listed on the Nigerian Stock Exchange (NSE). Second, all companies who want to raise funds from the capital market. Third, all other forms of public companies. This suggests that all public companies listed or unlisted are to apply the principles of the SEC code. The purpose of the code is to recommend best practices to be followed by public companies and others with multiple stakeholders. This is to aid the monitoring of executive actions and to ensure transparency and accountability.

The code recommends the mandatory responsibilities of the board of directors (Part A Paragraph 1). The code states that, the board is responsible for directing the affairs of the company and ensuring value creation that would be shared by shareholders and stakeholders. The code provides in principle 1.3 (a) that the code is not a rigid set of rules. The principle further provides that, the code is a guide for the practice of good corporate governance practice. This suggests that it is a voluntary code. However, principle 1.3 (c)-(d) provides that SEC oversees compliance of the code and shall notify the company in case of a breach. This reveals that companies are encouraged to comply with its provisions. Furthermore, principle 1.3 (f) provides that companies must indicate their level of compliance with the code in their annual reports.

2.4.1 Roles of the board

The code provides that the board is responsible for the performance of the company. The code further provides that the board shall be held accountable for the affairs of the company. The code prescribes four roles for the board of directors. First, the board has a role in the formulation of policy and overseeing management performance. Second, the board formulates and manages the risk management process of the company. Third, the board has a role in ensuring that the internal control structure of the company are adequate and sound. Fourth, the board has a role in ensuring that the company adheres to transparency and disclosure requirements. The board is responsible to shareholders and should oversee the communication process between the company and its shareholders.

2.4.2 Board Composition

Principle 4 of the code provides for the composition of the board. The code provides that the membership of the board should not be less than 5 members. The code also recommends that, the board should be balanced in terms of diversity of experience without compromising integrity, compatibility, availability and independence. The code recommends that, the remuneration committee should be made up of wholly or mainly NEDs. It also states that executive directors should not play an active role in determining their remuneration.

There is an emphasis on ensuring that executives do not gratify their self-interest. There is no provision that states that shareholders can decide or contribute to discussions on the remuneration of executives. It can be argued that the NEDs may, to a large extent, curtail excessive spending and the short-termism nature of executives. The Independent NEDs may achieve this because they do not have a stake in the company. The independent NEDs may lose nothing but their good will and reputation. However, it may be argued that the role of the chairman is relevant in this context.

Principle 5 of the code provides that the chairman has the primary responsibility to ensure that the board operates effectively and achieves the company's strategic objectives. The chairman is not allowed to partake in the day to day running of the company. The Chief Executive Officer (CEO) and management team are charged with the responsibility of managing the daily affairs of the company. The code also recommends that the position of the chairman and CEO should be separated for two reasons. First, to avoid over concentration of powers in one individual. Second, to allow for a system of checks and balance in the discharge of the board's duties.

Principle 5.4 provides for the role of NEDs. The code states that NEDs are key members of the board and should bring independent judgement, as well as scrutiny, to the proposals and actions of management. The NEDs must be persons of high calibre, broad experience, integrity and credibility. Furthermore, NEDs should be provided with a conducive environment to perform their duties. The code also recommends that board papers should be made available to NEDs at least one week ahead of board and committee meetings.

The principle 5.5 of the code provides that every public company shall have a minimum of one independent director on its board. The code stipulates the importance of the independent director, by ensuring that most opportunities that may create a conflict of interest for the director are removed. The code defines the characteristics of an independent director in at least five ways. First, an independent director must not be a substantial shareholder of the company. Second, an independent director must not be a representative of a shareholder nor have the ability to control or significantly influence management. Third, an independent director must not be employed by the company or have served in any executive capacity in the company for the preceding three years. Fourth, the independent director must not be an immediate relation of an individual, who has served the company in an executive capacity in the preceding three financial years. Fifth, the independent director must not be a professional adviser, significant supplier or have any significant contractual relationship with the company.

2.4.3 The Role of the Chairman

Principle 5 of the code provides five roles for the chairman. First, the chairman's primary role is to ensure that the board is effective and fulfils the company's strategic objectives. Second, the chairman should provide the overall leadership and direction for the board and company. Third, the chairman acts as the middle man between the CEO and the board. Fourth, the chairman shall play a key role in ensuring that board committees are composed of competent and experienced directors. Fifth, the chairman ensures that board members adequately perform their roles.

2.4.4 The Role of the Company Secretary

Principle 8 of the code provides for the role of the company secretary. The company secretary has two key roles in a company. First, to provide adequate support to the board and ensure that the provisions of the code are complied with. Furthermore, the code also provides that the company secretary assists the board in 'developing good practice and culture'. Second, the company secretary plays a key role in guiding the board on three crucial issues: conflict of interest, ethics and good corporate governance.

The code provides for four other roles of the company secretary. First, the company secretary shall guide directors on discharging their functions in the best interest of the company. Second, the company secretary shall support the chairman and CEO as they provide leadership and overall direction for the company. Third, the company secretary shall oversee the induction and training of new directors. Fourth, the company secretary oversees the administration of the company by providing relevant company information and documents for directors in a timely fashion.

2.4.5 Board Committees

The code recognises the importance of the audit committee and provides that, companies should establish one to raise the standard of corporate governance. The code recommends that, in addition to the audit committee required by CAMA, the board can establish other committees such as governance, remuneration and risk management, depending on its requirements and as the board deems fit.

2.4.6 Multiple Directorships

Principle 6 of the code provides that there shall be no limit on the number of concurrent directorships a director of a company may hold. The concept of multiple directorships applies to all directors. However, many NEDs are likely to hold a number of directorships, since they are not employees of the company.

The code makes a number of recommendations on multiple directorships to ensure that directors are able to discharge their functions adequately. First, a prospective nominee should disclose membership on other boards. Second, directors should not be members of other boards in the same industry to avoid conflict of interest, breach of confidentiality and misappropriation of corporate opportunity. Third, serving directors should notify the board through the chairman of prospective appointments on other boards. Fourth, the board should consider the directorship positions held by a prospective nominee to determine if the person can contribute effectively to the performance of the board.

2.4.7 Family and Interlocking Directorship

Principle 7 of the code provides that no more than two members of the same family should sit on the board of a public company at the same time. The code also frowns upon cross membership of competing companies in order to avoid conflicts of interest.

2.4.8 Shareholder Rights

Principle 22 of the code provides for the rights of shareholders in the company. The code requires the board to function, allowing for effective control of the company and the monitoring of EXECs and management. The board should also ensure that shareholders are allowed to contribute to discussions during meetings such as the AGM. The board should ensure that shareholder rights are protected. Above all, when choosing the venue of general meetings, care should be taken in order not to disenfranchise the shareholders by holding such meetings at distant locations. The prevention of disenfranchisement also includes complying with the requirements of notices as required by CAMA.

The code provides for protection of the rights of shareholders in the following ways. First, allowing shareholders holding more than a specified ratio of the total issued capital, to have a representative on the board except the board feels that there are cogent reasons that make it impracticable. Second, the code also seeks to encourage shareholder activism to ensure that the board and management perform their roles. The code advocates for the same treatment of shareholders and institutional shareholders. This can be done by providing the same information in a timely manner. Third, the code stipulates that, it is the responsibility of the board to ensure that minority shareholders are treated fairly at all times and adequately protected from abusive actions by controlling shareholders.

2.5 Relevant Provisions of the Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014(CBN code)

The code was formulated by the Bankers Committee under the direction of the Central Bank of Nigeria in 2006. The latest CBN code is that of 2014. The code acknowledged the move towards addressing the challenge of corporate governance through various codes such as the OECD (2004), Cadbury Report (1992), and The Basel Committee Guidelines on Corporate governance, the Kings Report on corporate Governance in South Africa. The code now includes detailed guidance on whistle blowing.

2.5.1 The Effective Board

The code encourages banks and other financial intuitions to follow its recommendations for best practices and is now mandatory. The code states that the boards of banks and financial institutions should exercise responsibility, leadership, enterprise, integrity and judgement in directing the institution to ensure that it remains a going concern. This means that every institution should be headed by an effective board to direct and control its affairs.

The code recommends that, NEDs should not be involved in the day to day running of the institution. Rather this should be left in the hands of the executive and management team as it is their sole responsibility. The Code provides for board assessment, and this is done by recommendation from the nomination committee. This is necessary in order to maximise efficiency and effectiveness of the directors and the whole board. It is required that, directors should have sufficient time to devote to their duties. The board should meet regularly at least once every quarter in order for the directors to discharge their duties effectively.

2.5.2 Board Composition

The code provides for the composition of the board in section 2.2. Many corporate governance codes emphasise the importance of the composition of the board. There are a number of reasons for this. First, the CBN code (2014) recommends that, NEDs should not be involved in the day to day running of the company. This means that it is only EXECs that will govern the day to day affairs and operation of the company. The board is responsible for setting the strategic direction and tone of the company and business. It is only when the board is duly constituted that the agency problem as advocated by agency theory can be reduced. This means that both EXECs and NEDs have equally important roles to play in the governance of the company. Second, the composition of the board is, therefore, important in this instance a board without the right mix, and appropriate number of directors might be unable to full its objectives.

Therefore, the code recommends that the size of the board of a bank or discount house should be a minimum of five and a maximum of twenty persons. The code also recommends that the board should be made up of diverse directors with varying experience, background and knowledge to move the company forward. The code recognises the importance of NEDs and recommends that they should comprise a majority of the board. The code also states that at least 20% of them should be independent. The code recognises that an adequate number of NEDs on the board (especially independent ones) would lead to their views carrying weight in board room discussions. Third, the code prohibits the dominance or exercise of unfettered powers by one individual. It, therefore, recommends that the role of the chairman should be separate from that of the CEO. It is therefore necessary that, the board is well balanced with the right mix of NEDs and EXECs to prevent dominance by one person.

2.5.3 The importance of NED

The code highlights the importance of NEDs and independent NEDs. Independent NEDs are described as those with no significant financial, business and personal ties to management. The code recommends that, at least 20% of NEDs on the board should be independent NEDs. The code states that, there needs to be a sufficient number of NEDs for their presence to be felt in the board room. This also means that their views and contributions would carry weight in the board room. It is also important for NEDs to bring their independent judgements on issues such as strategy, performance, resources, key appointments and standard of conduct. The management are required to provide the board with adequate information in a timely manner. If there is insufficient information, the directors should request for more information.

The chairman plays a pivotal role in the board room at this juncture to ensure that NEDs have sufficient information required to carry out their roles. This is because independent NEDs with varying experience (without the necessary tools) will be unable to perform their roles. The chairman must ensure that, directors are properly briefed before meetings. The role of the company secretary is also important, as the company secretary sometimes doubles as a compliance officer or legal adviser. The directors should therefore have access to the company secretary when they need to. The code also requires that, directors should be able to seek independent and professional advice when needed.

2.5.4 Corporate Transparency

The code provides for corporate transparency in section 5. This code provides that banks and discount houses should be transparent in their dealings. The concepts of transparency and disclosure are interrelated in terms of the governance of a company. It is very important for a company to take adequate measures to ensure that it is transparent in all its dealings.

The requirement for disclosure is usually through financial reporting that is quarterly, interim and annual reports of the company. The directors are charged with the responsibility of preparing the accounts. The CAMA provides that the shareholdings and respective interests of directors should be disclosed in the annual reports. The provisions of the code must be complied with, hence, there are sanctions for non-compliance.

The code recommends that companies should be transparent through the appointment and remuneration of directors. The procedure for the appointment of directors should be formal and transparent. The code provides that the composition of the board should be regularly refreshed, and re-election should not be automatic but should be considered properly by evaluation.

The CAMA also provides that to ensure transparency, the directors should be available for election after formal appointments and re-elections at intervals during the general meetings. The code also recommends that the nomination committee should be established which would make recommendations to the board on appointments. A majority of the members of the committee should be NEDs with the chairman being NED.

The code provides that a directors' remuneration should be decided in a formal and transparent manner. Therefore, no director should be involved in setting his own remuneration package. It is necessary that a remuneration committee should be established. This committee should be made up of wholly or primarily NEDs. The committee should be chaired by a NED, who is independent of management.

The remuneration committee should recommend the remuneration of the EXECs at the general meeting. The remuneration committee should also consult with the chairman and chief executive officer about the proposed remuneration. They should also have access to professional advice within and outside the institution. The remuneration package should be structured in such a way that would attract and retain directors. This includes linking remuneration with corporate and individual performance. The code also provides for the compensation for directors whose contracts have been terminated. The code recognises that the process of compensation should be done in a fair manner, to prevent rewards for poor performance.

2.5.5 Risk Management and Internal Control

The code provides for the principles of risk management and control in section 6. The code provides for the establishment of an audit committee as required by CAMA. It also states that in order to ensure balance and objectivity through the audit committee, the board should establish a formal and transparent procedure, for considering the process of preparing financial reports and how the internal control principles are applied.

Above all, they should maintain an appropriate relationship with the external auditors. The audit committee should also consider the amount of non-audit work conducted by the external auditors to ensure balance and objectivity. The directors in the audit committee should be majorly NEDs, and their terms of reference should state their responsibilities. The audit committee should also have significant recent financial experience, and the board should identify key risk areas and performance indicators.

The next process after identification should be to monitor the process. This would mean that the company would need to establish a risk management committee to oversee management activities in credit, legal, market and liquidity risk. The institutions' risk management systems should be subject to periodic reviews and results should be reported to the board. The role of management is to provide the board with a balanced and clear report of the institution's performance and prospects regularly. The board is also required to explain their responsibility for preparing the accounts as provided by CAMA. The board should report to the shareholders on the remuneration policy of the institution.

2.5.6 Right of Shareholders

The code recommends that minority shareholders should be treated fairly irrespective of their shareholdings. This means that shareholders should be allowed to exercise their rights through participation in general meetings and annual general meetings (AGM). In order to prevent a situation whereby shareholders are side-lined, the appropriate times for requirements for sending out notices of upcoming meetings should be adhered to.

2.5.7 Family Directorship

The code provides for the principle of family directorship in sections 2.3.2 and 2.3.3. The code stipulates that where the bank is a holding company family directorship is restricted to two members in the bank and the holding company. Therefore there can be only two extended family members in the group of companies. Furthermore, the code provides that no two members of the same extended family shall occupy the positions of the chairman and CEO or CEO and chairman of the subsidiary. The essence of this provision is to reduce the possibility of conflict of interests and unfettered powers in the governance of the company.

2.5.8 Conflict of interests

The code provides in section 7.2 for four ways to prevent a conflict of interest. First, all banks must adopt a policy on conflicts of interest to guide the board of directors. Second, the board of directors have a duty to oversee issues regarding conflict of interest. Third, the code provides that directors disclose real and potential conflict of interests. Fourth, the directors shall refrain from attending and voting at meetings in which his or her conflict of interest issue will be addressed.

2.5.9 Tenure of board Members

The code provides for the tenure of the CEO and NEDs of banks and other financial institutions in the following ways. First, the code states that NEDs shall serve for a maximum of three terms with a maximum of four years. The code states that NEDs are allowed a minimum of twelve years on the board to promote continuity and a boost of fresh ideas.

This suggests that the code appears to sacrifice NED independence for long tenure. However, it may also be argued that the code provides that banks shall have at least two independent NEDs and one for discount houses. The code does not stipulate the length of tenure of independent NEDs. It may be argued that long tenure may affect the objectivity of independent NEDs. This is because independent NEDs may become ‘acquainted and comfortable’ with EXECs.

2.5.1.0 Right of Shareholders

The code provides for the rights of shareholders in section 3 of the code. The code provides for the following rights. First, the shareholders have the right to receive timely company information. Second, the shareholders have a right to participate and vote at meetings. Third, the code provides that all shareholders shall be treated fairly. This refers to both minority and major shareholders. The code specifies that minority shareholders should be protected from the overbearing influence of controlling shareholders. The protection of minority shareholders is laudable, but the extent to which Nigerian listed boards protect minority shareholders is unknown.

2.5.1.1 Right of Stakeholders

The code provides for the rights of stakeholders in a company in section 4.4. The essence of this section, is to encourage companies to be corporately and socially responsible to stakeholders. The code provides for two rights of stakeholders. First, stakeholders have a right to communicate their concerns to the board. Furthermore, the stakeholders can report to CBN on board practices, by virtue of the code’s whistle blowing procedure. Second the stakeholders can seek redress in a court of law if their rights are violated.

2.5.1.2 Shareholder Associations

The code provides for matters relating to shareholder associations in section 3.5. The code provides that the board of directors shall ensure that shareholder associations comply strictly with the code of conduct for shareholder associations. However, the code does not provide guidance regarding how boards may perform this duty.

2.5.1.3 Whistle-blowing

The code provides guidelines for whistle-blowing. The code defines a whistle-blower as any stakeholder who reports any unethical behaviour to regulatory authorities. The code provides that an effective whistle-blowing procedure will establish good corporate governance. The code states that such disclosure should be made in good faith to the regulatory authorities.

However, a key issue is that in reality whistle-blowers are rarely protected. This is particularly true in Nigeria, which is riddled with corruption and institutional failings (Okike 2007; Adegbite 2012). Furthermore, the code recommends that banks and other financial institutions should aspire to a higher standard when applying the principles. However, the code does not provide detailed guidance on how companies can implement an effective whistle-blowing procedure.

2.6 Relevant provisions of the National Insurance Commission Code 2009

The code provides for business ethics and principles of corporate governance for the Insurance Industry in Nigeria. The code in its preamble provides that the code was developed to promote good corporate governance in the insurance industry.

2.6.1 Board Composition

The code provides for the composition of the board in principle 5. The code stipulates in principle 5.02 that the positions of the CEO and chairman should be separate to avoid the concentration of powers in one person. The code provides in section 5.04 that the board shall have at least one independent director. Furthermore, the code provides that the independent director plays two key roles. First, the independent director shall evaluate the performance of the board. Second, the independent director acts as the link between the company and shareholders.

2.6.2 Role of the Board

The code provides for the role of the board in principle 5.06. The code stipulates that the board of insurance companies has five main roles. The board shall review corporate strategy, scrutinise the performance of management, and ensure that the internal control processes are robust. Furthermore the board is charged with the responsibility of managing potential conflict of interests. Furthermore the code stipulates that the board has a duty to monitor the practice of good corporate governance.

2.6.3 Family Directorship

The code provides for family directorship in principle 5.02. The code stipulates that no two members of the same extended family shall occupy the positions of the CEO and chairman at the same time. The code is silent on the position of subsidiaries. This creates the possibility for a conflict of interests, as subsidiaries may appoint family members to sit on the board.

2.6.4 Rights of Shareholders

The code provides for the rights of shareholders in principle 5.08. The code provides that, institutional shareholders are included in the definition of shareholders. The code provides for the following rights of shareholders. First, shareholders have a right to elect and remove board members. Second, shareholders have a right to be sufficiently informed on key decisions that may affect their interests in the company. These decisions may include an alteration of articles of association, key company transactions, transfer of company assets and sale of the company. Third, shareholders should be consulted on key issues that may severely impact company decisions. Fourth, shareholders have a right to air their views on the remuneration policy for board members and key executives of the company. Fifth, shareholders have a right to be paid dividends as declared by the board. Sixth, a minority shareholder shall have a position on the board.

2.6.5 Conflict of interest

The code provides in principle 5.09 that directors and employees disclose to the board and shareholders their interests in insurance, loss adjusting, actuarial, accounting, audit, taxation and legal firms. The code provides no further guidance regarding conflicts of interests.

2.6.6 Board Committees

The code provides for board committees in principle 6. The code provides for the following committees through which the board performs its roles. The committees are, namely, the finance and general purpose committee, investment committee, enterprise and risk management committee and the audit and compliance committee. The code provides details on the composition and functions of the audit committee. The code provides in principle 7 that auditing is key to ensuring that the internal control system of the insurance business is sound and robust. The code provides that, the chairman of the audit committee must be an independent director. The code also provides that, the members of the committee must possess three qualities namely integrity, commitment and discipline in order to perform their roles adequately.

The code also provides that, the committee must comply with the provisions of CAMA regarding composition of the board. The code recommends that, the committee should not have more than one executive director. The code provides that, the committee must consist of NEDs, two of whom must have requisite knowledge on accounting, financial analysis and financial reporting principles. The code provides that, the roles of the committee include liaising with the external auditor and ensuring that there is a detailed whistle-blowing procedure in the company.

2.6.7 Accountability, Disclosure and Transparency principles

The code provides in principle 10 for standards to ensure accountability in the company. The code provides that the company's accounting systems may be assessed by relevant stakeholders. The accounting systems provide information which can be used to assess the company's future prospects. The code provides that, the NIC usually provides guidelines on best practices on disclosure and reporting requirements. The code provides that the following issues should be disclosed in the annual accounts. First, information on shareholders who directly or indirectly own 5% of company shares. The shareholders may own shares indirectly through trustees. Second, the attendance record of board members at board meetings. Third, related party transactions should be disclosed in accordance with international accounting standards. Fourth, illustrate compliance or deviation from applicable corporate governance codes. Fifth, disclose any deviation from applicable accounting, auditing and corporate governance standards.

2.7 Relevant Provisions of the Code of Corporate Governance for Licensed Pension Operators 2008 (PENCOM code)

The code applies to all licensed pension operators and is mandatory. The code provides in principle 5.5 that non-compliance will attract sanctions from the commission.

2.7.1 Board Composition

The code provides for the composition of the board in section 4. The code provides that, the board should be balanced, and as such, should have an equal number of NEDs and EXECs. This is to ensure that, there is a balanced view of issues at all times. The code provides that, the board must have at least one independent director with no relationship with the company and its subsidiaries. The code provides detailed guidance on the definition of an independent director.

The code defines an independent director in the following ways. First, a person who has no immediate and extended family member in the employment of the company and its subsidiaries for the past three years. Second, a person who is compensated for services to the board and its subsidiaries. The independent director shall not be paid for services not related to board duties. Third, a person shall not be considered an independent director if he or she is being employed by the company or subsidiaries for the current year or past three years.

2.7.2 Role of the Board

The code provides for the role of the board in section 4.3. The code provides for the following roles. First, the board has a responsibility to consider the best interests of the company, shareholders and stakeholders by ensuring that the company has a suitable strategy for achieving it objectives. Second, the board shall monitor and evaluate the performance of the management. Third, the board shall appoint and, if necessary, dismiss the MD. Fourth, the board shall regularly evaluate the company’s operations against its guidelines. Fifth, the board shall ensure that the company’s financial situation is satisfactory and its risk exposure is reasonable. Sixth, it is the board’s responsibility to ensure that the financial accounts represent a true and fair view of the company. Lastly, the board shall ensure that the company complies with all relevant laws, rules and regulations.

2.7.3 Board Committee

The code provides for the establishment of board committees in section 5.4.3. The code provides that the Pension Fund Administrators (PFA) and Pension Fund Custodians (PFC) shall have nomination and risk management committees. Furthermore, the code stipulates that the PFA and PFC include the results of the annual evaluation of its board, board committees and directors in its corporate governance compliance report.

2.7.4 Conflict of interest

The code provides for principles to guide the relationship between PFA and PFC and their service providers in section 5.2. The code provides guidelines to avoid conflicts of interest in the following ways. First, the PFA and PFC may have service providers with whom they have a close relationship. The code provides that, the PFA and PFC should engage with such service providers at an ‘arm’s length’. The code specifies that a relationship is deemed to exist when the service provider is an immediate or extended family member. Furthermore, service providers have common ownership or directorship. Second, the spouses of employees of the PFA and PFC are prohibited from working with PENCOM. The code stipulates that the purpose of this provision is to prevent potential conflicts of interest. Third, the code provides that, the PFA must disclose to the commission if it decides to invest pension funds in a company whose registrar is related to the PFA.

2.7.5 Accountability, Disclosure and Transparency

The code provides for principles that will ensure accountability of board members in sections 5.3 and 5.4. The code provides that the board give account of their stewardship in the following ways. First, the code provides that, the board imbibe the principle of transparency by providing a report to shareholders on its remuneration. Furthermore, the code provides that, the remuneration report specifies the factors related to the PFA and PFC. Second, the code stipulates that the PFC and PFA include in its annual report and website how they have complied with the PENCOM code of corporate governance. The code provides detailed guidance on issues to be covered in the corporate governance compliance report.

2.8 Relevant provisions of the Code of Conduct for Shareholder Associations and their members

The code is made pursuant to Section 8(y) of the Investment and Securities Act (ISA) to provide guidelines for the conduct of members of shareholders associations during general meetings of public companies and their relationship with public companies outside the meetings. The purpose of the code is to ensure that the conduct of shareholder associations and members are to the highest ethical standards.

2.8.1 Composition

The code provides in principle 1 for the composition of the association and trustees. The code provides that, the association shall be composed of no less than fifty shareholders of Public Listed Companies (PLC). The code also provides that, the board shall be composed of no less than 5 persons. The membership of the association is voluntary and open to all shareholders of plc. The code also provides that, the association shall have an EXEC committee of not more than 10 officers duly elected.

2.8.2 Tenure of Officers

The code provides for the tenure of officers in principle 1. The code provides that officers of the association shall be elected for no more than two terms of three years. The code also provides such shareholders shall not be eligible for election until the expiration of the six year term.

2.8.3 Shareholder Rights

The code provides for shareholder rights in principle 2. The code provides for the following shareholder rights. First, shareholders have a right to attend meetings. Second, shareholder associations and their members have a right not to be manipulated at the Pre AGM, AGM and Extra ordinary meetings.

2.8.4 Membership of the Audit Committee

The code provides for the membership of the audit committee in principle 3. The code provides that, shareholders should ensure that members elected into the audit committee have the requisite knowledge of accounting and internal control processes. The code provides that, shareholders should ensure that internal control systems of the companies to which they belong to are adequate, sound and robust.

2.8.5 Conduct at the AGM

The code provides for the conduct of shareholder associations and its members in principle 2. The code provides that, shareholders should conduct themselves with decorum during the AGM and extra ordinary meetings. The code provides that, members and officers of shareholder associations should not attend the extra ordinary meeting and the AGM of companies in which they are not shareholders.

2.8.6 Accountability

The code has provisions to ensure that shareholder's associations are held accountable for their actions. The code provides for the accountability of shareholder's in principle 1. The code has two principles regarding the accountability of the association and its members. First, the association shall have a book of accounts which must be audited yearly by a qualified auditor. Second, the association shall file annual returns to CAC. Third, the association shall file an annual reports of its activities with SEC.

2.8.7 Duties of the Association and its Members

The code provides for the duties of the association and its members in principle 1. The following are the duties of the association and its members. First, the association shall meet at least twice a year. Second, the association shall comply with all relevant, laws, regulations, codes and standards which apply to the association. Third, the association and its members should not engage in any conduct that may disgrace the association. Fourth, the associations have a duty to the company's industry to maintain the integrity of the financial market.

2.9 A critique of the Code of Conduct for Shareholder Associations and its Members

This section will be discussed in line with the following issues, namely the application of the code, conduct at the AGM and roles of the association. First, the code provides in its preamble that it should be cited as the code of conduct for shareholder associations and it members. However, its provisions reveal that it is more of a code of corporate governance than conduct. The shareholder associations should play a key role in ensuring that companies comply with the principles of corporate governance. The code is not mandatory, though it stipulates that associations which do not comply with its provisions will not be recognised by SEC. As a result, the associations and its members may be forced to comply with its provisions of the code.

Second, the code provides that the association practice decorum at company meetings. However, the code does not prescribe any penalty or sanction for associations who display unethical conduct at the AGM or disrupt proceedings of company meetings. Furthermore, the code is silent on the issue of whistle blowing. The code also doesn't provide guidelines in cases where members are manipulated or prevented from expressing their views. Third, the code provides for a number of roles for the association and its members. However, as stated above, since the code is not mandatory, the associations may refuse to comply with some of its provisions. The code provides that the association shall file an annual report of its activities at the SEC.

A possible governance issue is whether or not a representative from SEC attends the association meetings. Therefore, how does SEC verify that the annual report represents the 'governance climate' of the association? The code prescribes a means to ensure that the association's officers give account of their stewardship. However, the code is silent on issues regarding an evaluation of the operations of the association. The code provides that, the representatives from the association are members of the audit commute. The fact that a representative of the association belongs to the audit committee suggests that the association can ensure that the internal control system of the company is sound. However, shareholder associations may also pursue their own interests to the detriment of the company and other shareholders. There may be a power play between the board and the representatives of the association at the audit committee meeting.

2.10 Challenges of Corporate Governance in Nigeria

The corporate governance crisis in Nigeria spans through decades of fraud, window dressing of accounts and the use of creative accounting policies. There have been a number of corporate scandals in Nigeria, which includes the Cadbury and Lever Brothers Nigeria Plc (Ajogwu, 2007). These companies faced governance problems in spite of being subsidiaries of UK parent companies. The scandals raised intriguing questions as to reasons why companies with UK roots could have governance challenges in Nigeria. This shows that an imposition of western corporate practices does not guarantee compliance with recommended best practice guidelines. The Enron, World Parmalat and many other scandals have led to an increase in the public concern on the role of boards of directors. Public outcries as a result of these scandals have led to a development of the role of the NED. The NED is seen as a solution to the corporate governance problems in the company. The NED is also viewed as a director who can bridge the gap between shareholder and executive director’s interests.

The following are some challenges hindering the practice of good corporate governance principles in Nigeria. First, the Reports on Observance of Standards and Codes, Accounting and Auditing Review (ROSC A&A) report of 2004 identified a number of challenges hindering the practice of recommended best practices of corporate governance in Nigeria. These challenges based on recommendations of the ROSC can be classified into three. They include reporting standards, the legal framework and the role of regulatory bodies.

The ROSC report shows that the SEC code (2003) was inadequate in dealing with the corporate governance challenges in the country. The report outlined the main cause of the governance problems to be the weak legal and regulatory frameworks in the country. The ROSC report revealed that despite the existence of a Companies Act the regulatory body in charge of the regulation of company’s affairs, CAC was failing in its duties. The deterrent capacity of CAMA was insufficient in curbing unethical practices of directors. There was virtually no enforcement capacity in place despite the availability of legal channels via the courts.

The CAMA provision of protection of the rights of majority and minority shareholders was only in principle and rarely enforced. The minority shareholders in particular could not seek legal redress due to the expense of court cases and the length of time involved. A second report requested by the Nigerian government, the ROSC (2011) report, revealed major improvements. The companies had adopted the International financial reporting standards (IFRS) reporting standard and there was FRC. Another improvement was that, the CBN code (2006) had been reviewed. The report mentioned that, a lot still had to be done in terms of improving compliance with best practices in Nigeria.

The ROSC (2011) report revealed a duplication of efforts by regulatory bodies. It is important to note that while this seems necessary for the banks and other financial institutions because of their impact in the economy, it amounts to confusion and ambiguous interpretations of the relevant laws, rules and codes. It is noteworthy to mention that reporting to different regulatory bodies without clear reporting lines in various situations was a bad practice and may cause confusion amongst boards of directors. The company secretary thus has a great role to play ensuring that the company complies with relevant laws, codes and regulations.

Second, the practice of good corporate governance is hampered by widespread corruption in Nigeria. The period of military rule in Nigeria institutionalised corruption in Nigeria (Okogbule, 2006; Adegbite, 2012; Adegbite et al. 2012). Furthermore, the institutions responsible for curbing corruption in Nigeria; the Independent Corrupt Practices Corruption (ICPC) and the Economic and Financial Crime Commission (EFCC), are failing in their duties. Additionally, the effectiveness of the ICPC and EFCC is hampered by government interference. This creates a situation whereby politicians are viewed as being above the law (Emenyonu & Gray, 1996).

Third, the codes of conduct for shareholder associations, trustees and rating agencies should provide detailed guidance on the roles of these associations in the maintaining the integrity of the financial market and promoting the practice of good corporate governance. The codes provisions on the roles that these organisations play in promoting good governance is quite sparse. The rating agencies provide the platform for stakeholders to rank companies performance and consider companies future prospects. The different reports by rating agencies may encourage or hinder investors from investing in Nigeria.

Fourth, The CBN code of corporate governance is the only code which makes provision for whistle-blowing. The idea of whistle-blowing is to sound the whistle on cases of fraud, unethical and illegal conducts of companies. The CBN code (2006) was reviewed and the provision of a whistle-blowing procedure was included in the 2014 code. It is recommended that the SEC, NAICOM and PENCOM codes follow suit.

Fifth, it is only the PENCOM code which has detailed provisions on the evaluation of the board and officers. The code provides questions for the different directors and officers of the PFA and PFC performance appraisal.

Sixth, it is only the PENCOM code that provides for the avoidance of information asymmetry between the board and management staff in section 4.3.11. The code provides that the board and directors shall not rely solely on information from management. The code provides that the directors shall have recourse to senior management staff.

2.11 Chapter Discussion

The preceding sections of the chapter have presented the relevant provisions of CAMA and governance codes. The CAMA and governance codes provide laws and principles to guide the board in the governance of the company. The following key provisions and the implications on the successful practice of corporate governance will be discussed. The provisions are, namely, application, appointment of directors, board composition, board competence, separation of powers, role of directors, role of NEDs and the role of the independent director. The following other provisions will be discussed, namely, shareholder rights, stakeholder rights, conflict of interest, family directorship, multiple directorship and disclosure requirements.

First, it's only CAMA, the CBN and PENCOM codes that are mandatory, other codes are voluntary. Interestingly, despite the fact that the SEC and NAICOM codes are not rigid set of rules, companies are usually encouraged to comply with their provisions. For instance, the SEC code provides in principle 1.3 (c)-(d) that SEC oversees compliance of the code and shall notify the company in case of breach.

The NAICOM code provides that, if companies comply with its principles, Nigeria will have a first class insurance industry. The NAICOM code further provides that, the code's principles should act as a guide in the practice of good corporate governance. The fact that some codes are mandatory while others are voluntary may impact the successful practice of good corporate governance principles. For instance, it may be argued that, the SEC code is not compulsory, so companies may apply a box ticking approach for compliance in their annual reports.

Second, the CAMA and governance codes provide that, there should be a transparent and formal procedure for board appointments. The essence of having a formal and transparent procedure is to ensure that, no one person dominates the board appointment process. Furthermore, it is in the interest of the company and shareholders for the board to be balanced. For instance, if the CEO controls the appointment procedure directors may become cronies of the CEO. This may create a caucus amongst directors and lead to a divided board.

Third, the various codes have similar provisions on board composition, but vary as to board size. Also, the codes do not make specific recommendations on the effects of board size on the governance of a company. A large board may be unwieldy and lead to poor cohesion which may result in divisions in the board room. Furthermore, an unwieldy board may affect the decision making process in the company.

Fourth, the various codes provide that, the roles of the CEO and chairman should be separated. The CAMA makes no provision for the separation of the roles of directors. The CAMA makes no provision for a chairman and NED, but provides for the MD. The codes provide that, the essence of separate persons for the role of the CEO and chairman, is that it allows for a balance of power in the board room. As a result, no one person would possess unfettered powers in the company.

Fifth, the various codes provide for the roles of directors in the company. However, CAMA makes no provision for roles of directors, but stipulates the duties they have to the company. The duties and roles prescribed by CAMA and the codes relate to issues on fiduciary duties, monitoring of management performance, performance appraisal of the board, preparation of financial accounts, compliance with various laws and regulations and ensuring that the company achieves its objectives.

Sixth, all but one of the codes NAICOM provides for the role of the NED. The NAICOM code mentions the NED in its provisions on board composition but makes no specific reference to NED roles. It may be argued that the NAICOM code regards NEDs as any other director in the company. It is possible that companies in the industry may allow NEDs to be involved in the daily affairs of the company. This may undermine the independence of NEDs in the boardroom. However, the NAICOM code provides for independent directors and portrays that they play a key role in the governance of the company.

Seventh, all the codes provide that an independent director shall be a member of the board. The CAMA does not provide for the role of the independent director. The various codes have different recommendations for the suitable number of independent directors. For instance, NAICOM provides that the companies shall have at least one independent director. Interestingly, the PENCOM code, which doesn’t apply to listed companies, recognises the role and importance of the independent director. It may be argued that due to the large amount of finance handled by licensed pension fund operators, independent directors are needed to safeguard the interest of stakeholders. Furthermore, the creation and adoption of the PENCOM code suggests that, government recognises that, governance principles apply to listed companies as well as public institutions.

Eighth, the CAMA and codes provide for the rights of shareholders. The CAMA and codes provide that, shareholders have a right to attend meetings, vote, elect board members and receive timely information on the company. The fact that the law and codes, except PENCOM, provide for the rights of shareholders suggests that the interests of shareholders are of a greater priority than stakeholder’s interest. The PENCOM code has no provision for the rights of shareholders as it has none.

Ninth, CAMA and the codes except PENCOM provide for the rights of minority shareholders. The law and codes provide that, minority shareholders should be treated fairly and their interests equally protected. The NAICOM code recommends that, at least one minority shareholder should be a member of the board. This suggests that, companies in the industry value the input of minority shareholders in the governance process. This implies that the interest of minority shareholders will be protected at the Pre AGM.

Tenth, all the codes except PENCOM provide for the rights of stakeholders. The codes provide that, the interests of stakeholders be considered during decision making. The codes also provide that, the company should ensure that it is corporately and socially responsible. For instance, companies should consider the needs and interests of the communities in which they operate. The PENCOM code does not provide for the rights of stakeholders. The PFA and PFC handle the pensions of employees and the code provides that they have a duty to stakeholders. Therefore, the rights of stakeholders should be adequately protected. The CAMA has no provision on stakeholder rights but states that creditors should be consulted during winding up proceedings.

Eleventh, the CAMA and all the codes provide for the principle of conflicts of interest. The provisions of the law and codes stipulate that, directors avoid conflicts of interest. Furthermore, the law and codes provide that directors disclose conflicts of interest, and the board has a role in managing real and potential conflicts of interest issues. The codes recommend that, a director who faces a conflict of interest issue should be absent from such board meetings. Furthermore, the codes provide that, the director should abstain from voting at such meetings. The essence of these conflict of interest provisions is to safeguard the interest of shareholders and stakeholders. Furthermore, these provisions ensure that, directors pursue the interests of the company and shareholders.

Twelfth, the codes which provide for the concept of family directorship are CBN, NAICOM AND SEC. These codes provide that, no two members of the same extended family should be members of the board of a company or its subsidiaries at the same time. The CAMA and PENCOM codes are silent on the principle of family membership. Additionally, only the CBN and SEC codes have provisions relating to interlocking directorship. The CBN code provides for the principle of interlocking directorship in the following way. The CBN code provides that, members of the board may not be directors of the company and its holding company at the same time. The SEC code provides that, cross membership on boards of competing companies should be discouraged.

Lastly, CAMA and all the codes except NAICOM and PENCOM have provisions on multiple directorship. The CAMA provides in section 281 that, there shall be no limit on the number of directorships that a director may hold, and the CBN, and SEC codes do not place a restriction on the number of directorships. However, the CBN and SEC codes provide that such director must disclose current and potential appointments to the board.

The codes also recommend that, the director must ensure that he is able to perform his roles. The codes provide that, the board shall decide on the issue of multiple directorship. It may be argued that, the law and codes do not recognise the impact of multiple directorships on board effectiveness. For instance, NEDs are outsiders who attend board meetings. A NED who has too many directorships may be unable to perform his or her roles because of time constraint. The tables below show the key provisions of CAMA, CBN, SEC, PENCOM and NAICOM.

Provision	CAMA	CBN	SEC	NAICOM	PENCOM
Application	Mandatory	Mandatory	Voluntary	Voluntary	Mandatory
Appointment of directors	Yes	Yes	Yes	Yes	Yes
Composition	Yes	Yes	Yes	Yes	Yes
Competence	Yes	Yes	Yes	Yes	Yes
Separation of CEO & Chair	No	Yes	Yes	Yes	Yes

Table 1 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM.

Provision	CAMA	CBN	SEC	NAICOM	PENCOM
Board roles	Yes	Yes	Yes	Yes	Yes
NED roles	No	Yes	Yes	Yes	No
ID roles	No	Yes	Yes	No	Yes
Family directorship	No	Yes	Yes	Yes	No
Multiple directorship	Yes	Yes	Yes	No	No

Table 2 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM.

Provision	CAMA	CBN	SEC	NAICOM	PENCOM
Shareholder rights	Yes	Yes	Yes	Yes	No
Minority shareholder rights	Yes	Yes	Yes	Yes	No
Stakeholder rights	No	Yes	Yes	No	No
Conflict of interest	Yes	Yes	Yes	Yes	Yes
Corporate disclosure	Yes	Yes	Yes	Yes	Yes

Table 3 Key provisions of CAMA, CBN, SEC, PENCOM and NAICOM.

2.12 Chapter Summary

This chapter has discussed the following five areas namely: CAMA, governance codes, role of institutions, the challenges of corporate governance and a few recommendations have been made. The chapter has also discussed the governance structure in Nigeria. The relevant sections of the law and governance codes have been discussed in relation to the role of the NED, board and its accountability to shareholders and stakeholders. The differences in the governance codes have also been highlighted revealing a lack of harmony between the codes. Furthermore, the role of the regulatory bodies in Nigeria was discussed. The lack of compliance and enforcement mechanisms coupled with institutional failings is evident in the chapter. The following chapter will discuss the relevant literature for this research study.

Chapter 3 Literature review

The aim of this chapter is to review the extant literature relating to the role and effectiveness of NEDs. The chapter is divided into nine sections. The first two sections present the theoretical and conceptual framework of the study. The following three sections present the literature on governance in Sub-Saharan Africa, models of NEDs and research on boards of directors. The following three sections present the research on the role of NEDs, effectiveness of NEDs and corporate disclosure. The last section summarises the chapter.

3.1 Theoretical framework

Several theories have been presented to explain the role of NEDs and boards. The individual director and the board as a whole are responsible for the practice of corporate governance. The company, though an artificial person, requires directors to direct the operations and decision making process of the company. The theories in this thesis' theoretical framework are namely agency, interlocking directorates, stewardship and resource dependency.

3.1.1 Agency theory

The theory can be traced to the 1960's and 1970's (Wilson, 1968; Arrow 1971), when economists considered the concepts of risk sharing in individuals and groups. The concept of risk sharing was defined as a situation when parties in agreement (for instance, in a business transaction) have different attitudes or perceptions of risk. As a result, the theory was born with its roots in economics and finance. However, it evolved towards the concept of the agency problem. The agency problem occurs when cooperating parties have different goals and division of labour (Ross, 1973; Jensen & Meckling 1976). The agency relationship consists of a principal (shareholder), one who delegates work, and the agent (manager), who carries out work as stipulated in the agency agreement.

The theory explains the operation of the modern corporation. It states that it is governed through an external mechanism market for corporate control and an internal mechanism of the board of directors. The agency relationship eventually leads to agency costs. The theory stipulates that these potential agency costs are reduced by the board through monitoring decision making and performance. The board may achieve this process by being objective and having independence of thought. The presence of NEDs (or outside directors) creates the possibility of independence in the boardroom. As a result, the decision making process is not controlled by management (Fama & Jensen 1983).

Agency theory is premised on the idea of resolving two main problems; agency conflict and divergent risk preferences. The first agency problem occurs when the principal and agents goals conflict. The unit of analysis in agency relationships is the contract between both parties. It is suggested that it is almost impossible to have a perfect contract between both parties (Brennan, 1995). The principal may be unable to foresee all potential problems, and as such, make no provision for them in the contract. This results in conflict in goals of shareholders and management. The principal expects the agent to protect his or her interests, however, the agent may pursue self-interest (Boatright, 2008) actions. Consequently, management may make decisions which conflict with shareholders' interests. The agency problem also occurs when it is difficult to ascertain the agent's actions, which, according to (Eisenhardt, 1989), is an expensive process. For instance, the shareholders are not involved in the day to day operations of the company. As a result, they are usually aware of potential major decisions during annual or general meetings. Secondly, there is the problem of risk sharing, which arises as a result of different perceptions of risk. The agency problem may arise when both parties prefer different actions due to divergent risk preferences (Shankman, 1999).

Agency theory provides an explanation for the process of governing organisations. This involves two forms of control - an external and an internal mechanism. These assumptions have led to the alignment of board effectiveness with NED independence. The theory suggests that corporate governance may be undermined if the relationship between EXEC and NED is beyond the normal working relationship.

These assumptions have led to splitting the roles of chairman and CEO, a campaign for an increase in the number of independent non-executives on the board, and a recommendation that these directors should be part of the committees such as audit and remuneration where possible conflict of interests may occur (Sarbanes Oxley Act, 2002; Financial Reporting Council 2003;). Agency theory focuses on the premise that for there to be reduction of agency costs and alignment of the interests of agents and owners, decision control and management have to be separated (Cadbury Report 1992; Eisenhardt 1989; Fama & Jensen 1983). Consequently, agency theory argues that ownership should be separate from control (Berle & Means 1932).

Accordingly, agency theory has developed along two lines of discussions - positivist and principal agent (Eisenhardt 1989). The unit of analysis in these two streams is the contractual principal agency relationship. They are based on similar assumptions in terms of the unit of analysis, however, they differ in mathematical rigor, dependent variable and style. The positivist researchers focus on the principal agency relationship between principals and agents of large corporations (Berle & Means 1932), and have focused on identifying situations of conflicting interests between principal and agents (Eisenhardt 1989). This stream of agency theory also describes the governance mechanisms which limit the agent's self-serving behaviour. Positivist research is usually less mathematical than principal agent research (Eisenhardt 1989).

According to Eisenhardt (1989) much research (Jensen & Meckling 1976; Fama, 1980; Fama & Jensen, 1983) has influenced the positivist agency tradition. Jensen & Meckling (1976) considered the ownership structure of the corporation, and considered how managers having some equity ownership could align their interests with those of the owners. They stated that increasing the ownership of managers could reduce managerial opportunism.

Fama (1980) discussed the role of efficient capital and labour markets as information mechanisms that are used to control the self-serving behaviour of top executives. Also, Fama & Jensen (1983) described the role of the board as an information system that, the stockholders in large corporations could use to monitor the opportunism of top executives. Jensen and others (Jensen, 1984; Jensen & Roeback, 1983) extended these ideas to controversial practices, such as golden parachutes and corporate raiding.

The principal agency stream is broader in terms of its consideration of agency relationships. These relationships include employer and employee dealings, attorney and client, buyers and supplier and other agency relationships (Harris & Raviv, 1978). This stream is more abstract and mathematical and less used by organisational scholars (Eisenhardt 1989). As a result, the positivist stream is more popular within the organisational literature, because its focus is more organisational than abstract.

The costs involved in ascertaining the actions of agents are known as agency costs. Furthermore, the costs of aligning the interests of principal and agents are also known as agency costs. Jensen & Meckling (1976) defined agency costs as the sum of monitoring costs, bonding costs, and residual loss. Agency costs can also be defined as the totality of value loss to shareholders as a result of divergent interests between shareholders and management (Eisenhardt 1989; Hill & Jones 1992).

Monitoring costs can be defined as expenses incurred by the principal to appraise and control the agent’s behaviour. These costs include audit and legal counsel fees for drafting contracts and severance packages. The burden of these costs shifts to the agents, as their compensation packages may be altered to cover such costs (Fama & Jensen 1983). Also, corporate governance codes may require companies to provide statements of compliance. For instance, the Cadbury report (1992), Greenbury report (1995), SEC code (2011) and CBN code (2014) provide that companies provide statements of compliance. However, Burkart, Gromb, & Panunzi, (1997) argue that, an over-emphasis on monitoring may prevent management from taking the appropriate initiative.

Bonding costs can be incurred, when agents set up systems to cause them to align their interests with shareholders. The costs involved in creating the enabling environment for bonding is known as bonding costs. These costs may not always be financial; for instance, agents may prepare additional information for shareholders (Eisenhardt, 1989). It is the responsibility of management, to prepare financial and compliance reports as assigned by their terms of reference or delegated by the board. However, in order to bond with shareholders, they may prepare more reports for shareholders. The cost residual loss is incurred, when the interests of managers and shareholders are not aligned after incurring monitoring and bonding costs. The remainder of other costs are termed residual loss. These cost may arise, because it is impossible to anticipate all future conflicts of interests, between managers and shareholders.

3.1.1.1 Agency conflict

Dalton, Hitt, Certo, and Dalton (2007) summarized the three principal means of minimizing agency problems as follows. Firstly, board independence, which entails ensuring that the board has more outside than inside directors. Also, that the roles of chairperson and CEO are separated. This will help to monitor management. Secondly, an external approach, which could be achieved through mergers and acquisition, as this could discipline mischievous managers and they stand the risk of losing their jobs. Thirdly, agent equity ownership, which ensures that, managers who share ownership of their firm, work towards protecting shareholder interests and creating value for them. The agency problem usually arises from conflicts of interest between parties to a contract. The agency theory literature mentions four key conflicts: moral hazard, earnings retention, risk aversion and time-horizon. These conflicts will be discussed below.

Jensen & Meckling (1976) explained a moral hazard agency conflict in the following way. The authors stated that a moral hazard conflict comes into play, when a manager is motivated to consume private perquisites, rather than invest the money in the company. As a result, the manager action does not protect shareholder interests. Shleifer and Vishny (1989) argue that, the manager may not avoid investment opportunities, but choose those suited to their personal skills. The preferred investment opportunity may increase the manager's value in the company, thereby increasing the cost of replacing him. The company may thus need to increase remuneration of management. Jensen, (1986) argues that managers usually prefer to retain earnings while shareholders prefer a higher level of cash distributions. For instance, managers may want to retain bonuses while shareholders prefer high dividends.

Additionally, Brennan (1995) argues that the moral hazard based theories emphasise that agency problems are caused by effort aversion. This suggests that effort aversion is not solely responsible for agency conflicts. For instance, manager's benefit from retained earnings as size growth creates a larger power base, greater prestige, and higher levels of remuneration, (Jensen 1986). This illustrates that sometimes investing in other ventures, such as takeovers, in order to increase the size of the company and cause a higher turnover may be of higher importance to managers than consuming perks. This ultimately creates a situation whereby the focus is on company growth rather than shareholder returns.

The time horizon agency conflict relates to the timing of cash flows, and arises when shareholders are more concerned with long-term benefits of cash flows while managers prefer short-term. The governance concept short terminism has been defined as, the act of foreshortening the time horizon applied to investment decisions, or to raise the discount rate beyond what is suited to the firms opportunity cost of capital (Demirag & Tylecote, 1992). The managers pursue short term benefits by investing in short run projects, because of the possibility of higher remuneration. Also, managers may not be employed by the company in the near future, hence the need for short terminism. However, shareholders will be more concerned with financial returns of the company and their investment, because long term projects create the possibility of the company remaining a going concern and protects the future interests of the company.

The following studies reveal that an outcome based contract motivates managers to act in the interest of shareholders. The managers with outcome based contracts were less likely to resist takeover bids and were related to acquisition and financing decisions that were more consistent with stockholder interest (Agrawal & Mandelker, 1987). Jensen & Murphy (1990) report a statistically significant relationship between managerial pay and corporate performance. Hutchinson & Gul (2004) also show that managerial compensation moderates the negative association between growth opportunities and firm value. Chen (2003) found that annual stock bonus is strongly associated with the firm's contemporaneous, but not its future performance. The above studies illustrate that the agency theory assumption of reduction of the self-serving behaviour of managers can be achieved through managerial pay and outcome based contract incentives. This can be explained through the agent principal relationship scenario.

The following studies suggest that agency theory places a premium on the NED role and that an increase in NEDs aids independence in the boardroom and corporate performance. The NEDs can bring independent thought into boardroom operations and deliberations, thereby reducing managerial dominance. Kosnik, (1987) investigated 110 corporations targeted for green mail and found that boards of companies which resisted green mail had a higher proportion of outside directors with EXEC experience. Kaplan & Minton (1994) analysed the appointments of outside directors in Japanese firms. They found that usually appointments of both bank and non-financial directors increase with poor stock performance. Furthermore, boards with more NEDs may limit the exercise of managerial discretion (Byrd & Hickman, 1992).

Rosenstein & Wyatt (1990) found a positive relationship between the percentage of NEDs on the board and corporate performance. However, the studies of (Agrawal & Knoeber, 1996; Franks, Mayer, & Renneboog, 2001); revealed that boards dominated by NEDs are ineffective due to lack of requisite skills, information and inability to challenge management. This suggests that the presence of NEDs alone is insufficient in terms of good governance. The NEDs must therefore possess the right qualities in terms of skills and experience in order to bring about independence of thought in the board. Similarly other studies (Hermalin & Weisbach, 1991; Laing & Weir 1999) found no relationship between board independence and firm performance.

The agency theory defines effectiveness of the board in terms of size and independence. Pearce & Zahra (1992) revealed that large powerful boards help strengthen the link between corporations and their environments. The board provides counsel and advice pertaining to strategic options for the firm. Furthermore, the board also plays a crucial role in creating corporate identity. A number of other studies revealed that small boards were more effective than large boards. The authors explained that large boards make coordination, communication and decision making burdensome (Yermack 1996; Eisenberg, Sundgren, & Wells, 1998). The agency theory proponents argue that an increase in board size slows down decision making and increases costs (Yermack, 1996; Callen, Klein, & Tinkelman, 2003; O'Regan & Oster, 2005). The director's independence assures objectivity when monitoring the management team. The monitoring role of the board helps to reduce the manager's opportunistic behaviour and increases the organizations' efficiency (Baysinger & Hoskisson, 1990).

3.1.1.2 Criticisms of the agency theory

It may be argued that the whole premise of the agency theoretical assumptions of ascertaining agent's actions is idealistic. This is because in an ideal world it may be impossible when drawing up contracts to determine every possible decision that the agent would make. As a result, the agency and principal relationship is prone to conflicts or problematic relationships (Brennan 1995). Therefore, the principal can only try to encourage agents to act in their best interests. Some of the assumptions of agency theory tend to follow the doctrine of idealism. For instance, the assumption that the essence of governance is to ensure that self-interested objectives can be criticised on the ground that governance matters may not always flow logically or rationally. Therefore, it is more ideal to solve ambiguities and conflicts in the running of the firm not by logics but by clarifying the rule system, determining what fits and doesn't.

The agency problems in a relationship are said to be reduced by improving the efficiency of the managers through incentives, hence the value of good decision making would be greatly increased (Jensen & Meckling 1976). For instance, the idea behind tying the rewards of the agent to compensation is to ensure achievement of the principal's goals (Smallman, 2004). However, it is not in all cases that incentives act as a motivation for managers to work in the best interest of shareholders. This is because agents may decide to takeover more companies to increase the size of the company. However, this may be detrimental to the welfare of the company and cause the share price to rise, hence, it may only seem like the directors are efficient. It has been argued that too much monitoring may constrain EXECs or managers. For instance, managers may be less creative or fail to reach an optimal level of efficiency (Burkart, Gromb & Panunzi 1997).

Smallman (2004) highlights that an agency based corporate governance leads to ineffective firms, and explains this through the notion of homeostasis control, whereby the impact of the principal's control is reflected through agent's perceptions of their effect on the utilities. The strength of agency based corporate governance (homeostatic control) creates the possibility for minimum performance thresholds to be set in advance. Smallman (2004) also argues that agency theory's strength is limited, and argues that the theory is limited by rationality and cultural differences in the decision making groups, who sets targets which lead to group think and poor decision making at the executive level. Also, agency theory assumes that this principal agent relationship is a one to one relationship, namely, shareholders (the principal), the agents and the managers. However, the company as an entity has evolved and agents have to satisfy many principals - namely shareholders and stakeholders, investors (Child & Rodrigues, 2003; Culpan & Trussel, 2005).

The theory also views the relationship between individuals as solely contract based. Alchian & Demsetz (1975) argue that, such a model simplifies organisational life to a mere series of contracts between individuals. The agency theory also considers one level in organisational hierarchy the shareholders and the board. This explains the theory's assumption, the principle of shareholder wealth maximisation as the basis for evaluating corporate performance and the board of directors as a tool to improve corporate performance. There are many levels of hierarchy in the boardroom namely the CEO versus the chairman, the NEDs and EXECs and the board versus management.

Therefore, the board is an agent to the principal, the shareholders, and a principal to the management. As a result, another aspect of agency theory is the stakeholder agency theory (Huse, 2007). This variant describes the shareholders as stakeholders, which implies that there are many principals with various status and power. The board has a duty to act as agents to different principals. The stakeholders have different positions and interests. Hence, the board must prioritise the interests of stakeholders when aligning those interests with those of management.

The above criticisms of agency theory suggest that, an exclusive reliance on one theoretical domain, ignores complexities of management behaviour and motives in terms of the governance of a company. This explains why there have been calls for additional theories based on non-economic assumptions to explain the agent-principal relationship (Doucouliagos, 1994). Eisenhardt (1989) argued for additional perspectives to overcome the partiality of agency theory and capture the complexity of governance phenomena. Consequently, the many criticisms of agency theory have led to other ways for explaining corporate governance.

One such way is the stewardship theory (Davis, Schoorman, & Donaldson, 1997) and resource dependency theory (Pfeffer 1972b; Pfeffer & Salancik, 1978). The stewardship theory rejects agency assumptions, and argues that managers align their interests with those of management. The resource dependency theory focuses on the boundary spanning role of directors and the access they provide to scarce resources. However, Donaldson & Davis (1991 p. 61) argue, in relation to stewardship theory and agency theory, that the key issue is not whether one is more valid than the other, for 'each may be valid for some phenomena but not for others'. Hillman & Dalziel (2003) have argued for linking agency and resource dependence theories, while Daily, Dalton, & Cannella, (2003) conclude that 'a multi-theoretic approach to corporate governance is essential for recognizing the many mechanisms and structures that might reasonably enhance organizational functioning'.

3.1.1.3 Agency theory in Nigeria

Agency theory is relevant to Nigeria's corporate setting in the following ways. First, corporate scandals due to corruption and negligence of directors have led to several reforms in Nigeria's corporate arena (Okike 2007; Adegbite, Amaeshi & Amao 2012). Second, the rise of shareholder activism in Nigeria indicate that the country has a propensity for increased transparency, accountability and board independence (Amao & Amaeshi 2008; Adegbite et al. 2012).

Specifically, Yasaki (2001) argues that, agency theory applies to Nigerian corporate environment for the following reasons. One reason is lack of transparency and managerial entrenchment, and another is poor shareholder democracy due to an unstructured economy. Additionally, power relations are a crucial part of corporate governance in Nigeria. Third, governance codes in Nigeria (NAICOM code 2009; SEC code 2011; CBN code 2014) recommend the separation of the roles of CEO and chairman. This recommendation on the separate roles of the CEO and chair indicates emphasis on a balanced board in terms of power an alignment (Cadbury report 1992). However, Emmanuel, Ayorinde & Babajide (2014) found weak support for the view that the Nigerian boards of listed companies play an oversight role in mitigating the 'agency problem in the separation of ownership from control' (Berle & Means 1932; Ross 1973; Jensen & Meckling 1976).

Similarly, Ujunwa (2012) found that Nigerian boards perform more of an advisory than control role. Second, Ujunwa (2012, p.672) states that the study's findings indicate that the 'value of independence may be overemphasized at the cost of the broader issue of diversity'. This suggests that some Nigerian boards may not place emphasis on the independence and the control role of NEDs. This suggests that there are alternative definitions of independence.

Therefore, it may be argued that in Nigeria each board's approach to the agency problem depends on the board's culture and power (Pettigrew & McNulty 1995). The following studies found that independence may mean 'independent judgement' rather than a 'literal interpretation of independence' (Clifford & Evans 1997; Brennan & McDermott 2004; Zattoni & Cuomo 2010). This suggests that some best practices, such as board independence may be unconnected with organisational performance (Brickley, Coles & Jarrel 1997; Heracleous 2001; Brickley & Zimmerman 2010).

3.1.2 Interlocking directorates

The interlocking theory relates to the creation of interlocks in firms. A board interlock is created when a person is linked with one firm (Warner & Unwalla 1967; Knowles 1973; Pennings & Kimberly, 1980; Burt, 1983), usually created by both EXECs and NEDs. It is created by EXECs who have non-executive positions in other firms. An interlock is usually created by NEDs, because they are part-time and outside directors, and as such may hold multiple directorships. However, the EXEC is a full-time director and an employee of a firm, and may be restricted as to the number of non-executive positions that he or she may hold. An interlock may be direct or indirect. A direct interlock is created when one individual links one firm to another (Warner & Unwalla 1967; Knowles 1973).

An indirect interlock is created through different affiliations with other firms (Schoorman, Bazerman & Atkin 1981).The benefits of an interlock include reduction of environment uncertainty, increase in expertise, improved reputation, and firm profitability. A firm may engage in a direct or indirect interlock to reduce environmental uncertainty and enable the firm to achieve its goals and objectives, thereby being a successful and effective organisation (Lawrence & Lorsch, 1967; Thompson, 1967; Galbraith, 1973, 1977). Another benefit is that a firm gains expertise through an interlock through a NED's expertise.

Schoorman et al. (1981) suggest that the outside director may provide other suggestions during strategy and decision making. Additionally, the director may advise the board on the best way to address such strategies. The director may help to improve the reputation of the firm. The presence of reputable persons on a board may improve outside perception of the company (Pfeffer & Salanick, 1978). For instance, a firm usually has stakeholders with different interests, and the presence of prestigious persons on the board, may signal that the firm will protect their interests.

An interlock may help to improve the profits of the firm. For instance many studies, (Dooley 1969; Zeithlin 1974; Mintz & Schwartz 1985; Richardson 1985; Mizruchi & Stearns 1988) found that a board's membership is determined by the company's profit. Specifically, lenders usually sit on the board of debtor firms. It may be argued that such that an interlock may be created by lending organisations to ensure that the firm's fortunes improve. Additionally, the benefit of such an interlock will be to provide financial expertise to the board to increase the company's profits.

3.1.2.1 Interlocking directorates in Nigeria

The interlocking directorates' theory is applicable to Nigeria in the following ways. First, CAMA (2004) provides for multiple directorships and places no restriction whatsoever on the number of directorship a director may hold. Similarly, the governance codes (SEC code 2011; CBN code 2014) place no limit on the number of directorships a director may hold. However, these codes recommend that, a director gain approval from the board prior to accepting multiple directorships. Second, Emmanuel et al. (2014) examined the interconnectedness between audit committee, multiple directorship and financial reporting quality in Nigeria and found that interlocking directorates applies in Nigeria. Similarly, Ujunwa (2012) found, that interlocking directorates applies in Nigeria. Emmanuel et al. (2014) found that, multiple directorships limits directors' time for board duties resulting in a poor quality of the firm's financial reporting system. The study's findings indicate that, interlocking directorates may inhibit a firm's financial reporting system in Nigeria.

3.1.3 Stewardship theory

The theory was developed by Donaldson (1990) and advocates that managers are not necessarily always motivated by financial incentives. Donaldson (1990) states that, managers can view satisfaction from work and recognition from their peers as a form of reward and motivation. This suggests that managers may be also be motivated by non-financial incentives. The Stewardship theoretical researchers accept the assumptions in agency theory about bounded rationality. However, they disagree with the idea that managers could be opportunistic (Davis, Schoorman & Donaldson 1997). The key crux of stewardship theory is that, managers be regarded as trusted stewards (Gabrielsson, 2003). The theory advocates that, managers are trusted stewards who seek to attain the objectives of the organization, to the benefit of all stakeholders.

The stewardship theory favours CEO duality concept, which is the combination of the CEO and chairman roles (Donaldson & Davis, 1991; Finkelstein & D'Aveni, 1994; Shen, 2003; Adams et al. 2005; Peng, Zhang & Li 2007). The theory assumes that, when EXECs have more power, they will accomplish their roles. However, agency theory argues against CEO duality and favours an independent board leadership (Weir & Laing, 2001).

The agency theorists view the independent board structure as crucial for a balanced board. The agency theory favours a balance of power in the board room, thereby preventing the dominance of one individual with unfettered powers. The managers are also known as inside directors. There have been arguments for an appreciation of the role of inside directors. Fama & Jensen (1983) argue that inside directors may enhance board functionality by improving the quality of board decision making. This suggests that a board composed of majorly NEDs may fail to meet its objectives. Hence, a balanced board should consist of EXECs and NEDs in order to meet its objectives.

There are theoretical researchers who have considered the role of inside directors in enhancing board monitoring (Raheja, 2005), board decision making (Harris & Raviv 2008), and shareholder wealth creation (Acharya, Myers, & Rajan 2011). For instance, Raheja (2005) argues that inside and outside director's gain improved reputation when a firm performs well, and also argues that due to this reputational benefit, inside directors are motivated to collaborate with outside directors by providing the necessary information that will improve decision making and firm performance. Donaldson & Davis (1991) argue, in relation to stewardship theory and agency theory, that both theories are valid for different phenomena. This suggests that each theory expresses different views of governance. Therefore, corporate governance may be viewed through different theories. It can be argued that while agency theory emphasises control governance, stewardship theory favours a collaborative governance.

Sundaramurthy & Lewis (2003) proposed a simultaneous need for control and collaboration in the working style and dynamic of boards, and suggest that agency theory approaches assert the need for control while stewardship theory asserts the need for collaboration. They suggest that an either/or approach to these may produce counter-productive reinforcing circles, and state that collaboration and past successes can sow the seeds of complacency, group think and faulty attribution that may lead to inappropriate strategic persistence.

They also suggest that an over emphasis on control may be counter-productive. This is because control may be read as distrust and set up a self-fulfilling circle that produces the very behaviours it is designed to prevent. As a result, executive frustration may arise, motivation may be damaged, and information flow may become restricted thereby feeding mutual distrust and providing the rational for a further increase in controls. The authors also suggest that that the alternative to such negative self-reinforcing cycles necessitates the paradoxical combination of control and collaboration, conflict and trust to create self-correcting circles. However, according to Roberts et al. (2005) the idea of control and collaboration define a 'broad orientation in conduct'. This suggests that, the NEDs should be wary and alert to potential performance problems of the EXEC or supportive of their work.

3.1.3.1 Stewardship theory in Nigeria

The stewardship theory encompasses the idea that, directors are stewards and act in the best interests of the company (Donaldson & Davis, 1991; Davis, et al. 1997). As a result, contrary to agency theoretical assumptions, directors perform board duties for altruistic reasons. For instance, Argryis (1973, p.253) argues against the reduction of human behaviour to 'simple economic terms' and favoured a 'more complex and humanistic model of man'. The theory favours CEO duality in which the roles of the CEO and chairman are combined (Donaldson & Davis, 1991; Finkelstein & D'Aveni, 1994; Shen, 2003; Adams et al. 2005; Peng et al. 2007). The Nigerian governance system is not based on the CEO duality paradigm. However, it is still possible for Nigerian listed companies to appoint former EXECs as NEDs. It is therefore possible for power to be concentrated in the hands of the EXECs when former EXECs are appointed as NEDs.

The stewardship theory emphasises trust in board relationships (Forbes & Milliken, 1999; Sundaramurthy & Lewis, 2003). Forbes & Milliken (1999 p. 495) state that directors must 'trust in each other's judgement and expertise'. For instance, the Higgs report (2003) recommends that, NEDs are to support EXECs in the leadership of the business. Additionally, directors are responsible for the strategic direction of the company (Higgs 2003; SEC code 2011; CBN code 2014). This suggests that, directors need to work as a team to successfully perform their roles. As a result, a focus on the control or collaborative role may undermine board effectiveness (Sundaramurthy & Lewis, 2003; Hendry 2005; Roberts et al.2005).

Specifically in Nigeria, Yasaki (2001) argues that stewardship theory applies as shareholders appoint directors by virtue of the provisions of CAMA (2004). Yasaki (2001) states that, in times past AGM's were influenced by government, but things have changed dramatically. CAMA (2004) prescribes the role of directors as that of a fiduciary role. As a result, by virtue of the provisions of CAMA (2004), directors must be good stewards of the company. The CAMA (2004) doesn't differentiate between the NEDs and EXECs. This implies that all directors (NEDs and EXECs) have stewardship and fiduciary roles in a company.

3.1.4 Resource Dependency theory

The resource dependency theory has become quite popular in corporate governance research. Pfeffer & Salancik (1978, p.1) state that to 'understand the behaviour of an organisation you must understand the context of that behaviour that is the ecology of the organisation'. The resource dependency theory recognises the influence of external factors on organizational behaviour. The managers have a role to play in reducing environmental uncertainty and dependence. Ulrich & Barney (1984) state that power is the key issue in environmental uncertainty, because power is required to control required resources. Organisations attempt to reduce others power over them, by attempting to increase their own power over others. Pfeffer (1987, p.26-27) provide that, the basic argument of the resource dependence perspective and inter-organizational relations is as follows.

First, the fundamental units for understanding inter corporate relations and society are organisations. Second, these organisations are not autonomous, but rather are constrained by a network of interdependencies with other organisations. Third, interdependence when coupled with uncertainty leads to a situation in which survival and continued success are uncertain. Fourth, organisations take action to manage external interdependencies although such actions are inevitably never completely successful and produce new patterns of dependence and interdependence. Fifth, these patterns of dependence produce inter-organizational as well as intra-organisational power, where such power has some effect on organizational behaviour.

Pfeffer & Salancik (1978) state that, the firm can take five actions to minimise environmental dependencies. The actions are, namely, mergers and vertical integration, joint ventures and other inter-organizational relationships, boards of directors, political action and executive succession. Pfeffer (1972b) asserts that boards enable firms to minimise dependence or gain resources. A number of studies on boards of directors have concluded that resource dependency theory is gaining ground in governance research (Johnson et al. 1996; Zahra & Pearce, 1989). The resource dependency theory is not a dominant lens for board's research, however, empirical evidence reveals that it is a successful theory.

There are a number of studies which have used the resource dependency theory to examine boards of directors. These studies have focused on the board's size and composition to provide critical resources to the firm. For instance, Pfeffer (1972b) found that, board size relates to the firms environmental needs, and those with greater interdependence require a higher ratio of outside directors. The author concludes that, board size and composition are not random or independent factors but rational organizational responses to the conditions of the external environment, and further confirms this assertion in a replication study in 1973. Similarly another study (Sanders & Carpenter, 1998) found board size to be related to a firm's level of internationalization the latter indicating environmental dependence.

Scholars have also followed (Pfeffer, 1972a) research regarding board composition and the need to "match" the resources provide by the board with the needs of the firm. Boyd (1990) suggests that in some environmental conditions board size can be a hindrance, whereas board interlocks are a benefit suggesting that "resource rich" directors should be the focus of board composition. However, it is not just the number, but the type of directors on the board that matters. Provan (1980) found that firms who are able to attract and co-opt powerful members of the community onto the boards are able to acquire critical resources from the environment.

There are researchers who identified that board composition changes with the firm (Lang & Lockhart, 1990; Boeker & Goodstein, 1991). For instance, in the context of China's institutional environment, Peng (2004) found that, resource rich outside directors are more likely to positively influence firm performance. On the other hand, the resource poor outside directors may not influence firm performance. This suggests that, board composition changes to meet the new environmental demands. The firm's performance may decline if its board cannot co-opt critical resources.

Hillman, Cannella, & Paetzold (2000) created a taxonomy of directors based on the benefits of resource dependency theory, and assert that some directors may be less valuable as environment's change, for instance due to regulation. They propose that, directors may be classified as 'business experts', 'support specialists' and 'community influentials', corresponding to the different types of resources they bring to a board.

Kroll, Walters, & Le (2007) use the Hillman et al. (2000) taxonomy in their study. They found that, young post-initial public offerings (IPO) firms benefit from specific type of directors. Jones, Makri, & Gomez-Mejia (2008) observed that, family firms pursuing diversification benefit from specific types of directors over others. The above studies show that, resource dependency theory assumes that, firms which appoint directors for organisational and environmental needs are more likely to be successful than others. The resource dependency theory research also focuses on the times/types of firms most likely to benefit from the board resource provision. The research in this area considers the stage of a firm's life cycle, in which director resources are most beneficial. Zahra & Pearce (1989) proposed the idea that, firm's life cycle may influence the importance of the resource dependency role of boards.

Lynall, Golden, & Hillman (2003) and (Gabrielsson, 2007) suggest that, the resource dependency theory is more relevant during early life cycle stages. Daily & Dalton (1993) support this empirically, finding a significant relationship between several board characteristics and performance in small corporations. There are other researchers who found that the monitoring function may be less prominent in small firms because of their lack of critical resources (Fiegener, Brown, Dreux, & Dennis Jr, 2000) and (Finkle, 1998). Similarly, Daily, McDougall, Covin, & Dalton (2002) found that resource dependency theory is supported in entrepreneurial firms than other theoretical perspectives. "In the entrepreneurial firm the resource dependency role may even be more critical than for larger, mature firms" (Daily et al. 2002 p.403).

The resource dependency theory has similarities with the signalling theory. Certo (2003) bases his study on signalling theory, his findings that prestigious boards can improve organizational legitimacy and subsequent IPO performance also support resource dependency theory. Certo, Daily, & Dalton (2001) found that board size is significantly related to IPO performance suggesting "potential investors may view larger boards as a signal of increased access to resources". The resource dependency theory on boards has also been used in the study of organizational decline and bankruptcy (Daily et al. 1996; Daily & Dalton, 1994). The research in this area suggests that the performance of a resource role may be less prominent during decline and bankruptcy. This is because distressed firms may experience a reduction in their relative resource bases (Cameron, Kim, & Whetten, 1987).

Daily (1995) found that, firms with a greater proportion of outside directors were more likely to successfully re-emerge from bankruptcy. Daily et al. (2003) suggest that, future research should focus on the resource role of the board.

3.1.4.1 Resource Dependency theory in Nigeria

The resource dependency theory revolves around the idea of, reducing environmental uncertainty and dependence. One of the ways to minimise environmental uncertainty (Pfeffer & Salancik, 1978) is through board power. Accordingly, Ulrich & Barney (1984) state that power is the key issue in environmental uncertainty. Specifically, the role of Nigerian NEDs is crucial in limiting the firm's environmental uncertainty and dependence.

Ujunwa (2012) found that, board's member PhD qualification is positively and significantly related to firm performance. Specifically, the study Ujunwa (2012) also found that, Nigerian boards play a resource role through ethnic diversity, foreign directors and board expertise. Furthermore, Ujunwa (2012) presents the idea that, Nigerian board members perform a resource role. For instance, the study provides that, it is important for boards to have skills such as 'business experts, support specialists and community advocates' (Ujunwa 2012, p. 670).

3.1.5 Other relevant theories in this Thesis

There are five theories which are not part of the theoretical framework, but are relevant to the role of the NED. First, the Actor Network Theory (ANT) encompasses the assumption that different actors relate with each other thereby forming a strong network (Callon 1986). The essence of this network is for these actors to function as a team. The diverse actors in the Nigerian company are, namely, directors, major shareholders minority shareholder and stakeholders. The ANT is relevant to corporate governance in the following ways. First, the directors invite major shareholders and stakeholders to the Pre AGM to gain their support. Second, these Nigerian actors relate at the Pre AGM and form a strong network, leading to a coalition of forces. As a result of networking, various interests converge into one thereby displacing contradictory interests (Latour 1999, p.311), and promoting shareholder activism (Uche & Atkins 2015; Uche et al. 2016).

Second, the Ideal Speech Model (ISP) is based on the Habermas theory of communicative action (Habermas, 1984). The ISP theory is based on the premise that different actors encourage varied discussions, thereby leading to new perspectives and arguments. The theory has been used in the context of the AGM. Catasus & Johed (2007) modified the Habermas theory and adapted it to AGM, and present the idea that despite the AGM being a ritualistic meeting, there could be an element of surprise at the AGM, making it an ideal speech model.

The study (Catasus & Johed 2007) presents the AGM as an ISP in the following ways - namely, new arguments, face to face meeting and recurrent meeting. The Nigerian AGM creates the forum for discussions between diverse actors resulting in new arguments, leading to an ISP. Additionally, the AGM creates the opportunity for face to face meetings a unique way of communication. As a result, the Nigerian actors can see director's movements and body language creating the opportunity for an ISP. This is possible as actors do not have to rely exclusively on the annual reports as they can relate with the directors at the AGM. The AGM being a recurring meeting provides the opportunity for some form of accountability as Nigerian actors remember discussions at previous meetings, leading to the possibility of an 'element of surprise'(Uche & Atkins 2015).

Third, institutional theory presents the idea that directors do not want to be perceived as failing in their compliance duties. Furthermore, institutional theory relates to the idea of constant pressure and monitoring of corporate compliance as coercive isophormism (Dimaggio & Powell 1983). Institutional theory also encompasses the perspective of constructing and transforming institutions. Directors use 'institutional strategies' to manage institutional structures (Lawrence, 1999). The literature has focused on the examination of current structures and how institutions endeavour to conform to established standards and practices. Institutional theory is focused on organisations aiding new norms and transforming existing institutional standards (Oliver, 1991).

Fourth, legitimacy theory encompasses the use of various strategies by directors to gain approval and support from influential shareholders and stakeholders. According to

Kakabadse (1982), the identification of stakeholders is crucial to personal influence. The author Suchman (1995, p. 574) defines legitimacy as 'a generalized perception or the assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions'. Specifically, legitimacy theory also refers to tactics and strategies employed by directors to legitimise their actions (Ashforth & Gibbs 1990; Suchman 1995; O'Donovan 1999; Deegan 2002; Deegan, Rankin & Tobin 2002).

The strategies and devices used by directors may also include attempts to justify their actions. For instance, the Nigerian directors may use various company meetings, such as the Pre AGM and AGM to identify and invite specific shareholders and stakeholders (Uche & Atkins 2015; Uche et al. 2016) to gain their crucial support and maintain organisational legitimacy. Elsbach & Sutton (1992) state that, it is quite difficult to acquire and maintain legitimacy. As a result, the directors may use such meetings to garner support and influence shareholders and stakeholder perceptions of directors and the company.

Ashforth & Gibbs (1990) and Suchman (1995) suggest that directors may use a mix of strategies depending on the size of threat to organisational legitimacy. For instance, in Nigeria, directors may use the Pre AGM and other private meetings to minimise the damage to a company's image and reputation. These private meetings may be used when the company is going through crisis and stakeholder support is crucial to repair the company's image and reputation. Similarly, directors may also use impression management techniques to acquire or affirm legitimacy. For instance, Ashforth & Gibbs (1990, p. 180) suggest 'Rather than actually change its ways, the organization might simply portray or symbolically manage them so as to appear consistent with social values and expectations'.

The directors may present the front (Goffman, 1959) that they comply with relevant laws and governance codes, by having NEDs and independent directors on board (Conway, O'Keefe & Hrasky 2015). Specifically, the directors may present to shareholders and stakeholders that the company has a balanced board and the 'right culture' (Pettigrew & McNulty 1995) for NEDs to exercise independent judgement in board room deliberations. Additionally, the directors may attempt to restore organisational legitimacy by changing the composition of the board (Mather & Ramsay 2007). It may be implied that, boards composed of reputable and experienced NEDs will help to restore organisational legitimacy.

Fifth, signalling theory relates to the process whereby a person provides information to another, which signals an idea (Spence 1973). The Spence (1973) model portrayed that, employees credentials portrayed that they were capable of performing their duties. Similarly, Baliga, Moyer & Rao (1996) suggest that, the board may allow a splitting of roles of CEO and chairman to signal governance compliance. The signalling theory also applies in the context of meetings. For instance, the Nigerian directors may use the Pre AGM and AGM to send signals that they are good stewards. Additionally, the directors may use these meetings to signal that, they practice the principles of good corporate governance. A number of authors (Koenig & Gogel 1981; Mizruchi 1996; Davison, Stening & Wai 2004) opined that multiple board appointments may signal that such directors are experienced, exposed and reputable persons.

3.2 Conceptual Framework

This thesis is based on the framework adopted from Roberts et al. (2005). Roberts et al. (2005) developed a framework for the work of the NED linking accountability with board effectiveness. The literature review above identified four key issues. First, a lack of clarification of the role of the NED. Second, a tension between the control and strategic role of NEDs. Third, academic research seems to focus more on the role of the board than NEDs. Fourth, the empirical findings on the relationship between board characteristics and firm performance is mixed.

The lack of clarity in terms of NED roles and the emphasis in the literature on board roles suggests that the role of the NED has evolved from an emphasis on the monitoring role to also consider issues of effectiveness of the board. This is because the NEDs are crucial in terms of their role performance and board effectiveness. Furthermore, a focus on the conflicting roles of control and strategy doesn't elucidate the concept of NED effectiveness. Therefore, Roberts et al. (2005) argue that it is a focus on creating accountability through a range of behaviours that engender NED and board effectiveness.

Roberts et al. (2005) highlight the importance of the work of the NED through two lenses; the board structure and the actual conduct of NEDs. The authors state that 'board structure can condition board effectiveness but it's the actual conduct of the NED which determines board effectiveness'. This suggests that board structure may limit and restrict board effectiveness but NEDs play a larger role in the whole process. For instance, a board composed of fewer NEDs may perform less of a monitoring role. As a result, EXECs may control and gain the upper-hand in decision making and control. However, the actual conduct of NEDs for instance persuasion and negotiating with EXECs may enhance NED effectiveness in the boardroom. Hence, the NEDs will become influential in the boardroom, regardless of board structure.

The conceptual model is based on the idea that creating accountability in the boardroom matters for board effectiveness. The authors assert that a focus on the accountability process engenders board effectiveness, and argue that the process of accountability puts the spotlight more on the behavioural dynamics in the boardroom than NED role performance. This is because a process of rigorous and robust accountability aids effective NED role performance. The authors disagree with the extant literature emphasis on the conflict between the control and collaboration roles of NEDs.

They conclude that the emphasis on the tension between board roles leads to 'abstract theorising' which doesn't clarify the work of the NED. Also the authors state that a focus on accountability reveals the importance of NEDs having the requisite skills necessary for board effectiveness. Also, the authors identify three behavioural dynamics which incorporate the elements of control and collaboration. This authors suggest that rather than attempt to resolve the conflicting roles, the accountability framework approach is to combine both roles within the behavioural dynamic set.

Robert et al. (2005) framework indicates that there are two concepts that are determinants of NED effectiveness. These two concepts core requisite director skills and the role of the chairman. First, the study identified three behavioural dynamics - namely 'engaged but non-executive', 'challenging but supportive' and 'independent but involved', as core skills for NEDs. The skill 'engaging but non-executive' involves having high levels of engagement on the part of the NED. This skill goes beyond attending meeting but having informal contacts with EXECs. The importance of having NEDs on the board who are highly engaged with board processes is that they make a credible contributions to the board. However, engaging with the board must be done in a non-executive way in order not to usurp the EXEC authority. The second skill set 'challenging but supportive' requires NED to question and probe EXECs.

The essence of questioning is to recognise EXEC authority while focusing on performance in order to ensure effectiveness. This skill also involves supporting EXECs by offering advice and counsel. The last skill set 'independent but involved' goes beyond the traditional conception of avoidance of conflict of interest. The study's findings suggest that board independence has different meanings in terms of seeing things differently. The meaning of independence is 'independence of mind' which causes NEDs to be objective, when scrutinising EXEC actions on the basis of experiences gained elsewhere. Furthermore, NEDs become involved in the board process as their experience is valuable to EXECs.

Second, the study identified that the role of the chairman includes creating the enabling atmosphere for NED effectiveness. The study found that, a strong relationship between the chairman and CEO is crucial for an effective board. The study also identified two types of relationship that may exist between the chairman and CEO. These relationships are namely - a minimalist and maximalist. A minimalist relationship involves a chairman spending little time in the office thereby, having little or no relationship with the CEO. The maximalist version of the relationship suggests a more proactive and engaged role in the business. This suggests that the chairman and CEO in such a relationship have a strong relationship.

Roberts et al. (2005) identified three important reasons for a strong relationship between the chairman and CEO. First, in terms of NED selection and recruitment, a chairman and CEO can collaborate by considering the range of skills and experiences on board before appointments are made. Additionally, both directors may discover that potential NEDs have relevant experience which is required in the boardroom. Furthermore, during the process of selection the directors may discover that nominee lacks the requisite skills or time. Therefore, such deliberations prevent the appointment of ill-equipped NEDs to the board. Second, the chairman and CEO may work together and build NEDs knowledge of the business. The NED knowledge of the business may be increased by visiting operational sites of business and having strategy sessions with EXECs.

There are three advantages of visiting operational sites and having strategy sessions. First, EXECs and NEDs have the opportunity of interacting in a less formal atmosphere. This indicates that they can increase their knowledge of the business while bonding with EXECs. Second, NEDs have the opportunity of testing and probing strategic thinking during strategy sessions. Third, NEDs have the opportunity of relating with other staff particularly the senior management staff, who are not members of the board. This framework was used in this research study because the literature revealed a gap between the prescriptive roles of NEDs and empirical research.

The prescriptive roles are stipulated by corporate governance reports such as Cadbury (1992), Hampel (1998) and Higgs (2003). These reports emphasise the role of the board and NED in scrutinising EXEC performance. Also, different theoretical perspectives emphasised one role of NED over the other. For instance, the agency theory emphasises the monitoring role, while resource dependency theory emphasises the need for a resource role in terms of providing critical resources. The stewardship theory emphasises the service role in terms of advice, counsel and collaborating with EXECs. These perspectives reveal the emphasis for one role over the other thereby indicating a tension between two roles.

Interestingly, the Cadbury (1992) and Hampel (1998) reports warned against exacerbating the tension between roles. This indicates that a single theoretical view is insufficient in understanding the roles of the NED and board. Hence, the idea argued by Pettigrew (1992) that board research should be more process oriented. This suggests that a focus on board characteristics affecting firm performance is logical, but the dynamics of the relationships in the board reveals the process of decision making. It is the decision making process of boards that results in a better firm and board effectiveness.

It can be argued that the decision making process reveals the power and influence that NEDs may have in the boardroom and company. This may result in questions, such as, do NEDs actually perform a monitoring role in the company or are they appendages of EXECs? (Mace 1971; Lorsch & MacIver, 1989). Hence, Roberts et al. (2005) focused on combining the roles of NEDs within the framework of accountability. This indicates that the authors were in disagreement with the act of sacrificing one role for another. It was therefore necessary to move beyond a single theoretical paradigm to a multi theoretical one.

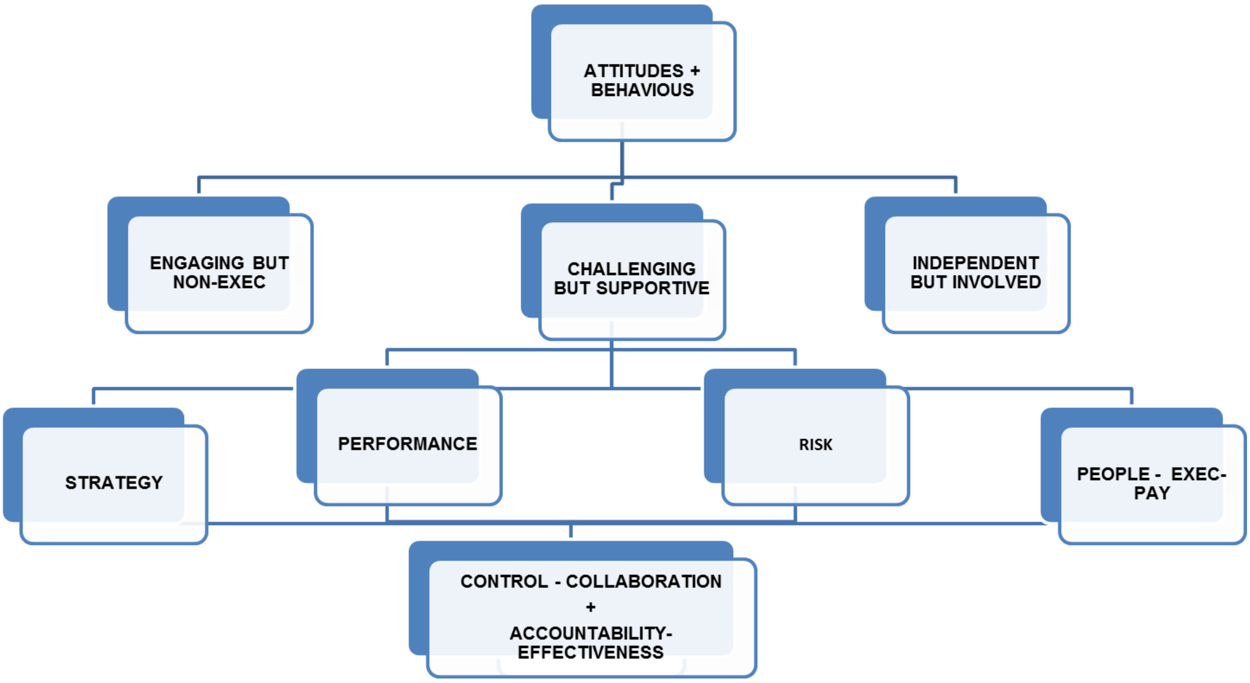

Figure 1

Source Higgs report (2003) and Roberts et al. (2005)

3.3 Corporate governance literature on Sub Saharan Africa

This thesis presents the extant literature on corporate governance in four streams of research in Sub-Saharan Africa. The streams include the following: board characteristics, corporate governance regulation, corporate disclosure and global corporate governance convergence. The board characteristics research consists of the following four streams board composition, board diversity, board independence and board effectiveness. The first stream, board characteristics, has mixed findings on the relationship with firm performance. Some studies have found a negative and significant relationship between board composition and firm performance (Garba & Abubakar 2014). Others have found an adverse relationship between CEO duality and firm performance. (Ehikioya, 2009) found that, in firms which practice CEO duality, firm performance was adversely affected. Others have found, a significant and negative relationship between board size and firm performance (Waweru, 2014).

Studies on board committees have found that, Nigerian NEDs being members of such committees may limit earnings management (Uadiale, 2012). Others have found that, South African firms with an independent monitoring committee have a significant positive effect on market valuation (Ntim, 2013). Studies on the link between board diversity, firm performance and market valuation includes negative (Ntim, 2009) findings to positive (Akpan & Amran 2014; Garba & Abubakar 2014; Ntim 2015). Some studies (Ntim, 2015) have found that, boards value ethnic diversity over gender diversity. Furthermore, some studies have found that board diversity or heterogeneity are necessary recipes for successful governance at the board and institutional level (Ogbechie & Koufopoulos 2010; Adegbite 2015). Studies on board independence and effects on firm performance and valuation in South Africa vary from positive results (Muniandy & Hillier 2015; Ntim 2011; Ntim 2012) to a zero statistically significant effect on firm valuation and ordinary non-executives (Ntim, 2011). Studies on board effectiveness have also found that, a key determinant for board effectiveness in Nigerian banks is director competence (Ogbechie & Koufopoulos 2010).

The second stream of corporate governance regulation reveals the influence of colonialism, multiplicity of governance codes and exhaustive reforms in these emerging economies. Ehikioya (2009) and Waweru (2014) found that, firms with a higher quality of corporate governance have improved or higher firm performance. The following Nigerian studies Yasaki (2001), Ahunwan (2002) and Okike (2007) found that, despite a plethora and multiplicity of laws and reforms, Nigeria is still a developing nation. These studies have argued that, robust legal and governance systems are necessary recipes for effective corporate governance (Oyejide & Soyibo 2001) in Nigeria.

There are few empirical studies which have explored the impact of the country's legal and governance regime on the development of corporate governance in Nigeria. Ogbechie & Koufopoulus (2007) found that Nigerian listed companies have adopted the principles of good corporate governance at different paces. Adegbite's (2012) findings indicate that, despite the existence of multiple laws and governance regulations, poor enforcement within institutions and a corruption culture will undermine the quality of corporate governance.

The third stream of corporate disclosure research encompasses research on private and public meetings with investors, shareholders, shareholder associations and company management. The research in this area reveals an emergence of shareholder activism (Okike 2007; Amao & Amaeshi 2008) and private meetings in Sub-Saharan Africa, (Uche & Atkins 2015; Uche et al. 2016). Research on private meetings in Sub-Saharan Africa (Uche & Atkins 2015; Uche et al. 2016) indicate that there is a 'ritual nature of private and public meetings' (Roberts et al. 2006). The research on private meetings in Sub-Saharan Africa reveals that directors use scripted performances and participate in dress rehearsal at these meetings. However, these meetings may still be used as an accountability device in rare cases an 'element of surprise' (Catasus & Johed 2007) and a' break of the frame' (Goffman, 1974).

The fourth stream, global corporate governance convergence, indicates that transplantation of governance codes from developed economies may not improve the quality of corporate governance in the developing world. Many authors assert that, quality accounting and audit reporting combined with the practice of good corporate governance will promote transparency and accountability and reduce corruption (Okeahalam & Akinboade 2003; Okike 2007). The cultural, political and institutional environment in Sub-Saharan Africa hampers the development of good corporate governance in Sub-Saharan Africa (Adegbite & Nakajima 2011a; Adegbite & Nakajima 2011b).

3.4 Models on Non-executive directors

3.4.1 NED Anglo-US Model

This model consists of dispersed share ownership and shareholders exercise control through the NEDs in the board (Berle & Means 1932; Gugler, Mueller, & Yurtoglu, 2008). The actors within this model are EXECs, NEDs and shareholders. The model operates a unitary (one tier) board system whereby the EXECs and NEDs belong to the same board. Nigeria operates the Anglo-US model system and board meetings take place at least four times a year. The Nigerian EXECs in this model are employees of the company and are responsible for the day to day running of the company. The Nigerian NEDs are not employees, but are part-time and outside directors charged with the responsibility of monitoring EXEC performance to protect the interests of shareholders. The NEDs perform monitoring, service and strategic roles through board meetings and committee deliberations. It is through the board committee meetings that NEDs can adequately perform their roles, because attendance at board meetings is the adequate platform for setting the tone and direction of the company.

There are two key distinct features of this model, namely director liability, and relationship. First, the success of the Anglo-US model depends on the relational dynamics (Pettigrew 1992, p.178) in the boardroom, because directors have different roles, but there is only one board. The NEDs cannot perform their roles without the support of EXECs and vice versa. The EXECs are equipped with the relevant company information and may manipulate information to avoid NED scrutiny. This indicates that a unitary board fuelled by distrust and suspicion may lead to information asymmetry and poor board task performance. The NEDs have a crucial role to play by managing their relationships with EXEC in a way that enhances board effectiveness.

Second, all directors are equally liable for actions of the board. For instance, the CAMA (2004) and the Company's Act (2006) do not differentiate between a NED and an EXEC. The CAMA refers to the term MD but no reference is made to NEDs. The status of being NED is thus synonymous with collective board actions and potential liability.

3.4.2 NED European Model

This model is also referred to as the German model. The model operates a two tier board system consisting of a management and supervisory board. The model separates decision management from control (Fama & Jensen 1983). The management board is responsible for decision management and consists of EXECs who manage the company. The supervisory board is responsible for decision control and performs thus by appointing and supervising the management board. The supervisory board consists of NEDs who are representatives of shareholders, the government and employees. The function of the supervisory board is to oversee the decision making process of the company, thereby ensuring a power balance in the company. For instance, the CEO is not a member of the supervisory board, hence, there is some degree of NED independence.

3.4.3 NED Anglo-US versus NED European Model

A key question in debates concerning the one tier or two tier boards is which model enhances board effectiveness. The crucial issue within both systems is to minimise managerial dominance and align management's interests with shareholders and stakeholders. The one tier model specifically protects shareholder interests, whilst the two tier considers a broad range of stakeholder interests. This does not mean that the one tier doesn't consider stakeholder interests, but it is best suited to shareholder primacy.

A shareholder primacy oriented approach has a unique set of challenges. For instance, there is the possibility of shareholder interference in the running of the company. This is because NED's key responsibility is to protect the interests of shareholders; large shareholders may assume a larger role in the company. The large shareholders in a one tier model may have considerable influence in the decision making process of the company. Also NEDs play a key role in protecting the interests of shareholders; they may ignore the wider interests of the company and focus solely on that of shareholders. As a result, the company's interests may be compromised, as shareholders may prefer short term benefits which are not in the interest of the company.

3.5 Research on boards of directors

The research on boards of directors has focused largely on board characteristics. The performance of the board is said to be influenced by these characteristics. These board characteristics include board size, board composition, board diversity and CEO duality.

3.5.1 Board size

This characteristic refers to the number of directors on the board. The research in this area examines the association between board size and firm performance; the results are ambiguous and conflicting (Yermack 1996; Haniffa & Hudaib, 2006). Zahra & Stanton (1988) found that, board size was not significantly associated with financial performance. Also, Singh & Davidson (2003) found that larger boards are inversely related to firms' performance. Some authors have argued that large board sizes has some advantages over small board size.

First, it provides a wider range of expertise due to the number of directors. This may enhance the quality of advice that, boards give to management. Second, the capacity for monitoring and oversight is increased, as there are more directors on board to scrutinise the performance of management. As a result, CEO dominance is reduced (Forbes & Milliken, 1999). Hence, the quality of decision making may be improved.

However, there are disadvantages of a large board size, which favours the adoption of a small one. It may be difficult to coordinate a large board due to lack of cohesion (Forbes & Milliken, 1999). A large board size may promote managerial dominance and manipulation. This is because the board size creates the possibility for factions in the board room. The management may use the 'divided board' to their advantage, by promoting their self-interests. As a result, the monitoring and control function of the board may be impaired (Yermack, 1996 ; Vafeas, 1999).

3.5.2 Board composition

The governance term 'board composition' refers to the distinction between inside (EXECs) and outside directors (NEDs). The nomenclature attached to directorship depends on the functions of those directors. For instance, whether or not the director is an employee director or an outside director. The board's composition is also measured as the percentage of outside directors on the board. The key theme within the board composition literature is independence. It is the outside director that brings independence into the boardroom. It is also argued that outside directors provide superior performance benefits to the firm as a result of their independence from firm's management (Baysinger & Butler, 1985).

However, there is no robust evidence that board independence improves firm performance. Zahra & Stanton (1988) and Vafeas (2000) each found that board composition is not significantly associated with firm performance. Randoy & Jenssen, (2004) also found that board independence (board compositions) is not associated with firm performance based on accounting measures.

However, Duchin, Matsusaka, & Ozbas (2010) found that increases in director independence improve performance in those firms in which the costs of obtaining information are low, while performance worsens in firms in which information costs are high. The literature encompasses the idea that CEO's can influence the composition of the board. This is because they are involved in the selection process of NEDs and can prevent the appointment of independent directors. Baker & Gompers (2003), Boone, Field, Karpoff, & Raheja (2007) and Ryan & Wiggins (2004) found that successful CEOs are able to bargain for less independent boards. Therefore, boards composed of less independent directors tend to have a less objective process in decision making.

3.5.3 Board Diversity

The literature considers the concept of board diversity from the angles of gender, age, race and ethnicity, or non-observable such as knowledge, education, values, perception, affection and personality. The diversity in the boardroom leads to a broader base of knowledge, creativity and experience as a result of different directors from different backgrounds. This suggests that board diversity aids board effectiveness. Many studies discuss the concept of diversity in terms of top management teams (Hambrick, Cho, & Chen, 1996; Simons & Pelled, 1999).

Simons & Pelled (1999) found that both educational level and cognitive diversity were associated with positive effects on organizational performance. However, they argued that experience diversity had a negative impact on return on investment and overall organizational performance due to informal communication among top teams. Interestingly, Hambrick et al. (1996) found that, homogeneous top-management teams outperformed heterogeneous ones. They also reported that, heterogeneous teams were slower in their actions and responses and less likely than homogeneous teams to respond to competitor's initiatives. The authors explained that, in a heterogeneous group, individuals were more likely to disagree, thereby, weakening the team consensus. This finding suggests that, diverse boards may be less effective than homogenous ones. Milliken & Martins (1996) argue that, diversity increases a firm's resources but also enables board room conflicts.

3.5.4 CEO Duality

The concept of CEO duality exists when a firm's CEO also serves as the chairman of the board. It is commonplace knowledge that, prior to the advent of the Cadbury report (1992), CEO duality was commonplace within companies. Corporate scandals led to a call for a separation of both roles (Wilson, 1968; Lorsch & Zelleke, 2005). A separation of both roles leads to separate decision control and management functions in the firm (Fama & Jensen 1983). Kajola, (2008) also argued that concentration of decision management and decision control in one individual hinders board effectiveness in monitoring top management.

The theoretical debates within the CEO duality research, revolve around agency and stewardship theories. The proponents of agency theory emphasise that, CEO duality results in conflicts of interests. The agency theory tradition, advocates for some independence in the boardroom. The stewardship theory supports CEO duality and considers that EXECs are motivated by altruism and self-achievement.

The stewardship theory assumes that a combination of both roles is beneficial to the company. This is because it allows for a greater expertise and power in the board room. It has been argued that, without an independent chair, a board will not be able to perform its monitoring role effectively (Finkelstein & D'Aveni, 1994). Balsam & Upadhyay (2009) found that firms separating the positions of the CEO and board chairman perform better and are more highly valued by the market. However, it has been shown that the effects of CEO duality may be moderated by other firm characteristics. For instance, Palmon & Wald (2002) found that small firms benefit from the clarity and decisiveness of a single EXEC, while large firms benefit more from the checks and balances of having two directors.

3.6 Roles of NEDs

3.6.1 NED control role

A key issue in corporate governance is aligning the interest of the managers and shareholders of a company. The survival of a company depends on two factors: the expertise and skill that directors bring to bear, and the finances that shareholders provide. It is in the interest of good corporate governance that the relationship is properly managed. The fusion of the roles of chairman and CEO creates the possibility for a management self-driven agenda. This is because unfettered powers in the hands of a person may hinder objectivity in board operations. The board in such situations becomes helpless and powerless (Mace 1971).

The Cadbury report (1992) emphasised the importance of separating the roles of the chairman and CEO. This would make the company a balanced board and therefore no one person would be able to dominate the board. The board is thus seen as a solution provider in terms of protecting the interests of the shareholders from managers that have self-interest (Berle & Means 1932). The control role exercised by NEDs is also called the monitoring, or oversight role. The definition of the control role encompasses the idea that management behaviour needs to be overseen in order to protect the interests of investors, thereby preventing mismanagement and fraudulent use of these resources for personal interests (Fama & Jensen 1983).

It can be argued that the control role evolved from law and corporate governance reports such as the Cadbury report. The legal perspective of the control role is evident in Commonwealth countries and Anglo-American countries, like Nigeria. The legal provisions relating to the operations of companies in such countries emphasises the fiduciary duties of directors'. The fiduciary duty entails overseeing management performance in order to protect shareholder interests (Lorsch & MacIver, 1989). This duty also involves being loyal to shareholders by standing in trust for them as agents of the company. Herman (1981) links the legal duties of the board with the control role. This is because the law recognises the board as responsible for setting the direction of the company, it is strategic in ensuring that some form of control is exercised.

The emphasis of the control role of NEDs is evident within the agency theoretical tradition. The NEDs as advocated by the agency perspective are responsible for aligning the interests of shareholders and management through their independence. The theory argues that NEDs through independence may oversee management and prevent the entrenchment of management. However, the crucial issue is how NEDs exercise the control role, especially in unitary board systems like Nigeria. Walsh & Seward (1990) provide that the board of directors are an internal control mechanism who align the conflicting interest of managers and shareholders. The key control tasks performed by the board are hiring, firing and remuneration of CEO and top management compensating the CEO (top management) and to ratify and monitor important decisions (Fama & Jensen, 1983).

The control role of the board is considered to be a complex issue for two reasons (Stiles & Taylor 2001). First, from the angle of the managerial tradition, the board would be unsuccessful in controlling the actions of the executives. The managerial tradition views the board as passive and having little power in contributing to the overall direction of the company. According to Pettigrew (1992), there is a limited flow of information between executives and non-executives. The NEDs require the necessary information to scrutinise management performance and contribute to the strategic development of the company. Hence, the NEDs may become passive and allow for managerial dominance.

Second, the author suggests that the control role of NEDs conflicts with the strategic role of the board. The Cadbury (1992) and Hampel (1998) reports identified a tension between the above two roles. However, the research which led to a revision of the Higgs Report (2003) found differently. The research found that, there might be tension between the two roles, but they do not conflict (Roberts et al. 2005).

3.6.1.1 The link between the control role of NEDs and the board

Some researchers have shown a link between board characteristics and its control role. For instance, it has been argued that that the board�much control role is more efficiently performed by larger and independent boards (Raheja, 2005). Also the Pearce & Zahra (1992) study revealed that, large powerful boards strengthen the link between corporations and their environments. They provide counsel and advice regarding strategic options for the firm. The link between such characteristics is relevant in finance industries, which require larger boards made up of politicians or former civil servants to attract businesses for the company (Bhagat & Black, 2001; Gillan, Hartzell, & Starks, 2003).

However, other studies reveal that small boards are more effective than large boards. Some have explained that, large boards make coordination, communication and decision making more cumbersome (Yermack 1996; Eisenberg, Sundgren & Wells 1998; Beiner, Drobetz, Schmid, & Zimmermann, 2004). The literature’s emphasis on board characteristics suggests that individual NEDs cannot monitor EXECs alone. The NEDs must work as a team to perform the control role successfully. The NEDs require cooperation and collaboration of their EXEC and NED colleagues. The NED colleagues will collectively perform the role and provide independent thought. The EXECs will provide the company information and reports, through which NEDs can scrutinise their performance and provide necessary counsel.

The literature suggests that too much emphasis on the control role of NEDs may be detrimental to the company. For instance, Adams (2012) found that intense monitoring can result in poor strategic advising, since directors will be over burdened with excessive compliance and monitoring responsibilities. This could leave such directors with little time, less information, and poorer focus on strategic advising. Adams (2012) also provides evidence which suggests that the rigorous monitoring by directors may affect the strategic role of NEDs, and showed that due to the extensive monitoring of management they may provide less strategic information.

As a result, there may be significant reductions in the board's advisory role. This suggests that an undue emphasis on the monitoring role affects relationships in the board room and ultimately NED effectiveness. This is because management may not utilise NED's expertise due to the fear of dismissal. This leads to information asymmetry between directors, thereby affecting NEDs input in the strategic direction of the company. The board's control role may prevent management from having access to board's useful knowledge and experience

3.6.2 NED service role

This role is also called institutional role and advisory role (Johnson et al. 1996; Stiles, 2001). The board of directors is said to function at the "institutional" level of the firm (Provan 1980; Perrow, 1986). Mintzberg (1983) referred to the board as the mediator between internal and external coalitions. The resource dependency perspective views the board's role as important for co-opting the necessary resources needed for company survival (Pfeffer 1972, 1973; Pfeffer & Salancik, 1978). The idea of reducing environmental uncertainty has been viewed by resource dependence theorists as a crucial element of board roles. For instance, sources of uncertainty may include turbulence, poor forecasting and lack of information. The board acts as a co-opt mechanism by fostering relationships with stakeholders in order to increase awareness of the environment, thus preventing uncertainty (Pearce & Zahra 1992).

The theory emphasises a diverse board in order to maintain links with the external environment (Pfeffer 1972, 1973; Pfeffer & Salancick 1978; Provan 1980). The theory also views the board relationships with shareholders, stakeholders and links with the environment as crucial for effective performance of the service role (Stiles & Taylor 2001). Mintzberg (1983) distinguishes four aspects of the service role, namely: (1) co-opting external influencers; (2) establishing contacts (and raising funds) for the organization; (3) enhancing the organization's reputation; and (4) giving advice and counsel to the organization. The theory has links with interlocking and signalling theories as discussed below.

The interlocking theory relates to the NED service role. A firm's interlocks are created by both EXECs and NEDs. However, it may be argued that most interlocks are created by a firm's non-executive or outside director, because a NED is usually associated with another firm and this creates an interlocks between the two firms. Board interlocks are created as a result of the NED's boundary spanning role. It is submitted that as 'firms strengthen their boards by inviting acknowledged leaders in different sectors of the firm's environment to serve on the board' (Pearce & Zahra 1992 p.412). As a result, the reputation of the receiving organisation is enhanced and signals messages to stakeholders (Spence 1973) that the firm is able to attract high calibre directors to its board.

The signalling theory (Spence 1973) relates to the NED service role of ensuring that, the company sends good signals to the public. For instance, when an organisation succeeds or fails, people usually turn to the top management to see the responsible parties (Bower & Weinberg, 1988). Therefore, a board with poor links with the environment may create an uncertain future for the company, thereby affecting firm performance. The directors have thus failed to co-opt the necessary resources for the firm's survival. Hence, the public favours directors who can perform a boundary spanning role as this signals certainty and survival.

The NED is specifically enabled to perform the service role for three reasons. First, it can be argued that EXECs are responsible for the daily operations of the company hence they are restricted in terms of co-opting resources for the company. The NED is not an employee of the company, therefore, he or she may link the company with the external environment outside office hours. The NEDs are quite useful in maintaining good relationships with external parties in the interest of the firm (Stiles & Taylor 2001). The EXECs may be restricted to other company affairs hence they may be limited in terms of establishing contacts for the company. However, it may be argued that the 'marketing EXEC' is charged with increasing the revenue of the company.

Nevertheless, the company will benefit from the added advantage of NED connections politically and financially. For instance, Provan (1980) argued that NEDs may nominate a member of a financial institution for board appointment to improve the firm's access to funding. Second, the NED experience, particularly executive ones in successful companies, may enhance the reputation of the company. Therefore, the company's image may be enhanced by having experienced and well sought after NEDs on its board. Third, the NEDs' expertise and experience allows for diversity in the boardroom. A company with diverse skills and experience may have productive boardroom deliberations geared towards enhanced company performance. The NEDs' expertise and experience from other companies aid the performance of the board service role. The stewardship theory assumes that, managers may be good stewards of company assets. The theory also suggests that, managers are not always motivated by potential pecuniary interests (Donaldson & Davis, 1991).

The agency theoretical perspective, for instance, argues that managers may pursue self-interests for financial reasons, by lobbying for increase in remuneration to the detriment of the company. Hence, the interests of management and shareholders are misaligned. The NED is thus responsible for aligning these divergent interests. The NEDs' independence in such situations is crucial, since they are not employees, hence they may promote the interests of shareholders. The stewardship theory contradicts the agency perspective through its assumption that managers are also motivated by non-financial motives. These motives include the satisfaction of successful role performance and the need for self-fulfilment in terms of achieving company goals.

The stewardship theory is applicable to the service role to the extent that managers are good stewards and support the NEDs in their performance of the service role. The performance of the service role may be influenced by three factors: board size, relationship with shareholders and the role of the chairman. First, the performance of the service role may be enhanced in larger boards. The specific traits of the NED such, as independence, expertise and experience, may provide a large pool of information, knowledge and expertise for boardroom deliberations (Fama & Jensen, 1983). The diverse breadth of knowledge, expertise and experience in the board enhances management performance.

Empirical research on non-financial firms reveal that advisory needs of the firm are positively related to its size and complexity size (Baker & Gompers, 2003; Iwasaki, 2008; Fahlenbrach, 2009). Second, the role involves maintaining a good relationship with shareholders. The study Stiles & Taylor (2001) suggest that, this factor is a prerequisite for good firm performance. The essence of the relationship between NEDs and shareholders cannot be overemphasised, since it is necessary for proper alignment of management and shareholders' interests. Therefore, a poor relationship may result in misalignment of different interests and ultimately poor firm performance. Third, the role of the chairman is crucial for proper performance of this role. The chairman has a pivotal role in balancing all the differing interests within the boardroom. This chairman may prevent a director from controlling discussions, thereby allowing for effective discussions in the boardroom.

3.6.3 NED strategic role

The NED and EXECs are charged with the responsibly of setting the overall direction of the company (Andrews 1981). This suggests that, it is the whole board that performs the strategic role. The strategic role of the board includes the company’s business, developing a vision and mission, assessing threats and opportunities, strengths and weaknesses, and selecting and implementing a choice of strategies (Tricker 1984; Pearce & Zahra, 1991). The strategic role of the board has also been identified as crucial for strengthening a company’s competitive position and in ensuring the alignment of the company purpose with shareholders interest (Mintzberg, 1983). Andrews (1981) states that, in the long run a strategic oriented board will affect the firm’s performance.

The strategic role of the board appears to be similar to the service role of the NED and board for two reasons. First, similar theories have been used to explain both roles. The theories of stewardship and resource dependency have been used to explain the board service role in terms of NED’s advice and assistance to EXECs. The advice and counsel to EXECs may include careful refinements of strategic plans, by initiating own analyses or suggesting alternatives, by probing managerial assumptions about the firm and its environment, or by ensuring that an agreement exists among the executives in the strategic direction on the firm (Zahra & Pearce, 1989; Zahra 1990).

Second, the strategic role has been defined as being crucial for setting the overall direction of the company (Hill 1995; Higgs report 2003). Therefore, in order to direct a company successfully the board assists in obtaining resources for the growth of the company (Pfeffer 1972, 1973) and takes decisions which position the company strategically and ensures alignment with changes within the environment. (Mintzberg 1978 ; Pearce & Zahra 1991; Goodstein, Gautam, & Boeker, 1994). The strategic role is distinctly described in the literature as following two schools of thoughts; passive and active (Golden & Zajac, 2001). These two schools of thought have led to debates and empirical research on the board’s involvement in the strategic process and development in the company.

The passive school views the board of directors as a rubber stamp or a tool of management with little or no impact on a company's strategy process. In contrast, the active school views the board of directors as an independent body that actually contributes in shaping the strategic course of a company and guiding the management to achieve corporate mission and objectives (Maassen, 1999). The passive school is enshrined within the managerial hegemony theoretical tradition. The research of Mace (1971) and Lorsch & MacIver (1989) found that boards expressed a desire to be involved in the strategic process but rarely got involved except during turbulent periods. The managerial hegemony theory describes the board as a 'dejure, but not the defacto' governing body of the organisation. According to this theory, the real responsibility of running and controlling the company is assumed by corporate management. Also this theory portrays the fact that the board of directors is, in effect, a legal fiction and is dominated by management, making it ineffective in reducing the potential for agency problems between management and shareholders (Mace, 1971; Vance, 1983; Kosnik 1987).

The managerial hegemony theory debate stems from the work of Berle & Means (1932), whose thesis of the separation of ownership and control argued that as companies grew and increased their share capital, the proportion of shares held by the largest institutions would decrease. As a result, the power of shareholders to control corporations was diluted. This ensuing weakness of shareholder control meant that the discretion afforded to management over the control of the company would increase and since managers are likely to be self-serving, they may pursue objectives of their own choosing (Parkinson & Dobbins, 1993).

The managerial hegemony theory on the role of the board focuses on the idea of control. The management are expected to exercise day to day operating control, which gives them an intimate knowledge of the business, putting the board at a disadvantage. Also, managers in profitable companies are able to finance investments from retained earnings, thus allowing them to weaken the dependence on shareholders for capital (Mizruchi, 1983).This allows them to pursue other aims apart from profit maximisation. Another cause of managerial dominance stems from the procedure for selecting directors. According to Pfeffer (1972), the selection procedure by which board members are chosen guarantees that in most cases board members are hand-picked by management. Therefore, in reality, it is management who are in control of the board. This is the basic premise of the managerial hegemony thesis (Mace 1971).

The role of the board, therefore, in the managerial hegemony approach, is limited by the domination of management, and as a result, the board is passive and has no input into organizational decision making, nor does it exercise control over the performance of the CEO or the company as a whole, which in the eyes of shareholders, makes the board ineffective. The strategic role of the board is often used as the defining characteristic of board endeavour, it is the role that separates the work of the board from that of management (Tricker 1984).

The managerial theoretical analysis of the strategic role is similar to the agency theory focus on the board's control role. The two theoretical domains focus on the control and power that the boards wield. The theories emphasise that without some form of control and power, the board is unable to perform her successfully. For instance, Zahra & Pearce (1989) state that agency theory places a premium on a board's strategic contribution - specifically the board's involvement in (and contribution to) the articulation of the firms mission, the development of the firm's strategy and the setting of guidelines for implementation and effective control of the chosen strategy. This suggests that the board's involvement in the strategic development of the company is a form of control. This is because the whole process involves a form of scrutiny on management strategic proposals, and ultimately performance. Therefore, a powerless board relinquishes control of the strategic process of the company to management.

The active school presumes that the board participates in the strategic development process of the company. There are different levels of board involvement in the strategic process of the company; there is a formulation and an evaluation phase in strategic development (Judge & Zeithaml, 1992). The formulation stage involves boards working with management to set the strategic direction of the company and ratifying proposals. In contrast, the evaluation phase involves scrutinising managements' evaluations of resource allocations (Judge & Zeithaml 1992). The active school views the level of board involvement as shared leadership (Herman 1981); partnership (Zahra 1990) and maximalist (Pettigrew & McNulty 1995).

The board's strategic role comprises of both oversight of strategy formulation (e.g. reviewing, ratifying and evaluating the proposed strategy) and the execution of the strategy (Westphal & Zajac, 1995; Finkelstein & Hambrick, 1996; Useem, 1996; McNulty & Pettigrew, 1999; Stiles & Taylor, 2001; Felton & Watson, 2002). According to Goodstein et al. (1994), the strategic role is of particular importance in critical cases such as periods of environmental turbulence or declines in company's performance, because such events provide the opportunity for a board to initiate strategic change. The active school of thought is receiving growing attention and is gaining ground in strategic research (Finkelstein & Hambrick, 1996; Hendry & Kiel, 2004).

There are a number of studies which have provided evidence for the NED and board strategic role. Demb & Neubauer's (1992) study of 71 directors found that, the overall aim of the board’s existence was to strategically determine the direction for the company. Tricker’s (1984) research found that, boards are also involved in the strategy process of the company. However, these two studies failed to mention the level of board involvement in the strategic process. Judge & Zeithaml (1992) conducted interviews with 114 directors from 4 industries in the US. They found that, board size, levels of diversification and insider representation were negatively related to board involvement and organisational age was positively related to it. These findings came into existence after controlling for industry and size effects.

The Hill (1995) study in the UK confirmed that strategic direction is what directors see as their main purpose, with NEDs seeing a wide role for themselves, including breath of vision, scanning the environment and acting as a sounding board for the chief executive. The key finding of Pettigrew & McNulty’s (1995) study of UK NEDs was that NED’s strategic contribution depends on the board culture. They identified two types of board cultures namely minimalist, and maximalist. The authors also found that, NEDs influence in the board room depends on their will, skill and contextual factors such as crisis conditions and changing board dynamics.

Similarly, (Ferlie, Ashburner, & Fitzgerald, 1993) UK research on NHS boards found three levels of board involvement namely: rubber stamping, probing and questioning of strategic options and active involvement in deciding between options including shaping the vision. The author Pye (2002) also found that NEDs are involved in strategizing, governing and leading the company. The findings of a number of studies (Demb & Neubauer, 1992; Judge & Zeithlam 1992; Ferlie et al. 1993; Hill 1995; Pettigrew & McNulty 1995; Pye 2002) on the board’s strategic role suggest that the boards collaborate towards ensuring a successful company.

3.7 Research on NED effectiveness

There are a number of theories which explain NED effectiveness, which include managerial hegemony, agency, stewardship and resource dependency.

3.7.1 Managerial hegemony theory and NED effectiveness

The theory of managerial hegemony describes the board's role passive role in governing the company. The authors within this theoretical domain assert that, management controls the governance process, thereby preventing the board from protecting the interests of shareholders. As a result, lack of power and control by the board leads to conflicts of interests between management and shareholders (Mace, 1971; Herman, 1981; Vance, 1983). The board thus becomes a rubber stamp for management decisions (Herman, 1981; Vance, 1983). The board is therefore a passive spectator in the governance process of the company and decisions (Herman, 1981). The literature has identified three reasons for the passive nature of boards. First, the theory argues that though company law gives the board and shareholder power, they have little or none, as ownership is dispersed among many shareholders (Berle & Means, 1932). Second, management may control the selection of outside board members (Mace, 1971). Third, the board members may lack knowledge about the company's affairs and therefore depend on information provided by management.

The role of the NED cannot be overemphasised. The NED brings some independence into the boardroom and as such prevents managerial dominance on company affairs. The NED experience and expertise from various sectors enables them to scrutinise and oversee management actions. Furthermore, they may depend on management for basic company information due to their experience, or they may seek for outside professional help to perform their roles. The board cannot be effective without independent, qualified and experienced directors. These three traits provide the opportunity for NEDs to have power in the boardroom. For instance, NEDs' experience and expertise gives them prestige and promotes their image in the boardroom.

3.7.2 Agency theory and NED effectiveness

The separation between ownership and control of wealth (Berle & Means, 1932), led to dispersed ownership and resulting agency problems of conflicts of interests between management and shareholders (Jensen & Meckling 1976). The theory argues that due to growth of the firm and dispersed ownership interests of agents and principal (shareholders), management gains control of the company. Therefore, the shareholders have limited power to control company affairs. Furthermore, management possesses specialised knowledge and may govern the company to suit their interests and create the opportunity for managerial mischief (Dalton et al. 2007). The theory advocates that, to solve the agency problem of divergent interests and reduce agency costs, there are internal and external control mechanisms that may be used to align the interests of agents and principals (Jensen & Meckling, 1976). Examples of internal control mechanisms include the board of directors and executive remuneration. The external control mechanisms include acquisitions and divestitures. However, internal control mechanisms are generally preferred to the external measures because of the costs associated with the external measures (Walsh & Seward, 1990).

Fama & Jensen (1983) suggested that for the board to be effective, decision management (initiation and implementation of decisions) should be separated from decision control (ratification and monitoring decisions). The definition of these two roles by Fama & Jensen (1983) suggests that decision management is the role of the manager (agents) while decision control is the board's role. The theory emphasises the monitoring and control of management through independent NEDs, balanced board and the use of incentives (Dalton et al. 2007). The presence of independent NEDs in the boardroom promotes objectivity in the boardroom and a balance of power between EXECs and NEDs. The use of incentives aligns the interests of management and shareholders. The effectiveness of the board in terms of their oversight role is crucial for organisational success.

3.7.3 Resource Dependency and NED Effectiveness

The theory advocates that organisations exert control over their environment by co-opting resources for survival (Pfeffer & Salancik, 1978; Casciaro & Piskorski, 2005). Therefore, companies require directors with high social capital to aid the co-opting process, thereby bringing great benefits to the firm (Haunschild, 1993) and positioning the firm in a competitive position. The directors with high social capital add value to the board (D'Aveni, 1990; Hillman, 2005; Stevenson & Radin, 2009). The directors with high social capital are usually favoured for board appointments. For instance, Pfeffer & Salancik (1978), state that organisations expect individuals to support the organization with their business contacts and expertise. Also, directors with high social capital may bring information about the external environment, other firm's strategies, and prospective managerial talent to the firm (Davis, 1991; Haunschild, 1993; Certo, 2003).

The NED contacts and expertise enables the company to establish and maintain links with the external environment, which aids the company in terms of acquiring critical resources. The skills and expertise of the NED thus aids organisational success. This is because the NED's social capital and EXEC specialised knowledge aids board effectiveness. This form of partnership and shared leadership aids organisational survival and success. The theory defines NED and board effectiveness as a function of experience, expertise and social capital.

3.7.4 Stewardship theory and NED effectiveness

The theory advocates that, managers are trusted stewards who seek to attain the objectives of the organization, which will in turn benefit other stakeholders in the business (Davis et al. 1997; Gabrielsson, 2003). The stewardship theory favours CEO duality (Donaldson & Davis, 1991; Finkelstein & D'Aveni, 1994; Shen, 2003; Adams et al. 2005; Peng et al. 2007). Furthermore, the theory assumes that when EXECs have more power, they will accomplish their roles, improve the quality of board decision making, board monitoring and shareholder wealth (Fama & Jensen, 1983; Davis et al. 1997; Raheja, 2005; Harris & Raviv 2008; Acharya et al.2011). McClelland & Burnham, (1976) define power as that which gives persons a sense of achievement and motivates them towards fulfilling the firm's goals. The stewardship theory presents the use of power by EXECs in a positive way. For instance, agency theory emphasises coercive power by agents, while stewardship relates to personal power, as a form of positive influence in the firm (Davis et al. 1997).

Some researchers have found that management have satisfaction and are motivated by power and influence (McClelland, 1970, 1975; McClelland & Burnham, 1976). The theory presents a principal-stewardship relationship (Davis et al. 1997), rather than a principal-agency relationship (Jensen & Meckling 1976; Eisenhardt 1989). Specifically, NEDs use their power and influence to achieve organisational goals (Pettigrew 1992). Additionally, when EXECs are seen as stewards, trust may exist in the boardroom (Forbes & Milliken 1999; Sundaramurthy & Lewis 2003). As a result, the presence of information asymmetry (Nowak & McCabe 2003) is minimised in the boardroom. The directors may therefore collaborate (Davis et al.1997; Sundaramurthy & Lewis 2003) and work towards achieving organisational goals. Therefore, principal-stewardship relationship, personal power and influence promotes NED effectiveness (Pettigrew 1992; Davis et al. 1997).

3.7.5 Power and influence of NEDs

The governance concept power has evolved in corporate governance research. This area of governance research will be discussed in the following three streams - namely agency, resource and stewardship theoretical perspectives. The first stream agency theory relates board power to board independence and a coercive form of power (French & Raven 1959; Davis et al. 1997). The theory presents the idea that, independent NEDs create power balance in the boardroom. The NEDs are part-time and outside directors who are better placed to scrutinise the performance of EXECs.

The theory assumes that NEDs will be independent and therefore control EXEC actions. The theory advocates for the splitting of the roles of the CEO and chairman (Fama & Jensen 1983; White & Ingrassia, 1992; Peel & O'Donnel, 1995; Yermack 1996; Haniffa & Hudaib

2006). The agency theory argues against CEO duality as it's assumed to contribute to power imbalance. As a result, the board lacks independence (Fama & Jensen 1983; Dayton 1984; Brickley et al. 1997; Dalton & Kesner 1987; Shivdasani & Yermack, 1999; Goyal & Park 2002; Wan & Ong 2005) and is less effective due to a power imbalance.

Implicit in agency theoretical assumptions is information asymmetry (Akerlof 1970). Information asymmetry is defined as 'information impactedness' (Williamson 1985; Gaved 1997). The EXECs and the top management team are the main producers and holders of information (Williamson 1985). The effects of information asymmetry are namely: a reduction in the liquidity of a firm's shares (Akerlof 1970; Copeland & Galai 1983; Kyle 1985; Glosten & Milgrom 1985) and poor fulfilment of board and NED tasks. For instance, Gaved (1997) concludes that fund managers are doubtful as to the quantity and quality of information which NEDs possess. As a result, information asymmetry affects NED effectiveness. On the other hand, disclosure of good information reduces asymmetry, promotes NED effectiveness and lowers the return which investors demand thereby lowering the cost of capital to the firm (Diamond & Verrechia 1991).

The second stream stewardship theory presents EXECs (inside directors) as persons who may use their personal influence to fulfil board tasks. Hence the theory recommends CEO duality (Finkelstein & D'Aveni, 1994; Weir & Laing, 2001). On the contrary, there are studies which have found no significant relationship between CEO duality and organisational performance (Rechner & Dalton 1991; Vafeas & Theodorou 1998). The essence of the principal stewardship theory is trust; the NEDs must trust that EXECs are good stewards and have the required skills to successfully perform their roles.

Implicit in the stewardship theoretical traditions is the idea that, an overemphasis on the NED's control role may create distrust in the boardroom (Sundaramurthy & Lewis 2003). This is because a 'cordial not a distant' relationship is necessary for the proper functioning of the board (Roberts & Stiles 1999, p.36). The following studies found that a boards with low levels of conflict may successfully complete board tasks (Pettigrew & McNulty 1995; Roberts 2002; Heemskerk, Heemskerk & Wats 2016). Additionally, the Higgs report (2003) recommends that the role of NEDs is not only to monitor EXEC conduct, but to support the EXECs in the leadership of the business.

Similarly, Sundaramurthy & Lewis (2003) suggest that the combination of both roles in the boardroom creates the right board dynamics. As a result a 'complementary not competitive relationship' (Roberts & Stiles 1999), a 'simultaneous collaborative and control' role

(Sundaramurthy & Lewis 2003) and a 'maximising not minimising board culture' (Pettigrew & McNulty 1995) are crucial determinants of NED and board effectiveness.

Therefore, NEDs must use will, skill and tact to exert power and influence in the board room (Pettigrew & McNulty 1995). Furthermore, the NED is able to relate with EXECs, management staff and other NEDs to strengthen organisational awareness. This also helps the NED to gain influence in the boardroom. The NEDs must ensure that they relate with EXECs in a way that enables them to gain contacts and assert their influence in the company. The chairman has a role in building NED knowledge, enhancing NED's power and influence, encouraging strategy retreats and creating the conditions for NED effectiveness (Pettigrew & McNulty 1995; Roberts & Stiles 1999; Roberts 2002).

The third stream resource dependency theoretical perspective assumes that organisations attempt to prevent uncertainty by exerting control over the environment to co-opt the required resources to survive. The proponents of this perspective argue that an organisation's survival is dependent on the ability to access critical resources from the environment (Pfeffer & Salancik 1978; Casciaro & Piskorski 2005). This suggests that organisations will require competent directors with social capital to help in co-opting resources for the firm (D'Aveni 1990; Hillman 2005; Stevenson & Radin 2009).

The resource dependency theoretical perspective suggests that boards will have a cordial relationship, because they will require support from NEDs with a high social capital and links with the environment.

The NEDs, as a result of their experience and expertise, may exercise expertise and prestige power (French & Radin 1959; Pettigrew & McNulty 1995). The NEDs may use expert power to manage power tensions in the boardroom (Pettigrew 1972; Finkelstein 1992; Boyd 1994; Pettigrew & McNulty 1995; McNulty 1998). They may thus be able to leverage on their expertise and use strategies that will cause them to influence decision-making. Kakabadse (1982), Pettigrew & McNulty (1995), and McNulty (1998) identified a number of strategies that NEDs may use to exert their influence in the boardroom.

3.8 Research on corporate disclosure

This section deals with two streams of research in corporate disclosure, private reporting and impression management. An optimal disclosure strategy is one where firms supply maximum information, subject to legal, costs and proprietary constraints (Stigler 1961; Jensen & Meckling 1976; Grossman & Hart 1980; Grossman 1981; Verecchia 2001). The various corporate governance codes (SEC code 2011; CBN code 2014) stipulate that companies comply with the accountability, disclosure and transparency requirements.

3.8.1 Private reporting research

The literature on private corporate meetings comprises of the following three themes: conflict resolution, accountability and stakeholder interests. First, the conflict resolution theme encompasses the idea that, directors use private meetings to resolve conflicts, which may cause conflict and disharmony at the AGM (Uche & Atkins 2015; Uche et al.2016). The language used at private meetings differs from that used at the AGM (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016). This is because private meetings are usually not regulated and take place between different stakeholders and management (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016). It may be argued that private meetings create a more convenient platform for resolving conflicts.

On, the contrary, the AGM is a formal meeting which has in attendance shareholders, stakeholders and regulatory officials. Additionally, letters to shareholders (on the AGM agenda) would have been sent to shareholders prior to the AGM. As a result, there is little or no opportunity for resolving conflicts at the AGM. However, the AGM is an annual routine (Catasus & Johed 2007) meeting which is used to seek shareholders consent on corporate agenda's through discussions and votes on management and shareholder proposals (Apostolides 2007; Catasus & Johed 2007; Apostolides 2010; Uche & Atkins 2015; Uche et al. 2016). The purpose of the AGM is to ensure transparency and accountability (Yasaki 2001; Roberts et al. 2006; Catasus & Johed 2007; Uche & Atkins 2015; Uche et al. 2016).

Second, the accountability theme presents the idea that shareholders use private meetings to challenge and question management on company business (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016). This indicates that, despite the fact that private meetings are a ritual, it is used as a device to ensure that directors are held accountable for their actions. The AGM is a ritual meeting, but there are two schools of thought regarding the AGM being used as an accountability device. One school of thought believes that the AGM is used by shareholders and investors to hold directors accountable for their actions (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016).

On the other hand, the other school of thought believes that the AGM may be an 'empty ritual' because of scripted performances. However, this school of thought relates to the idea in cases of 'an element of surprise and an ideal speech moment' (Catasus & Johed 2007) directors can be made accountable for their actions (Catasus & Johed 2007; Uche & Atkins 2015; Uche et al.2016).

Third, the theme stakeholder interest encompasses the fact that private meetings are held between different stakeholders. The stakeholders include fund managers, shareholders, shareholder associations and directors (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016). Furthermore, private meetings are used to align the interests of different stakeholders.

3.8.2 Impression management research

The theoretical framework within the impression management is based on Goffman's writings on self-presentation in everyday life (Goffman 1959). Goffman (1959) presents a concept 'theatrical performance and a dramaturgical metaphor' between the actor and the audience in impression management. Goffman (1959), asserts that impression management is part of the social interaction and process. According to Goffman (1959), people create a front in impression management by controlling how the audience perceives the information. This controlling behaviour may include the use of misinformation. Implicit in Goffman's (1959, 1974) writings is that the audience is charged with the power and responsibility of assessing the impressions before them. Goffman (1959) presents a 'dramaturgical metaphor' consists of two ways of managing impressions namely creating a front and concealment.

Additionally, Goffman (1974) further explored the concept of impression management within a frame analysis. A frame is the context in which the audience interprets the impressions of the actor (Solomon, Solomon & Norton 2013). Goffman (1974, p. 44) presents the idea of 'breaking the frame' (otherwise known as 'keying'), as that which occurs when discrepancies arise in the audience interpretation of impressions. As a result, the audience perceives something different from that intended by the performer or actor.

There is substantial literature on impression management and corporate governance. The research focuses on three areas, which include public reporting (Adelberg, 1979; Kohut & Sears 1992; Subramanian, Insley & Blackwell 1993; Aerts, 1994; Clatworthy & Jones 2001; Bujaki & McConomy 2002; Leventis & Weetman 2004; Aerts, 2005; Mather & Ramsay 2007; Beattie et al. 2008; Osma & Gullamon-Saorin 2011; Bujaki & McConomy 2015; Leung et al. 2015) and private reporting (Roberts et al.2006; Uche et al. 2016).

Some studies have examined impression management in non-financial cases (Neu 1991; Solomon et al. 2013; Conway et al. 2015). Some studies (Neu 1991; Conway et al. 2015) examined impression management in not-for-profit cases. Solomon et al. (2013) explored the nature of private social and environmental reporting (SER), and their findings indicate that the impression management processes in SER and purely financial reporting differs. This is because the actors place more priority over private financial reporting than SER reporting. This suggests that directors may use less impression management styles in SER. As a result, the study found that private SER reporting was largely a cosmetic, theatrical and empty exercise.

Directors may use the following impression management strategies. First, to pursue their self-interests by influencing actors' (shareholders and stakeholders) perceptions of directors and the company (Mather & Ramsay 2007). Second, directors may intentionally conceal information to manage and control the audience impressions. The audience is thus led to believe that the actors do not plan to deceive them. Third, the directors may use impression management to affirm, acquire or restore the 'legitimacy of the company' (Bujaki & McConomy, 2015; Conway et al. 2015).

However, directors may be unsuccessful at their attempts at impression management as a 'break in the frame' or an 'element of surprise' (Catasus & Johed 2007), may occur and lead to accountability (Roberts et al. 2005; Uche at al 2016), transparency and further meetings (Roberts et al. 2006; Solomon et al 2013; Uche et al 2016). The 'break in the frame' may occur when there are extreme cases, such as discrepancies in actor's impressions (Goffman 1974; Solomon et al. 2013).The NED's implied role in the impression management process is to scrutinise EXEC actions. As a result, NED's oversight and control role may consist of the prevention of 'fabrication and concealment' in the boardroom (Goffman, 1959, 1974)

3.9 Chapter summary

This chapter has reviewed the literature by presenting the theoretical frameworks, conceptual framework and research on NEDs and board effectiveness. The review illustrates that NED roles can be primarily classified into three main roles: control, service and strategic. The chapter suggests that the literature focuses more on board effectiveness than NED effectiveness. Furthermore, NED roles are usually classified as board roles. This negates the importance of the individual NED in the boardroom. The empirical research focuses on board characteristics as a determinant of board effectiveness. As a result, NED effectiveness is viewed as a function of board structural characteristics such as board composition independence of NEDs. This has resulted in prescriptive definitions of NED roles and a neglect of the aspect of power and influence of NEDs in the boardroom.

Chapter 4 Methodology

The previous chapter discussed the theoretical and empirical framework best suited of the NED role and effectiveness. The aim of this chapter is to discuss the research methods and methodology employed in this research, and is divided into six sections - namely the research approach, research philosophy, methodology, data analysis, discussion and summary. The chapter is divided into these six sections for a number of reasons. The essence of this structure is to illustrate the importance of the study's methodological choices, thereby setting the scene for the following two chapters, namely the findings and discussion.

The first section discusses the research approach employed in this study, and discusses the rationale for using a qualitative approach in this study. The study is based on an abductive approach. This approach involves the use of deductive and inductive approaches. The study is best suited to a deductive approach, because of its theoretical underpinnings. The inductive approach of the study allows for a development of a theory, thereby preserving the richness of the data and portraying research's participants' accounts.

The second section discusses the research philosophy underpinning the study. This includes a discussion of the ontological, epistemological and paradigms utilised in the study. The third and fourth sections discuss the methods and methodology employed in the study. This study used semi-structured interviews to conduct an in-depth analysis of the NED role. This study is phenomenological, following an adaptation of the (Van Manen, 1990,1997) hermeneutic phenomenological approach. The phenomenological approach is suited for study of the present phenomenon, because it is based on experience of the NED role. Furthermore, the study's heterogeneous group allows for a presentation of the common and diverse meanings of the lived experience of the NED role. The chosen methodology is presented as a subjective and interpretive framework between the research participant and researcher.

The fifth section discusses the data analysis framework of the study. This section explains the category development and how the final themes from the interview analysis emerged. The sixth, seventh and eighth sections of this chapter are the research quality, trustworthiness and discussion sections. These sections present the research quality and appraise the research design setting the scene for the findings chapter. The final section summarises the chapter.

4.1 Research Approach

Agency theory has become a dominant theoretical paradigm for researchers in the governance field. This has led other researchers to question the efficacy of agency theory as a result of its mixed findings (Bansal, 2013; Zattoni, Douglas, & Judge, 2013; McNulty, Zattoni, & Douglas, 2013; Pettigrew, 2013).The debate of the efficacy of agency theory in explaining the corporate governance phenomena has led to calls for successful qualitative research.

There are a few reasons for the call for more robust and successful qualitative research. One reason is that, the focus on deductive theorising resulting in mixed findings has intensified the search for the use of multi-theoretical paradigms in corporate governance research. The author Bansal (2013) argued that corporate governance researchers should explore other theories in their research. The author further asserts that, good theorising within a system of knowledge often arises from a balance between deductive and inductive research.

Corporate governance research from an accountability perspective (Roberts et al. 2005; Uche at al. 2016) illustrates that, the NED is the key to the governance panacea. This has led to the control role of the NED being more emphasised than other roles of NED. In recent years, there has been a focus on viewing the effect of the NED in the board room through resource dependency, social capital and interlocking directorate theories. The present study focuses on an in-depth examination of the lived experience of the NED role from the perspective of directors and company secretaries.

It is common place knowledge that in the last decade, despite the dominance of agency theory, new theoretical insights have come into existence. The impact of agency theory in the literature cannot be undermined, however other theories can contribute to inductive research. It is possible that, a balance between inductive and deductive theorising may lead to new insights. It is through risk taking that new insights in corporate governance can emerge (Pettigrew 2013).

There are indeed quite a number successful qualitative studies, as can be seen from the review of qualitative corporate governance research by McNulty et al. (2013). The authors reviewed 78 articles in peer reviewed journals. The authors illustrate a move towards exploring corporate governance through alternative theories and approaches. However, the authors also found that some of these articles failed a theoretical purpose. The authors therefore, deduced the theoretical purpose and contribution in some articles.

This research thereby responds to the call to utilise other methodologies to explain the NED and corporate governance phenomenon. The term qualitative research is usually interpreted in terms of the methods used to conduct empirical research. The distinction between the qualitative and quantitative divide tends to focus on methods rather than methodology. Van Manen (1979) identifies qualitative research as that which describes, decodes, translates or otherwise comes to terms with the meanings, not the frequency, of certain or more or less naturally occurring phenomena in the social world.

Laverty (2003) also relates qualitative research to the following concepts discovery, description and meaning. On the other hand, the author describes quantitative research as that which focuses on prediction, control and measurement. O'donoghue (2006) asserts that qualitative research is described as an approach that is concerned with assessment of outcomes and why they have occurred. O'donoghue (2006) explains that, qualitative research is associated with being descriptive and uses methods such as field notes and interview transcripts. Qualitative research is also described as having strong links with interpretivist philosophies.

It is additionally described as a craft that can be viewed from many perspectives as a result of the multiplicity of theories (Lincoln & Guba, 1985). Bansal (2013) states that the dichotomy between quantitative and qualitative research is beyond the process of data collection and the resulting empirical data collected. Bansal (2013) also states that the difference is based on theorising. Bansal (2013) argues that deductive theorising is usually expressed in quantitative research. However, Bansal (2013) also states that qualitative research is an in-depth focus on the phenomenon which fosters the creation of new theory. Furthermore, the author asserts that qualitative research can also be applied in cases where there are strong theoretical links. The advantage of qualitative research in this context is that, where there are inconclusive empirical results based on quantitative work, new insights may be revealed through qualitative analysis (Bansal, 2013).

This claim by Bansal (2013) supports the assertion of Dalton & Dalton (2011), that quantitative analysis has been unable to explore relationships in different levels of analysis in corporate governance research. Zattoni et al (2013), also state that more rigorous qualitative research is needed in corporate governance research. The authors Zattoni et al (2013) state that a qualitative investigation in different corporate environments will elucidate the governance phenomenon. This will in turn aid the exposure of the underlying problems that have resulted in the labelling of corporate governance as a complex phenomenon. This complex phenomenon of corporate governance is described by Forbes and Milliken (1999) as the 'black box'.

The debate surrounding the quantitative and qualitative divide is centred on two main issues objectivity and generalisation of findings. Creswell (2013) states that, research should be guided by its research purpose, aims and objectives. Creswell (2013) further reiterates that it is a consideration of these three issues that should lead to the creation of a research design and not vice versa. It can thus be argued that quantitative studies also analyse the perception of research participants. This is a sound argument, because methods such as questionnaires also investigate multiple perspectives.

However, while this position is true, qualitative studies usually utilise an open-ended and semi-structured questioning format in order to have an in-depth understanding of the phenomenon. This study is based on a phenomenological framework, hence the use of interviews, which is most suited to this type of study. Therefore, a qualitative research approach was adopted in order to achieve the research aims, objectives and ultimately answer the research questions.

The literature on phenomenological studies tends to favour a qualitative approach, because to elucidate the lived experience of a phenomenon, one must allow the participants to speak for themselves (O'Donoghue 2006; Guest, MacQueen, & Namey, 2011; Creswell 2013). Despite immense criticisms of the subjective nature of qualitative research, there are strengths of the approach. One such strength is that it allows for an in-depth study of the subject matter and ensures that people's perceptions and views are taken into account, as opposed to the quantification of findings. Qualitative research is usually undertaken from a constructivist philosophical stance. This philosophical view point tends to be social constructivist viewing the world through cultures, experiences and context. The essence of this approach is to ensure a rigorous and systematic understanding of the world (Patton, 1990; Mason, 1996; Bogdan & Biklen, 1998; Merriam, 1998; Schram, 2003;Kaplan & Maxwell, 2005).

Another distinguishing strength of the qualitative approach is the description, exploration and interpretation of participants and experience (Bogdan & Biklen, 1998; Merriam 1998; Denzin & Lincoln 2000). This is quite different from the quantitative approach, which focuses on the relationship between variables and the testing of hypothesis.

Additionally, a further advantage of qualitative studies is its flexible approach in data collection. Therefore, unlike quantitative studies which might have close-ended questions, the researcher might be able to clarify conceptions and modify interview questions based on new insights during the early stages of data collection (Charmaz, 2006;Corbin & Strauss, 2008). In grounded theory methodology, this process is known as theoretical sampling. Studies which take a purist approach to phenomenology are largely unstructured, and therefore modification of interview questions during data collection is a frequent occurrence.

Denzin & Lincoln (2000) highlight the importance of qualitative research, which is to conduct research in the natural setting and environment of participants of the study in order to investigate participants' understanding and interpretations of the phenomena. The literature states that a study's methodology is a determining factor in choosing a qualitative approach (Miles & Huberman, 1984;Bryman, 1988;Denzin & Lincoln 2000; Mason, 2002;Patton 2002). Eisenhardt & Graebner (2007) avoids the term qualitative research, but describes a process with a theory building role.

The research approach used in this study is an abductive approach. At the onset of research, it is important for one to determine the study's approach. This is because scientific inquiry cannot be streamlined to an exclusively deductive or inductive approach. Most often, a research study may incorporate both approaches in varying degrees. According to Flick, Von Kardorff, & Steinke (2004), the word abduction was first introduced by Julius Pacious in 1597. The authors mention that C.S Pierce used the word 'abduction' to describe knowledge extending as a means of inference distinct from deduction and induction.

They further state that abduction is a journey from a known quantity to the unknown, which is the result. An abductive approach, entails a mixture of deductive and inductive approaches. The research starting point is a deductive approach, which outlines the theoretical and methodological underpinnings, followed by an inductive approach towards data analysis. A combination of both approaches enhances the possibility of locating the research study within the broader literature, whilst at the same time preserving the richness of the data. There is a three stage process involved in abductive research. First, the finding of a hypothesis by means of abduction. The second step consists of a deductive derivation of predictions from the hypothesis. The third step consists of a search for the facts that will verify the assumptions, which is an induction (Flick et al. 2004).

4.2 Research philosophy

The epistemological approach in this research is the interpretivist tradition. Interpretivism is based on multiple versions of reality (King & Horrocks, 2010). This paradigm is suitable for this study for two reasons. First, it is concerned with people's definitions of events and reality. Second, it presents the possibility of generating new understandings of the NED's role. Third, a number of studies on the role, power and influence of boards of directors have used the interpretivist tradition in their research (Roberts et al.2005; McNulty, 1998).

Furthermore, the essence of interpretivism is to abstract the meanings of participants experiences (Van Manen 1990). One of the strengths of the interpretivist tradition is that it aids the understanding of a broad spectrum of beliefs, experiences and latent meanings in research (Charmaz 2006). Another advantage is that it illustrates that human action is meaningful and should be interpreted within the context of society (Useem, 1996;O'Donoghue 2006). It follows, therefore, from this viewpoint, that an understanding of the meanings that create and are created by the interaction of human beings is essential to the understanding of the social world and the phenomena in which it exists.

There are a number of assumptions which underpin the interpretivist tradition. Blackledge & Hunt (1985) performed a thorough synthesis of the four major assumptions which underpin the interpretivist tradition (Blackledge & Hunt 1985 p.234). First, everyday routines or activities are the building blocks of society. The authors state that the way people act can be traced to everyday routines or activities. They further highlight their assumption with an example which portrays that, what keeps the education system together is the everyday activity of the teachers, administrators, inspectors, learners and other education professionals. Furthermore, changes in the education system are brought about by changes in the activity of the above actors in their day to day activity. Therefore, in line with the interpretivist tradition, to understand the education system, we need to understand the everyday activities in the different education sectors.

The second assumption is that, there is no complete control of the way people act, rather there is some form of freedom and independence (Blackledge & Hunt 1985 p.236). Therefore, what they assert is not that people are uninfluenced by their background, rather, they create their activity themselves. Hence, the very essence of everyday life is created by people employed within the system, acting together and producing their roles and patterns of action (Blackledge & Hunt 1985 p.236). A third assumption is that, people do not always act in isolation but in conjunction with others. Hence, it follows that their interpretations comes not only from themselves but from others.

Another author states that, in line with mutual interpretation of peers assumption, our interpretations of the actions of other individuals depends on what we know about them - for example, their intelligence, race, age and motivations (O'Donoghue 2006). The fourth assumption is based on the idea that everyday activity is premised on a negotiation of meanings, which leads to a modification of our understanding and views. Therefore, everyday routines involve a negotiation of meanings and interpretations through the interactions of individuals. As a result, shared assumptions of meanings and interpretations develop through the negotiation process. However, the meanings and interpretations are dynamic, which is what leads to a modification of meanings and assumptions (Blackledge & Hunt 1985 p.236).

The ontological approach of this research is constructivism, which views reality as the construction of the investigator. The term constructionism may be described as an ontological perspective which assumes that, social phenomena is produced by the interactions between social actors (Bryman, 1988). Furthermore, Bryman (2008) highlighted the fact that interactions between social actor's leads to continuous construction of social phenomena. Guba & Lincoln (1989) suggest that, constructivism views reality from the perspective of shared constructions as a result of societal and cultural influences. The ontological perspective of this research is relativist this means that, the research is value laden and comes into existence through individual construction. The epistemological perspective of this research is subjective. This is largely due to the study's interpretive stance.

4.3 Research method

4.3.1 Research Sampling Strategy

The sampling strategy chosen for this study was chosen to aid the research process and prevent sampling error. A sampling strategy is necessary because it is impossible for the researcher to investigate everything on a phenomenon. There are two types of sampling strategy: the probability and the non-probability sampling method. The probability sampling method involves choosing a sample that is representative of the population. The general rule is that the larger the samples size the lower the margin of error in the accuracy of findings.

The non-probability sampling strategy is not based on a representative sample of the population. Its focus is the data collection and analytical skills of the researcher; non-probability sampling methods are commonly used in qualitative research. The sampling strategy used in this research is the non-probability sampling method. The subset of the sampling strategy used was purposive sampling strategy also known as criterion sampling (Mason 2002, Patton 2002).

The criterion sampling strategy was achieved by defining an inclusion and exclusion criteria. The inclusion criteria were crucial to identifying participants who had witnessed and experienced the performance of the NED role. The first inclusion criteria of the research was that participants had to be NEDs, EXECs and company secretaries and members of the board. The second inclusion criteria was that participants had to be members of companies listed on the NSE. Therefore, senior management are not part of the board and were excluded from the sample. The purposive sampling technique was undertaken to achieve a variation of participants' perception in the research study (Patton 2002).

4.3.2 Recruitment of participants

The participants of this study were recruited through the snowballing sampling strategy. The researcher did not seek to sample research participants on a random basis (Bryman 2008). The idea of phenomenological research is to borrow other people's experiences and reflections to come to an understanding of a deeper meaning of human experience.

Van Manen (1990) states that, the life world (the world of the lived experience) is both the source and object of phenomenological research. As a result, it was necessary to choose participants who had first-hand experience of the phenomenon. The stakeholders who were absent from board room discussions were excluded from the sample. Identification of potential participants was done via personal contacts, snowballing techniques and referrals through two organisations.

It has been argued that the snowballing technique is a biased sampling technique. Therefore, participants were asked to identify persons who might be interested in the study and state what experience and exposure they had in the business world. As a result, there was diversity within the sample due to the experience, exposure and qualifications of participants. The participants were high profile individuals in listed companies in Nigeria, and as a result, the study benefited from insider views of corporate governance practices (Filatotchev, Toms, & Wright, 2006; Aguilera, Filatotchev, Gospel, & Jackson, 2008). This was done in order to obtain in depth insight therefore the quality of data was more important than number of interviews. The table below shows the companies that participants were attached with.

Company type	Number of companies
Bank	3
Food related company	3
Insurance	6
Manufacturing	3
Other finance related	2
Pharmaceutical and health related	3
Publishing	2
Total	22

Table 4. Participant's host companies

The researcher adopted five strategies to recruit participants. The first strategy was to discuss corporate governance practice in emerging markets with stakeholders. These stakeholders were met in a conference on corporate governance in emerging markets in 2012 in Germany. The researcher met a key stakeholder in Nigeria's corporate governance practice. This stakeholder provided advice on gaining access to data in Nigeria and promised to provide links with other researchers.

The stakeholder advised that, high profile persons like NEDs, EXECs and company secretaries were too busy to fill-in questionnaires and preferred interviews. The stakeholder fulfilled the promise and introduced the researcher to two other researchers in Nigeria. One of the researchers, sent an email on behalf of the researcher to thirty company secretaries who usually participated in governance research.

Unfortunately, after two weeks, there was no response and a follow up email was sent. The contact then advised that the researcher visit different companies and drop a note with a student complimentary and identification card to gain the trust of potential participants. This was also necessary in order to prevent participants from associating the research with that of local and international corporate governance regulatory bodies.

The second strategy was to design a short questionnaire to recruit participants for two reasons. First, to encourage discussions during the interview. This was because there were concerns that as potential participants were busy persons, they may fill the questionnaire during their leisure time and afterwards the researcher would then arrange an interview. The questionnaire would also provide basic information on the person which may help to stimulate discussion during the interview.

Second, the questionnaire was designed to give a short synopsis of the research The researcher dropped the questionnaire in forty companies. This strategy also proved useful, since the researcher received a few calls from potential participants. Some apologised that they were quite busy, others gave appointments and suggested other colleagues who may be interested in the research.

The third strategy was to approach the Institute of Chartered Secretaries and Administrators Nigeria (ICSAN). The researcher is a student member of the institute and has paid relevant student dues to the Nigerian branch. This proved to be a very useful strategy, since the researcher was given a list of company secretaries who were active in the association and regularly participated in research and attended meetings. The researcher thus had the phone numbers, address and a note attached to the complimentary card of the registrar of the association.

The researcher was advised to send a text introducing the research to stimulate interest in the study. This strategy proved quite useful, as all the company secretaries responded promptly to the text message. Some of the company secretaries and directors were quite busy at the time preparing for upcoming AGM's and board meetings. Other company secretaries gave the researcher appointments and suggested other colleagues whose directors might be available.

The fourth strategy was to buy a phone line for strictly research purposes. This meant that family members or other persons did not have access to the line. The researcher also contacted the mobile company to discourage them from making marketing calls. The researcher stated that, the mobile company could send text messages but that it was a business line and as such the line had to be kept clear. This proved quite useful as potential participants commented that they had no problem reaching the researcher.

The fifth strategy was to contact colleagues in academia and legal practice. The researcher is a qualified barrister and solicitor in Nigeria. A number of the researcher's colleagues were legal counsel, legal advisers and assistant company secretaries of listed companies in Nigeria. The legal counsels, advisers and assistant company secretaries were also sent emails inviting their directors to participate in the research. The table below shows the designation and number of research participants recruited for the study.

Name of participant	No. of participants
Non-executive director	13
Executive director	6
Company secretary	21
Total	40

Table 5. The participants in the research study

4.3.3 Pre interview questionnaires

The purpose of the pre interview questionnaire was to get demographic and contextual information about the participants and the companies in which they work. It was also used to introduce the research to the participants and to gain access to members of the board.

4.3.4 Semi Structured Interview

The data collection instruments used in this study was chosen in line with the ontological and epistemological background of the study. Having established the research aims and objectives in chapters 1-3, the research instruments were used to capture the experiences of people within their life world or lived world. The study was designed to investigate the perception of participants and what they attributed to the phenomenon in question.

According to Koch (1995), semi structured interviews through intensive dialogue with participants may be used to reveal participants perspectives of the phenomenon. Kvale (1996) states the features of qualitative interviews which distinguish interviews from other data collection methods. These features include an interview of the life world of the participants, description, presuppositions, focus on specific themes, flexibility to accommodate ambiguities and dynamics.

These features aid the understanding of the phenomenon. This is because an interview process would involve preparing a guide centred on certain themes, but its focus would be to guide and not control the opinions of the interviewee. The descriptive nature of interviewees' perspectives will give clarity as to possible meanings, which will then aid interpretation. The interview is flexible and may expose latent ambiguities. This is of course only possible with interviews that are semi-structured. Hence, the interviews were crucial in gaining insight into the lived world of the research participants.

Most phenomenological studies are based on interviews that are largely unstructured or questionnaires with open-ended questions. This study used semi-structured interviews in order to focus on some central themes in the literature. A number of potential questions and issues related to the study were sent to participants in order to facilitate preparation. This was done when a date had been fixed for the interview after repeated phone calls and dropping of notes with various company secretaries and personal assistants to participants.

The interviews took place from July to September 2012 and interviews were conducted in the participants' place of work and business. The data collection environment is an important consideration towards establishing rapport and gaining respondents confidence in the first few seconds of the interviews (Partington, 2001). As a result, a decision was made to conduct interviews in participants' place of business in order to allow for a conductive interviewing forum. The essence of an appropriate forum for interviewing is that it can improve or restrict the process of data collection as explained by Partington (2001).

The above approach to data collection was developmental in that, the knowledge generated in the first set of interviews was used to include questions based on issues that came up in the first few interviews. One of such questions was the role the Pre AGM played in corporate governance and the board room. The second was the possibility of practising good corporate governance within a web of corruption. Finally, two questions on policies introduced by the CBN were added to the interview guide. These were the cashless policy and banks focusing on core banking businesses. The interviews were conducted in two commercial locations. Many potential participants scheduled appointments within days; others within weeks or at most, a month. The speed in which appointments were established was indicative of the interest in the study.

The interviews were conducted in a comfortable and quiet environment. Most interviews were done in participants' offices and place of business. Only two interviews were done at the participants' place of residence. The interviews took place at home because one of the participant's was retired and the other's business was located at their home. There were concerns of safety and ethical considerations therefore on both occasions; the researcher was accompanied by a friend. The interview sessions ranged from 45 minutes to one hour.

The research design has to be guided by its aim, objectives and questions of the study and must be synchronised with the research paradigm (Crabtree & Miller, 1999). The fundamental process of any research study includes formulating the research question, collecting and analysing data, which would then be synchronised with the findings. Therefore, the research question should always determine the research method (Crabtree & Miller, 1999; Creswell 2013).

The research methodology is an important aspect of the research process which is not an end, but the beginning of the whole process. According to Stewart (1988) there are four important philosophical perspectives. First, there is the Greek traditional conception of searching for wisdom. Second, a philosophy that separates judgement from reality, which is without preconceived ideas or presuppositions. Third, the intentionality of consciousness, which simply means that consciousness is usually directed to an object of reality. The researchers further explained that the object of reality is intricately related to ones consciousness of it. Finally, phenomenology advocates for the reality of an object being perceived from the meaning of the experience of an individual.

4.4 Research methodology

This research study is based on the Van Manen (1990, 1997) hermeneutic phenomenological philosophy and methodology. It is aimed at studying the experience of research participants of the role of NEDs. The discussion of a phenomenology cannot begin without a discussion of Husserl's philosophical principles. Husserl's phenomenological underpinnings start with the development of the life world.

The life world refers to situations that exist before life as we know it to be. Husserl approach to phenomenology was epistemological. He was concerned with, how a focus on theoretical and mathematical concepts can obscure perception that is, created through experience. Husserl argues that, an investigation of a phenomenon begins with questioning the life world. This means that the crux of phenomenology is to illuminate the life world (Todres & Wheeler, 2001).

A phenomenological research involves investigating people's experience of the world. It is a study of the common meaning for several individuals of their lived experiences of a phenomenon (Van Manen, 1990; Moustakas, 1994). It usually focuses on describing what participants have in common. Van Manen (1990) states that the basic purpose of phenomenology is to reduce the individual experiences of a phenomenon to a description of the universal essence. This essence is described as "a grasp of the very nature of the thing". This human experience can come in various forms, such as grief, anger or health issues (Moustakas 1994). The human experience in this research study is the NED role.

The philosophy of phenomenological research is to borrow other people's experiences and reflections on those experiences, to come to an understanding of deeper meaning or significance of an aspect of human experience. Van Manen (1990) states that the life world, the world of the lived experience is both the source and object of phenomenological research.

Van Manen (1990, 1997) asserts that a study of the lived experience requires orientation relating to questioning the meaning of the phenomenon. He also states that the notion of data is ambiguous within a human science perspective. This is because data has quantitative overtones associated with behavioural and more positivist social science approaches. Therefore, to speak of collecting data of human experiences relates to an objective and positivist tradition. However, in phenomenology experiential accounts or lived experience descriptions, whether caught in oral or in written discourse, is never identical to lived experience itself. This is because they are transformations of those experiences.

The use of phenomenology methodology is gaining ground in business and management research. For instance, research commissioned by the UK government which led to a review of the role and effectiveness of NEDs in the UK investigated the lived experience of the NED role. This investigation was conducted by interviews with forty directors (Robert et al. 2005).

Van Manen (1990), a follower of the Heideggerian philosophy, based his understanding of hermeneutic philosophy on six research activities. First, a researcher should investigate a phenomenon that he or she is interested in. Second, the author argues that there is the need to investigate lived experience, since it is not based on conceptualisation. Third, the author states that one must reflect on the essential themes which typify the phenomenon. Fourth, the phenomenon should be described through the process of writing and rewriting. Fifth, the author states that the researcher should have a strong and oriented approach to the research process. Lastly, the key process in a phenomenological investigation is to ensure that one balances the research context by considering the parts and the whole.

There are different schools of thought within the phenomenological tradition. The popular schools of thoughts are the Heidegger, Husserl and Merleau Ponty reasoning. These schools of thought, largely influenced by Husserl, have deviated from his reasoning because of the belief that one must separate the familiar world and experience. This process of separation is called an epoche and is defined as bracketing presuppositions and preconceived ideas to enable the researcher investigate the very nature of the phenomenon. The idea of bracketing one’s former knowledge is synonymous with a reductionist and objectivist positivist view (Van Manen 1990 & Moustakas 1994).

The Husserl approach was not without other limitations, such as a lack of an explanation of the link between language and experience. This led to the beginning of an interpretive phenomenological movement known as hermeneutic phenomenology (Sanders, 1982; Todres & Wheeler, 2001; Lowes & Prowse, 2001). The principle of the epoche was debated by philosophers such as Heidegger, Merleau-Ponty and Satre. For instance, Heidegger argues that phenomenology should be more of an interpretive nature, rather than excluding the familiar world to focus on perceptions of experience.

Merleau-Ponty and Satre also advocate an interpretivist stance, whereby the world perspective is not alienated, but is useful and important in understanding lived experience (Howell 2013). It is important to note that this study is phenomenological in that it focuses on the experience of directors and company secretaries and how they view the phenomenon - the role of NEDs. Heidegger considered the idea that, interpretation was necessary when studying social beings (Heidegger, 1962).

Unlike Husserl, Heidegger believed that presuppositions were a crucial and aided investigations (Howell, 2003). According to Caputo (1999), Heidegger's identified hermeneutic phenomenology, as that which enables, the understanding of individuals in their social life. Heidegger considered that there was no differentiation between subject and object; being in the world. This implies that we think, reflect and act therefore, we are both object and subject at the same time. Phenomenological hermeneutics is not about abstract supra individuals or transcendental egos, rather it involves understanding people in actual situations.

According to Heidegger, bracketing the epoche, my not lead to the truth or a new discovery. The idea of presuppositions affecting reality, has made the discovery of truth a difficult endeavour. On the other hand, Husserl believes that intuition and not historicity should be used to explore the basic structure of phenomena through imagination or thought play.

Heidegger believes that the crux of phenomenology, is historicity. This is because it focuses on the meaning of the experience; the phenomenon. The table below shows three types of phenomenological approaches to research.

Types of Phenomenology	
Heidegger (Hermeneutic phenomenology)	A concentration on the life world and an elucidation of the importance of understanding the nature of human existence. The act of consciousness and the world are not separate but is a whole construction of the lived experience
Husserl (Transcendental phenomenology)	A concentration on what is belief or desire and the relationship between them rather than the act of consciousness
Merleau-Ponty(Inalienable presence)	The world exists before research, understanding and reflection, the world has an inalienable presence

Table 6 A list of the types of phenomenology
Source Adapted from (Howell, 2013)

The hermeneutic approach to phenomenology is a descriptive and interpretive process. It involves a description of the phenomenon and an interpretation of the lived experience of the researched. The process of description and interpretation is hermeneutic and is an exchange between the participant and the researcher. It therefore differs from the transcendental phenomenology which focuses on the textural and structural description of the phenomenon to arrive at the essence of the phenomenon.

Van Manen (1990, 1997) advocates an exposition of the phenomenon by an illustration of the different parts of the phenomenon, and then balancing the parts to the whole (Van Manen 1990, Moustakas 1994). This methodology allows for a presentation of the common shared meaning between participants and the relationship with the phenomenon in question.

4.5 Data analysis

4.5.1 Interview analysis

According to Eisenhardt & Graebner (2007 p.26), to conduct a thorough empirical analysis, one must engage in three vital activities. First, there must be a good and relevant literature review. Second, there must be an identification of a research gap, and finally, research questions must be raised that address the gap.

There are a number of decisions that must be taken when designing a study. These include how data will be recorded, reduced and transcribed. The interviews were recorded with a digital recorder however eight participants refused to be taped, so their responses were written down. The researcher had attended sessions on effective note taking at the University of Huddersfield. This recording was crucial to data analysis and to prevent incomplete or inaccurate account of participants' views (Ticehurst & Veal, 2000).

The collection of accurate data is a fundamental concern of any researcher. There is evidence to suggest that tape recorders were used to record research interviews in the late 1940's (Lee, 2004). This means that getting the account and responses of research participants is of high importance in the research process. Interviews were transcribed verbatim in order to aid the analytic process. The result of this was the dilemma of reducing pages of transcripts. However, it was important to have a descriptive summary of each interview transcript to aid understanding and interpretation of interview responses.

The Van Manen approach consists of six steps with a focus on addressing the lived experience of the phenomenon. Van Manen (1997) suggests a six step methodological structure for hermeneutic phenomenological research. First, turning to the nature of lived experience this process was accomplished by the framing of research questions relevant to the phenomenon. The research questions are mentioned in chapter 1 of the present study. The questions were developed as a result of lack of clarity of NED roles and mixed results as to NED's impact in the board room.

The aim of the research was not to investigate the role of specific NEDs, but to examine the lived experience of the role of NEDs. The perceptions of the lived experience of NEDs was received from different participants who are relate with the NED in the board room. It was necessary to focus on the research questions throughout the research process in order not to lose sight of the phenomenon. Furthermore, it was to ensure that the process of the data analysis and interpretation solely focused on the lived experience of the NED role. This was necessary in order to stay true to the experience.

Second, when investigating experience as we live it, this process was achieved through the process of data collection. The data collection method used to investigate the lived experience of the NED role was semi structured interviews. The interviews allowed the participants to describe in their experience in their own words. This allowed the researcher and the participants to relive the original experience.

Van Manen (1997) suggests that lived experience must be investigated as opposed to simply learning about it through books, journals, discussions and other second hand accounts. The author asserts that in-depth inferences are an appropriate way of examining people's unique experiences. Third, one should reflect on the essential themes which characterise the phenomenon.

The research analysis process helped to identify the essential or significant themes in the data, and it was necessary to note key words and phrases that were used by participants in the interviews. This led to the coding, categorisation of data and abstraction of themes. It was necessary to re-read verbatim transcripts and listen to audio recording repeatedly to ensure immersion in the data. This process enabled meanings to be attached to these experiences (Polkinghorne, 1983).This process also involves reflecting on the essential themes and capturing, the essence of the lived experience which characterises the phenomenon. Van Manen (1997 p.31) points out that, there is a distinction between appearance and essence.

The thematic analysis process involved ensuring that, the meanings of participant's experiences were constantly clarified. It was also necessary to search deeply within participants words to clarify the meanings of participants' expressions. For instance, participants may use vernacular words or proverbs in their native language, which when they translate to English, further examination may reveal that a literal interpretation misconstrues the meaning of the experience.

Fourth, describing the phenomena in the art of writing and rewriting. The process of writing and rewriting led to clarification of the thought process. The various ideas that were formed during early phase of data analysis were clarified during writing and rewriting. Furthermore, discussion with the researcher's supervisory team led to constant questioning and reflection on the merging themes. The researcher's supervisory team constantly asked questions on the research findings. Also, the researcher presented the initial findings at doctoral colloquiums and at research seminars in the university. As a result, the researcher was encouraged not to deviate from the phenomenon. This led to a deeper understanding of the lived experience.

Fifth, maintaining a strong and orientated relationship to the phenomenon. The process of transcribing and analysis may distract the researcher from the phenomenon. It was therefore necessary to ensure that, the analysis and writing process focused on the phenomenon. The researcher reflected on the research questions constantly while analysing and writing. Furthermore, frequent contact with the researcher's supervisory team and research presentations in the university was most crucial to this process. Van Manen (1997) states that the researcher must focus on the phenomenon in a 'full and human sense'.

Sixth, balancing the research context by considering the parts and the whole. This means that the research must ensure that the phenomenon is intertwined with the phenomenological approach. It also means that even though it is a thematic analysis, the phenomenon is not to be viewed as solely thematic parts, but also as a whole. The analysis began with forty interviews, which are the parts, but the analysis, interpretation, writing, rewriting and reflection led to an understanding of the whole.

The idea of the parts and the whole was considered throughout the research process. Van Manen (1997) states that, the researcher should constantly measure the overall design of the study text against the significance that the parts must play in total text structure. This means that the themes are used as a framework around which to create a text which aims to capture the essential meanings of the phenomenon that have become evident within the data.

The research study used a thematic analysis based on the Van Manen (1990, 1997) hermeneutic phenomenology methodology. Van Manen (1990 p.78-79) describes themes as elements which occur frequently in the data. The author also describes thematic analysis as the process of abstracting themes in phenomenological research. These themes may be viewed as structures of experience. Furthermore, the author asserts that phenomenological themes should not be viewed as conceptual or categorised statements.

The process of thematic analysis in phenomenological research involves the abstraction of incidental and essential themes. The themes which are incidental in phenomenological research are those which are not unique to the phenomenon. On the other hand, essential themes are those without which the phenomenon would cease to exist (Van Manen 1990 p.168).

The approach to thematic analysis, according to Van Manen (1997), is that the researcher should approach analysis in three ways. These include a detailed reading approach, a selective highlighting approach, and a holistic reading approach. The detailed reading approach involves looking at each sentence with the purpose of teasing out explanations of the phenomenon. Van Manen (1997 p. 93) suggests that the researcher ask the following question 'What does this sentence, or sentence cluster, reveal about the phenomenon or experience being described'? The selective approach considers which statements are most revealing about the phenomenon. Lastly, the holistic approach involves identifying which phrases in the whole text capture its fundamental meaning.

4.5.2 Category and theme development

The thematic analysis of the research study was undertaken in six stages. The first stage involved reading the transcripts many times, depending on the length of the interview. The essence of this stage was to ensure that the researcher was conversant with all interviews. This is one way to ensure that the research is reliable, as the researcher not an audio typist transcribed the interview.

The second stage involved summarising each transcript. The aim of this stage was to summarise the key issues in the transcripts. This meant that, it is only after stage one was properly conducted that an accurate summary would ensue. This stage also involved the use of mind maps through a process of iterative questioning of what 'the means and ends' were of each interview. In a phenomenological sense, this stage involved a process of discovering the 'what and how' of the phenomenon. This was done to isolate key points and phrases in the data.

The third stage was to code the transcripts based on the key phrases. The aim of this stage was to ensure that the analysis was inductively driven. This was done in order to ensure that the analysis was compatible with the analytic objective and research design of the study. The analytic objective was to focus on research questions, while paying attention to the phenomenological research design. However, despite the analytical focus on the research questions, an open mind was kept for key concepts which were prominent or missing.

The fourth stage was to apply coding to the transcripts and formulate categories based on the results. The word category in this thematic analysis study is defined as the grouping of similar data. This stage was important in that it enabled an organisation of the data and procedure for application of the codes.

The fifth stage was to isolate themes within these categories. It is important to note that prior to this stage possible themes were noted. The identification of potential themes was attempted as key words, phrases and analogies that participants referred to. The isolation of themes was done by noting code frequencies across the participants. This was done in order to capture the essence of participants' utterances and different modes of expressions. The last stage was to refine the themes and ensure that the data was not unduly interpreted. This was done to ensure clarity of participants quotes as evidenced by various quotes.

4.6 Research quality

4.6.1 Data saturation

The idea of data saturation relates to the fact that there are no new themes, no new data and no new coding (O'Reilly & Parker, 2013). The concept of data saturation is defined as a situation whereby there is enough information to reproduce the study (Walker, 2012;O'Reilly & Parker, 2013). It is also described as a process which takes place when it is no longer possible to obtain additional information and further coding is no longer possible (Guest, Bunce, & Johnson, 2006).

Burmeister & Aitken (2012) have also described saturation, as being about the depth of the data and the persons in the sample. This suggests that data saturation is not always about the sample size. For instance, data saturation may be reached with six interviews in a qualitative study (Guest et al. 2006). This study achieved data saturation in the following ways. First, by interviewing three sets of participants on the same questions (Guest et al. 2006). Second, by the use of theoretical triangulation thereby correlating with multiple theories. Fusch & Ness (2015) state that data triangulation guarantees data saturation.

4.6.2 Research ethics

Van Manen (1990 p. 162-163) states that ethics in human science research can play out in the following ways. First, there may be effects of the research methods on the institutions in which the research is conducted. Second, there may be lingering effects on research subjects, which may be positive or negative. The author asserts that ethics is an on-going process in human science research (Van Manen, 1990). Diener & Crandall (1978) state that, ethical principles in research can be divided into four main areas.

First, whether or not there is harm to the participants. Second, whether or not there is a lack of informed consent. Third, whether or not there is an invasion of privacy. Fourth, whether or not deception is involved. This study was approved by the University of Huddersfield business school ethics committee. The researcher ensured that no harm was done to participants in the following ways. First, participants were told that they could refuse to participate in the research at any time, if they were uncomfortable with interview questions. Second, participants were given pseudo names to protect their identity. This meant that all identifying marks to participants and their companies were removed.

Furthermore, the provisions of the UK Data Protection Act (1998) regarding the process of people's personal information were complied with it. The researcher ensured that the data was fairly and lawfully processed. Also, the data was kept secure and only the researcher had access to it. The researcher transcribed the interviews, and as such, other persons had no access to the primary data.

The researcher ensured that participant's informed consent was obtained prior to the interviews. The purpose of the research was also mentioned to the participants. The forms were duly signed and a copy was given to each participant. The researcher tried to respect the participant's privacy especially if they refused to answer a question. Furthermore, the researcher reminded participants that their names and company names would not be mentioned in the research. There was no form of deception in the research. The aim of the research was to gather the views of participants on various issues surrounding the NED role. As a result, participants were encouraged to give their honest opinion, and told that there were no right or wrong answers.

4.7 Research trustworthiness

Guba & Lincoln (2005 p.202) describe the process of applying traditional quantitative assessment of research to qualitative research as that of 'catholic questioning directed to a Methodist audience'. Guba & Lincoln (1989, 2005) and Tracy (2010) discussed the following criteria for qualitative research namely worthy topic, rich rigour, sincerity, ethics, transferability, significant contribution, triangulation, credibility.

4.7.1 worthy topic

The study of the lived experience of the NED role is a worthy topic for the following reasons. Guba & Lincoln (1989, 2005) recommend that a worthy topic must provide some form of educational authenticity. First, the research study's aim was to investigate the roles of NEDs in Nigerian listed companies. The Nigerian corporate governance code was influenced by the Cadbury report, combined code and international best practices. It was necessary to find out the roles of Nigerian NEDs. Furthermore, it was also necessary to discover if Nigerian NEDs roles were different because their companies were situated in an emerging and developing market.

Second, the literature focuses on a structural analysis of boards. This has led to research centred on board composition, usually variables such as the number of NEDs and EXECs are considered. A key issue within this research paradigm is the consideration of the effect of board characteristics on firm performance. This has led to mixed results on the link between board characteristics and firm performance. Third, a number of corporate governance codes have prescribed the roles of NED. This has led to different conceptualisation of NED roles. As a result, there is no one single classification of NED roles.

Fourth, there have been calls for more process oriented research on boards of directors. A number of authors have queried the idea of studying boards of directors from a distance. The idea is that process centred research has the possibility of revealing board dynamics which affect board decision making. As a result, a number of studies have been successful in exploring the power and influence of directors in the board room. These studies have also investigated how power and influence impact director roles - especially the non-executive roles. It is common knowledge that it is the boardroom decisions that promote the success of the company. Furthermore, the boardroom culture may create conditions which encourages board effectiveness.

Fifth, there have been calls for the use of multiple theories in corporate governance research. It has been argued that different theories provide solutions to the corporate governance panacea in different ways. It is therefore imperative that studies incorporate different theoretical perspectives in corporate governance research.

4.7.2 Rich rigour

Tracy (2010) states that rigorous data analysis is crucial for successful qualitative research. The author also states that to demonstrate rigour, a researcher must explain the process of data analysis. Furthermore, the author states that transparency of the research process is quite useful in rigour in demonstrating quality research. This study demonstrates rigour in the following ways. First, this chapter has discussed the process of data analysis. Second, the process of data collection, transcription and analysis is explained in this chapter. Koch (1994) also states that to ensure rigour in qualitative research one must show an understanding of different research approaches. The researcher must understand how every choice may affect the outcome of the research. Laverty (2003) additionally states that it is necessary to discuss the process of data interpretation.

4.7.3 Transferability

Charmaz (2005) states that a good naturalistic study's findings can be extrapolated to other settings. The author also states that this can be done both theoretically and practically. This research study's findings may be transferred in the following settings. First, the findings of this study may be used as a framework to study listed boards in other Sub-Saharan African countries. The findings may also be related to other countries with similar legal and governance frameworks. Second, other countries which experience institutional shortcomings, such as a lack of enforcement and corruption in the corporate world may find the study useful.

4.7.4 Significant contribution

Tracy (1995, p. 210) argues that researchers should engage in theoretically significant research. Tracy (2010) argues that a basic theoretical contribution involves an examination of theory in different contexts. However, the author argues that a more advanced form theoretical significance is useful for assessing qualitative research. Tracy (2010) also states that an advanced theoretical significant research offers a unique understanding of the phenomenon. The author also states that as a result, advanced theoretical significant research can be transferred to other settings. This research study, attempts to provide a phenomenological account, of the Nigerian NED in listed boards.

4.7.5 Triangulation

Triangulation in qualitative research refers to the use of one or more sources of data, theoretical frameworks, different research methods, and different researchers. Denzin (2009) identified four types of triangulation, namely that which correlates people, time and space, investigator, theory and methodology triangulation. The idea of triangulation is to ensure that the different methods and frameworks used in the research come to the same conclusion. This suggests that the research that uses triangulation is credible. This study used theoretical triangulation. Agency, interlocking, stewardship and resource dependency theories was used to investigate the lived experience of the NED role.

4.7.6 Credibility

Koch (1994) states that, one way of ensuring trustworthiness is to provide an audit trail of the research process. This study has provided a rationale for and descriptions of recruitment strategies, data analysis to show credibility. Qualitative research has been critiqued on the grounds of lacking credibility, rigour and trustworthiness (Sandelowski, 1993; Tobin & Begley, 2004). As a result, qualitative researchers have to ensure that, they produce credible research reports or theses. Credibility refers to trustworthiness of the research findings (Lincoln & Guba, 1985). Ceertz (1973) argues for the use of thick description in research. The essence of providing thick description is show culturally situated meanings.

This study has provided participants' statements in the findings. The participants' statements are used extensively to corroborate findings of the study. The 'participants are not allowed to speak for themselves' but descriptions and explanations of quotes is provided in the thesis. The researcher tried to achieve credibility in the following ways.

First, the study had three groups of participants: EXECS, NEDs and company secretaries. This helped to provide multiple accounts of the lived experience of the NED role. It was necessary to recruit different participants with varied professional backgrounds to provide views on the lived experience of the NED role. This was to avoid a situation whereby NED participants would present that, they had much impact in the board room and influenced the decision making process (Lindgreen, Hingley, & Rundle-Thiele, 2009). Second, the researcher used multiple theoretical perspectives to plan and interpret the study.

4.7.7 Dependability

The concept of dependability deals with questions of whether the findings are likely to apply at other times (Lincoln & Guba, 1985). The researcher tried to achieve this recording all phases of data collection and analysis. The researcher also recorded analytical decisions, for instance, why certain themes were not investigated. The researcher argues that the findings may apply in developing and emerging countries with similar legal and governance systems.

4.8 Discussion

Morse & Field (1996) state that the essence of phenomenology is not to explain and observe a phenomenon. They also describe phenomenology as a human science which interprets and understands the phenomenon, and explain that hermeneutics is concerned with the description and interpretation of human experience. The researcher is usually open to constant reflection and questioning of the data. Bontekoe (1996) states that, the process of data interpretation clarifies the text and researcher’s ideas on the data. Therefore, a combination of these two research philosophies was viewed as necessary for a thorough investigation (Barbour, 2001) of the lived experience of the NED role.

A number of alternative research methodologies were considered, including the grounded theory and the case study methodology. The grounded theory and case study methodology were considered inappropriate for the following reasons. First, one of the aims of the grounded theory is to conduct research with the use of qualitative research methods to develop a theory from the research findings (Glaser, 1995) the research is therefore strictly inductive. The central tenet of grounded theory methodology is called theoretical sampling; it is defined as being essential to the development and refinement of theory which is ‘grounded’ in the data (Glaser & Strauss, 1967). The theoretical sampling in grounded theory research involves an initial process of data collection and analysis. The researcher then considers the results and decides on which data to collect, thereby developing theory as it emerges.

The grounded theory methodology has been criticised for being “mystical” (Melia 1997, p.33) whereby: a sleight of hand produces a list of ‘themes’, and we are invited to take it on trust that the theory somehow emerges from the data without being offered a step by step explanation of how theoretical insights have been built up (Barbour 2001, p.1116). Second the idea of theoretical sampling was considered almost impossible in the Nigerian context. This is because there are limited boards of director studies in Nigeria. The researcher had to plan and negotiate access to directors and company secretaries of listed boards in Nigeria. As a result, the process of theoretical sampling would have been quite difficult.

The case study methodology is described as an approach which explores a real life case through the use of multiple sources of data, such as observation, interviews and documents (Yin, 2013). The problems associated with access to boards of directors made the possibility of a case study methodology difficult. Furthermore, the researcher considered that, due to confidentiality companies may refuse to provide board documents. Also, there are limited studies on governance research in Nigeria, which have used the observation method (Adegbite et al 2012; Uche & Atkins 2015). These studies were able to observe AGM's in action.

This chapter has attempted to illustrate the choices that have led to the research findings as a result of the philosophical and methodological underpinnings. These choices reveal that the research process is a complete and whole process. This means that every constituent part of the research process is important and will affect the end result of the research process. The research approach adopted in the study is linked with the methodological choice. This link is made explicit, as hermeneutic phenomenology incorporates the presuppositions of the researcher. The presuppositions in this context are the theoretical and empirical research in the literature.

The research philosophy of the study is largely interpretive, due to the hermeneutic phenomenological framework. This means that though phenomenology refers to a description of the lived experience, the world as we see it, the construction of the meanings of the phenomenon between the participant and the researcher leads to an interpretation of the essence of the phenomenon. It was therefore necessary to situate the study within the broader phenomenological context. The impact of Van Manen's (1990, 1997) hermeneutic phenomenological approach is felt throughout the research study as a result of, the concept of balancing the parts of the phenomenon to the whole.

The idea of balancing the parts of the findings to the whole is explored fully in the discussion of the findings which is chapter 6 of the present thesis. The Van Manen (1990, 1997) 'balancing concept' led to a thematic approach which focuses on a 'whole' thematic systematic approach to data analysis. This meant that the approach to data analysis was a consideration of all transcripts as whole texts. Therefore, data analysis was done in such a way that the focus was to relate the statements of participants to the phenomenon under investigation. The Van Manen (1990, 1997) philosophy indicates that the act of phenomenological investigation is more interpretive than descriptive. This is due to the interaction between the researcher and participants.

4.9 Chapter summary

This chapter has focused on a discussion of the research design of the study, based on four themes namely: approach, philosophy, data analysis and methodology of the research study. The first theme has reviewed the research approach on which the study is based. A discussion of the justification for this approach is explained. The research approach used in the study is an abductive approach, necessitated by the research design of the study. This approach enabled a consideration of theoretical links through deduction while at the same time using an inductive approach to preserve the richness of the data.

The second theme, research philosophy, explains the philosophical underpinnings of the study. This study employed an interpretive paradigmatic stance which lead to a revelation of an in-depth insight of the phenomenon. The third theme, research methods and methodology is interlinked with the second due to its ontological interpretivist stance. This theme illustrates the process of data collection. The essence of the theme, was to elucidate the framework underpinning the entire research study. Therefore, the Van Manen (1990, 1997) hermeneutic phenomenological position adopted in the study was explained to situate the study within the appropriate phenomenological context.

Finally, the last theme explained the process of the thematic analysis. The crux of this theme was to illustrate the process of data analysis which led to the research findings. The next chapter presents the findings of this research thematically. The following chapter does not interpret, but encompasses a systematic presentation of the findings.

.

Chapter 5 Findings

5.1 Introduction

The aim of this chapter is to present the findings derived from data analysis of this study. The chapter presents the first level of analysis. This level of analysis is presented by introducing the themes and supports them with evidence in the data. The chapter is divided into six sections.

The first section describes the development of categories and themes. The following four sections present the categories and themes unpicked from them. The themes are supported with quotes from participants. The last section summarises the key findings of the chapter. This section also presents the development of the thesis. The following chapter relates the findings to the literature in two ways. First, by interpreting the findings which is the next level of analysis. Second, by relating the findings to the corporate governance literature, which is the last level of analysis. The chapter also discusses the study's contribution to knowledge.

5.2 Category and theme development

The thematic analysis of this study was achieved in six stages. The first stage involved reading the transcripts many times in order to familiarise the researcher with the data. The second stage involved summarising each transcript with the use of mind maps (Burgess-Allen & Owen-Smith, 2010). This was done to isolate key points and phrases in the data. Furthermore, this stage helped to manage the large volume of data associated with qualitative data analysis (Burgess-Allen & Owen-Smith, 2010). The third stage was to manually code the transcripts based on the key phrases. This was done to ensure that, the analysis was compatible with the analytic objective and research design of the study. The analytic objective was to focus on research questions while paying attention to the phenomenological research design. The fourth stage was to formulate categories based on the data and results of coding.

The categories in this thematic analysis are defined as groupings of similar data. This stage was important, because it helped to organise the data and apply the codes. The fifth stage was to isolate themes within these categories. This was done by noting code frequencies in the data. This stage helped to capture the essence of participants' utterances. The final stage was to refine the themes within the categories.

5.3 Introduction to themes and categories

5.3.1 'Behind the scenes'

This category encompasses the role of the Pre AGM and AGM in the company. The Pre AGM is held prior to the AGM and is used to discuss critical issues. A company may hold a Pre AGM when facing turbulent times to diffuse tensions at the AGM. The AGM is held yearly with regulatory officials in attendance and the directors use the Pre AGM to resolve conflicts. However, the Pre AGM is not just used for conflict resolution, but also to invite key shareholders and stakeholders. The directors use entertainment and unethical means such as bribery to set the agenda of the AGM.

There are four themes within this category, namely, image management, 'informal interaction', 'no conflict' and shareholder awareness. The first three themes relate to the role of the Pre AGM and the last theme relates to the AGM. The role of the AGM and Pre AGM was discussed in chapter 2.

The theme of 'image management' relates to the idea that, the Pre AGM is used to manage the image of the company and directors. The Pre AGM is used to ensure that the AGM runs smoothly. Also the theme relates to the idea that directors strive to create a good image for the company. The theme 'informal interaction' relates to the role of the Pre AGM in the company. The themes highlight the fact that participants refer to the Pre AGM as informal, but it is in fact a formal meeting. It is a formal meeting due to the attendance of major shareholders and stakeholders. The Pre AGM is considered where the real business takes place.

The theme 'no conflict' encompasses the idea that, due to the Pre AGM, the AGM becomes a ritual. Lastly, the theme shareholder awareness encompasses the idea that shareholders know their rights. This last theme relates to the idea that, the AGM is used by the shareholders to express their views and concerns about the company. It also relates to the idea that shareholder are usually financially literate. Finally, the theme relates to the idea that, shareholder activism takes place in Nigeria.

5.3.2 Collaboration

The category encompasses the idea that director collaboration determines a successful NED role performance. The theme revolves around the idea that, NEDs require the support of EXECs to perform their roles. There are four themes in this category.

The theme of cordial relationship relates to the idea that, trust and good communication matters for cordial relations in the board room. This theme also relates to the idea that disagreements may exist in the board room. However, directors may work together to promote the success of the company. As a result, there is a common interest which supersedes directors' specific interests.

The theme no hierarchy, encompasses the idea that there is no hierarchy in the board room. The hierarchical structure in the board room is only for organisational purposes. There is only one level - namely the board. The non-executive and executive roles are for delineation of roles and division of labour.

The theme supervision relates to the idea that NEDs supervise EXEC performance. The theme also relates to the idea that NEDs have influence in the board room. The role of NEDs as supervisors involves guiding EXECs and protecting the interests of shareholders.

Lastly, the theme NED performance challenge and limitation relates to the idea that NEDs require EXECs cooperation to perform their roles. This theme presents the various challenges that NEDs encounter in the company. It also relates to the idea that, the power and influence of NEDs is shaped by the relationships in the board room. The EXECs are responsible for the daily affairs of the company. They are therefore, responsible for all company information. The EXECs can influence and restrict NED roles.

5.3.3 Value addition

The category encompasses the idea that NEDs add value to the company. The category also encompasses the idea that, NEDs have specific traits which distinguish them from EXECs. There are four themes in this category. The themes are collective strategic responsibility, differentiation of roles, experience, and NED being a bridge to the outside world.

The theme collective strategic responsibility relates to the idea that, NEDs have a role to play in the strategic development of the company. The NED contributes to strategic development by initiating and shaping the strategic process. The extent of the NEDs involvement in strategy is affected by the ownership structure and life cycle of the company.

The theme differentiation of roles relates to the idea that NEDs and EXECs have different roles in the board room. The NED is defined as an outsider with broader views than management. The NEDs (as outsiders), provide alternative views due to knowledge gained elsewhere. As a result a board room composed of NEDs and EXECs may be diversified and balanced.

The theme experience relates to the idea that, NEDs are appointed for their experience. The theme also encompasses the idea that, NEDs must be knowledgeable, have relevant experience and business exposure to be effective.

Lastly, the theme NED a bridge to the outside world relates to the idea that, NEDs are viewed as critical resource providers. The NEDs are usually appointed to bring business to the company. The NED is the link between the company and the outside world. As a result, the NED must be aware of political issues which may affect company affairs. The NEDs use their contacts in the corporate world to assist the EXECs in performing their roles. The theme relates to the idea that, NEDs are pressured to perform resource roles.

5.4 Image management

Image management relates to the idea that the Pre AGM is used to manage the image of the company. The image of the company and its directors may be improved or destroyed at the AGM. The theme encompasses the following points. First, the role of the Pre AGM in managing the image of the company. The participants state that the role of the Pre AGM is for publicity and entertainment. Second, the implications of a successful or failed Pre AGM. The Pre AGM is a useful tool, because shareholders may cause problems at the AGM. The Pre AGM is often used to manage negative reactions of shareholders prior to the AGM. The quote below illustrates and supports the idea that shareholders are viewed negatively. In Nigeria, motor cyclists are usually seen as a nuisance, because they usually disobey the traffic rules:

> *It all starts from the attitude, you say the word shareholder, and the word shareholder for many directors, is the way you say Okada (motorcyclist) to many drivers. They consider them a nuisance CS 12.*

The Pre AGM is portrayed by participants as a mere publicity meeting. The quotes below illustrate this point:

> *Pre AGM is pure public relations. There is no law which says one should have it or not NED 10.*
> *So majorly it is PR (public relations) purpose CS 4*.

The Pre AGM is also presented as a meeting for purely entertainment purposes. The idea of entertainment is related to publicity in this context. This is because if a meeting is held for publicity purposes, most likely there will be provisions for entertainment. The quotes below illustrate and support the above points:

> *It also depends on how good the financials are there could also be a post AGM lunch NED 10.*
> *It's (Pre AGM) not necessary as shareholders are not there to eat, but in Africa there is the culture of entertaining and it won't be nice not to entertain them CS 11.*

The role of the Pre AGM, as discussed above, appears to be for publicity and entertainment purposes. However, the meeting is not only for public relations, since it determines what happens at the AGM. The definition of publicity is thus misleading. The Pre AGM is not required by law, and exists due to the company practise. This illustrates that, the meeting is not a publicity stunt.

The law provides for the AGM, which is publicised through circulars and notices and serves as a medium to inform shareholders and stakeholders about company affairs. The Pre AGM is used by directors to ensure that the company is put in a good light. The Pre AGM is important, since it changes the perception of shareholders. This is important because directors aspire to portray the company in a good way.

The idea that the Pre AGM is for entertainment purposes is also misleading. This is because shareholders can also be entertained at the AGM. However, it may be argued that fewer shareholders attend the Pre AGM than the AGM so the company may pay less for entertainment. The quote below illustrates and supports the idea that the payment of dividends is a better option to entertainment:

> *Instead of dinners (Pre AGM) it would be better to pay dividends CS 11.*

The theme also relates to the idea that, shareholders are viewed as having power and influence in the company. The Pre AGM is a meeting composed of key shareholders and stakeholders, if the company has a bad image, this may lead to disastrous consequences. First, the shareholders are portrayed as powerful persons because they can cause problems or conflict at the AGM. The directors may be viewed as non-performing if the company has a negative image.

As a result, not only is the image of the company affected, but that of directors. Therefore if the company has a good image, directors may gain a good reputation. Hence, the need to invite key shareholders and stakeholders whose views are important to the directors. The quotes below illustrate that a poor image management strategy may create problems at the AGM. The shareholders and stakeholders may form bad impressions which may be hard to change. The quotes below illustrate and support the above points:

> *In some instances institutional investors can bring about a change in the board that this company has a future but the management is not performing well NED 6.*

> *I was at the AGM of a Plc, somebody who had recently been involved in a scandal was campaigning to be elected to the board of the audit committee and there on stage the representatives of SEC who must be at every Plc AGM, passed a note to the board and said that gentleman is not to be allowed to stand for election. We would not allow it, they (directors) had to tell the gentleman and then he stood down. Had you been communicating beforehand with NSE (Nigerian Stock Exchange) they (company) shouldn't have reached that stage. And then the uncomfortable questions are possibly discussed because the board acts like, this shareholders are just a nuisance CS 12.*

The Pre AGM provides the platform to improve the image of the company. This may be particularly useful when the company is facing various challenges. For instance, the shareholders and stakeholders can contribute and address issues that may create a bad image for the company:

> *Sometimes they do Pre AGM just to bring critical people on board. For me it would be better to bring them on board and share the vision with them at a reasonable time. Because sometimes they may come with better options NED 2.*

Another significant issue is that, the AGM provides the opportunity for election and re-election of directors. This means that, directors have the opportunity to be re-elected so shareholders may refuse to re-elect non performing directors. The directors, being aware of media and regulatory surveillance, may aspire to have a good image. The important issue here is not just a power divide, but an eagerness to portray the company in a good light to the regulators. This is because if regulators give a negative report, it may affect the share price of the company. The company's access to resources may also be restricted because of its poor image. The image of a company may motivate or deter potential investors.

> *In some instances, institutional investors can bring about a change in the board that this company has a future but the management is not performing well NED 6*.

The perceptions of stakeholders may be a determining factor for future NED appointments. This is because the regulators play a role in NED appointment in heavily regulated industries such as banks. The finance sector in a country is crucial for economic development, hence the influence of the regulators. The board may forward potential NEDs to the CBN for approval. This suggests that a NED whose name is repeatedly not approved ends up having a bad name. It may, therefore, be pertinent for NEDs and EXECs to collaborate to ensure a successful Pre AGM.

5.5 'Informal interaction'

Informal interaction encompasses the following points. First, the Pre AGM is described by participants as an 'informal' meeting. Second, the directors use entertainment (food and drinks) to pursue their self-interests. Third, the Pre AGM is not the only 'behind the scenes' meeting. The Pre AGM is described as an informal meeting with key shareholders or stakeholders. The meeting is described as informal, because it doesn't have the formality and legality of the AGM. There are three reasons for this, namely, its cordial environment, the absence of regulatory authorities and lack of time restraints.

In some cases, the media may be present, and more often than not, the AGM may be broadcast on TV. The Pre AGM affords the opportunity of discussing company affairs without the presence of the regulatory authorities and media surveillance. This means that detailed information may be discussed on the floor of the Pre AGM. The quotes below illustrate and support the idea that the Pre AGM is informal in nature, due to the absence of regulatory officials. The absence of these officials creates a possible relaxing atmosphere and encourages discussions between directors and key shareholders and stakeholders. The quotes below illustrate and support the points above:

> *It (Pre AGM) is a more cordial and semi-formal meeting, so you could actually come down to basics there. At the AGM there would be regulatory authorities. There would be things that you won't want to say when the regulatory authorities are there CS 10.*

Pre AGM helps the shareholders to bear out their minds. It's an informal setting unlike the formality of the AGM. It gives the shareholders a close up opportunity to chat with management and the board CS 6.

The role of the Pre AGM is to interact with the shareholders freely. It should be an informal setting EXEC 1.

You don't get to meet this people all the time so you can now invite shareholders, stakeholders, friends of the house, business associates. It's (Pre AGM) is just a way of interacting with stakeholders. It's once a year so that I mean…… it's been a year we have seen each other … you are doing well here but the competition is doing this… you can get a lot of information from the informal session EXEC 5.

Furthermore, the Pre AGM provides the opportunity for shareholders to air their views. The shareholders may be prevented from asking questions at the AGM due to time constraints. This means that there is some form of flexibility at the Pre AGM, unlike the AGM. The quotes below illustrate and support the points above:

Pre AGM is an opportunity to hear from shareholders as not all can talk during AGM due to time constraints. So at the end of the day substantial spread of views will be gotten from AGM and Pre AGM CS 8.

An AGM is a very formal meeting and it's only once in a year so you may not have all the time and the opportunity. I can imagine a shareholder who comes with issues he wants to discuss and he is not given the opportunity to talk, he has to wait till the following year. But at the Pre AGM even if he is not allowed to talk probably he would have the opportunity to meet one of the board members, one on one, fix an appointment to see later CS 10.

The participants present the Pre AGM as lightweight, but it is where the real business goes on. The Pre AGM is presented by participants as an informal meeting due to the absence of regulatory officials and the media. However, what the participants mean is that it is formal, but less structured than the AGM. Also, the meeting is presented as informal to deceive the shareholders of its real purpose. The real purpose is to gain the support of influential shareholders. The use of the word informal to describe the meeting may prevent shareholders from being suspicious. This suggests that, the shareholders may refuse to attend the Pre AGM if they suspect foul play. The theme reveals tensions and a power struggle between directors, key shareholders and stakeholders. The idea of a power struggle is portrayed in the following ways.

First, only fundamental, principal or influential shareholders and stakeholders are invited to the meeting. The shareholders are powerful and influential because of their voting powers, investments and shares in the company. It is a power strategy to invite influential shareholders and stakeholders to the meeting, where the 'real business' goes on. Second, the un-invited may be persons with small investment or shares in the company. They may be minority shareholders, and their opinions may not carry weight in the company. The minority shareholders may not pose a threat to directors at the meeting due to the presence of the influential shareholders. These key shareholders may help the directors to gain the support of other shareholders. The quotes below illustrate and support the above points:

> *It's (Pre AGM) useful within the Nigerian environment, is very useful because there is a lot of ignorance and rumour mongering so you use the Pre AGM to sensitise the key stakeholders e.g. institutional stakeholders NED 6.*
>
> *Pre AGM, it's about inviting the critical shareholders especially the critical members NED 2.*

The Pre AGM is also viewed as providing no benefit to the company. The participants below state that the Pre AGM serves no useful purpose for the company and directors:

> *It (Pre AGM) is illegal and it's not in the law CS 15.*
>
> *It (Pre AGM) doesn't really bring any benefit CS 11.*

The participants below state that the aim of the Pre AGM is to entertain shareholders. They present a symbolic meaning of food and drink in the Pre AGM. The food and drinks are seen to be part of African culture; a way of entertaining. It is also presented as being able to create a 'relaxing atmosphere' thereby suggesting cordiality. Participants' refer to food as an enabling factor for cordiality and to enable discussions. The participants state that there is a culture of entertaining. This includes thanking shareholders and making them feel honoured. The quotes below illustrate and support the points above:

> *It (Pre AGM) does and now levels you out with shareholders so that during AGM, interactions would be cordial when you have a drink with someone you don't come out and yell at the person, you would look for meaningful ways to convey his or her wrongs to him or her NED 7.*

> *Pre AGM dinners provide an opportunity to fete the institutional investors and keep them abreast of where the company is CS 7.*

> *Depending on the size, many companies like to give them lunch, but now it's becoming a cut, cut issue but they came from all over, we are Nigerians and even the ICSA UK said that giving a souvenir is not out of place. If you can't do lunch, but just the fact that they came and they were well received. So those are the little things that somebody would come and say, this AGM I felt I gained CS 12.*

The quotes below illustrate and support the idea that other private meetings exist besides the Pre AGM. The meetings include a 'small' meeting, shareholder forum, investors forum and a 'private' board meeting. However, the descriptions of the alternative meetings do not appear to be different from the Pre AGM. This is because these meetings take place before the AGM:

> *There could be a small meeting and a major AGM so that those who may not have the opportunity of going to the real AGM can have the opportunity of knowing what is going in the company NED 4.*

> *Some companies do shareholders forums and take questions before the AGM so the AGM is smooth and orderly - it's an avenue to bring them together. The shareholders forum consists of shareholders while the investor's forum consists of major institutional investors. It is important to note that both have different perceptions and needs this is the essence of the forum EXEC 2.*

> *For me, I would rather not have Pre AGM but Shareholders Forum once a quarter or once in 6 months. Once the results are out, I would*

call some key shareholders and brief them on what is going on in the company, operations and try and take half a page to also talk about (putting the discussions in print form) what I have told them a day or two after the forum, so that those shareholders who didn't attend will have the opportunity of reading it NED 12.

Pre AGM - It's like having a board meeting, some members of management and the board will have held a meeting. OK, this is how this should be… to discuss the real issues so that by the time it gets to the board you would have sent them copies of … so that when people come to the board they are already adequately informed CS 2.

The idea that there are other types of private meetings besides the Pre AGM suggests that, the directors have other alternatives to the Pre AGM. This means that, if the Pre AGM fails, the directors may still influence influential shareholders and stakeholders at other meetings. Furthermore, it is possible that directors may use these other meetings to fool minority shareholders and stakeholders who do not attend the Pre AGM.

5.7 Shareholder awareness

'Shareholder awareness' relates to the idea that shareholders have rights and they are aware of those rights. The theme encompasses the following points. First, shareholders have roles in the governance of the company. Second, there is a power tussle between shareholders and directors. Third, there are implications of shareholder activism. The participants present the idea that shareholders know their rights. They attend meetings and ask questions on company affairs. The theme also relates to the idea that shareholders can ensure that directors are held accountable for their actions. The quote below illustrates and supports the point that shareholders know their rights:

At most AGM shareholders ask questions on bonus but nowadays shareholders are well informed shareholders NED 10.

These days, shareholders are beginning to be quite wise; they are beginning to realise that the company is theirs and they have only one opportunity to know how the company is run. And that opportunity is at the AGM and they take it seriously. Of course the law expects that you post annual reports fully well in advance to

> *enable shareholders to obtain them and ask you valid questions. So, the AGM are quite effective NED 8.*

Participants present shareholders as financially literate. The ability to interpret company documents is a crucial trait that shareholders must possess. This is because a director's stewardship is usually assessed by company performance. Also, if shareholders are not financially literate, they may not be able to contribute to the governance of the company. The quotes below illustrate and support the above points:

> *Shareholders who can read the financial documents can ask questions. Since the board understands the financial statements they can listen and take criticism. Where there is merit, then, changes can be made. At most AGM, shareholders ask questions on bonus, but nowadays shareholder are well informed NED 10.*

> *The AGM ratifies the annual report. In the AGM there are a lot of shareholders, people from different backgrounds and they come up with questions based on the annual report CS 5.*

Furthermore, the points above illustrate that shareholders have power and influence in the company. The idea that shareholders have information power may prevent directors from manipulating company information. The important issue is that the shareholders are not just aware of corporate issues, but use their knowledge to inquire about the company. Also, the fact those shareholders or their representatives are from diverse backgrounds means that robust questions may be asked at the AGM. The role of shareholders cannot be overemphasised because they may cause positive changes in the company.

However, shareholders cannot ensure director accountability if they do not attend company meetings. The rights of shareholders can only be exercised at company meetings. The role of shareholder associations is important in this context. These associations may sponsor members to attend. Therefore, shareholders who cannot attend the AGM will be represented. The quotes below illustrates this point:

> *I have been to an AGM, the particular company was having problems, where a member suggested a business venture which the company could go into and the company took it up they went into it. It's that*

business venture that is virtually sustaining the company till now CS 4.

Some shareholder associations are now well informed and are more resourceful. So they also sponsor some of their members to attend such meetings and ask critical questions. Sometimes it (the AGM) becomes rowdy and sometimes they (shareholders) may have their way based on the fact that they can call for poll and issues that they want to force on the company are taken. But invariably if this occurs if it's a public company it would surely affect their share price NED 2.

The primary piece of information provided to shareholders is the annual report. Shareholders may only query what information is presented to them. This suggests that, it is still possible for the directors to play games through the use of creative accounting policies. As a result, they may not spot discrepancies in the accounts; shareholders have to rely on the information provided by management. The quote below illustrates the point:

In an active AGM, they piece the account and ask questions. So it's (AGM) also an avenue to check the board because if they have vibrant shareholders, whenever something is going wrong, they could look at the trend of what is in the account and be able to know if the company is doing well. And they can ask questions which the board needs to look at. They can also give advice on what the board can do. When anything filters that can tarnish the integrity of the organisation they can advise or tell the board. They also make criticisms so the AGM is also an avenue that checks both the NED and the EXEC CS 5.

On the other hand, shareholders may decide to remove non-performing directors. However, legal and regulatory stipulations may prevent shareholders from making a change in governance. The involvement of shareholders in governance may be detrimental to the company. This is because shareholders may use their power to force a change in the company. This may affect the company's share price. The power tussle between the directors and shareholders can destroy the board and company. The quotes below illustrate and support the points above:

Also AGM's are hijacked by different shareholder groups who have their different vocal or mouthpiece who come there. And they are recognised by the company and given the opportunity to speak most of the time NED 4.

The board is responsible to the shareholders. Distraught shareholders can destroy a board EXEC 1.

5.6 'No conflict'

This theme relates to the idea that the Pre AGM is a meeting that prevents conflicts and problems at the AGM. The Pre AGM is used to address challenging issues before the AGM. The theme encompasses the following points. First, the Pre AGM is used to resolve conflicts. Second, the directors use two tools to resolve conflicts. The tools are, essentially, bribery and holding the AGM in distant places. Third, the Pre AGM is not only used for conflict resolution, but for agenda setting. Fourth, the AGM is a routine meeting. The participants present the Pre AGM as a meeting for resolving conflicts that may occur at the AGM. The Pre AGM is used to douse possible tensions at the AGM. The key shareholders or 'sensitive' (see EXEC 1 quote below) shareholders are invited to the meeting. The Pre AGM provides the opportunity for all conflict issues to be discussed. The Pre AGM is flexible in nature unlike the AGM. The invited shareholders may thus have ample opportunity to present their grievances. The quotes below illustrate and support the above points:

At the Pre AGM you can say everything that needs to be said, you can do anything that needs to be done. But basically something like facts behind the figures. We (directors) just want to give you an idea of what we have been doing and sometimes you do that to make the AGM faster. Because at the Pre AGM everyone has the opportunity of expressing their views. And you can hit yourselves if you want to. I can get a knock on the head for doing this and that. Then when we come to the AGM they say oh don't worry everything is fine because we've discussed at length CS 10.

It (Pre AGM) is an avenue to mellow hot head shareholders EXEC 1.

So what they normally do is that they call on the influential shareholders and they invite them to the Pre AGM dinner so they discuss it, they resolve it, they trash it out, so that at the AGM proper there would be no opposition CS 4.

The other uninvited shareholders may be unaware of Pre AGM discussions and this may lead to some form of opposition from these shareholders. The key shareholders will be aware of those issues and will possibly support the directors. This means that questions from other shareholders may be answered by the key shareholders. The significance of this process is that the directors have in effect determined (to a large extent) the proceedings of the AGM. As a result, the Pre AGM would in effect answer potential AGM questions. The quote below supports the above points:

> *It's a forum to brief them (shareholders and stakeholders) about the performance of the company and probably prepare their minds for the AGM. It becomes important to companies when they have challenges and they may expect a rowdy meeting. And, if they are able to get these people on their side and who patiently understand issues and things that may be responsible for the current state of the business then those fellows can have a moderating effect at the meeting. If issues come up, then they are able to speak in such a way that they can get people on their side and on that of the company. Especially, if these people are respected opinion leaders in the society. And more so if the opportunity is used to get the EXECs of the different shareholders, of the different shareholder solidarity groups it does help the organisation NED 4.*
>
> *Probably, they want to move a resolution that is very controversial which they know that certain shareholders would object to. So they use the Pre AGM dinner to trash out such issues so that the AGM would flow smoothly. That is just what the Pre AGM is for in Nigeria that is in reality. So it serves no concrete purpose to the company CS 4.*

The directors use a number of tools to resolve conflicts. Participants state that unethical practices, such as bribery, can take place in the Pre AGM. The shareholders thus conform to management wishes. Participants express the view that the bribes may be used to gain the support of the invited shareholders, thereby preventing opposition. The bribes can also be given to gain the support of regulatory officials. The quotes below illustrate and support the above points:

Pre AGM dinner cannot be seen or should not be seen as an opportunity to, 'in quote' settle the disgruntled so that they will not make trouble at the AGM that is bribery CS 13.

It's (Pre AGM) needed to brief the shareholders on issues, that they should be carried along, but some Nigerians use it to bribe the shareholders CS 15.

Pre AGM in Nigeria is where matters that could be naughty are discussed, palms are greased and resolved. What the company normally does is to invite those major shareholders who may raise questions. A company would look at its report and say this is a volatile area if they (directors) leave it open, they just rush into AGM they would be washing their dirty linen in public CS 4.

Interviewer: Are SEC officials present at the Pre AGM? Participant: They (SEC) could be invited but they (directors) know who they are going to invite. Pre AGM dinner is not governed in law there is no provision for that a company could choose to organise it the way it likes. They may even invite someone that they know that SEC would send to the Pre AGM who would raise some issues and they would grease his palms there. They resolve the naughty issues so that when it comes to the public at AGM there would be no opposition CS 4.

The significance of bribes is that participants' behaviours are controlled through this power tool, to ensure that the content of their report portrays a good image of the company. This illustrates a power divide between the director's shareholders and stakeholders, such as the regulatory officials. Some participants expressed the view regardless of meetings names; shareholders will still be informed of company affairs. The quote below illustrates and support the points above:

At the end of the day one would say do whatever you have to do to get your company ahead. So far as it is ethical do it. And one could argue that even if the mass shareholders were not invited to the investors' forum, they still get the AGM, where they get the same opportunities to ask questions. Personally it seems like favouritism *but I can understand why it is used so commonly, the Pre AGM luncheon that is CS 12.*

The participants explain that some companies hold the AGM in distant places. The directors do these for possibly two reasons. First, the Pre AGM was unsuccessful. Second, to discourage the attendance of shareholders and prevent opposition at the meeting. The quotes below illustrate and support the above points:

Annual General Meeting should give the shareholders the exact position of the company. AGMs are usually done in far places to avoid opposition CS 11.

Some organisations go as far as carrying the meetings (AGM) to where they know where people won't attend. Especially when they know that they have not done well, it's a practice in Nigeria that must stop. Travel costs and hotel accommodation can deter shareholders from going for AGM, so invariably they are disenfranchised because of the location. That is not to say that all meetings should be held in Lagos (commercial town in Nigeria where many companies have their registered offices). There should be elements of moderation and understanding when such meetings are planned NED 4.

In most times there is usually a consultation - it's the trend in Nigeria. If a company knows that it has problem in terms of getting approvals they take the AGM to a remote place, where the majority of the shareholders who could make trouble or make a lot of noise won't be able to get to. And they support those (shareholders and stakeholders) by providing transport and accommodation for those who would support them NED 2.

The significance of the power tool: the AGM being held in distant places, is to control the outcome of the AGM regardless of the Pre AGM. This means that if they are unable to do so at the Pre AGM, or if the tools used fail to accomplish their intended purpose directors have a last resort. However, despite holding the AGM in distant places, the shareholders can still sponsor their members to attend such meetings. This shows that there are indeed tensions between the shareholders and directors. This means that despite serious preparation and planning for the Pre AGM, influential shareholders may refuse to pander to a directors' wishes.

The Pre AGM is used to set the agenda of the AGM. As a result of the Pre AGM, the AGM becomes routine. The participants explain that the role of the AGM is to interact with shareholders. The significance of the AGM being a routine meeting is that possibly new corporate issues may not arise at the AGM. The AGM therefore becomes a meeting that allows for prepared questions and answers. The quotes below illustrate and support the above points:

> *So, the Pre AGM should be an interactive session to discuss with shareholders to prevent rowdy AGM's, so that the shareholders are informed. Pre AGM should carry shareholders along and answer questions that would be brought up at the AGM CS 15.*
>
> *So, when you see at some AGM's that every motion is being passed, people are voting for, the AGM is swaying the way the management want it. It can only happen if they have done a Pre AGM NED 5.*
>
> *In passing resolutions that would be for the benefit of the company, the board will ensure that the AGM is managed in such a way that those resolutions will go through NED 5.*
>
> *AGMs are still largely ceremonial especially in public companies as institutional investors (who are substantial shareholders) do not attend CS 7.*

5.8 Cordial relationship

This theme relates to the idea that, a cordial relationship matters for successful NED role performance. A cordial relationship encourages constructive deliberations in the boardroom. The theme encompasses the following points. First, the implications of a cordial relationship in the board room. Second, existence of other factors which affect board room deliberations. The participants define a cordial relationship as one that is necessary for the proper functioning of directors. This means that directors must have a cordial relationship in order to perform their roles adequately. The ingredients of a cordial relationship include understanding, rapport and trust. These characteristics are identified by participants as necessary for team work and togetherness. The quotes below illustrate and support the above points:

One word is trust - they have to trust each other. The EXEC has a duty as an employee to deliver. The NED also has a duty as the member of the board to assist the EXEC to deliver. If that is the objective of the two of them then there should be mutual trust EXEC 5.

They need to develop rapport with management so they see the NED as partners NED 11.

The two have to work together and the only way they can work together is if one knows how to utilise the other. And in most cases it is the management which has the skill or the manpower that utilises the assets that how I see. If you do not have a cordial relationship you would hardly understand management NED 7.

The participants below describe a cordial relationship. A cordial relationship does not mean that there will be no disagreements between directors. The participants state that despite disagreements directors can still perform their roles. The directors need to agree and forge ahead to meet the company's objectives. Therefore, directors must concentrate on fulfilling the goals of the company. The directors thus have a collective interest, which is to promote the success of the company. The quotes below illustrate and support the above points:

What is the need for a board if the EXEC can't listen to the board? If there is no disagreement within the board then there is no point there being a board as they can't agree all the time EXEC 1.

I believe that if you come to the boardroom, the first and last thing you should do is to have personal interest. So if you have collective personal interest your interest is to move the company forward. Don't have permanent enemies or personal interest NED 7.

I believe that if both the NED and the EXEC have one goal, the major goal is to maximise the wealth of the shareholders, considering all the stakeholders. Because in maximising the role of the shareholders, you need to pay your tax, in maximising the wealth of shareholders you need to pay your staff and to pay suppliers. Because of this one *goal they should work together to ensure that this goal is accomplished CS 5.*

The directors need to collaborate and work in harmony to perform their roles. The directors therefore need each other to perform their roles. The quotes below illustrate and support the above points:

> *Not keeping a cordial relationship basically can hamper the ability to understand management. Because management is the tool to achieving the goal… utilising management to achieving the goal. Management is an asset to me, they are an asset the way I look at cash, because you need to employ labour to administer cash resources before a given goal can be achieved. That labour, the staff of the company, this is a tool. Think of when you want to eat large chunk of beef you need cutlery - fork and knife. So you look at management as the fork and knife as the financial resources the cash assets NED 7.*

> *If the cooperation doesn't come from EXEC, there is no way the NED can perform optimally. The EXECs and NED need to see themselves as team players and collaboration must be there for their roles to be complementary. They should see themselves as complementary - helping each other. The relationship must be smooth for the company to benefit from the efforts of directors CS 1.*

There are a number of effects of a lack of cordial relationship in the board room. The participants explain that when there is a poor relationship between directors, EXECs may withhold information on company affairs. The quotes below reveal that, NEDs may request information from lower management staff:

> *The EXEC will have to deal with the NED with an open mind - it is both ways. If the relationship is not good or cordial, the EXEC are not likely to be open with the information they will give to NEDs. Especially when the information does not portray good performance, but if there is a good relationship the EXEC is likely to run to the NED for advice and say there are things we are having a problem we need help. If there is a good relationship, it would definitely help to add*

value to the business. But, if the relationship is bad, then there will be a disconnect and it would further endanger the interest of the business, so one of the things that the board must do is to ensure that at all material times the relationship between the EXEC and NED is good NED 12.

If there is a negative relationship, the EXEC might decide to withhold information from the NED, and if they cannot get the info they require they might not be able to perform their roles properly CS 5.

It may affect the extent that the EXEC may not be as helpful as they should be. Because for the NED to be able to provide what he has been appointed to come and perform he would need the help of the EXEC. They have to have a good working relationship because at the end of the day he relies on them for what he gets. The EXEC control management, management generates the information and the EXEC decide what information goes to the board except the board by itself invites members of management to come and address the board by themselves in which case they will be able to get direct information from management who are below the board. But the thing is if they are complacent … if they come together to withhold information from such NEDs even a face to face interview wouldn't reveal anything he would only give the information that his OGA (boss) has told him to give and he won't give the rest. But where there is no such thing there must be a good working relationship so that they can get information easily they can ask questions; they can get clarification and everyone can move on CS 2.

Another effect of a poor relationship is that the company becomes ungovernable due to the personality clashes. This may affect company business and lead to the dissolution of the board and company. The quotes below illustrate and support the above points:

Without mentioning names, there is a company that was a market leader that has dropped from the position because the EXEC were towing a particular path; the NEDs were towing a particular part, at the end of the day things degenerated to the level that the regulators have to step in and despite the strong brand things went bad. The

EXEC must recognise that they need the NEDs because they are not embedded in their own routine; so they have a wider perspective of issues than they who are the EXEC, so by the time there are irreconcilable differences the board will not function as it should CS 14.

In one of the companies I've worked for, it became almost impossible to run the board because where the falcon cannot hear the falconer and nobody is willing to shift ground, this was the case of the MD quarrelling with the chairman. The chairman is an NED, the MD is an ED, they quarrelling, it came to a point there couldn't be a meeting because this one says he can't be my boss at this meeting, he can't chair my meeting anymore, so where such things happen the only thing that, the result is always that the company suffers. The company I'm talking about is now in the heart of, you know, it's in extinction, and it's no longer existing. So it really affects the company to a negative side CS 9.

When there is no harmony between them (directors), it affects the fortunes of the company. And it's a sure way of making the company go under. The best way is for the role to be complementary rather than confrontational NED 2.

The ownership structure of a company may encourage competing interests. There is the possibility for power tussles due to different interests. The NEDs representing shareholders, may prioritise their interests over other stakeholders. Also, the industry to which the company belongs has an effect on director relationships. For instance, in the finance industry, banks may have a more rigorous process of appointing NEDs. This is because the CBN has to vet such appointments. Also, the CBN regulations prevent NEDs from sitting on the boards of other banks. This means that the focus of those NEDs may be to support the EXECs as a result of the impact that banks have on the economy. NEDs may tend to play a more supportive role with EXECs due to the influence of the regulatory bodies. They may not focus on the monitoring or accountability role.

On the other hand, it may be argued that NEDs are better equipped to perform an oversight role in the finance industry. They may be more inclined to ensure accountability of EXECs because of the 'watchful eye' of the regulatory body. The life cycle of a company also affects the relationship between directors. This is because in failing or struggling companies personality clashes and conflicts may become rampant. In a matured firm, directors may disagree but the board room environment may not be as hostile as other firms in different life cycle stages. However, despite the above factors, directors can choose to create the enabling environment to function. The following quotes illustrate and support the above points:

> *You know that there are some times when NEDs come on board as a result of some shareholdings. Some NEDs may be representing some shareholders on the board of directors and such NEDs in spite of the fact that their first duty is to the company, they will always want to act in a way that will benefit the shareholders in the company. If you bear that in mind you would know that the relationship is not always smooth. But in some instances where people… where the shareholding is not as diverse.*
> *For example, you have a company that has five big shareholders and all of them have positions on the board and they are not having a smooth relationship, everyone would be fighting for his own interest and the people who are able to punch together, would be against the people who are not for them. But where you have a situation where there are just two shareholders and they know each other. Or just one majority shareholder and the other one is just comfortable with collecting his dividends, you won't have such conflicts of interest. But where you have competing interests, stakeholders who are always competing to have the dominant role or to get the best interest or to profit the most out of the venture then there will be conflict CS 2.*

> *In the financial sector NEDs are usually supportive. Probably because the leadership of those boards are carefully chosen and strictly regulated. Because the primary regulator is CBN, which has to approve the directors before they can come on board. Companies are very careful about those they appoint, so in most cases such boards are very supportive. In manufacturing boards in some cases are not well balanced, so there tends to be friction, but rarely do those conflicts come… into but there are a lot of conflicts they don't allow it to get into the open.*

With non-listed companies, it usually gets to a point when these differences get into the open but because of lack of regulation, so to say, companies are not actually too concerned, about whether people know or whether people don't know. But for the listed companies it can be very dangerous because regulators might step in and take control. So what I can say is that the level of collaboration between both sides would vary from industry to industry it would depend on whether the companies are listed or not listed CS 14.

If the board is a struggling one because of the state of the company, it would be completely different from a board of a healthy company as the focus on the former would be confrontational, the latter would be relaxed because the focus is to improve and to add value as oppose to a corrective regime as trust is not there. It depends on the industry NED 11.

The participants present the idea that a cordial relationship is necessary for the NED role performance. However, the real issue is the challenge of balancing control and service roles. The NEDs, in a bid to be cordial, may sacrifice monitoring for other roles.

5.9 No hierarchy

This theme relates to the idea that there is no hierarchical structure in the boardroom. The theme encompasses the following points. First, the types of hierarchical structures in the boardroom and company. Second, a hierarchical structure creates competing interests between directors. The participants describe an ideal board as one which emphasises group work. Participants state that directors irrespective of their title designation and roles are jointly liable. The quotes below illustrate and support the following points:

You need to learn to be able to work with fellow directors collectively in achieving a decision. That maybe you do not agree but it is ultimately in the best interest of your company. At the end of the day, we all have to remember something, if something goes wrong the board members are collectively liable. Forget who is fighting with who, so the role of the NED may be affected if he is unable to make proper decisions or timely decisions CS 12.

NEDs are being jointly held liable and they are not there every day. There is a risk involved so whatever contact they have with the *executives they should extract much information from them provided there is enough opportunity to interact with the EXEC to ensure things are being done as agreed and management is reporting as they are running the company NED 11.*

The quotes below illustrate that the names of non-executive and executive are for organisational purposes. The NEDs and EXECs have equal powers in the board room. The organisational hierarchy allows for different persons to be involved in running the company. This suggests that an organisational hierarchy prevents an individual from having unfettered power. This indicates that such hierarchy structure aids a balance of power in the boardroom:

A NED basically has the same role as the EXEC to make sure that the company is properly run: no conflict of interest, no secret interest, they are in charge of running the affairs of the company. They make sure that the financial running of the company has integrity. Basically, everything the EXEC does just that he is not an employee of the company CS 2.

Exec and NED are just names, just for allocation of power. Power rests with the board, it's not a power play of forces at the board there is just one level, and it's based on consensus not democracy CS 8.

The view of a good board is a view of all, no power discrepancy, contrary views are heard. At the board level there is no dichotomy of EXEC and NED everyone must see himself as part of the board CS 8.

The effects of a hierarchical structure with a focus on performance rather than organisational may be detrimental to the company. This means that, there is a possibility of divisions within the board room. The purpose of the board may move from a focus on the company to balancing competing interests. This may create distrust in the board room. Another crucial issue is that, EXECs may fail to disclose information due to distrust and suspicion in the board room. The participants explain that management may hide information from the board when there is a hierarchical relationship. The participants state that at the end of the day the company suffers due to a hierarchical structure in the boardroom. The NEDs may be unable to perform their roles due to lack of company information:

A poor relationship can lead to a deadlocked board and a deadlocked board can be one of the basis for the winding up of the company. You don't want a company to be managed saying these are the NEDs, these are EXECs on the board. When you come on the board you must blend as one whether NED or EXEC. You must all perform your role in the interest of the company and the stakeholders. If you don't manage it very well, it could create crisis and such a crisis can be very expensive for the company NED 6.

They shouldn't have a divide and rule attitude as it can scatter the company, their interest in the company should be total. The essence is that the business grows and not to lord it over management or feel wiser. If there is disharmony or ego clash EXEC and NED should agree and forge ahead EXEC 1.

Some people say that as a NED or a board member you shouldn't interact with management you should have this hierarchy type of structure - no, this is an African mentality. You must have a very good understanding and cordial interaction with management so that management can feel free to open up. The reason why management hides things from the board is because there is always this pedestal that the NEDs are seated on.
So the EXEC s can't freely come and say that we had to hide this… Those sharks they believe so much in profitability if there is no money they are going to send us away. You should have a relationship where there is some cordiality, that relationship where the management can make a honest presentation to you. If the management does not reveal it, the auditors can't even see it NED 7.

However, the real message suggested by the participants is that there is a hierarchical structure in the boardroom. The hierarchical structure is made up two levels: the NEDs and the EXECs. This is because the NEDs are not employees of the company, though they attend company meetings. The EXECs are full-time employees and are in charge of the daily running of the company. The NEDs may need to balance the seeming tension between the performance and organisational hierarchical structure. The participants illustrate that it might be impossible to eliminate performance related hierarchy because of the role of NEDs.

The quotes below illustrate and support the idea that organisational and performance related hierarchy exists in the board room.

5.10 Supervision

This theme relates to the idea that the NED has oversight functions in the company. The participants portrayed the NEDs as supervisors of EXECs performance. The theme encompasses the following points. First, the definition of the NED supervisory role. Second, how does the NED perform a supervisory role? Third, to what extent do NEDs perform a supervisory role?

The Participants use the words oversight and supervision interchangeably. A number of participants described the supervisory role of NEDs with words such as 'controlling, checking, directing and monitoring management'. A number of other participants referred to NEDs influence through the use of words such as 'supervising and oversight, direct, moderate, assist and guide'. These participants stated that the board provides guidance to management. The context in which these words were used by participants expressed a general idea of assistance. The crucial message here is that NEDs have control and power in the board room. The quotes below illustrate and support the above points:

> *The main focus of the NED is to steer the ship CS 3.*

> *Their (NED) role where they do exist is more like a supervisory role at best to the affairs of the company. They give an objective view because they are not involved in the day to day running of the company CS 4.*

> *The role of a NED is to join the board in ensuring that the company is well managed that is they make creative contributions to the company. They ensure that the controls are in place. They ensure that accounts are properly prepared and audited. They monitor the management along with the executive directors because they work together with EXEC in the board to achieve the purpose for which they are part of the board CS 5.*

The significance of the supervisory function of NEDs is that it illustrates that NEDs have an influence in the boardroom. The crucial issue is that, while NEDs supervise EXECs they are assisting them in performing their duties. This means that the NEDs monitor and complement EXECs efforts. The quotes below illustrate and support the above points:

> *Being (NED) able to assess performance, being able to interpret so many of the company affairs documents. To be able to this in order to supervise it's supervisory and oversight functions over the management of the company. These are some of the duties that attaches to directorship NED 6.*

> *They are to assist the board in providing guidance to management, monitoring management's performance and setting organisational culture. Usually NEDs are responsible for advising the boards on governance, succession and remuneration issues CS 7.*

> *They act as a guide during the course of meetings. During the course of meetings the executives are asked if they are meeting up with targets EXEC 3.*

The supervisory role of NEDs also involves protecting the interests of the company. This involves aligning the interests of shareholders and management. The NEDs thus have a role in preventing management from pursuing their own self interests. This theme also relates to the idea that NEDs represent the interests of the company and shareholders. The participants use the words shareholder interests and company interests interchangeably. However the participants state that the NEDs have to represent the interest of shareholders. It is for this purpose that NEDs are appointed to represent different shareholders. The quotes below illustrate and support the above points:

> *They are essentially there to have the company's interest first CS 9.*

> *They have a role in EXEC remuneration as a subset of ensuring that EXECs deliver objectives that are aligned with the shareholders' interests. So essentially, they are not paid for delivering poor performance EXEC 6.*

> *NEDs are shareholders, so they tend to represent the interests of the other shareholders of the company. First and foremost he must have the interest of the company at heart he may not necessarily be a*

technocrat understanding the Nitti Gritty of the business, but he must have a wide knowledge of what the business is all about and be able to make constructive contributions during meetings, and if he is a person well connected he should be able to win some business for the company without necessarily breaching any law EXEC 5.

The key issue here is that the NEDs have to balance the interests of all stakeholders:

Non exec directors provide more of an oversight function because we have ED's (EXECS) who are essentially employees, so their interest may be more self-serving than the interest of the NED. So, the NED is essentially there to have a company as an interest first and to provide an oversight function as in a long term strategy and well-being of the company CS 12.

They bring an oversight control on the activities of the management and protect the interests of all investors and shareholders and stakeholders NED 1.

The main function of a NED is to monitor EXEC performance against agreed goals and ensure that the interests of all stakeholders are protected. By stakeholders, I mean shareholders, the staff, the board and everyone. Their role is that of independent examiners or monitoring of EXEC actions CS 16.

5.11 NED performance challenge and limitation

This theme relates to the idea that, NEDs encounter challenges while performing their roles. The theme encompasses the following points. First, what are the challenges faced by NEDs while performing their roles? Second, the implications of these challenges and limitations on the NED role. The importance of NED knowledge is illustrated in the participant's statements, as the NEDs require support from the EXECs to perform their roles. The support needed from EXECs is defined as the provision of company information. The quotes below illustrate and support the above points:

Lack of knowledge by the NED, as he doesn't have the requisite knowledge. When he doesn't receive sufficient information and feedback. E.g. if the management reports are deficient then the NED can't fully participate NED 10.

Most of them are not conversant with the running of the company, yet they need to give informed opinions and decisions. Most times NEDs just approve and this voids the essence of a NED CS 11.

They are not involved in the day to day running of the organisation they don't see the details of what goes on it's based on the report they get that they give advice and make decisions CS 5.

They are not involved in day to day. If they are not given adequate information to assist in performing their role they may face challenges when information is not forthcoming it's a big challenge and it would weaken their role they need the collaboration and cooperation of EXEC to play their roles effectively CS 1.

Furthermore the NED may lack knowledge of company affairs. The NED must be able to interpret financial documents. This is because the EXECs prepare such documents and financially illiterate NED may be fooled by EXECs. The quotes below illustrate and support the above points:

A NED must at least have a fair knowledge of the business of the company. It doesn't mean that before a NED is appointed in a bank he must be a banker. He should know what service should be rendered to the bank. He should be educated without which he can't go through the documents that would be presented to him for assessment, for consideration. Also fairly experienced, so as to be able to tackle whatever issue are brought before him CS 16.

I think the first challenge for NEDs is to be able to understand the operations of the company. It's so important that, and you don't have to understand it from day one. But you know you don't have to understand it, but when you are speaking with the management, at least you are not lost, okay. So you must understand how the company, the vision of the company, how it tends to attain that vision. So if you're discussing investment plans you must be able to say this is the right thing to do, this is not the right thing to do, and you should be able to look at the financials with a good understanding *to know whether….because you know what is behind the numbers NED 3.*

NEDs they won't be effective without knowledge of financial statements NED 10.

Another limiting factor regarding the influence of NEDs in the boardroom and company is that NEDs have limited time. This is because NEDs may have other directorship positions. This prevents them from being totally committed to the company. The quotes below illustrate and support the above points:

The issue is not a challenge, but having enough time to be able to invest in reading documents CS 15.

Time availability - most good NED are loaded (have many directorships), in terms of their time constraint. I would not as a principle, once you hold more than three other directorship positions, I would not appoint you as a director because you would not find the time to do the job NED 8 (chairman of a board).

Another challenge facing NEDs is that of managing different interests. This is because various stakeholders in the firm seek the supremacy of their interests. The stakeholders may include the public and the local community. The ability to manage different interests is crucial to a stakeholder's perception of the company. A weak stakeholder perception may affect the company negatively. However, compromise is inevitable, as not all interests can be satisfied. This suggests that, dissatisfied actors may hinder performance of board tasks. This is because directors may require time to resolve conflicts. The NED is therefore saddled with managing the interests of EXECs and stakeholders.

The NEDs may engage in a power struggle with EXECs. The power struggle may play out in the following way. The NED may be faced with the dilemma of doing the right thing and at the same time considering EXECs interests. The NEDs in multinational companies may it easier to manage different interests. This is because of the structure of such boards. The boards of multinational corporations have local and foreign directors. The directors' conscious of their public image may have standards in place to satisfy various interests. The quotes below illustrate and support the above points:

They (NED) have the challenge of being seen to be fair especially in the decisions of the board. It is a lot easier for the NED who are on the board of multinationals. But those are in government parastatals or privately owned companies. There are pressures to influence, certain decisions that are taken or will be taken by the board or pressures from within the management itself. Unless the NED is careful and can stand his ground and be very firm he may find that he is sacrificing integrity in the process of trying to please NED 4.

It is hard, because a NED has the interest of the company as a whole, when you have diverging interests, it is hard. For the NED, there are times that he will take a stand that will not necessarily be a popular stand. So that alone is a challenge because especially if he is in the minority you could sort of get pushed aside. And then for maybe management or EDs (EXECS), they feel they are the ones who are there every day, so the attitude is what does this one know? That he is coming to talk to us about… a, b, c. So the main challenge would come when you stand up and take a stand that is not at consonance with the mainstream opinion CS 12.

Another challenge is financial independence and comfort. The words 'financial independence' and 'financial comfort' are used interchangeably by participants. The definition of financial independence and comfort simply means being financially stable. A participant states that it doesn't necessarily mean being rich, whilst another refers to it as having other sources of income. The purpose of financial independence or comfort is to aid NED's objectivity. A NED who is financially stable will be confident and bold when scrutinising the performance of EXECs. This means that the NED will not be motivated to perform their roles solely for financial gain. The NED is not an employee in the company; as a result he or she is only entitled to a sitting allowance. This means that NEDs receive this allowance only when the board meets. This suggests that, the income is not regular, due to the board quarterly meeting. The NEDs are more inclined to objectivity than their EXEC peers. They are usually less concerned about getting fired. The quotes below illustrate and support the above points:

They must be financially independent; not necessarily rich so no one can buy them over. If they are not financially independent they would be careful not to ask the EXEC questions EXEC 2.

Generally NEDs should be comfortable financially, then it's not easy to influence them with money and you would have a sense of their character and personality before you invite or interview them and you can also determine if there are conflicts of interests. If you are not financially comfortable, it's easy for management to make you ineffective by giving you things you won't be able to speak NED 1.

They shouldn't see their appointment as an opportunity to make a living or become a parasite to the company. They should be independent financially; this enforces their emotional stability and would encourage others on the board to listen to them with respect, otherwise they won't command respect of executives CS 8.

I'm, on your board to contribute, so MD keep your money, if hearing my truth will give trouble, I will give you the truth and I will inquire, I will ask questions. So what makes them more outstanding or most outstanding among of them that I've worked with they have other means of income. Their source of income is not their directorship of any company, they also have their own companies running, do you understand? CS 9.

Despite the challenges that NEDs may encounter while performing their roles, they can still be effective if they are committed to their roles. The NED may be committed in the following ways. First, by requesting for the necessary information from EXECs. Second, by asking relevant questions. Third, NEDs should seek information from lower management staff The NEDs should ask questions when and where necessary:

They should be committed, should show commitment, be inquisitive with a balance so that they don't encroach on management role so as not to create a gulf as EXEC can work against them and walk away EXEC 2.

The NEDs don't get the information as and when it is due and when they get it, its piece meal. It is not enough for them to make an informed decision and that's why I said sometimes it pays to have a third eye, not to plant moles, but you would find out that when you *have alternative information you are able to ask questions. When you ask questions the questions produce answers, which ordinarily would not have been there NED 5.*

For them to be effective they need to attend meetings regularly. They need to give advice. Ask questions when necessary. They should be able to make themselves available to the board or to the management for advice or discussion CS 5.

The non-executive role is not limited. They should not just fold their arms and wait until information comes. To assess the adequacy of information will depend on their knowledge and experience. They should not just rely on information received alone. They should take a step further; they are free to come into the company gauge the mood, ask questions from the 'floor people, interact with the staff and find out what is going on CS 1.

5.12 Collective strategic responsibility

This theme relates to the idea that, all directors contribute to the strategic development of the company. The theme encompasses the following points. First, the definition of strategic responsibility. Second, how do NEDs contribute to the strategic responsibility of the company? Third, factors which prevent NEDs from performing their strategic roles. The theme relates to the idea that NEDs and EXECs may work as a team towards the formulation of a strategy. The participants state that, all directors have a role in the strategic development of the company. However, directors must have similar goals and objectives. The quotes below illustrate and support the above points:

Management alone does not initiate strategy I would say it's a joint effort NED 5.

NED should be part of the initiating strategy process. As they are working towards the same goal, as it would benefit the organisation. This is why seasoned personalities should be NEDs as their experience is key CS 11.

The question that comes into operation is everyone should be able to buy into the vision, mission and the core values of the organisation *including the NED so you want a situation whereby you align things properly. Organisations should synchronise in terms of the formulation of strategy and involve the NED, EXEC 3.*

The following quotes illustrate and support the idea that in terms of strategy formulation process NEDs only approve. The participants present the idea that NEDs do not play a role in strategic development. The role of strategic formulation is restricted to EXECs alone:

Ordinarily, if you want to avoid confrontation and conflict they are not part of the process of strategizing they can only shape. The EXEC will come out with the strategies; they are to moderate and approve and they will ask questions. I am sure the EXEC will have had a very robust discussion on research before they come up with a strategy which the board will use.
In fact they should make the job of the board very simple having a thorough job of the exercise, so they will have little or nothing to approve of course there will be standards so all the boards has to do is to go through it… ok you are doing this business are you sure you are not running foul of any law. Are you sure this investment will bring in dividends. This investment you said we should do what is the gestation period EXEC 5.

I think actually in my mind it should be a joint responsibility, but in practice most organisations bring the strategy to the board to inform NEDs, which is quite unfortunate I think. I think in my mind that the right thing to do is that the board should before the end of every financial year, set out a time where the board EDs(EXECs) and NEDs will hold a strategy session, where they will start from a blank page and strategize on how to move the company forward CS 13.

The participants above portray NEDs as having no role in strategic development, because the EXECs initiate strategic proposals. However, the NEDs shape the process of strategic contributions, despite the fact that strategy originates from EXECs. The NEDs shape the process through discussions and deliberations in the board room. As a result, the NED may contribute to strategic development by scrutinising strategic proposals.

The participants present the role of NEDs in strategic development differently. Some participants indicated that only EXECs initiate strategy. Others suggest that NEDs approve strategic proposals, thereby shaping the process. One participant stated that, NEDs only initiate strategy when EXECs are inexperienced in strategic formulation. The participant states that NEDs participated in policy development because of the peculiar nature of the company, and specific scientific background of directors. The quotes below illustrate and support the above points:

> If, for example, you look at a financial institution, sometimes it may not be appropriate for the NEDs to suggest a strategy because the workings. The mechanism of that organization is so controlled that you cannot say okay, this next year we are going to lend 40% of our loan for housing, they might be able to do that, but they might for example say, there are areas they can suggest. So in a way, even the example I've also given supports the earlier position that they should contribute CS 13.

> NEDs also initiate strategy. For example, on one of the boards I serve, the NEDs have initiated a lot of activities, put in place some strategic thinking, which ordinarily EXEC would not have thought of. Many of the activities that the board initiated management did not think of it. This could be because of the peculiar nature of the company because the management are not made of people that have business backgrounds. Even things like training for the lower management staff the board thought about this because they felt that it will enhance the staff input NED 5.

> First of all, it should be all hands on deck. One should never say it’s so and so’s job, so I shouldn’t do it. Especially the more senior you are you can’t, say it’s so and so’s job. Yes, there should be a policy in place so you’ll know where the strategy should originate from. if you have it in the head of corporate strategy for example, the board should be able to say give us regular updates and if someone has some strategy initiative, he has a duty in fact once he comes up with a strategy, he has a duty to bring it to the notice of the board because like I said we are all about the board. So no director should ever say it’s not my job CS 8.

The contribution to strategic responsibility creates a power structure in the board room. The idea that EXECs usually initiate strategic proposals reveals a power imbalance. This suggests that EXECs may pursue self-interests in terms of strategy. This may result in poor alignment with EXECs and shareholder interests. The NED may thus struggle to contribute to strategic development.

The key message in this theme is that teamwork contributes to the strategic development of a company. However, the EXECs may provide limited information to NEDs, thereby limiting NED intervention. This suggests that, NEDs may require power strategies in order to influence EXECs. The EXECs may have the upper hand in terms of strategic formulation and access to company materials. However, the NEDs can still shape the process thereby exerting their power and influence in the company. Furthermore, in companies where EXECs do not possess business management experience, NEDs still have some power and influence over the strategic process.

5.13 Differentiation of roles

This theme relates to the idea that, the presence of NEDs encourages differentiation of roles. The different roles in the boardroom aids organisation and complementation of skills. This theme encompasses the following points. First, what is the differentiation of roles? Second, the effects of the differentiation of roles in the boardroom and company. Differentiation of roles relates to the idea that NEDs and EXECs have different roles in the company.

The participants present the EXECs as performing an insider role. The EXEC is an insider because he or she is involved in the daily running of the company. The NED is described as an outsider because they are part-timers and not employees of the company. The NED may be less averse to taking risks than EXECs. The quotes below illustrate and support the above points:

> *I used to say that the EXEC sits on the chair while the NED walks on the street. It their responsibility to sniff around the EXEC is responsible for looking at the books and making sure that the books are run properly in my own way as chairman NED 8.*

> *The board sometimes because they handle day to day activity normally suffer from what you call the 'banana peel principle' or the 'head reason principle' in the sense that their head is down as*

opposed to a 'giraffe approach' which sees everything. The 'banana peel' that they are trying to avoid makes them to concentrate on one step at a time. Whereas strategy requires vision that is perceptive. Yesterday we were here, today we are here and tomorrow we want to be here NED 6.

The discussions in the boardroom provide a forum for consideration of alternative perspectives which aid decision making. The participants explain the importance of differentiation of roles. The EXECs may focus on the present, but NEDs see the wider picture. This is because the EXECs are involved in the daily operations of the company hence the limited focus. The key issue here is, the NEDs offer suggestions and alternative perspectives. It is important to note that, no one person is an embodiment of knowledge. Therefore, a consideration of issues from different perspectives will be of benefit to the company. The quotes below illustrate and support the above points:

EXECs are the professionals in the industry, because of experience and knowledge. NEDs can introduce other ideas of achieving the same things or rendering service in an effective way or other styles into rendering service. The idea must come from management but if NEDs can say, can it be done this way? Because the service may be accelerated or reach more people NED 11.

NED, as the name implies, the reason for their inclusion on any board is for them to bring a helicopter view that is an independent view from an outside, an outside perspective. A critic of sort of management activities, if they are well selected and the people selected are qualified in their respective fields, they should be able to act as control for management, they should be able to look at figures CS 9.

The participants' present the theme as beneficial to the company. The participants described what is known as a balanced board; having different directors with diverse backgrounds in order to complement one another. Participants stated that there should be a multiplicity and plurality of skills, not a monolithic experience in the boardroom:

The knowledge of the NEDs is still very important; most companies look at people who have contacts. A company should select a mix *(i.e. the contacts and all). It must not be a monolithic experience EXEC 2.*

If the company makes the mistake of loading the board with the wrong set of personalities, the tendency is not to get the benefit of an effective board. I am in a hospitality service company: all my NEDs are chosen from that area of the economy, where is the synergy where is the other view of the customer vis-a-vis the view of the operator. How do I gauge the reaction of others to my service? Whereas, if I have people from manufacturing people who are frequent travellers, what it means is that what I see as an hospitality person would be different from what a manufacturing person sees so we could complement each other CS 14.

There is that saying that if everyone is looking through a particular prism you see the same thing and the board is not supposed to be one way. The EXEC see the day to day running, the profit and loss, the balance sheet while the NEDs look at the company as being medium size this year and in ten years a big company. A major player now, but a market leader in the future. The board would be shooting itself in the feet by surrounding itself with people of similar outlook or background, because the diverse wealth of experience that is necessary would not come CS 14.

5.14 Experience

This theme relates to the idea that, NEDs are appointed because of their experience. The participants use the words experience and expertise interchangeably. The theme encompasses the importance of NED expertise in the board room and company. The participants stated that the sole purpose of the NED, is to use his expertise for the improvement of the company. The quotes below illustrate and support the above points:

The main reason why a NED sits on the board is essentially to lend his experience. CS 1

To be a NED, it's not to belong to a tea party you have to perform… we appoint you as a result of your expertise and you must show that expertise when dealing in company affairs. If we are considering the *accounts… it's your area of specialization I would expect you to take the lead, NED 8 (chairman of a board).*

And because in most cases they (NED) do not represent any interest they tend to be chosen for their vast experience or their technical know-how CS 4.

The most crucial message of the theme is that, the purpose of NED is to use their experience and expertise to complement the EXEC role. The participants use the words experience and expertise interchangeably. The participants state that, experience causes NEDs to be effective. The term experience refers to that which the NED has gained from different companies, and even his own personal business. On the other hand, EXECs may have grown through the ranks of a particular company, and thus have no outside experience. The participants stated that, NEDs require some form of experience in managing a company. The quotes above illustrate and support the above points. A participant explains that experience is different from formal education. The participant makes a case for those without formal education and concludes that experience is better than an accumulation of certificates:

Our educational system, environment is so much about certificates that we forget that it is not everyone that holds this certificate that can perform. We keep experience out that we get so much involved in looking at certificates. Top forty businesses globally are probably run by people with little or no formal education, they have acquired education through other means but formal education of going to a classroom they don't have NED 7.

A participant states that NEDs need business management skills, which can only be obtained through business experience. The participant describes what NED experience is and its relevance to the board room. The participant states that it's crucial that NEDs are experienced in order to prevent unnecessary approval of EXEC proposals and reports. The quotes below illustrate and support the above points:

You need somebody who has experience in the art of managing a business either in the art of managing a business, in the aspect of corporate affairs or corporate management or human resources or technical or finance. Because you don't want somebody who has no *experience in corporate management in any good area to come on board; he would probably keep asking questions for any little thing. He would not understand things and keep asking questions NED 12.*

You would need someone that would be able to take initiative he may not know the Nitti gritty of the technical business, but he has experience in management and can probe easily and can say that what the EXEC wants to do is not profitable. If you have someone who is not experienced in management he or she would just rubber stamp and things will go bad NED 12.

Another factor described by a participant is exposure in business affairs. The participant explained that while a NED's experience was important, his or her exposure was crucial for firm performance:

The more exposed a NED is, he probably is not somebody in that business but because he is exposed, he has seen it done, they've worked in about 10, 15 places, they've worked in about 4, 5 places at the helm of affairs, so by the time they engage such people, they are more vibrant. They lean more on their own experiences to be able to contribute meaningfully to the board they are on CS 9.

Another factor mentioned by participants beyond the experience of NEDs was age. The participants below offer different views on the impact of age on role performance. This is because an older NED may have a fixed mind set. However, a younger NED will bring in diverse opinions that might challenge the orientation of the company. This means that the younger director's flexibility might bring about beneficial changes to the company. In essence, the older directors may have more experience than a young director. The quotes below illustrate and support the above points:

Age is also an issue - the younger a person is when he becomes a NEDs the better he is able to contribute. This may not be empirical, you know, I'm only speaking from my experience - that is the only thing I can do here anyway. The younger they are they are always able to think outside the box, you know, old men stick to traditions. And it's been proven in some parts of the world that tradition doesn't bring about innovation, this is how we have been doing it, this is how *we have been doing it. But the young ones are able to say look things got to change CS 9.*

There was a company I was nominated directly as the chairman when the company's nominating committee looked at it they said this company is too old and you are too young in terms of experience to be the chairman. But we want you as a board member but we can't have you both as the chairman. When you come on board and you mature with us we can make you the chairman NED 6.

Interviewer: But there are young chairmen abroad? Participant: We do have, but in this particular place it was more in terms of my experience they started much earlier, nothing less than five of them have children of my age and they have been corporate people for so many years. I think I would have had some problems because they were much more experienced much more knowledgeable. In so many ways I would then sit and be learning. But now if they say that they are proposing me for chairmanship I don't think that they will oppose it because they have gotten to know me too NED 6.

It is possible that NED's contribution to decision-making is hindered because they require the necessary information from EXECs. This suggests that EXECs may deliberately withhold relevant information from NEDs. It is also possible for EXECs to provide the necessary, but manipulated information. This indicates that EXECs may provide information, but only what they want NEDs to see. NEDs may unavoidably miss some vital information while scrutinising EXEC actions. The experience and expertise of NEDs at this point is useless. The quote below illustrates and supports the above points:

The fact remains that even if it is in one's areas of experience the EXECs could still play some small games. But what is important is that what the NED is not sure of, he should try to find out more and if they believe that there are some information of non-disclosure or some information not being passed to you which is relevant to that document you can ask a question beyond the person who has prepared it. Seek knowledge, seek information; seek clarifications by the time you have done that you most likely would be able to discover the shortfalls where they do come NED 4.

The NEDs may be able to exert some form of influence over EXECs. This is possible when there are varied forms of experience among NEDs, it aids in the persuasion of EXECs. Also, the network of skills, experience and expertise gives NEDs an edge over EXECs. The EXECs may defer to NEDs' authority in such situations. The quote below illustrates and supports the idea that NEDs as a group may have more experience than EXECs:

> *There are some NEDs who have more experience than all the management put together. You can have a NED that was governor of central bank. So when you are talking of financial policy which financial policy do you, want to mention that he doesn't know about? NED 6.*

5.15 NED a bridge to the outside world

This theme relates to the idea that, NEDs are an external link between the company and outside world. Participants described NEDs as being the bridge between the company and the corporate world. The theme encompasses the following points. First, how does the NED perform the resource role? Second, are NEDs pressured to perform resource roles?

The NEDs were described as directors with good reputations. Participants stated that they are conscious of the people they appoint to the board. The participants stated that, banks are more concerned with the reputation of the people on the board. One participant mentioned two persons (two NEDS) who are well sought after due to their reputation and experience. The two NEDs at the time, sat on the board of six companies. One of the NEDS is a chairman of three companies. These two NEDs were interviewed in the present study. Coincidentally, the three participants were not on the same board and did not know that the other persons participated in the study. The participants below describe the benefits that NED bring to the company:

> *I am also aware in recent times a number of boards have begun to improve the character of the board by bringing in people who are known for their integrity and uprightness - especially the banks. I'm aware in financial institutions there are a few notable Nigerians, incidentally, most of them are females, who have very good reputations that they bring them on board to help improve the perception of the board because you see, CS 13.*

I'll give you an example, in Nigeria if somebody like Mr A (an influential Nigerian who currently sits on many boards) sits on a board, it is assumed, if Mr B (a chairman and NED who sits on a number of Plc's and is one of the participants in this research) sits on a board, its assumed that the board is a good board, if Mrs C (a director who sits on many boards and who participated in this research as a NED) sits on a board, it is deemed, I mean he or she will not normally be found among questionable characters, so a number of boards are now head hunting for such men and women of integrity to polish the image of the board CS 13.

Success attracts success, you know, and there are some people who have been successful in the corporate world and obviously most companies would like to associate with such people and that is why we find a few people who have been successful are attracted to join boards. First of all you feel that they are successful because they've done well, they've worked hard, they are clear minded, they have integrity to bring on board, so these companies that are looking for such people, they want this to rub off on them and of course you have that notion that some people can influence things for the benefit of the company, NED 3.

The participants state that, NEDs are usually appointed to 'drive businesses'. The NEDs create opportunities for the company and solve problems. The participants describe the various ways in which the NEDs act as a bridge between the company and the outside world. The NEDS may leverage on their relationships and connections in the business world, thereby bringing business to the company. It is important to note that a lot is expected of NEDs, in terms of bringing in business to the company. This means that, the NEDs are involved in the sales and marketing function of the company. The quotes below illustrate and support the above points:

There are some businesses that you don't get because you really don't have anyone who can drive it for you. We have people, who are into oil and gas business, it is a member of the board that introduced us to oil and gas business. Because of our relationship with the state government as well, we have people who are on the board and have been in the state government at some point in time or who have affiliations with officials in the state government so that when we have issues with them, they are the ones we go and meet.

It may not be as easy for me to go and meet the governor of the state like it would be for our chairman; they see each other CS 10.

Directors shouldn't be egg heads; they should know political issues as it's a political environment EXEC 2.

Participants express the view that, NEDs' awareness of the political and economic situation in the country is very important. Participants mention that, NEDs require knowledge of the political arena to do things for the company. Participants state that it's useful if a NED can contact people in key positions in the government, in order to make things easier for the company. The relationship that NEDs have in the political arena, will make it possible for the company to gauge the political and economic tone of the government, in a way that may favour the company. This is significant because government policies or its stability may affect a company's business. Therefore, participants mention that it is important for NEDs to be aware of political issues, in order to advise appropriately. The quotes below illustrate and support the above points:

For instance, a participant (CS 14) mentioned that a manufacturing company invested in a particular area which they felt would bring more income into the company. However, government policy changed and banned importation. This led to a decline in the finances of the company. The company is listed on the Nigerian stock exchange to date. The researcher had the opportunity of visiting the company, but the registered place of business looked unkempt and overgrown with weeds. Also, the researcher went into the premises and found that the company is still in business.

NEDs are under pressure to bring in business to the company. The NED may sacrifice their monitoring or supervisory role for a resource one. The NEDs may secure deals for the company and compromise their monitoring role. This is because the process of negotiating and securing a business deal requires time and effort. The NEDs, not being employees, have less time to spend on board service tasks. As a result, their attention is divided, and they may be unable to scrutinise the actions of EXECs. The quotes below illustrate and supports the idea that NEDs are under pressure to perform their roles:

It is a norm, it is an unwritten rule, you hardly get appointed to a Nigerian board if you are not perceived as having the ability to bring *in "business" some kind of business development, you bring in contacts. For a bank, for instance, some directors are appointed because they can bring in public sector deposits. Some are appointed because they can attract foreign investments and stuff like that CS 12.*

NEDs are supposed to bring a cloud; they are supposed to bring that industrial connection that is needed to drive corporations CS 9.

If we put you on this board and pay you so much as fees we should be able to get something in return. And what we get in return will basically be your ability to untie the knot when it is most difficult, do you understand? Your ability to open the doors, when the company needs it open fastest, and every management want to lean, want to leverage on the connection of its board CS 9.

The NED may lose independence as they play EXEC roles. The Nigerian environment allows for the practice of unethical behaviour, despite promulgation of laws and regulations. The NED may be pressured to seek government patronage. The director may be forced to engage in unethical means to secure deals. The participants below states that all businesses require help from government. Therefore, though a company may not deal with the government, they still require government approval. The NEDs are important in that when the company faces political problems, they come to its rescue. This is why it’s important that the board is composed of NEDs with adequate political connections. The issue of political connections is significant because it’s possible that NEDs may be appointed solely for political purposes:

You do business in Nigeria you need the government. And it doesn’t matter whether you do government business, once you step out of your gate there are all kind of issues. And mind that you have to tread delicately around and it also depends on the business you do. If you are in road construction that means your primary client is the government. But if you don’t even do business in terms of the fact that they are not your customers, but you need them to facilitate things in terms of approval EXEC 6.

They (directors) believe that because the Nigerian environment that is the practices are not based on merit or what we believe should be the right thing. So you need someone, maybe a retired IGP who does not know how to run a business, in case your company gets into trouble, so that he can phone the people he knows and tell them that 'don't you know that I am on this board please stop what you are doing'. That is all he has to contribute unfortunately NED 12.

The NED with political and business connections possesses prestige power which may be converted to influence in the company. The NED will thus be able to advise EXECs on business issues, because he or she has assisted them in performing their roles:

We even had in one instance when the chairman of the company was a father of the minister and you are looking for something in the ministry and he calls the minister and the minister grants an interview NED 6.

You don't want to run a business that is failing, and to support this business you need people who will be there, who can make a call and change the situation, who can write a letter and get things done and you find this in some NEDs CS 9.

The table below is a list of the study's categories and themes.

Category 'Behind the scenes'	Image management	'Informal interaction'	'No conflict'	Shareholder awareness
Category Collaboration	Cordial relationship	'No hierarchy'	Supervision	NED performance challenge and limitation
Category Value-addition	Collective strategic responsibility	Differentiation of roles	Experience	NED a bridge to the outside world

Table 7. A list of categories and themes unlocked from the data

5.16 Conclusion

This chapter has presented the findings of the research study. The categories and themes were supported with evidence from the data. The findings reveal that the roles, relationships, power structure and influence of NEDs determine board effectiveness. Furthermore, the role of the NED has different facets. The NED role varies from company to company. The ownership structure, industry and life cycle of the company also affects NED roles. A NED's role may be prominent, or limited, due to prevailing factors.

The previous chapters, one to four discussed the legal, methodological and conceptual framework of the research study. These chapters set the scene for the findings of the study. The following chapter will interpret and relate the findings of the study to the extant literature. The following chapter will also discuss the role that the previous chapter played in addressing the phenomenon: the lived experience of the NED role. Lastly, the discussion chapter will discuss the thesis' contribution to knowledge.

Chapter 6 Discussion

6.0 Introduction

The aim of this chapter is to interpret the findings of the study. The previous chapter presented the findings in a thematic framework. The present chapter interprets and discusses the findings within the thematic framework. The chapter is divided into seven sections. The first five discuss the findings, the sixth discusses the study's contribution to knowledge, and the final section summarises the chapter. The findings in this study encompass the following five constructs, namely board effectiveness, convergence or divergence with corporate governance principles, NED effectiveness, NED roles and power. These constructs relate to the lived experience of the NED role. The different constructs are interrelated and should be viewed as different parts of the NED's lived experience. The construct of board effectiveness encompasses the following themes: cordial relationship and 'no hierarchy'. The construct relates to the idea that, collaboration in the boardroom is necessary for board effectiveness.

The relationship between directors is crucial for board effectiveness. Convergence or divergence with the corporate governance principles construct relates to the idea that, international best practices may not apply in Nigeria. The construct relates to the theme 'differentiation of roles'. The construct NED effectiveness encompasses the following themes: experience and NED performance, challenge and limitation. This construct conveys the idea that, there are factors which affect NEDs' effectiveness. The NED requires the necessary experience, power and influence in the boardroom in order to perform their role successfully.

The construct NED roles encompasses the following themes: collective strategic responsibility, and NED a bridge and supervision. This construct includes the idea that, NEDs have different roles in the company. The construct power encompasses the role of the Pre-AGM and AGM in Nigerian listed companies. These meetings are used by directors, shareholders and stakeholders in different ways. The findings suggest that the Pre-AGM presents an opportunity for the directors to influence the outcome of the AGM.

The findings also reveal that directors may resort to other means when the Pre AGM is unsuccessful. The directors may hold the AGM in locations that are inaccessible to shareholders and stakeholders. However, shareholder activism is prominent in Nigeria, which suggests that, shareholders also have power and influence in the boardroom. The shareholders associations may sponsor members to attend company meetings held in distant places. The following themes are discussed in this construct - namely image management, 'informal interaction', 'no conflict' and shareholder awareness. These themes relate to the construct in different ways.

6.1 Board effectiveness

This construct relates to the idea that there are certain factors which enhance board effectiveness in Nigerian listed companies. The themes ‘cordial relationship’ and ‘no hierarchy’ relate to this construct.

6.1.1 Cordial relationships

The findings indicate that a cordial relationship is crucial for the performance of board tasks. The key issues in the theme ‘cordial relationships’ are that trust and good communication enhances deliberations in the boardroom. A poor relationship may manifest itself in two ways. First, EXECs may perceive NEDs in a negative way, which would affect relations in the boardroom. Second, NEDs are unable to perform their roles due to restrictions from EXECs. The directors all have a responsibility for the overall direction of the company (Higgs report 2003; SEC code 2011; CBN code 2014). As a result, directors need to ensure that the boardroom environment is conducive for them to promote the success of the company.

The benefits of a cordial relationship may play out in the following ways. First, EXECs will trust NEDs and seek their advice when performing their roles. The presence of a cordial relationship in the boardroom creates the enabling environment for EXECs to seek advice from NEDs. This is because when trust and understanding exists in the boardroom, NEDs may be seen as persons with good intentions towards the company. A number of authors have stated that the chairman and CEO need to create a harmonious working relationship in the boardroom (Cadbury 1990; Parker 1990).

The study by Lorsch & MacIver (1989, p.4) found that directors perceived an advisory role to be a key duty of the board. The Lorsch & MacIver (1989) findings indicate that, EXECs may rely on NEDs’ advice to perform their roles successfully. Second, EXECs will allow NEDs to perform their roles. Third, a board culture which encourages constructive dialogue enhances NED effectiveness. The literature provides different perspectives on board relationships. The agency perspective emphasises the control role of the NED. The agency perspective views the role of the NED, as that of monitoring and scrutinising their performance to ensure their efficiency and protect the interest of the principals (Nicholson & Kiel 2007).

The agency theory relates to the idea that the agents are directors, while the shareholders are the principals. The theory assumes that due to the dispersion of shareholdings, the EXECs have controlling power over the company. The EXECs may pursue self-interests, which are detrimental to shareholders' interest. The idea that the board's main function is to control management may create distrust, suspicions and tensions in the boardroom. For instance, the EXECs may perceive NEDs negatively, which may create tensions in the boardroom. This is because EXECs are also members of the board.

Therefore, if EXECs perceive NEDs wrongly they may be unable to perform their director's duties adequately. The directors are charged with the responsibility of setting the overall direction of the company. This suggests that directors require team effort to be effective in steering the company towards the right direction. The directors of a company require support from each other in order to perform their roles. For instance, NEDs may support EXECs by providing advice and contributing to the strategic development of a company.

The agency theoretical perspective assumes that, NEDs will be independent and more effective monitors of management than EXECs (Johnson et al. 1996 p.418). Many researchers have used the proportion of outside directors on the board to indicate board independence (Baysinger & Butler 1985; Daily & Dalton 1994). On the other hand, other researchers have indicated that the existence of economic and professional relationships between directors suggests director dependence (Baysinger & Butler 1985). The EXECs may fail to provide objective evaluations of management performance due to their loyalty to the CEO and fear of retaliation from treating the CEO harshly (Weisbach 1988; Baysinger & Hoskisson 1990).

The stewardship theoretical perspective defines the relationship between agents and management on other behavioural premises than self-interest motives (Donaldson & Davies 1991). The theory advocates that managers are not motivated by self-interest goals, but view themselves as stewards whose motives are aligned with the principal. The management are good stewards who seek to pursue the best interest of the principals - the shareholders (Donaldson & Davies 1991). The theory assumes that EXECs will collaborate with NEDs to achieve the objectives of the company. As a result, the relationship in collaborative boards would be cordial. This is because directors will put aside personal interests to promote those of the company and shareholders.

The Hill (1995) study of UK boards found that NEDs played a role in the strategic development of the company. The Hill (1995) findings also indicated that, management may not always pursue interests that may be detrimental to the interests of shareholders. Pye (2002) also found that NEDs are involved in strategizing, governing and leading the company. The findings of these studies suggest that, the boards collaborate towards ensuring a successful company. The idea that collaboration and cooperation are important for board effectiveness was emphasised by participants in this research study.

The resource dependency theoretical perspective assumes that organisations attempt to prevent uncertainty by exerting control over the environment to co-opt the required resources to survive. The proponents of this perspective argue that an organisation's survival is dependent on the ability to access critical resources from the environment (Pfeffer & Salancik 1978; Casciaro & Piskorski 2005). This suggests that organisations will require competent directors with social capital to help in co-opting resources for the firm (D'Aveni 1990; Hillman 2005; Stevenson & Radin 2009). The resource dependency theoretical perspective suggests that boards will have a cordial relationship because they will require support from NEDs with a high social capital and links with the environment.

The managerial hegemony theoretical perspective presents the board as a legal fiction, which, despite its formal governing power over management, are rubber stamp appendages of management and do not represent shareholder interests (Mace 1971; Herman 1981; Vance 1983). This perspective assumes that the board is passive and rubber stamps the management's actions (Herman 1981). Furthermore, this perspective also assumes that the board controls the selection of outside board members. It is suggested that the managerial hegemony theoretical perspective assumes that the relationship in the boardroom is either non-existent or poor. The board has no control over the decision making process, therefore, they may clash with EXECs or be reticent during board meetings.

The findings suggest that directors require trust to rely on each other. For instance, Baier (1992) discusses trust in the military institution. The author describes the military as a highly asymmetrical, yet cooperative institution. The members of the military are encouraged to put their trust in an individual in different situations. There is a power imbalance in the military institution, yet trust still exists between its members. It may be argued that despite the high asymmetry, the members rely on those in authority, believing that their interests will always be protected.

The findings also present the idea that, despite the unequal power between EXECs and NEDs, they need to rely on each other to perform their roles. This suggests that a power imbalance in the boardroom may not prevent directors from trusting each other. The findings suggest that, EXECs and NEDs may work towards a cordial relationship because they need each other to perform their roles. The directors may thus work together to create a board culture which encourages board cohesion and effectiveness. The type of board culture that a company operates may encourage or prevent cordial relationships in the boardroom.

The qualitative study of Pettigrew & McNulty (1995) examined the power and influence of part time board members in the UK. They found that there were two types of board culture - namely minimalist and maximalist. The minimalist board culture is one in which the ethos of the boardroom is to restrict the influence and involvement of the board in company affairs. On the other hand, the maximalist board culture promotes an environment where the board and NEDs actively contribute to dialogue in the boardroom. The study focused on the power and influence of part time board members.

On the other hand, this thesis focused on the roles of NEDs in Nigerian listed companies. The present study did not set out to investigate the influence exerted by Nigerian NEDs in listed companies. However, the study's findings indicate that Nigerian NEDs have a role to play in ensuring that, the relations in the board room are cordial. This is because they cannot perform their roles if EXECs do not trust them. This study's findings indicate that beyond power and influence, the NED plays a role in managing the relations in the boardroom. It may be argued that if the NEDs do not have cordial relations with EXECs, they would have no influence in the boardroom and company.

The present study's findings are consistent with the notion of Pettigrew & McNulty (1995) that the NEDs must exercise will, skill and tact to exercise influence in the company. The Nigerian NED must thus use will, skill and tact to manage the relations in the boardroom and promote a maximalist board culture in order to influence the board's decision making process. The presence of understanding, trust and good communication creates a set of conditions that enables cordial relationships, which may enhance board effectiveness. Furthermore, the NED is able to relate with EXECs, management staff and other NEDs to strengthen organisational awareness. This also helps the NED gain influence in the boardroom. The NEDs must ensure that they relate with EXECs in a way that enables them to assert their influence in the company.

The in-depth qualitative study of Roberts & Stiles (1999) found that there are two forms of relationship in the boardroom - complementary and competitive relationships. The authors define a complementary relationship as a successful negotiation between the CEO and the chairman, which encourages successful relations. The competitive relationship is defined as when the division of roles between the chairman and CEO creates a situation whereby they compete for power. Furthermore, a competitive relationship is characterised by feelings of superiority and vulnerability. Additionally, the study found that the relationship between the CEO and chairman determines the relationships between the board and senior management staff. The authors indicate that a separation of the CEO and chairman roles reduces hierarchy in the boardroom to some extent. However, the benefit of splitting the roles which is to create a balanced board may only be achieved when directors have a complementary relationship. The Roberts & Stiles (1999) study is consistent with this study's findings in the sense that a cordial relationship is necessary for the proper functioning of the board. Roberts & Stiles (1999) suggest that the CEO and chairmen have a role to play in terms of encouraging a complementary or competitive relationship.

Furthermore, it may be argued that the NED chairman may inadvertently cause the relationship between the board and management to fail. For instance, the relationship between the chairman and the CEO may affect the effectiveness of NEDs in the board room. This is because the chairman has a role in building NED knowledge, encouraging strategy retreats and creating the conditions for NED effectiveness (Pettigrew & McNulty 1995; Roberts & Stiles 1999; Roberts 2002). The chairman leads the board, and if he or she has a competitive relationship with the CEO, NEDs will fail at their roles. The Roberts & Stiles (1999) study focused on the relationship between CEO and chairman while this research examined the broader relationships in the boardroom. Consequently, this research study indicates that separate positions in Nigerian listed company boardrooms may not always lead to a cooperative relationship. As a result, the Nigerian NED has a role to play in promoting complementary relationships in the boardroom.

The role of NEDs is not only to monitor EXEC conduct, but to support the EXECs in the leadership of the business (Higgs report 2003; SEC code 2011; CBN code 2014). This research study suggests that contrary to agency perspectives assumptions NEDs require a cordial and not distant (Roberts & Stiles 1999 p.36) relationship with EXECs to be effective. The NEDs are encouraged to be independent and distant from the EXECs to effectively monitor management. However, the NEDs require the support of EXECs to perform a control role. The authors Sundaramurthy & Lewis (2003) proposed a model which emphasises a simultaneous need for 'control and collaboration' in the boardroom. They suggest that an overemphasis on the control role may create distrust in the board room.

Furthermore, Nigerian EXECs may become frustrated with NEDs and restrict information. For instance, the authors Baysinger & Hoskisson (1990) have argued that without information from inside directors, outside directors may have to rely solely on financial reports to scrutinise the performance of management. The authors Sundaramurthy & Lewis

(2003) suggest that the combination of both roles in the boardroom, creates the right board dynamic.

6.1.2 'No hierarchy'

The findings suggest that there is a hierarchical structure in the boardroom. The research found that there are two types of hierarchical structure, organisational and performance. The organisational hierarchical structure creates the enabling environment for division of labour. The performance hierarchical structure focuses on the performance of directors. For instance, the NED plays a monitoring role by scrutinising EXEC actions. This hierarchical structure promotes competing interests and division in the boardroom. The power structure in the company is created by the different roles ascribed to directors. The director's office gives him structural power. Therefore, the idea that there is no hierarchy in the boardroom is misleading.

The NEDs are 'part timers' and only attend board and company meetings. The EXECs are employees of the company and can use their structural power (Pettigrew 1972) to limit the information available to NEDs. This creates a power imbalance in the company as NEDs roles are restricted due to information asymmetry. Nowak & McCabe (2003) found evidence of information asymmetry in Australian listed companies. The existence of information asymmetry restricts the many roles of NEDs. The NEDs may be unable to perform strategic and resource roles as they lack the resources to do so. The key finding of the Nowak & McCabe (2003) study was that the CEO and EXECs have controlling power over company information.

This suggests that information asymmetry may establish a hierarchical structure in the board room. The research study' findings relates to the Nowak & McCabe (2003) study. However, the research study emphasises that the type of hierarchical structure in the boardroom determines the extent to which EXECs control information. Furthermore, the research study indicates that an organisational hierarchical structure creates a conducive environment for NEDs to perform their roles. This is because directors will view the board as one unit and as such there would be limited information asymmetry.

Roberts et al. (2005) argue that the key to board effectiveness lies in the degree to which NEDs can create accountability in terms of strategy of performance. The authors argue that a set of behaviours; challenging, questioning, discussing, encouraging, probing impact a NEDs effectiveness. However, the whole idea of accountability may further encourage hierarchy in the boardroom. The authors' research was commissioned for the Higgs review to investigate the role and effectiveness of NEDs. The concept of accountability was not accepted by the Derek Higgs Committee. One reason for this was that the term accountability was related with the word 'control' (Roberts et al. 2005). The Higgs report provides that the role of NED includes supporting the EXECs in their leadership of the business, monitoring and supervising conduct (Higgs 2003).

The NED has a role to play in ensuring that the hierarchical structure in the board room, is more organisational than performance oriented. The NEDs may require other forms of power such as expert and prestige power (Pettigrew 1972) to balance the power structure in the boardroom. As a result of the hierarchy in the boardroom, a NED requires skill, will and tact to harness the potential power resources available to him. The NED requires influence because the board is responsible for setting the overall direction of the company. The NED will also be liable for the company's actions. Therefore, NEDs need to encourage conditions which enables scrutiny of EXEC actions (Pettigrew & McNulty 1995).

6.2 Convergence or divergence with corporate governance principles

6.2.1 Differentiation of roles

The findings of the study reveal that, directors have different roles in the company. The NEDs and EXECs play different roles in the company. All the participants in this study identified that NED and EXECs have different roles. However, none of the participants mentioned that the different roles of NEDs made them independent. Interestingly, the roles of the CEO and chairman are separate in Nigeria (Cadbury report 1992; SEC code 2011; CBN code 2014). The fact that no participant mentioned that differentiation of roles makes the board independent, suggests that independence may not be an important factor for board effectiveness in Nigerian listed boards.

A number of participants made reference to the fact that the ideal NED should be independent. However, participants made superficial comments on the governance perspective descriptions of NEDs. The participants did not link independence with Nigerian boards. Moreover, a few participants mentioned the fact that listed boards now have independent directors. These participants mentioned the independent director in terms of compliance with the Nigerian corporate governance codes. Additionally, some participants doubted if it was possible not to have any interest in a company or be truly independent.

The research findings on CEO duality appear to be inconsistent. There have been debates on CEO duality and separation of the roles. This debate is viewed from two theoretical perspectives, agency and stewardship. The CEO duality concept is defined as a situation when one person leads the management and the board (Finkelstein & D'Aveni, 1994; Weir & Laing, 2001). The agency theoretical perspective assumes that CEO duality creates an imbalance of power and the dominance of one individual in the board room. Additionally, the theory provides that CEO duality undermines board effectiveness. The presence of power imbalance in the boardroom may restrict the monitoring role of the board. As a result, the board lacks independence (Shivdasani & Yermack, 1999; Goyal & Park 2002; Wan & Ong 2005).

This research study's participants explain that, there are benefits to having different roles in the boardroom. First, the board will operate a broader decision making procedure (Pfeffer & Salancik 1978; Judge & Zeithaml 1992). Second, the board would painstakingly scrutinise EXEC actions due to the range of skills and experience in the boardroom. The findings of the present study bring a different perspective to the splitting of roles debate. For instance, the present study found that, the different roles of directors affect their attitude to risk taking. The EXECs may be less averse to risk taking because they are employees of the company. The EXECs may consider the financial situation of the company before taking risky business decisions. On the other hand, NEDs are not employees and are more prone to taking risky business decisions.

Additionally, NEDs have gained experience elsewhere and may have witnessed similar situations involving risky business deals. This study indicates that there are benefits to the splitting of roles other than independence. This suggests that some best practices (board independence) may be unconnected with organisational performance (Brickley et al. 2007; Heracleous 2001). The study's findings indicate that the Nigerian corporate environment doesn't favour independence. This suggests that Nigerian listed companies, have applied a box ticking approach for board independence. Baliga et al. (1996) suggest that, the board may allow a splitting of roles to signal governance compliance. As a result, in such situations, there would be no impact on organisational performance.

Therefore, the presence of NEDs and independent directors does not guarantee board independence in Nigerian listed boards. Furthermore, it is possible that NEDs in some Nigerian listed boards may have little or no influence in the company. The findings of the present study relate to the governance concept of board diversity. The different roles in the boardroom provide a range of educational backgrounds, experience and skills.

6.3 NED effectiveness

This construct conveys the idea that there are certain factors, which affect NED effectiveness in Nigerian listed companies. Implicit in agency assumptions is the idea that the board of directors will monitor management. The NEDs are said to play a large role in the monitoring process. The literature assumes that NEDs will have free access to information, to perform a monitoring role and possess the time and capability to process the information. The following themes experience and NED performance challenges and limitation discuss the construct of NED effectiveness.

6.3.1 Experience

The findings suggest that there are power tensions in the boardroom (Finkelstein 1992; Boyd 1994; Pettigrew & McNulty 1995; McNulty 1998). As a result, the NED requires a form of power known as expert power (Pettigrew 1972) to exert influence in the boardroom. Furthermore, the findings suggest that NEDs' influence is crucial for board effectiveness. Participants refer to the idea that NEDs should have a fair knowledge of the company business. The NEDs require some form of knowledge about company business in order to contribute to decision-making. The participants present that such knowledge may not be industry specific.

This suggests that the NEDs require relevant knowledge of a company's business to offer relevant advice. This also indicates that NEDs without basic knowledge of business and industry affairs may cause problems for the company. For instance, NEDs may fail to support and assist EXECs (Higgs report 2003) but rather focus on challenging them on all matters. This will not only waste board time, but may create suspicion and fuel distrust among directors.

It is possible that NED's contribution to decision-making is hindered because they require necessary company information from EXECs. This suggests that EXECs may deliberately withhold relevant information from NEDs. It is also possible for EXECs to provide necessary but 'manipulated information'. This indicates that EXECs may provide information - but only what they want NEDs to see. This is particularly possible in situations where EXECs are non-performing and as such wish to avoid scrutiny of NEDs. This suggests that NEDs may unavoidably miss some vital information while scrutinising EXEC actions.

The findings also suggest that the age of NEDs impacts board effectiveness. For instance, young directors may be flexible and adapt to changing times, while older directors may be rigid in their thinking, and this may affect the company. On the other hand, older directors may have more experience and exposure compared to younger directors. However, this has to be juxtaposed with the idea that, the financial independence of directors depending on their age may pose problems or may be advantageous to the company.

In terms of younger directors, they have the opportunity to move around in terms of their career. However, they may have limited sources of income and as such may not want to lose a NED position. This may cause them to defer to the authority of EXECs thereby sacrificing their monitoring role and thus independence. On the other hand, older directors may be financially secure and, as a result, may be 'bold and courageous'. It is also possible that older NEDs may become subject to the 'whims and caprices' of EXECs.

The NEDs, as a result of their experience and expertise, may exercise expertise and prestige power. They may thus be able to leverage on their expertise and use strategies that will cause them to influence decision-making. Several researchers (Kakabadse 1982; Pettigrew & McNulty 1995; McNulty 1998) have identified a number of strategies that NEDs may use to exert their influence in the boardroom. The two strategies relevant to the findings are namely coalition and expertise power. The NEDs may be able to exert some form of influence over EXECs as a group. This is useful when there are varied forms of experience among NEDs, as it aids persuasion of EXECs. Also the network of skills, experience and expertise gives NEDs 'an edge over' EXECs. This suggests that in such situations, EXECs may defer to NED authority. The quote below illustrates and supports the idea that NEDs as a group may have more experience than EXECs:

> *There are some NEDs who have more experience than all the management put together. You can have a NED that was governor of central bank so when you are talking of financial policy which financial policy do you, want to mention that he doesn't know about NED 6.*

Apart from the benefit of NEDs' contribution as a group, the findings suggest that there needs to be some form of balance to prevent a vacuum. It is only when there is a varied range of experience cutting across different aspects of management and governance that the NEDs may have an edge. Also, the NED experience should complement that of EXECs (Pfeffer and Salancik 1978; Judge and Zeithaml 1992), as it aids board effectiveness. Therefore, NED experience ensures that there is a plethora of skills in the boardroom.

On the hand, NEDs are not employees of the company, so the role of EXECs is equally important. This suggests that board consisting of NEDs without requisite knowledge of company business, may be ineffective. Also, when NEDs play EXEC roles, this affects their independence and oversight role. The findings suggest that experienced NEDs still require the support and cooperation of EXECs to perform their roles. This suggests that the power scales may tip in favour of EXECs, despite the experience and expertise of NEDs.

6.3.2 NED performance challenge and limitation

The research study found that NEDs face different challenges in the boardroom. The findings suggest that the extent to which Nigerian NEDs perform their roles varies in different boards. This is because some boards may face different challenges than others. For instance, the findings indicate that the main challenge facing Nigerian NEDs in listed companies is access to relevant company information. The EXECs and the top management team are the main producers and holders of information; this leads to Information asymmetry (Akerlof 1980) or 'information impactedness' (Williamson 1985). Williamson (1985) describes a concept known as 'information impactedness'. The author argues that information may exist within an organisation but it may be held by certain groups. The author also stated that there are limits to which actors are able to understand and process the information. This is known as bounded rationality - which is the key principle in transaction costs theory.

Information asymmetries are said to produce a 'lemons problem' which causes good and bad projects to be valued at the same level, and thereby reduces liquidity in firms' shares (Akerlof 1970; Copeland & Galai 1983; Kyle 1985; Glosten & Milgrom 1985). On the other hand, disclosure of good information reduces asymmetry, and lowers the return that investors demand, thereby lowering the cost of capital to the firm (Diamond & Verrechia 1991).

The findings suggest that an optimal disclosure strategy is needed in Nigerian listed company's boardrooms. An optimal disclosure strategy is one where firms supply maximum information, subject to legal, cost and proprietary constraints (Stigler 1961; Jensen & Meckling 1976; Grossman & Hart 1980; Grossman 1981; Verecchia 2001). The various corporate governance codes (SEC code 2011; CBN code 2014) stipulate that companies comply with the accountability, disclosure and transparency requirements. The findings of this research study relate to the disclosure of private information.

On the other hand, the study also found other challenges, such as time constraints. Therefore, different challenges have different effects on board and NED effectiveness. For instance, boards composed of NEDs with multiple directorships may not perform their roles adequately due to time constraints. However, such NEDs may be dismissed or not re-elected by shareholders at the general meeting due to their poor attendance at meetings. The shareholders have a right to see the attendance record of directors.

The authors Nowak & McCabe (2003) found that many NEDs believed that top management and full time EXECs have power over information and may release it differently and at times which suit them. The study Nowak & McCabe (2003) relates to the findings of this research study in the sense that Nigerian boards are highly asymmetrical. This suggests that there is a high probability that Nigerian boards have power discrepancies. Gaved (1997) study supported the idea that there is 'information impactedness' in the firm. The author also noted that fund managers consistently express the wish to work only with EXECs. The author concludes that fund managers are doubtful as to the quantity and quality of information, which NEDs possess.

Interestingly, the EXEC participants in this study did not mention access to information as a challenge faced by NED. The EXEC participants emphasised other challenges such as lack of knowledge of company affairs and time constraints. This suggests that EXECS were reluctant to admit that information asymmetry exists in Nigerian listed companies. The findings also suggest that contrary to agency perspectives NEDs may not be independent due to information asymmetry. This suggests that many NEDs in Nigerian listed companies may not play a monitoring role.

However, it may be argued that NEDs have some form of independence in the board room. The NED is not an employee in the company; as a result, he or she is only entitled to a sitting allowance. Therefore, the income is not regular, since most boards usually meet quarterly. Interestingly, some participants in the study stated that NEDs should be independent but there was no overwhelming evidence to suggest that Nigerian NEDs are independent. Also, the Nigerian governance codes provide that companies should have independent NEDs.

6.4 NED roles

This construct relates to NED roles in Nigerian companies. The themes of supervision, corporate strategic responsibility, NED a bridge to the outside world all present different aspects of the NED role.

6.4.1 Supervision

All participants stated that, NEDs play a supervisory role in the company. The participants presented this role as that of ‘guiding, advising and complementing’ the roles of EXECs. Only one EXEC participant in the study used the word ‘check’ and ‘control’ to describe the role of NEDs. All other EXEC participants did not view the NEDs role as that of controlling or monitoring. This suggests that EXECs do not view NEDs as playing a control or monitoring role in the boardroom. One NED participant, a chairman of a company stated that the 'words control and monitor were strong words and that NEDs do not control EXECs'. This participant, though NED, was in fact an 'EXEC' because he had worked in the company in several EXEC posts. This company gave targets to NEDs to accomplish. The NEDs in the company had some form of EXEC roles. The quote below relates to this NED participant.

> *Executives have their own targets and NEDs have their own NED targets. What business have you brought into the company in the last 12 months? No not brought what, what business did you introduce to the company because bring business has to do with how well the EXEC have followed the business. You have to be able to tell me that in your village there is business for the company you have to be able to take the Managing director to the king of the village, the commissioner for works of your state. You have to introduce something you have to monitor and at the end of the day you are like a doctor delivering a baby you have to be able to deliver the project so it's not just introducing the woman to me you have to be able to impregnate the woman take her to the maternity and deliver her. Once you have delivered her, then you look for another person you have to introduce and help the EXEC to achieve NED 8.*

This suggests that there are NEDs in Nigeria who play EXEC functions. Therefore, the fact that all the companies in this study had separated the roles of chairman and CEO did not mean that such NEDs were independent. This suggests that companies, in a bid to comply with the corporate governance codes, appoint NEDs who may not necessarily be independent.

The findings suggest that though NEDs supervise, their priority is not to control but complement EXEC efforts. The findings differ from the emphasis in the literature that NEDs play a control role in the boardroom. First, the NEDs in Nigerian listed companies may not always set out to control or monitor EXECs in the board room. Second, EXECs, may be good stewards in the company, as emphasised by stewardship theory (Donaldson & Davis 1991). This suggests that EXECs may have other self-interests - such as altruism or a sense of achievement when performing their roles.

6.4.2 Collective strategic responsibility

The findings suggest that NEDs contribute to the strategy development of a company in different ways. Some participants stated that the NED initiated strategy, others said that it originated from EXECs, and others stated that it was a joint responsibility. Some participants stated that NEDs contributed to strategic development by approving, ratifying and having a board strategy session. The findings are similar to McNulty & Pettigrew's (1999) study. McNulty & Pettigrew (1999) created a framework showing the three levels of NED involvement in strategic development in the company. These levels include taking strategic decisions, shaping strategic decisions and shaping the content, context and conduct of strategy. The NEDs, in Nigerian companies, shape the strategic process of the company by approving, ratifying the process and engaging board strategy retreats.

McNulty & Pettigrew's (1999) study found that NED's involvement in strategy was dependent upon the skills and motivation of the NED and contextual factors such as crisis conditions or changing board dynamics. This thesis findings indicate that NEDs' involvement in strategy suggests that they possess the skills and required motivation to contribute to the strategic process of the company. McNulty & Pettigrew's study (1999) also found that some NEDs are involved in initiating strategic content. The study identified two NEDs who initiated the strategic content for the company. Furthermore, two NEDs in this present study gave instances when NEDs initiate strategy. One NED participant explained that the peculiar nature of the company and the fact that EXECs had no experience and formal qualifications in business management made it possible for NEDs to initiate strategy.

The process of strategic development depends on a company's board culture. Pettigrew & McNulty (1995) found that there are two types of board culture namely minimalist and maximalist, with different consequences for board effectiveness. This explains why participants have different opinions on the NED strategic role. The idea that EXECs may control strategy sessions, suggest that board culture has a part to play. This suggests that NEDs are precluded from initiating strategic proposals due to board culture. The NEDs, therefore, have two options advice or merely approve.

It may be inferred that NEDs may need influence to initiate strategic proposals. The power structure of the company becomes important at this juncture. The idea that EXECs usually initiate strategic proposals reveals a power imbalance. This suggests that EXECs may pursue self-interests (in terms of strategy). This may result in poor alignment with EXECs and shareholder interests. The NED may thus struggle to contribute to strategic development. This indicates that a process of accountability is crucial to strategic development. The NEDs may tend to approve strategic proposals due to restrictions placed by the board culture.

Theoretically, the findings are consistent with agency theory and power perspective assumptions. The findings suggest that the process of strategic development may be hindered by the principal agent problem. The findings also suggest that EXECs may pursue self-interests, by being privy to company information. Therefore, the NED is charged with the responsibility of scrutinising the strategic development process. Agency theorists assert that NED independence is necessary for board accountability (Jensen & Meckling 1976; Eisenhardt 1989). However, the EXECs may provide limited information to EXECs thereby limiting NED intervention. This suggests that NEDs may require power strategies to influence EXECs. It can be inferred that influential NEDs may change boardroom culture.

6.4.3 NED a bridge to the outside world

Many of the participants presented the idea that, a key role for Nigerian NEDs in listed companies is a resource one. This resonates with the study by Pfeffer & Salancik (1978). The authors identified the importance of the resource dependency theory. First, organisations require resources to survive. Second, these resources are usually in the hands of other organisations. Third, resources are a form of power. Fourth, power and resource dependence are directly linked. The NED assists EXECs by using their contacts to secure deals for the company. This may be particularly useful in situations where EXECs may have been unsuccessful.

The NED acts as a middle man by negotiating accordingly. A NED's good reputation largely influences the company’s image. This is because stakeholders will be motivated to conduct business with the company. The NED also assists EXEC to forecast possible government policies. The NEDs’ political relationships are useful for forecasting future government policies. This is because some companies are mainly affected by economic and political instability. This may cause companies to appoint ex-politicians to protect their interests. The findings indicate that NEDs are usually appointed for their resource roles.

6.5 Power

This construct relates to the role of the Pre-AGM in companies in Nigeria. These meetings are used as tools to pursue the interests of directors. The directors, shareholders and stakeholders have different interests to protect in the company. This suggests that there are power tensions in the company. The directors have influence in these meetings due to their positions. However, shareholders and stakeholders may also exercise their rights and influence in these meetings. The Pre-AGM is used to manage and control shareholder and stakeholder reactions at the AGM.

6.5.1 Image management

The image of a company is very important to directors, shareholders and stakeholders. A poor company image may affects these actors in different ways. For instance, a director may be seen as non-performing if the company has a negative image. This may ruin his or her reputation and lead to removal from the board. The director may fail to get other positions as a result of past performance at a company. The shareholders and stakeholders have different forms of investment in the company, which they need to protect. Therefore, a poor company image may affect the income of shareholders and stakeholders. Furthermore, a poor company image may ruin a company.

The themes' legitimacy and signalling theory also relate to the role of the Pre-AGM and AGM in Nigeria. The process of ensuring legitimacy is quite typical in organisations as it determines the support of stakeholders. Elsbach & Sutton (1992) state that it is quite difficult to acquire and maintain legitimacy. This explains why directors use strategies such as the Pre-AGM and AGM to ensure legitimacy. The presence of regulatory officials at the AGM necessitates the manipulation of the image of the company through the Pre-AGM. The findings suggest that directors do not want to be perceived as failing in their compliance duties. This relates with institutional theory which views the constant pressure and monitoring of corporate compliance as coercive isophormism (Dimaggio & Powell 1983).

The use of the Pre-AGM as a strategy to manage the image of the company resonates with the study by Lawrence (1999). The study examined institutional theory from the perspective of constructing and transforming institutions. The literature has focused on the examination of current structures and how institutions endeavour to conform to established standards and practices. This has led to a neglect of research focused on organisations aiding new norms and transforming existing institutional standards (Oliver, 1991).

The findings are also consistent with the resource dependency theory, because a poor company and director image may restrict resource acquisition (Pfeffer & Salancik 1978). This is significant in the sense that most firms require some form of support in terms of the acquisition of resources. The for-profit companies need resources to remain a going concern. These resources include finance and human resources. The findings imply that potentially suitable and capable employees may be discouraged from working for the company. This is because such persons may view the company's negative image as a hindrance to their career progress. Also, NEDs with good reputations may refuse appointments from such companies. Furthermore, stakeholder support may be crucial in situations where the company needs to raise income. The findings indicate that when a company’s finances decline, stakeholders support is crucial. This is shown in participants’ statements that the Pre-AGM is useful in challenging times. Therefore, if the directors and company have a negative image, it may result in grave consequences for the enterprise.

The concept of legitimacy and resource acquisition is indeed necessary for organisations survival (Pfeffer & Salancik 1978 p.194). The author Spence (1973) describes signalling theory as the process whereby a person provides information to another which signals an idea. The Pre AGM is used to send signals about the AGM. The signals could include the fact that directors are good stewards. This is particularly useful in situations, when the company is in a crisis situation. The directors may use the Pre AGM to convince shareholders and stakeholders that the company will survive and remain a going concern.

6.5.2 Informal interaction

The Pre-AGM is presented as an informal meeting to deceive shareholders and stakeholders. The meeting is particularly useful when the company is facing challenges or turbulent times. The directors use tools - such as food and entertainment to gain the support of shareholders and stakeholders at the meeting. The CAMA (2004) requires that, all listed companies in Nigeria have a yearly AGM. The meeting is usually attended by regulatory officials, shareholders and stakeholders. As a result, it is in directors interests for the company to have a successful AGM. The idea that directors may deceive shareholders and stakeholders as to the true purpose of the meeting gives credence to agency perspectives.

The agency perspective emphasises the separation of decision making from control (Fama & Jensen 1983). The theory assumes that management may pursue self-interests detrimental to shareholder interests. The NED’s control role includes reducing agency costs, which the company may incur through decision control. The Pre-AGM may be used to pursue interests detrimental to shareholders. The findings suggest that, NEDs cooperate with EXECs to ensure a successful AGM. The participants presented the idea that a successful AGM is paramount to directors. The directors in Nigeria have joint liability as a result if the company is facing turbulent times NEDs may collude with EXECs to ensure a successful AGM. Interestingly, there was no evidence to suggest that NEDs play a control role in these meetings.

The findings are also consistent with legitimacy and resource dependency theories. In terms of legitimacy theory, the directors are eager to ensure that their actions are legitimate, to gain approval and support from influential shareholders and stakeholders. This indicates the tactics and strategies employed by directors is to legitimise their actions (O’Donovan 1999; Deegan 2000; Deegan 2002; Deegan et al. 2002). This may also include providing justification for their actions. The findings suggest that the Pre-AGM is a process of justification. This process is important during critical and challenging times. The findings suggest that directors prepare adequately for the Pre-AGM. According to Kakabadse (1982), the identification of stakeholders is crucial to personal influence.

The findings suggest that the identification of key stakeholders and shareholders is crucial as invitation of non-relevant persons may be detrimental to directors' interests. This is because the idea of the Pre-AGM is to influence AGM proceedings; directors, therefore, require precision and accuracy during the planning stage. The 'informal' meeting may be particularly useful in situations where critical support is needed to acquire resources (Pfeffer & Salancik 1978).

There are two instances where such a scenario may play out. First, in cases where instead of paying dividends the directors might want to take over a company. The directors then use the meeting to convince influential shareholders and stakeholders of their proposals. Second, in times of crisis or near bankruptcy, critical decisions need to be made. The NED's role is important because of their outside experience. They may thus offer counsel to the EXECs, on ways to convince shareholders and stakeholders.

6.5.3 No conflict

The director's plans may fail if key shareholders do not attend the Pre-AGM. Theoretically the findings are consistent with the ANT. The ANT is based on the premise that diverse actors associate and become a strong network thereby operating as one (Callon 1986). The process of inviting influential shareholders to the Pre AGM is geared towards getting the group to function as one. Consistent with the findings, the diverse actors in this scenario are directors, influential shareholders and stakeholders. The actors networking at the Pre-AGM culminates in a strong network. This results in a coalition of forces. Therefore, the interests of actors converge into one. The findings are consistent with ANT in the sense that contradictory interests are displaced thereby avoiding conflicting situations (Latour 1999 p.311).

Catasus & Johed (2007) examined the AGM through the lens of ANT theory and found that the AGM is a ritualistic meeting. The findings illustrate and support the idea that the Pre AGM, makes the AGM a ritualistic meeting. This implies that the AGM fails to ensure accountability of directors. It also suggests that directors may have total control of the company to the detriment of the company and shareholders. The findings also support agency theory, since directors may be more concerned with a 'no conflict' AGM than shareholder interests. This results in information asymmetry and divergent interests. There are two possible scenarios of information asymmetry which relate to influential and minority shareholders. The influential shareholders may have knowledge of information which portray directors as non-performing persons. Also, if the company is facing challenging situations, the focus of the Pre-AGM will be to inform shareholders and stakeholders of the business affairs. The sole purpose of this is to gain their support and avoid conflict situations at the AGM. It can be implied that influential shareholders and stakeholders knowledge of company affairs is limited to directors' presentations. On the other hand, the minority shareholders are completely excluded from such meetings making them unaware of major issues facing the company.

The presence of NEDs at the Pre-AGM may suggest that shareholder interests are represented. However, the extent to which NEDs can monitor EXECs in the meeting, depends on them converting their potential power into actual power. This depends on the will, skill and tact of the NEDs (Pettigrew & McNulty 1995, McNulty 1998). This means that NEDs may be able to exercise some form of control over the meeting. Therefore, NEDs' collaboration with EXECs ensures that, the AGM goes on smoothly. It may be argued that when directors collaborate they may fulfil the company's objectives. One of such objectives is to remain a going concern. NEDs may thus help to achieve this by ensuring that stakeholders at the AGM, view the company in a positive light. As a result, the company gains due to increases in share prices and the attraction of potential investors. However, the possibility of surprise at the AGM may force the AGM to become an accountability forum.

The findings suggest that it is possible for there to be an 'element of surprise' (Catasus & Johed 2007) at the AGM. The planning that goes into the Pre-AGM reveals that directors attempt to prevent uncertainty. This implies that directors are aware of the possible tension at the AGM. The directors offer bribes and hold the AGM in distant places to avoid disgruntled shareholders. This suggests that the AGM can make directors accountable for their actions. The 'element of surprise' at the AGM may occur in two scenarios. The minority shareholders may ask conflict-prone questions at the AGM. This may cause a breakdown in law and order at the AGM. However, this is subject to the time allocated for questioning at the AGM. Also, there is the possibility that the chairman may refuse to give such shareholders audience. The minority shareholders may be discouraged from attending AGM's held in distant places. The financial situation of a shareholder may preclude him or her from attending the AGM.

For instance, if the AGM is held in Abuja Nigeria, the costs of transportation is quite high in Nigeria coupled with insecurity and bad roads in some places. A shareholder resident in

Lagos, Nigeria may be discouraged from attending the AGM. Furthermore, influential shareholders may disagree with directors at the Pre-AGM, thereby creating room for questioning at the AGM. Additionally, influential shareholders such as shareholder associations, may support their members to attend AGM. This means that holding the AGM in a distant place may not deter shareholders.

The possibility of an 'element of surprise' is consistent with the ISP perspective (Habermas 1984; Catasus & Johed 2007). Catasus & Johed (2007) modified the Habermas theory and adapted it to AGM hence ISP. Despite the possibility of the AGM becoming a ritual, an element of surprise at the AGM can be an ideal speech model. The AGM becomes ideal for three reasons: namely new arguments, face to face meeting and recurrent meeting. Firstly, the AGM creates the forum for discussions between shareholders and stakeholders. This implies that new cases may emerge, confirmed during the discourse, thereby creating the possibility for an ISP.

The findings suggest that if the objective of the Pre-AGM in ensuring certainty fails, the AGM becomes a form of accountability. Secondly, the AGM is a face to face meeting, and as such, presents a unique form of communication. The shareholders and stakeholders can see directors' body movements as opposed to only reading the annual reports. This suggests that the use of the Pre-AGM does not ultimately determine the AGM proceedings. Lastly, the fact that the AGM is a recurrent event means that the actors may remember discussions. This may create room for surprises when director's statements contradict those of previous meetings.

6.5.4 Shareholder awareness

This theme is consistent with the ANT as a result of shareholder diversity. The findings suggest that united shareholders may create a formidable force in the company. Also, diverse shareholders may draw on the resources of enrolled actors and modify contradictory interests. This means that shareholders can use their expertise and shareholding, and thus tilt the power scale of the company. The shareholders can thus ensure director accountability. The theme is also consistent with shareholder theory. The attention that directors give to influential shareholders suggests that their interests are important. For instance, holding the AGM in distant places to disenfranchise influential and minority shareholders suggests that these stakeholders can wreak havoc in an AGM.

Sundaramurthy & Lewis (2003) suggest that external block holders also act as an agent or catalyst for certain types of change. For instance, block holders may alter the balance of power by influencing board and management turnover (Denis and Sarin 1999). The block holders may also cause revisions in executive compensation (Davis et al. 1998) and in director's term of office (Sundaramurthy & Lewis 2003). The theme is also consistent with agency theory, since it suggests the possibility of information asymmetry and divergent interests. Information in this regard is a form of power, which shareholders require in order to have any influence in the company. The findings also suggest that shareholder activism exists in Nigeria.

6.6 Contribution to knowledge

This section consists of nine sections which present the study's contribution to knowledge. The first section discusses the core essence of the phenomenon. The section illustrates that the thematic findings are not independent of the phenomenon - the lived experience of the NED role. The second section presents the directors and company secretaries lived experience of the NED role. The third section relates the findings to the literature. The fourth section answers the research questions and fulfils the objectives of the study. The fifth section discusses the applicability of the study's theoretical framework to Nigeria. The sixth and seventh sections presents the findings convergence and divergence from the role of company meetings in corporate governance. The last two sections, present the link between the findings, the Sub Saharan African and impression management literature

6.6.1 The core essence of the phenomenon

The core essence of the phenomenon of the lived experience is power relations. With regards to relationships, the NED's role cannot be fulfilled without cordial relations in the boardroom. The NED must have an inescapable relationship with EXECs. The findings suggest that, NEDs require commitment to encourage good working relationships in the boardroom. This implies that they must perform their roles by viewing the EXECs as team players. This will create the enabling environment for them to exercise some influence and power over EXECs. A weak relationship in the boardroom may result in an ill-equipped NED. This means that the structure for NEDs to wield influence may not exist.

The findings suggest that the lived experience of the NED role is based on the power relations in the boardroom. This means that, without power he or she becomes a 'pawn or rubber stamping director' (Mace 1971; Lorsch & MacIver, 1989). This idea relates with the managerial hegemony thesis, which views boards as rubber stamping appendages of EXECs (Mace 1971). It is essential for the NED to convert potential power to actual power this is the essence of the role (Pettigrew 1972; Pettigrew & McNulty 1995). This study reveals that the NED role cannot be separated from power and relations in the boardroom.

6.6.2 The lived experience of directors and company secretaries

6.6.2.1 Board differentiation

All participants had a lived experience of NEDs and EXECs performing different roles. The participants reiterated the provisions of local and international best practices in terms of delineation of roles in the boardroom. The participants spelt out the roles of EXECs as directors who were employees of the company and were responsible for the daily running of the company. All participants stated that, NEDs were not employees of the company and only attended board and company meetings. The participants all stated that the roles of the CEO and chairmen were separated in listed companies in Nigeria.

Furthermore, participants emphasised that differentiation in the boardroom, allowed for alternative perspectives and broader decision making culture. Few participants (NEDS, EXECs and CS) casually mentioned that NEDs should be independent. However, there were no detailed discussions on NED independence. This indicates that, NEDs in listed companies may not be independent. It also suggests that the idea of independence in Nigerian listed boards has been restated. Interestingly, the SEC, CBN and NAICOM codes provide that the board should be composed of independent directors. The independent directors are NEDs who do not have a significant shareholding, or have any ties in terms or family or otherwise with the company.

6.6.2.2 Board relationships

All participants shared the same view that, a cordial and good working relationship was a necessary recipe for NEDs successfully performing their roles. The participants reiterated that, the board had to function as a team in order for the board to be effective. Furthermore, the participants mentioned that a 'distraught board' could destroy the board. The NED cannot function independent of the EXECs. The NEDs require company information from EXECs to perform their roles. According to participants the NEDs had an 'inescapable relationship' with EXECs.

Furthermore, participants stated that, there was no hierarchy in the boardroom. They stated that in their experience, there was only on level in the boardroom, the board. The hierarchical structure (NED and EXEC roles) were for organisational and not for performance purposes. The lived experience of the participants in terms of board relationships, is that NEDs should support EXECs in the performance of their roles. This suggests that NEDs should wilfully and skilfully encourage a good working relationship. The chairman has a role to play in promoting a maximalist boardroom culture (Pettigrew & McNulty 1995), which provides the conditions for NEDs to perform their roles successfully.

6.6.2.3 Power

All participants recognised the importance of power in the boardroom. Specifically, the participants experienced power in the boardroom in two key ways: private meetings and challenges while performing their roles. The majority of the participants (NED, EXEC and CS) presented the Pre-AGM as a private meeting between majority shareholders, key stakeholders and the directors. The participants downplayed the structure of the meeting by referring to it as an 'informal' meeting. However, the meeting is a formal meeting. The majority of the participants stated that the AGM was a formal meeting while the Pre-AGM was an informal one.

However, the Pre-AGM is the real meeting where major decisions are made, as a result, the AGM becomes a ritual. The participants lived experience of private meetings was that it was used to resolve conflicting issues. The participants also expressed the opinion that directors also used the private meetings to bribe shareholders and shareholder associations (Ahunwan 2002; Okike 2007; Uche et al. 2016). The participants were of the view that minority shareholders had no power, and were not invited to the Pre-AGM. Participants agreed that as a result of the Pre-AGM directors were rarely accountable.

The participants all shared the same common perception that most NEDs face challenges when performing their roles. The challenges include, lack of knowledge, lack of time and limited information provided to the NED. For the company secretaries, their lived experience in terms of NED performance challenge and limitation was that, NED's key challenge was lack of time to read board papers. The NEDs and company secretaries emphasised the lack of or limited information provided to NEDs. All the NEDs mentioned that lack of or limited information was the main challenge facing Nigerian NEDs in listed companies. However, EXECs did not believe that Nigerian NEDs were provided with limited or no information to perform their roles. Others EXECs alluded to the role of the company secretary in terms of providing the NEDs with timely information.

6.6.3 Relationship of the thesis findings to the study's conceptual framework

The research findings relate to the conceptual framework in different ways. This section is divided into three sections namely 'engaged but non-executive', challenging but supportive' and independent but involved'. Roberts et al. (2005) argue that it is the work of the NED that determines board effectiveness. The authors state that while board structure, composition and independence condition board effectiveness it is the actual conduct of the NED vis a vis the EXECs that determines board effectiveness.

Furthermore, Roberts et al. (2005) found that, board effectiveness is determined by the degree to which NED's individual and collective efforts, ensure that EXECs are accountable for their actions. Furthermore, the study found that the process of accountability is achieved through a range of behaviours such as challenging, questioning, probing, discussing, testing, informing, debating, exploring and encouraging. The Roberts et al. (2005) study also found that NEDs ensure accountability through the following behaviours: 'engaged but non-executive', 'challenging but supportive' and 'independent but involved'.

6.6.3.1 'Engaged but non-executive'

The key characteristic of an engaged but non-executive NED, is one who brings useful skills and experience to the boardroom. The engaged NED has adequate knowledge of company affairs and is keen to engage in continuous professional development. For instance, engaged NEDs may visit company plants or attend some company events with EXECs. However, the engaged NED must not be involved in the day to day running of the company due to his non-executive post.

The following themes of the thesis corporate strategic responsibility, experience and NED a bridge to the outside world relate to the conceptual framework. The Nigerian NED is engaged and involved in the strategic development of the company. The Nigerian NED contributes to strategy in three ways, such as initiating strategy, shaping the process of strategy and taking strategic decisions. The thesis findings indicate that, NEDs are involved in the strategic process. Usually, the Nigerian NEDs do not merely approve strategic proposals but ensure accountability of EXECs in the three ways as mentioned above. The Nigerian NEDs are actively involved in the company's strategic process. The NEDs attend strategic and brains storming retreats with EXECs. However, the findings reveal that, NEDs participate in determining the strategic direction of the company. This does not mean that lose their NED status or usurp EXEC's authority.

The thesis findings also indicate that listed companies in Nigeria usually appoint NEDs with the requisite skills and experience. The majority of participants stated that Nigerian NEDs require business management experience to support the EXECs in the leadership of the company. The thesis findings indicate that, NEDs must be knowledgeable in the company business. Some participants stated that NEDs require relevant experience or technical knowhow. The participants emphasised that NEDs may have transferable skills from experience gained from other industries. The Nigerian NED is actively involved in the company, when he or she uses his or her experience to improve firm performance. For instance, the NED may offer relevant counsel and advice to EXECs. However, NEDs only support, EXECs and should not perform EXEC roles.

The thesis findings indicate that, Nigerian NEDs act as a bridge to the outside world. The Nigerian NED is valued for the following skill, the ability to help 'drive the company's businesses. The Nigerian NED is valued for his or her contacts and links with the corporate world. The majority of participants in the research study stated that company's expected NEDs to support the EXECs in improving the firm performance of the company.

Specifically, companies who rely on government patronage are usually keen to appoint civil servants or former politicians as NEDs. These civil servants or politicians may advise the company in two ways. First, they may help the company to get contracts form the government. Second, the NED may have first-hand knowledge of government policies which may affect the company's business. For instance, companies that engage in international trade usually appoint politicians on board to help them gauge the economic and policy undertone of the government. The theme NED a bridge to the outside world suggests that, NED may play EXEC roles when securing business deals and contracts for the company. As a result, such a NED is 'engaging but not non-executive'

6.6.3.2 'Challenging but supportive'

The NED brings in objectivity to the boardroom as he or she is not involved in the daily running of the company. The key trait of the challenging and supportive NED is one who challenges EXECs actions by being objective and supportive (Roberts et al. 2005). The challenging and supportive NED 'draws upon his or her objectivity and experience as a basis for questioning and challenging the EXEC' (Roberts et al. 2005). However, challenging in this sense refers to constructive criticism. Without appropriate information, the NED cannot effectively challenge and support the EXECs. The EXECs control the information process in the company. This suggests that NEDs must also support the EXECs in their leadership of the company.

Therefore, challenging and supportive NEDs are supposed to offer relevant advice and suggestions to EXECs to enable them perform their duties successfully. The following themes corporate strategic responsibility, cordial relationship, supervision and NED performance, challenge and limitation reflect the findings of Roberts et al. (2005). The thesis findings indicate that Nigerian NEDs challenge and support EXECs in the leadership of the company. The Nigerian NEDs challenge EXECs actions by scrutinising their performance.

The Nigerian NEDs challenged EXECs by participating in the strategic development of the company in four ways. First, some participants stated that NEDs attended board strategy retreats and critiqued EXEC proposals. Second, NEDs contributed to the strategic process by approving appropriate strategies. The participants expressed the idea that NEDs did not merely approve but helped to shape the strategic process. Third, few participants mentioned that they initiated strategy in their host companies in cases where EXECs lacked knowledge in the subject matter.

Fourth, many participants stated that EXECs and NEDs are jointly responsible for the strategic direction of the company (Higgs 2003). As a result, NEDs must support EXECs because all directors are jointly liable for the company's actions.

This thesis research findings indicate that, Nigerian NEDs perform a 'supervisory' rather than a 'control role' in the board room. The Nigerian NEDs supervise and scrutinise EXEC actions. Participants also stated that, the Nigerian NEDs assisted and supported EXECs in their leadership of the company. The Nigerian NEDs challenge and support EXECs by playing a supervisory role in the board room.

The findings of this research study also indicate that NEDs perform resource roles. Generally, this thesis finding is that each Nigerian board is unique and NEDs perform different roles at different times. The Nigerian NED, therefore, performs a supervisory and resource role depending on the unique situation of each company. This thesis findings resonates with Roberts et al. (2005), as Nigerian NEDs do not choose to play a particular role. Rather, the NEDs perform these roles through negotiation and by exerting their power and influence in the boardroom.

This thesis findings indicate that, Nigerian NEDs face a number of challenges when performing their roles. The key challenge that Nigerian NEDs face, is that of information asymmetry. The EXECs supervise and control the information processes in the company. It is the EXECs that supply NEDs with company information and materials. The NEDs require company information to perform their roles. Therefore, NEDs must skilfully work towards gaining the trust of EXECs. The EXECs will defer to NED's authority when trust exists. Also, EXECs may actively seek NED's advice when there is a board room culture which encourages constructive criticism. The Nigerian NED may actively 'challenge and support' EXECs when directors encourage and practise a 'maximalist board room culture' (Pettigrew & McNulty 1995). Therefore, a minimalist board culture may prevent Nigerian NEDs from challenging EXECs. This implies that in such situations, NEDs will only support EXEC actions

6.6.3.3 'Independent but involved'

Roberts et al. (2005) found that when NEDs are 'engaged but non-executive', and are 'challenging and supportive', they help to create a boardroom culture that engenders NED independence. The study also found that key trait of NED independence is seeing things differently, from an outsider perspective. The themes relevant to these behaviour are differentiation of roles and experience. This thesis' findings indicate that, Nigerian NEDs perceive independence as being objective and providing alternative perspectives during board deliberations. The findings indicate that Nigerian NEDs and EXECs perform different roles in the company.

The EXECs are responsible for the daily running of the company while the NEDs perform the following roles, supervision, resource, advisory and strategic roles. The Nigerian NED is not an employee of the company and as such only attends board and company meetings. The concept of independence in Nigerian board is defined as not being 'aloof' (Roberts et al. 2005) but that of objective and involvement in the decision making process of the company. The independent but involved Nigerian NED is usually an experienced NED.

The experienced Nigerian contributes to the successful running of the company in the following ways. First, a board composed of experienced NEDs will have a diversity of experience in the board room. As a result, the company will have a broader decision making base. A broader decision making base will engender the conditions for constructive and progressive board room deliberations. Second, a board that has a diversity of experience will be balanced in terms of power. The NED in such situations may effectively contribute to the successful running of the company.

The NEDs expertise will enable him or her to exert influence in the company. Furthermore, an experienced NED will offer useful and alternative suggestions to EXECs. The EXECs may fail to see the bigger picture in terms of the company development, but NEDs will bring in an outsider perspective. Furthermore, NEDs are not employees of the company and only earn board sitting fees, therefore they may propose risky investment ventures which may benefit the company in the long run. On the other hand, the EXECs as employees may be wary of such businesses to avoid retrenchment.

Roberts et al. (2005) found that the process of accountability involves NEDs retaining an 'independence of mind' and having the confidence to exercise it in boardroom discussions. It is submitted that, Nigerian NEDs who are engaged but non-executive and challenging but supportive will have gained the trust of EXECs and as such be able to exercise 'independence of mind' in the board room.

6.6.4 Relationship of findings to research questions

The present study investigated and examined four research questions. This section discusses how the findings relate to the research questions, thereby fulfilling the research aims and objectives. The following are the research questions in the study. First, what is the perceived process through which NEDs ensure accountability of EXEC's? Second, does the relationship between EXECs and NEDs affect NED roles? Third, how do NEDs balance their need to monitor EXECs and at the same time contribute strategy? Fourth, how can NED effectiveness be explained?

6.6.4.1 The perceived process through which NEDs ensure accountability of EXECs

The findings suggest that NEDs may encourage EXEC accountability by supporting them in the leadership of the company. The following themes - namely supervision, NED performance challenge, cordial relationships and no hierarchy suggest the process of corporate accountability. The NEDs supervise and oversee the actions of EXECs. The NEDs may offer guidance to EXECs. Therefore, NEDs ensure that EXECs and shareholder interests are aligned. The findings indicate that, Nigerian NEDs play more of a supervisory role than control role in the board room. The Nigerian listed boards have separated the roles of the CEO from the chairman. This suggests that Nigerian NEDs play a control role in the board room. However, Nigerian NEDs play more of a supervisory and supportive role, thereby assisting EXECs in the running of the company.

The findings indicate that, Nigerian NEDs may lack the required information needed to perform their roles. The NEDs are not employees of the company. As a result, The EXECs usually have access to all business information and may withhold such. This suggests that the process of accountability revolves around the combined efforts of directors (Robert et al. 2005) and board room relationships. There needs to be a cordial relationship for NEDs to perform their board tasks. The essential ingredient for a cordial relationship is understanding and trust. Once the boardroom lacks these traits, the process of accountability may be hindered.

The existence of a hierarchy in the boardroom may encourage strife. As a result, EXECs fail to trust NEDs due to a perceived rivalry. Therefore, NEDs must work with EXECs in line with the interests of the company and shareholders (Baysinger & Butler 1985; Baysinger & Hoskisson 1990; Lynall et al. 2003). It is important that there be some form of hierarchy in the boardroom, to create an awareness of accountability. The findings suggest that, hierarchy in the boardroom creates some structural power for NEDs. The EXECs may thus recognise that NEDs are required to ensure transparency, good governance and accountability.

However, the hierarchical structure creates an enabling environment for the performance of NED roles, when it is less performance oriented. This means that directors must view the hierarchy, as necessary for the division of labour. Therefore, EXECs may not view NED actions with suspicion. NEDs must, therefore, ensure that they understand EXECs. The process of accountability is largely influenced by power tensions. The key power strategy used by EXECs is information. The NEDs need to request such information skilfully, so as to exert influence in the boardroom. The process of accountability, ceases to exist once NEDs lack authority and power as NEDs become 'pawns in the hands of EXECs' (Lorsch & MacIver, 1989).

6.6.4.2 The relationship between EXEC and NEDs affecting NED roles

The following themes cordial relationship and no hierarchy suggest the possible effects of board relationships on NED role performance. It is crucial that NEDs aspire for understanding and trust in the boardroom. The theme of cordial relationship suggests that directors must collaborate to accomplish board tasks (Robert et al. 2005). The idea that NEDs are charged with the responsibility of monitoring EXEC actions, may create distrust in the boardroom. This is because non-performing directors may avoid scrutiny. The NEDs in order to accomplish their tasks need to assure EXECs of their good intentions.

The hierarchical structure in the board room may aid role performance (Jensen & Meckling 1976; Eisenhardt 1989). The theme of no hierarchy suggests that NEDs should balance the organisational and performance hierarchical structure. Nigerian NEDs require a team spirit to fulfil their roles. A company which focuses on a hierarchical structure may undermine the power and authority of NEDs. The EXECs may view NEDs with suspicion and thus cause divisions in the boardroom.

There are two possible scenarios that may arise. First, there may be factions in the board room which may lead to board ineffectiveness and its eventual dissolution. Second, NEDs may function in a 'minimalist board environment' (Pettigrew & McNulty, 1995) and will lack the required power and influence to discharge their duties successfully.

6.6.4.3 Do NEDs balance their roles or perform them concurrently?

The following themes supervision, NED performance challenge and limitation, collective strategic responsibility suggest that each Nigerian Board is unique in terms of NED roles. The above themes encompass the idea that, NEDs may struggle to perform all board functions. The theme supervision suggests that NEDs play more of a supervisory than monitoring role in the boardroom. The EXECs prepare or supervise the production of management processes. The findings indicate that NEDs require the support of EXECs to perform their tasks.

It is submitted that whoever controls the information processes holds the 'reins of power' in the boardroom. This suggests that the NEDs effectiveness, depends on the power structure in the board room (Finkelstein 1992; Boyd 1994; Pettigrew & McNulty 1995). It may be argued that if EXECs view NEDs with suspicion, NED's role performance may be hindered. Therefore, EXECs more often than not have an impact on NED roles. The theme collective strategic responsibility suggests that, NEDs contribute to strategy development in different ways. The theme portrayed that a NED rarely initiate strategy but supervise the process. This means that EXECs more often than not determine the pace of strategic development. This indicates that NEDs require the cooperation of EXECs for completion of board tasks (strategic role).

The literature on corporate governance emphasises the control role of NEDs than other roles (Higgs report, 2003). Implicit within this tradition is an emphasis on the agency theoretical perspective. The agency theoretical perspective relates to the idea that boards should be composed of independent NEDs. The role of NEDs include scrutinising the performance of EXECs (Higgs report, 2003). The literature presents the idea that there is a tension between NEDs control and strategic roles (Hampel report, 1998; Roberts et al.2005).

However, in Nigerian boards, the agency theoretical perspective exists to some degree because of the board's composition. The findings present the idea that, independence means different things. The Nigerian NEDs may not necessarily be independent in the true sense, but exercise independent judgement in the boardroom. Therefore, the possibility of role balance or concurrent role performance in Nigerian listed board depends on the power structure, role negotiations and board culture.

6.6.4.3 Meaning of NED effectiveness

The findings suggest the meaning of NED effectiveness. The following themes differentiation of roles, experience and NED a bridge to the outside world, NED performance challenge and limitation and supervision relate to the term NED effectiveness. The theme differentiation of roles suggests that a broader perspective aids sound decision-making. The NEDs, as outside directors, bring in external experience thereby broadening and encouraging constructive contributions. The NEDs may encourage risk taking by encouraging EXECs to consider business options that may benefit the company, in the long run. The EXECs as employees of the enterprise may be wary of risk taking because of the possibility of job dismissal (Jensen & Ruback 1983; Shleifer & Vishny 1989).

In the long run, the ability to take risks in business may have positive effects. For instance, such high-risk actions may increase the company's turnover. This is where the NEDs' experience, expertise and exposure come useful. The presence of NEDs may prevent EXECs from making costly mistakes. This is because NEDs may have witnessed successful outcomes of such high-risk ventures. They are, therefore, more qualified to guide Execs. On the other hand, NEDs contribute to managing risks in the company. The possibility of eliminating risks is slim. As a result, NED experience protects the company's future.

The findings indicate that NEDs act as a bridge to the outside world. The findings suggest that Nigerian NEDs play a resource role in the boardroom. As a result, NEDs possess expert and prestige power and may influence board room decision making. The findings also indicate that NED face challenges which prevent them from successfully performing their roles. The key challenge that NEDs face is that of lack of company information, or the required resources to perform their roles. Therefore, information asymmetry exists in Nigerian listed boards.

NEDs' involvement in impression management at the Pre-AGM and AGM may play out in two of the following scenarios. First, NEDs may successfully supervise the impression management process. This will ensure that EXECs do not engage in unethical and illegal activities to secure contracts and business opportunities for directors. Second, NEDs may collude with EXECs by misrepresenting or fabricating information to influence and control the audience impressions of directors. Therefore, NEDs being effective depends on their level of influence in the company.

6.6.5 Applicability of the study's theoretical framework to Nigeria

6.6.5.1 Agency theory

Agency theory is applicable to Nigeria in the following four ways. First, the law and governance codes in Nigeria encompass the concepts of agency and separation of ownership from control (Berle & Means 1932; Ross 1973; Jensen & Meckling 1976). The (CAMA 2004;

NAICOM 2009; SEC code 2011; CBN code 2014) provide for the role of the NED and independent director. The mandatory and voluntary governance systems in Nigeria emphasize the importance of the NED in preventing Management opportunism (Fama 1980). Second, the roles of the CEO and chairmen are separated in Nigerian listed companies (Cadbury 1992; NAICOM code 2009; SEC code 2011; CBN code 2014).

Furthermore, the CAMA and governance codes provide that NEDs should participate actively in board committees. This indicates that Nigerian corporate governance regulatory emphasises the NEDs control role. Third, the rise of shareholder activism (Amao & Amaeshi 2008; Adegbite et al. 2012) indicates that there are a greater calls for transparency, accountability and greater director independence. Similarly, there have been exhaustive reforms in the Nigerian banking industry due to corporate scandals hinged on corruption, fraud and negligent dealings with depositors' funds (Okike 2007; Adegbite et al.2012).

Fourth, this thesis' findings on the lived experience of the NED role indicates that power and influence of NEDs (Pettigrew & McNulty 1995) is crucial to NED and board effectiveness.

This research study restates the agency assumptions of the control role. Specifically, Nigerian NEDs must skilfully and wilfully convert their potential power to actual power and influence in the board room (Pettigrew & McNulty 1995). It is submitted that the Nigerian NED requires the support of EXECs to perform their roles. The Nigerian NEDs perform more of a supervisory than monitoring role. It is submitted that the Nigerian agency perspective leans towards a power and influence approach. The Nigerian agency perspective aligns with the views of authors (Daily et al. 2003) who opine that future researchers should focus more on the resource role than the control one.

Yasaki (2001) presents the idea that, agency theory applies to the Nigerian environment due to lack of transparency and managerial entrenchment. The author Yasaki (2001) argues that power relations and sharing is the basis for instituting corporate governance procedure. The author also asserts that, the weak governance structure in Nigeria hampers economic growth (Yasaki 2001, p.239). The unstructured nature of the economies of developing countries, unlike their western counterparts, restricts shareholder democracy (Yasaki 2001). Interestingly, CAMA (2004) provides that shareholders are the owners of the company and thus in principle practise shareholder democracy at the AGM. CAMA (2004) provides that, directors should offer themselves up for re-election. This provision suggests that, shareholders have influence over board appointments. However, it may be argued that it is the management who control the process of board appointments. CAMA (2004) provides that the procedure for board appointments should be made transparent. It is submitted that management control the information processes, and as such may unwittingly fail to disclose some aspects of the board appointment process.

6.6.5.2 Stewardship theory

The empirical testing of agency theory assumptions has focused on the structural characteristics of boards and their relationships to outcomes, such as firm performance (Hermalin & Weisbach, 1991) and adoption of poison pills (Davis, 1991).

The stewardship theory favours CEO duality in which the roles of the CEO and chairman are combined (Donaldson & Davis, 1991; Finkelstein & D'Aveni, 1994; Shen, 2003; Adams et al. 2005; Peng et al. 2007). The Nigerian governance system is not based on the CEO duality paradigm. However, this research study findings indicate that listed companies appoint former employees as NEDs. Therefore, it is possible for there to be concentration of power, in the hands of one individual. This thesis finding revealed that a chairman NED (former EXEC of the company) may promote a minimalist board culture (Pettigrew & McNulty 1995) in the boardroom thereby hindering the performance of NED roles.

Yasaki (2001) argues that stewardship theory applies in Nigeria as shareholders appoint directors as stewards of the company. The author states that in times past, AGM's were influenced by government, but things have changed dramatically. The author considers the extent to which organisational theory applies to Nigeria. The Nigerian board structure is composed of CEO's and chairmen with different roles. Yasaki (2001) argues that, in less developed countries the board usually rubber stamps management decisions. The idea of the board being a rubber stamping appendage of management, is the general thesis of the managerial hegemony theory.

6.6.5.3 Resource and Interlocking theories

The resource dependency theory revolves around the idea of reducing environmental uncertainty and dependence. Ulrich & Barney (1984) state that power is the key issue in preventing environmental uncertainty.

This thesis' findings suggests that NEDs expert power and experience will enable them perform a NED role. This thesis provides strong evidence that Nigerian NEDs perform a resource role, alluding to the fact that an inexperienced NED may not be appointed on a listed company. The NED supports the EXECs in the leadership of the company by using their expertise and contacts in the corporate world to limit the company's environmental uncertainty and dependence.

The interlocking theory relates to the creation of interlocks in firms (Pennings & Kimberly, 1980; Burt, 1983). The present research findings provide evidence that, Nigerian NEDs form interlocks by sitting on other boards. This is because any board member who is primarily affiliated with another firm, automatically creates an interlock between the two organisations.

As a result, Nigerian NEDs play a 'boundary spanning role' (Pearce & Zahra 1992). Similarly, when reputable Nigerian NEDs interlock with other companies this signals (Certo, 2003) that the receiving organisation has the potential to attract experienced, prestigious and reputable personnel (Pearce & Zahra 1992). Interestingly, this research study did not specifically examine the legitimacy and signalling theoretical perspectives nonetheless, these theories are relevant.

6.6.6 Convergence with the literature on the role of company meetings in corporate governance

The thesis has similar findings with the literature on private meetings in the following six ways. First, many studies (Roberts et al. 2006; Uche & Atkins 2015; Uche et al. 2016) found that private meetings are held between fund managers, shareholder associations and company management prior to the AGM. Second, private meetings were used to challenge and question management about the company's business (Roberts et al. 2006; Uche & Atkins 2015; Uche et al. 2016). Third, private meetings are used to resolve conflicts which may cause disharmony at the AGM (Uche & Atkins 2015; Uche et al.2016). Fourth, the language used at private meetings differs from that used at the AGM (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016). Fifth, this thesis found that there are different types of private meetings - namely shareholder association and directors meetings (Uche & Atkins 2015; Uche et al.2016) and investors and directors meetings (Roberts et al. 2006; Uche & Atkins 2015; Uche et al.2016).

Within the literature on public meetings, such as the AGM, this thesis' findings reflects the literature in the following three ways. First, the AGM is an annual routine (Catasus & Johed 2007) meeting which is used to seek shareholders consent on corporate agendas, through discussions and votes on management and shareholder proposals (Apostolides 2007; Catasus & Johed 2007; Apostolides 2010; Uche & Atkins 2015; Uche et al. 2016). Second, the AGM is a ritualistic meeting which allows shareholders and stakeholders to ensure transparency and accountability (Roberts et al. 2006; Catasus & Johed 2007; Uche & Atkins 2015; Uche et al. 2016). Third, the 'era of passive shareholders' (Oyejide & Soyibo 2001) is gradually fading away. As a result, dispersed shareholders, investors, institutional shareholders and shareholder associations are educated, well informed and fully aware of their rights and exercise such rights (Uche & Atkins 2015; Uche et al.2016)

6.6.7 Divergence from the literature on the role of company meetings in corporate governance

First, empirical research on private meetings in Sub-Saharan Africa rarely mentions the term Pre-AGM (Uche & Atkins 2015; Uche et al. 2016). These studies did not relate to the idea that the word 'informal' is a false presentation of the meeting. The idea that the meeting is 'informal' is misleading, as it's the 'real deal'. Specifically, while alluding to power issues in private meetings, these studies (Uche & Atkins 2015; Uche et al. 2016) reflect a broader picture of shareholder awareness and activism in private meetings. On the contrary, this thesis' findings emphasises the idea that, directors exercise power and influence at private meetings. Specifically, this thesis found that directors invite specific major shareholders and stakeholders to the Pre AGM (Roberts et al.2006).

Second, the findings indicate that the directors use strategies such as food, drink and bribes to deceive shareholders as to the real purpose of the meeting. The above empirical studies, while acknowledging unethical practices, did not mention the use of food and drinks to manipulate and deceive key shareholders and stakeholders at private meetings. Third, while alluding to the idea that attendance at the meeting was strictly by invitation, these studies did not indicate that minority or dispersed shareholders were considered as persons with little or no voice. Interestingly, the (CAMA 2004; NAICOM code 2009; SEC code 2011, CBN code 2014) provide that, the rights of minority shareholders be protected. The NAICOM code (2009) provides that a minority shareholder must be a member of the board.

Fourth, empirical researches on the role of the AGM in ensuring accountability are within two schools of thoughts. One school of thought believes that, the AGM is used by shareholders and investors to hold directors accountable for their actions (Roberts et al. 2006; Uche & Atkins 2015; Uche et al. 2016). On the other hand, the other school of thought believes that the AGM may be an 'empty ritual' except in cases of 'an element of surprise and an ideal speech moment' (Catasus & Johed 2007). This thesis' findings relate to both schools of thoughts.

The Nigerian AGM may be an empty ritual, however it may also be used to hold directors accountable for their actions. Interestingly, while not explicitly mentioned by participants, it appears that most companies hold a Pre-AGM before the AGM. Furthermore, empirical research indicates that private meetings are scripted performances, which pre-empt the possible response of investors (Roberts et al. 2006; Uche & Atkins 2015). This thesis finding presents a slightly different view; that the Pre AGM is not just a 'scripted performance', but directors use many strategies to influence key shareholders and stakeholders in order to ensure a successful meeting. Fifth, the study Uche & Atkins (2015) found that private investor meetings align shareholder association interests with those of management.

This research study slightly differs in that, the focus is not necessary to align interests but to gain the support of key shareholders and stakeholders through various power tools, especially when the company is facing turbulent times. This study also indicates that shareholders are viewed as important persons, hence the need for the Pre-AGM. Also the literature on private investor meetings (Roberts et al 2006; Uche and Atkins 2015) makes no explicit reference to company and director image management. The findings also suggest that besides conflict resolution and gaining key stakeholder support, the Pre-AGM is also used to manage the image of directors and the company.

6.6.8 The findings the case of Sub-Saharan Africa

This thesis presents the Sub-Saharan Africa literature on corporate governance in four streams. The streams include the following board characteristics, corporate governance regulation, corporate disclosure and global corporate governance convergence. The board characteristics research in the Sub-Saharan Africa literature consists of the following four streams board structure, board diversity, board independence and board effectiveness.

First, the Sub Saharan African studies on board composition have found a negative and significant relationship between board composition and firm performance (Garba & Abubakar 2014). Garba & Abubakar (2014) also found that board composition in terms of gender and ethnic diversity had a positive relationship with board composition. Ehikioya (2009), found that firms which practice CEO duality, firm performance were adversely affected. Other researchers have found a significant and negative relationship between board size and firm performance (Waweru, 2014).

These empirical studies suggest that directors can contribute to the success of a company or inhibit its progress. This thesis findings relate to the idea that Nigerian NEDs in listed companies play supervisory and resource roles in the boardroom. It is therefore important that a board is composed of EXECs and NEDs. The Nigerian NEDs advise EXECs when necessary and supervise the actions of EXECs, thereby ensuring that management are held accountable for their actions. For instance, Uadiale (2012) found that boards with audit committees consisting of NEDs and shareholder representatives were more likely to limit earnings management. It may be argued that boards with an EXEC majority have more propensity for executive entrenchment.

Second, there are mixed findings in the research on the relationship between board diversity, firm performance and market valuation. These findings range from negative (Ntim 2009) to a positive (Akpan & Amran 2014; Garba & Abubakar 2014; Ntim 2015) relationship between board diversity, firm performance and market valuation. Interestingly, the South African study by Ntim (2015) indicates that boards value ethnic diversity than gender diversity. Additionally, Ntim (2015) found a negative significant relationship between number of female directors (gender diversity) and firm performance. Other studies have found that board diversity or heterogeneity are necessary 'recipes' for successful governance at the board and institutional level (Ogbechie & Koufopoulos 2010; Adegbite 2015).

This thesis findings may be linked with board diversity in two ways. First, this thesis found that NEDs and EXECs perform different roles in the board room. However, it may be argued that board differentiation presents a form of board diversity. This is because, a board which practices differentiation is diverse and heterogeneous to some extent. Second, the findings reveal that for NEDs to be effective, they must be knowledgeable and experienced directors. The thesis findings indicate that NEDs are appointed for their experience. It is submitted that boards with a wide range of experiences and skills are likely to be balanced and diverse in boardroom deliberations. This is because boards composed of a majority of EXECs tend to be more homogeneous and risk averse.

This thesis' findings presents differentiation as a precursor for diverse perspectives in decision making. Additionally, EXECs in a bid to keep their jobs are usually risk averse in terms of business decisions. On the other hand, NEDs are not employees of the company and have established careers and businesses. Therefore, NEDs are usually financially comfortable and more likely to exercise independent judgement (Higgs 2003; Roberts et al. 2005) than EXECs in the boardroom. It may be argued that NEDs may suggest more risky and profitable business deals than EXECs. The EXECs may be wary of risky business decisions in order not to lose their jobs. On the other hand, the NED is paid a board sitting allowance compared to EXECs who earn monthly salaries amidst other company perks. Interestingly, all the NED participants in this research had established businesses and reliable sources of income.

Third, empirical evidence provides mixed findings on the idea that board independence improves firm performance. Some studies have found that positive effects between board independence and firm performance (Pearce & Zahra 1992). Other studies found negative results (Beatty & Zajac 1994; Yermack 1996) and zero effects (Buchholtz & Ribbens 1994) between the proportion of independence directors and firm performance. Some studies found no relationship between independent directors and corporate performance (Vafeas & Theodorou 1998; Laing & Weir 1999).

The Sub Saharan African literature studies present mixed findings on the relationship between board independence and firm performance. The South African study (Muniandy & Hillier 2015) found a positive relationships between board independence and firm performance. Additionally, the South African study Ntim (2011) found that, there was a positive relationship between Independent NEDs and firm valuation. Interestingly, the study found no statistically significant effect on firm valuation and ordinary NEDs.

More recently, Ntim (2012) found that South African stock market values dual board leadership (DBLS) structure, only when there is an independent chair. The author suggests that an independent DBLS, enhances boards propensity to monitor, advise and ensure the accountability of management. As, a result a DBLS headed by an independent chair NED enhances a firm's market valuation. More recently, the study by Ntim (2013) examined the effect of South African board committee structures on market valuation. The findings revealed a significant positive effect, but only in firms with an independent monitoring committee. The author suggest that boards with independent board committees are more likely to exercise a monitoring role, thereby improving the firm's market valuation.

This thesis' research findings did not explicitly find evidence for NED and board independence. The participants emphasised the differentiation of roles and NEDs playing a supervisory role as crucial for NED and board effectiveness. The study's findings indicate that Nigerian listed boards play more of an assistive than control role. The study's findings present an extension of the agency theoretical perspective. The Nigerian 'governance climate' follows the agency theory assumptions in theory (separate CEO and chair roles) coupled with (presence of NEDs), but in reality NEDs are expected to collaborate with EXECs and support them in the leadership of the company.

The unique supervisory role played by Nigerian NEDs is heightened by the fact that, their key challenge is information asymmetry. As a result, NEDs require the cooperation and support from EXECs to perform their roles effectively. Therefore, Nigerian NEDs may play less of a control role in the boardroom in order to gain the trust of EXECs. It may be submitted that when trust exists in the boardroom, EXECs will defer to the authority of NEDs.

Fourth, studies on board effectiveness have found that, a key determinants for board effectiveness in Nigerian banks is director competence (Ogbechie & Koufopoulos 2010). The study's data analysis revealed that, director competence was ranked as the most important determinant for board effectiveness, in the Nigerian banking industry. This thesis findings relate to the idea that the actual conduct of NEDs, is an important factor for board effectiveness (Roberts et al. 2005).

Additionally, the thesis findings indicate that experienced NEDs may promote a power balance in the board room. The EXECs may seek NEDs for their experience and exposure in the corporate world. Specifically, experienced NEDs are more likely to convert potential power to actual power. It may be argued that NED's skills, behaviour (Robert et al. 2005) improves NED and board effectiveness.

The second stream corporate governance regulation reveals the influence of colonialism, multiplicity of governance codes (Osemeke & Adegbite 2016) and exhaustive reforms in these emerging economies. Ehikioya (2009), using return on assets as a measure of firm performance, found that firms with a higher quality of corporate governance have improved or higher firm performance. Ehikioya's (2009) findings indicates that firm's quality of corporate governance may prevent the firm from attracting investors.

Similarly, Waweru (2014) examined the quality of corporate governance in South Africa and Kenya. The study found a statistically positive relationship between firm performance and corporate governance quality. There have been a number of theoretical and conceptual papers on governance regulation in Nigeria. A number of authors (Yasaki 2001; Ahunwan 2002; Okike 2007) have extensively discussed the legacy of colonialism in Nigeria's corporate environment. These studies have argued that despite the country's laws being modelled after that of the UK, she is still a developing nation. These studies identified the following challenges facing Nigeria. The challenges are namely - an extremely slow pace of reviewing law and a poor enforcement culture in institutions. These challenges are the 'bane of existence' of Nigeria's governance system. These studies have argued that a robust legal, governance systems are necessary for quality corporate governance (Oyejide & Soyibo 2001).

There are few empirical studies which have explored the impact of the country's legal and governance regime on the development of corporate governance in Nigeria. Adegbite (2012) study investigated the precursors for effective corporate governance regulation in Nigeria. The study used the survey method and conducted semi-structured interviews and focus group sessions with experts on corporate governance in Nigeria. These experts were stakeholders and cut across different corporate spheres and disciplines. The study found that a country's institutional framework creates the platform for good corporate governance. On the contrary, the institutional system may also prevent the successful practise of good corporate governance.

Specifically to Nigeria, the findings (Adegbite, 2012; Osemeke & Adegbite 2016) indicate that despite the existence of multiple laws and governance regulations; poor enforcement within institutions and a corruption culture will undermine the practise of good corporate governance. Adegbite (2012) recommends that, the governance codes should be rule based to improve corporate accountability and transparency. Similarly, the study Ogbechie & Koufopoulus (2007) examined corporate governance issues in listed companies in Nigeria. The findings of the study indicate that, Nigerian listed companies have adopted the principles of good corporate governance to different degrees.

This thesis' findings present the role of governance actors in minimising the negative effects of the country's institutional framework in the following ways. First, this thesis' findings presents the idea that directors may use the AGM, as a means to pursue their self-interests. The AGM is a meeting recognised by CAMA (2004) and usually has in its attendance regulatory officials and broad range of shareholders and stakeholders. The present findings suggest that, directors may use impression management techniques to improve director and company image.

As a result, the findings indicate that the AGM is a ritual meeting and is rarely a means for accountability. The thesis findings also relate to the idea that, a country's poor enforcement culture and institutional failings may encourage earnings management and obfuscation in annual reports. The NEDs have a key role to play in scrutinising EXEC performance to minimise an overly excessive use of impression management in the company. It is can be argued that Nigerian listed board can practice good corporate governance despite the country's institutional peculiarities and failings. It is therefore necessary for Nigerian listed boards to be composed of NEDs and independent directors, in order to restrict managerial entrenchment.

Second, the thesis findings indicate that shareholders and stakeholders play a role in disciplining management. These stakeholders are usually present at the company's public and private meetings. The private meetings such as the Pre-AGM, shareholders forum and investors' forum creates the opportunity for shareholders and stakeholders to monitor and discipline management. These stakeholders, therefore have to continually engage in a game of 'search and concealment' to prevent management from misrepresenting or fabricating issues (Goffman 1959, 1974).

The third stream corporate disclosure research encompasses research on private and public meetings with investors, shareholders, shareholder associations and company management. The research in this area reveals an emergence of shareholder activism (Okike 2007; Amao & Amaeshi 2008). More recently, there is some evidence on private meetings in sub-Saharan Africa, a subject with extremely limited evidence in Sub-Saharan Africa. These research studies focus on the Nigerian context (Uche & Atkins 2015; Uche et al. 2016). These pieces of research are ground breaking pieces of research revealing the 'ritual nature of private and public meetings' (Roberts et al. 2006). More importantly, these two ground breaking pieces of research used observation research method amongst others.

This thesis findings indicate that scripted performances take place at private and public meetings. The thesis findings reveal that unethical practices, such as the giving of bribes (Uche et al. 2016) take place at these meetings. However, the thesis findings indicate that these meetings can still be used to discipline management as there are rare cases of an element of surprise (Catasus & Johed 2007) and a 'break of the frame' (Goffman, 1974).

The fourth stream, global corporate governance convergence indicates that transplantation of governance codes in developing and emerging economies fails to achieve a desired effect due to institutional failings. Okike (1994, 1995 & 1998) investigated the accounting and audit reporting environment in Nigeria as necessary ingredients for corporate governance. Okike (2007) states that the CAC has a poor enforcement culture; therefore auditors could breach regulations without the fear of being punished. Okeahalam & Akinboade (2003) also reviewed the state of corporate governance in Africa and conclude that adoption of international best practices in Africa, will promote transparency.

Empirical research in this stream reveals that the cultural, political and institutional environment in Sub-Saharan Africa hampers the development of good corporate governance. Specifically, in Nigeria, the context of this research the following pieces of research make a significant contribution and reveal the dearth in in-depth qualitative analysis of the institutional background in Africa. Adegbite & Nakajima (2011a) found that the Nigerian political, culture and economic undertones largely influences her corporate governance mechanisms. Similarly, Adegbite & Nakajima (2011b) using the lens of institutional theory examined the development of corporate governance in Nigeria.

The studies (Adegbite & Nakajima 2011a, 2011b) demonstrate that institutional failings such as corruption and poor enforcement culture, leads to bad corporate governance practises. As a result, transplanting good governance codes from developed countries to developing and emerging ones may not lead to an improved corporate governance. For instance, this thesis findings indicate that Nigeria's legal and governance structure is modelled after that of the UK. Nevertheless, corruption and unethical practices of directors behind the scenes foster poor corporate governance practices.

6.6.9 The use of impression management techniques in Nigerian Listed boards a Goffman (1959, 1974) theoretical analysis

Impression management in Nigerian listed boards takes place between actors (directors) and the audience (major shareholders and major stakeholders). The use of impression management by Nigerian directors will be discussed in the following three ways - namely 'creating a front', 'concealment', and 'breaking a frame'.

Directors create a front in two ways. First, directors present the front that the Pre-AGM meeting is an 'informal' meeting. The directors use strategies such as food and drinks to create a relaxing atmosphere. This creates the impression that the meeting is an ordinary one. As a result, the audience perceptions are controlled. Furthermore, the directors may give gifts, souvenirs or bribes to shareholders to control the impressions of the audience. Second, directors create a front through the Pre-AGM, by managing the audience perceptions of them at the Pre-AGM and AGM. The directors present to the audience at the Pre AGM that, they are competent in their roles. The shareholder member of the audience are empowered by law and can vote for the election or re-election of directors at the AGM. As a result, the directors control the audience impression to extend their employment contracts.

Specifically, for the NEDs, when the audience perceives that they are experienced, exposed and competent directors, this will improve their reputation, extend their posts and create future NED positions in other companies. At the AGM, directors create a front by portraying to regulatory officials that they are a competent and effective board. It may be implied that a successful AGM presents the front that directors comply with the law and best practices and have the support of shareholders and stakeholders.

Impression management techniques are used to conceal issues at the Pre-AGM in the following five ways. First, directors may present an issue at the Pre-AGM and conceal their true intentions (Goffman, 1959) from the audience. The directors, thus conceal their true intentions to gain the crucial support of the audience. According to research participants, directors usually desire an AGM without any form of disruptions or objections from the audience. Second, directors may seek to conceal and hide evidence of directors' governance mistakes.

The directors may conceal mistakes in two ways. One way is to correct such errors before the 'theatrical and face to face performance at the Pre-AGM and AGM' (Goffman 1959; Collins, 1986). On the other hand, directors may destroy any form of evidence of mistakes thereby putting the audience in the dark. The reality is that the audience may not engage in a game of concealment and search without adequate evidence. Furthermore, the presentation of the front informal meeting and the relaxed atmosphere will prevent the audience from investigating any possible form of concealment by directors.

Third, the directors may present a polished version of future strategic management proposals and investment. The directors may fail to inform the audience of the fact that, unethical means will be used to secure such deals. The directors will gain the support of the audience and present an image that they are working for, the success of the company. Fourth, directors may use illegal means to secure deals and investments for the company.

Fifth, the directors may conceal their true natures and present themselves as competent persons. The directors, use their 'directorship status' (Goffman 1959) to confuse the audience of their true intentions. Goffman (1959, p. 55) opines that 'executives often project an air of competency and general grasp of the situation, blinding themselves and others to the fact that they hold their jobs partly because they look like executives' .

The concept 'breaking the frame' takes place at the Pre AGM and AGM in the following two ways. First, at the Pre-AGM there may be a 'break in the frame', once the audience sees any discrepancies between actor's performances and the 'frame in which the impression is placed (Goffman, 1974). For instance, the audience may relate the current impression to previous ones and discover some concealment or misrepresentation. This resonates with the findings of Goffman, (1959) that the audience participates and monitors the 'game of concealment and search'. However, the directors may decide to hold the AGM in distant places once the 'there is a break in the frame'. This is done to prevent possible disruptions from the major shareholders and stakeholders at the AGM. Alternatively, directors may offer bribes to gain the support of the audience and prevent conflicts at the AGM. This is particularly useful for companies facing challenging or crisis times.

Second, at the AGM, if the audience discover any discrepancies in the impressions then there will be a 'break in the frame'. For instance, a member of the audience (stakeholder-regulatory officials) may discover differences with the impressions at the Pre AGM and AGM. The directors will thus have failed in their use of impression management techniques and there will be a 'break in the frame'.

6.6.9.1 Convergence with the impression management literature

The findings converge with the literature in the following three ways. First, this study reflects the use of fronts by directors in private reporting. The directors use the Pre-AGM to present a front of their competencies and achievements. The Pre-AGM is used to manage the audience impressions of them. Specifically, in terms of the NED, the Pre-AGM may be a platform to show that they have power and influence in the company (Mather & Ramsay 2007). Second, the Pre AGM creates the avenue for a game of concealment and search. The directors may intentionally conceal information to manage and control the audience impressions. The audience is led to believe that the actors do not plan to deceive them. Third, a 'break in the frame' occurs in extreme cases such as discrepancies in actors impressions (rare cases in fabrication -Goffman 1974; Solomon et al. 2013).

This thesis presents the idea that minority shareholders disruptions at the AGM and the holding of the meeting in distant places may 'break the frame' (Goffman 1974), present an 'element of surprise' (Catasus & Johed 2007) and lead to accountability (Roberts et al. 2005; Uche at al. 2016), transparency and further meetings (Roberts et al. 2006; Solomon et al. 2013; Uche et al. 2016). Fourth, the directors control and influence the game of concealment and search (Goffman, 1974; Solomon et al. 2013).

The research findings indicate that directors use impression management techniques in the following two ways. One way is to present the front and impression that the firm complies, with the relevant laws and governance codes. The directors thus attempt to affirm the legitimacy of the company (Bujaki & McConomy, 2015; Conway et al. 2015). A board composed of NEDs and independent NEDs present the impression that, the company complies with local and international governance best practices. Interestingly, the study's findings indicate that, Nigerian NEDs in listed boards play more of a supervisory than monitoring role in the board room.

Furthermore, directors may present the impression that the company's board culture (Pettigrew & McNulty 1995) allows NEDs to exercise independent judgement in board room deliberations. NEDs operate in a maximising board culture environment. However, in reality, these NEDs may lack any form of power and influence in the boardroom. Additionally, the directors may attempt to restore organisational legitimacy by changing the composition of the board (Mather & Ramsay 2007). Boards composed of reputable and experienced NEDs may help to restore organisational legitimacy.

6.6.9.2 Divergence from the impression management literature

The findings differ from impression management literature in the following six ways. First, this research did not find any explicit evidence which indicates that 'NED's influence the impression management process (Mather & Ramsay, 2007). Few NED participants indirectly referred to the Pre-AGM as a meeting controlled by EXECs, particularly in crisis situations. The NED participants did not explicitly say that they were not involved in the Pre-AGM process. Rather, the use of words such as 'Management or EXECs use the Pre-AGM to gain support of major shareholders and stakeholders' indicates two possible situations.

One scenario may play out in the following way. NED's may be excluded from the whole Pre AGM process as they are not employees of the company. It is possible that, directors in those companies hold specific private separate meeting with investors, major shareholders and stakeholders. As a result, NEDs (representing different shareholder groups) may attend such private meetings to protect the interests of the shareholders they represent.

Second, it is possible that NEDs influence the impression management in some way. The research findings relate to the idea that, NEDs exercise their power and influence in the company in the following two scenarios. The first scenario is implicit in the research study's findings which indicate that NEDs perform a supervisory role and may influence the impression management process. The NEDs may scrutinise EXECs performance and view annual reports and financial statements and discover impression management techniques. However, EXECs control the information processes and as such only knowledgeable, experienced and financially literate NEDs will discover any form of obfuscation; in the reports. Nevertheless, all directors have a collective responsibility and liability towards the company, therefore NEDs may engage in impression management techniques to protect their image and reputation.

Another possible scenario is that, NEDs may influence the impression management process by performing their strategic roles in the boardrooms. For instance, the study's findings presents the evidence that, NEDs are involved in the strategic development of the firm. Specifically, for instance, NEDs' presence at board brainstorming and strategy retreats ensure that EXECs avoid the use of unethical and illegal means to secure deals or future investments.

Third, this study's findings focuses on the face to face meetings and theatrical performances. There is a substantial body of research which focuses on the use of impression management techniques in accounting narratives. The focus on measuring obfuscation, assertive and defensive accounting terms in annual reports reveal impression management but fails to show the 'dramatic and theatrical scripted performances of directors' (Goffman, 1959). Furthermore, the possibility of a 'break in the frame' (Goffman, 1974) in accounting narratives is limited, as shareholders may not have the opportunity to discuss discrepancies at the AGM. The Pre-AGM thus becomes an important tool in the hands of the directors, to control the audience impressions at the Pre-AGM and the AGM.

Fourth, this study presents a range of audience members. The impression management literature focus on the shareholder member of the audience. This research presents a range of persons who may be audience members. They include major shareholders and different types of stakeholders (regulatory officials, customers, suppliers, creditors, the media and investors). Fifth, the findings of this research study indicate that, minority shareholders may disrupt the AGM proceeding. The minority shareholders are usually absent from the Pre-AGM and as a result may spot issues with the annual reports and raise questions at the AGM. This may create the platform for the audience members who attended the Pre-AGM to spot 'discrepancies in the impressions and thus break the frame' (Goffman, 1974).

Sixth, directors may resort to other means when there is a 'break in the frame' (Goffman, 1974). The study's findings indicate that directors may hold the AGM in a distant place when the Pre-AGM is unsuccessful. The directors may also resort to the use of bribes to control the 'break in frame processes'. However, the research findings indicate that, shareholder associations may sponsor their members to attend 'such distant meetings'. As a result, directors may be unable to prevent a 'break in the frame' (Goffman, 1974).

Seventh, the study by Solomon et al. (2013) explored the nature of private social and environmental reporting (SER). Solomon et al. (2013) findings indicate that, the impression management processes in SER and purely financial reporting differs. This is because the actors placed more priority over private financial reporting than SER reporting. This suggests that, directors may use less impression management styles in SER. As a result, the study found that private SER reporting was largely a cosmetic, theatrical and empty exercise.

The present research findings differ in that the findings did not reveal (if any) directors preference for private financial reporting impressions than the non-financial ones. The participants explicitly used the term 'crisis' or 'challenging circumstances'. It may be implied that participants use of the word 'crisis' cuts across a range of issues which may result in the collapse of the company.

6.7 Chapter Summary

The chapter has discussed, interpreted and related the findings to the extant literature. The findings are discussed within a thematic framework. The chapter discussed twelve themes unpicked from four categories. The study's findings revolve around power and influence in the boardroom. The study's thematic findings suggest five crucial constructs regarding the NED lived experience namely: board effectiveness, convergence or divergence with corporate governance principles, NED effectiveness, NED roles and power.

The findings suggest that these five constructs are intertwined and are determinants of NED role performance and effectiveness. For instance, the themes within the power construct encompass the idea that, power tensions exist in the boardroom. The chapter has presented the core essence of the phenomenon based on the findings. The core essence of the lived experience NED role is power relations. The power structure in the boardroom affects NED's relationships with EXECs and ultimately role performance.

The findings are presented as a whole by balancing the thematic parts to the core essence of the phenomenon. This study reveals that the meaning of the NED role cannot be separated from the power and relations in the board room. The study's findings include the following. First, NED power is necessary for authority and influence in the board room. Second, private meetings influence the outcomes of the AGM by resolving conflicts beforehand.

The study acknowledges conflict resolution as an objective of private meetings, but focuses on the power tensions created by the meeting. The directors use impression management techniques to influence shareholders and stakeholder perceptions of themselves. As a result, shareholders and stakeholders cannot hold directors accountable for their actions. However, there are rare cases of 'fabrication, misrepresentation and elements of surprise' which leads to a cycle of accountability disclosures and transparency. Third, the findings suggest that board effectiveness is enhanced by the presence of NEDs as opposed to board characteristics. Fourth, the findings suggest a different emphasis for a balanced board by focusing on the different roles in the boardroom, rather than a diversity in terms of gender, education and ethnicity. Additionally, board independence is not necessarily a priority in Nigerian boards. The term independence appears to have a different meaning in Nigerian listed boards. Fifth, the study's findings suggest more of an emphasis on the meaning of NEDs than board effectiveness.

Chapter 7 Conclusion

7.1 Thesis summary

This chapter concludes the present study and is divided into the following seven sections: a summary of the thesis, an overview of key research findings, an overview of potential themes, implications of the study, recommendations, future research and a discussion of the limitations of the study.

The first three chapters relate to the background of the research study. The first chapter discussed the rational and significance of the present study. The fundamental question is - what do NEDs do, and how can they be effective. The second chapter discussed the legal and institutional framework of the governance system in Nigeria. The applicable law, namely CAMA (2004), and various corporate governance codes in Nigeria, were discussed. The lapses in the law and codes were also discussed in this chapter, which also encompasses the idea that Nigeria has a long way to go in terms of imbibing the principles of good corporate governance. However, the ROSC report (2011) reveals that Nigeria has implemented the suggestions of the ROSC report (2008). The ROSC report revealed that as of 2011, Nigeria had planned to embark on a phased implementation of IFRS principles. Nigeria adopted the IFRS principles in 2012. This singular act of adopting the IFRS suggests that listed companies may apply best practices and international standards in their accounting systems.

The chapter 3 of the thesis reviewed the literature relevant to the role of the NED. The review revealed the importance of NEDs and the role they play in ensuring board effectiveness. The review suggests that, board characteristics are important, but it is the conduct of NEDs that determines board effectiveness. The chapter also discussed the background governance literature, which situates the role of the NED. The literature suggests that there are other factors such as power and influence of NEDs which affect firm performance and board effectiveness.

The literature review discussed the following theories - agency, interlocking, stewardship and resource dependency theories. These theories have different implications for the role and effectiveness of NEDs. The theories suggest that, a power base exists in the board room. There is the possibility, that a power base may enhance or restrict board effectiveness. The agency theory is described as a power theory in corporate governance. This is because it emphasises a control and monitoring role for NEDs which supposedly gives NEDs power in the board room.

The stewardship theory assumes, that managers can be good stewards. Hence, the concept of CEO duality, which is largely criticised within the agency theoretical domain, is encouraged by stewardship theory. The theory assumes that CEO duality will not deter a manager from performing his or her roles. The stewardship theoretical perspective represents a shift of the power scales to management.

The resource dependency theory focuses on co-opting critical resources for the company. The NED’s experience and knowledge is useful for co-opting resources for the company. The NED’s experience with other companies may provide them with useful knowledge in acquiring resources for the company's survival. These resources may be in the form of political connections, thus ensuring the company is aware of potential government policies that may affect its business. Similarly, when NEDs interlock with other boards, they minimise environmental dependency. The ability of NEDs to provide resources for the company suggests prestige and expert power. The NEDs thus have potential forms of power to assert their influence in the boardroom. The will, tact and skill of NEDs is essential for converting these sources of power to actual influence in the board room.

A number of other theories were discussed in the literature review. These theories include institutional theory, interlocking directorates, legitimacy theory, managerial hegemony theory and signalling theory. The research methods and methodology of the present study were discussed in chapter four. The appropriateness of qualitative research methods was also discussed. The study employed an abductive approach throughout the research process. The abductive approach was used for the following two reasons. First, to situate the study in the appropriate corporate governance literature. Second, the approach allowed for an abductive approach to interpret the data.

The ontological and epistemological underpinnings of the study were discussed in the chapter. The ontological and epistemological philosophies are interpretivism and constructivism. The underlying principles of the study’s hermeneutic phenomenology methodology were discussed. The hermeneutic phenomenological approach is used to investigate the lived experience of a phenomenon. The uniqueness of the hermeneutic phenomenological approach was also discussed. The hermeneutic phenomenological approach is based on the principle that the researcher plays a role in the construction of the experience of the phenomenon. The researcher did not need to bracket her presuppositions or preconceived ideas prior to data analysis. The hermeneutic phenomenological approach advocates that the researcher is reflexive of his or her role in the research process. The study employed the Van Manen (1990) approach to data analysis. The data analysis process was discussed in the chapter.

The findings of this study are presented in chapter 5. The themes are presented with the aid of participant's quotes. The study's participants' lived experience, constructions and interpretation of the phenomenon were discussed in chapter six. The themes are not presented as parts of a phenomenon. The themes are discussed as being essential to the phenomenon. Therefore, the chapter presented the whole phenomenon, rather than a systematic investigation of themes.

7.2 Overview of research findings

There are a number of key findings of the present study. First, the general consensus among participants is that, NEDs require power to perform their roles. The idea of power played out in different ways in various themes. Most of the participants affirmed that, the performance of NED roles depends on their power, experience and relationship in the boardroom. The EXECs are usually in control of all company information. This means that NEDs usually defer to EXECs for information on company affairs. Furthermore, the NEDs cannot perform their roles without adequate support from EXECs. The NEDs have different power strategies available to them. For instance, the NED's broad experience provides them with expert power. Additionally, the NED's successful performance in other companies may give him or her a good reputation.

Second, the participants in the research emphasised the importance of a good relationship in the boardroom. The relationship and atmosphere of the board room affects the performance of the NED. The NEDs require a good relationship with EXECs to perform their roles. Furthermore, a poor relationship in the boardroom may undermine board performance.

Third, the findings reveal the importance of the AGM and Pre AGM in Nigerian companies. These meetings were used by directors in different ways. The Pre AGM is used to set the agenda of the AGM, when the company is going through a crisis. As a result, the AGM becomes a ritual meeting which is held to comply with the law. The findings also reveal that, sometimes, shareholders and stakeholders interests prevail at these meetings. The directors do not always control the agenda of these meetings. Therefore, the different strategies used by directors may not always deceive shareholders. The shareholders may exercise their rights at the AGM and ask surprising questions of the EXECs. As a result, the AGM may still be used as a meeting to ensure the accountability of the directors.

The findings also indicate that, Nigerian directors use impression management tactics to gain support of shareholders and stakeholders. The following themes image management and informal management reflect the use of impression management tactics. Generally, the study's findings indicate that, directors influence shareholders and stakeholders perceptions at the Pre AGM and AGM. The impression management literature largely focuses on narrative accounting statements (Aerts 2004, 2005; Leung et al. 2015). Nevertheless, there are few studies which indicate or allude to the idea (Solomon et al. 2013) that impression management is used in private meetings (Roberts et al. 2006; Solomon et al. 2013). This study contributes to the impression management literature.

Fourth, the general consensus among the participants is that the interactions' in the boardroom determine board effectiveness. The study found that boards require trust, understanding and teamwork to perform their roles. This finding resonates with the study conducted by Pettigrew & McNulty (1995), who found that there were two types of board culture which may increase or undermine the effectiveness of the board. These board cultures are namely maximalist and minimalist board cultures.

The present study's findings show that, there is hierarchy in the board room. The research participants stated that, the board is one board and should function as a team. This suggests that team work is vital for board effectiveness. A hierarchical structure may create distrust and lack of cohesion in the board room. The hierarchical structure in the board room encourages information asymmetry. This is because the EXECs may view NEDs with suspicion. This creates a challenge for NEDs as the EXECs control company information. As a result, the directors may struggle to perform their roles. Furthermore, the study found that, directors play different roles in the company.

Fifth, the general consensus among the participants is that, NEDs perform a supervisory role in the boardroom. The NED performs strategic and resource roles in the boardroom. The findings suggest that, the idea of a 'prominent control role' in the board room may not exist in Nigerian listed boards. The EXECs control the information processes in the company, thereby preventing NEDs from performing a control role in the boardroom. However, NEDs may supervise EXECs in three following ways.

First, by performing a strategic role NEDs may supervise the content, context and conduct of strategic processes (McNulty & Pettigrew 1999). The NEDs may not need to initiate strategic processes to supervise EXECS. The NED's approval, screening and ratification of strategic proposals indicates that they perform a supervisory role in the board room.

Second, by performing a resource role NEDs link the company with the environment in a number of ways. The NED acts as a middle man between the company and the corporate world. The NEDs may support EXECs in performing their roles, by helping them secure business deals. As a result, the NED may ensure that EXECs pursue high standards of ethics when performing their roles.

Additionally, the NEDs' experience and good reputation in the society makes it easier for EXECs to trust them. Furthermore, the presence of NEDs in the boardroom may send signals that the company practices the principles of good corporate governance (Spence, 1973). Additionally, the presence of NEDs on the board may suggest that the interests of shareholders will be protected (Rosenstein & Wyatt 1990). NEDs exert influence in the company by reducing information asymmetry in the board room. The NED may negotiate their roles to exert influence in the company. Furthermore, once NEDs gain the trust of EXECs, they may seek for NEDs' counsel on company affairs.

7.2.1 Convergence or Divergence with Corporate Governance Principles

The study found that Nigerian law and corporate governance codes are largely fashioned after those of the UK in the following ways. First, the Nigerian legal system is based on the English legal system. Second, CAMA (2004), is based on the Company's Act (1948). The study's findings indicate that Nigerian listed boards have followed the Cadbury report (1992), because they have separated the roles of CEO and chairman. However, the theme of differentiation of roles suggests that 'differentiation' may not necessarily lead to board independence. The participants did not relate NED independence to differentiation. The findings relate to the idea that, the presence of EXECs and NEDs in the boardroom improves decision making. The existence of different roles in the boardroom suggests a diversity of skills, knowledge and experience.

The EXECs may have limited experience, and as such, may be less averse to risk taking. Additionally, EXECs may refrain from taking risky business decisions in a bid to protect their jobs. On the other hand, NEDs are not employees of the company and usually have other sources of income. Furthermore, CAMA (2004) makes no provision for the role of the NED. However, the governance codes CBN (2014) and SEC (2011) codes provide for the role of the NED. The findings show that due to the uniqueness of the Nigerian environment, some governance best practices (board independence) may not apply to Nigerian boards (Heracleous 2001).

7.3 Overview of potential incidental themes

The data analysis revealed the following potential incidental themes. These themes do not form the core essence of the lived experience of the NED role. There was limited evidence to support these themes. The potential themes are: corruption, perceptions of good corporate governance, policy changes, the role of the chairman and company secretary.

7.3.1 Corruption

The participants mentioned a few factors responsible for the pervasiveness of corruption in Nigeria. The factors are, namely, best practices, board culture, company policy, core values, and relationship with the government. However, participants did not provide details of the board's role in ensuring that the company had a high standard of ethics. Furthermore, some participants stated that the peculiarities of the Nigerian environment have led to a distortion of the definition of corporate governance.

7.3.2 Perceptions of good corporate governance

The participants viewed the concept good corporate governance differently. The participants presented the following principles as necessary for the practice of good corporate governance in Nigeria. The principles are, namely, accountability, compliance, corporate social responsibility, ethics, fairness, independence, rights of stakeholders and transparency.

7.3.3 Policy change

A few participants made comments about frequent policy changes in Nigeria. At the time of data collection, two policies were introduced by the CBN, namely, the cashless banking policy and the core banking business policy. The purpose of the cashless banking policy was to restrict the use of Automated Teller Machines (ATM) and encourage the use of internet banking facilities. The CBN mandated the banks to divest from non-banking activities. However, banks could participate in non-banking activities, but would need to form a holding company.

7.3.4 Role of the chairman

The participants stated that, the chairman played the following roles in the board room. The roles are, namely, resolving conflicts, developing strategy, performance appraisal, AGM proceedings and relationships between directors. The participants did not explain how the chairman performed these roles. As a result, there was limited evidence to show that the chairman could influence the board and management.

7.3.5 Role of the company secretary

The participants presented the company secretary as important for successful corporate governance practice. The participants stated that, the company secretary played the following roles in the company: namely administration, advising on governance issues, compliance, induction of directors, managing crisis situations, and relating with regulatory bodies. However, there was no evidence to suggest that Nigerian company secretaries of listed boards had any influence in the company.

Furthermore, 21 company secretaries were interviewed for the research study. This meant that the findings had to be interpreted carefully for the following two reasons. First, company secretaries formed a large part of the research sample. Second, there was the danger that company secretaries may exaggerate the roles they play in the boardroom. For instance, most of the company secretaries stated that they played a key role in the governance of the company. Some participants highlighted that a company could not function without a company secretary.

Interestingly, one potential participant refused to participate in the research, stating that the researcher should have prepared separate interview questions for company secretaries. The potential participant stated that researchers should conduct research on the role and influence of company secretaries.

7.4 Implications

The study has some implications for governance research. This study's findings revealed that board process, roles, power and influence of NEDs determine NED and board effectiveness. The authors Finkelstein & Mooney (2003) stated that board independence and CEO duality are the usual suspects which influence board effectiveness. The present thesis' findings suggest that, in practice the NED's independence is not so important, in Nigerian listed boards. The research findings revealed that, NEDs play more of a supervisory and resource role than a control one. Interestingly the CBN (2014) and SEC (2011) corporate governance codes emphasise the control role of NEDs.

The supervisory role of Nigerian NEDs involves supporting the EXECs in the leadership of the company. The research study reveals that Nigerian NEDs focus on counselling and advising the EXECs. The NED's power and influence in the boardroom is a more important factor for ensuring board effectiveness than an emphasis on the monitoring role. The Nigerian NED faces a key challenge in obtaining relevant company information to perform their roles. The study revealed that there is form of a negotiated NED role. Nigerian NEDs scrutinise EXEC performance to some extent by performing strategic and resource roles.

For instance, NEDs involvement in strategy makes them to oversee EXECs by filtering through management's proposal's during strategy sessions or board meetings. This suggests that though NEDs may not initiate strategy by approving and ratifying the process they contribute to the development of successful strategic processes. The Nigerian NEDs thus gain the respect and trust of EXECs by assisting EXECs in the performance of their roles. The NEDs contacts and links with the environment, may open up new opportunities for the company. Therefore, through the performance of strategic and resource roles NEDs gain power and influence in the company.

The study's findings on Nigerian listed boards, provide insights on the roles of NEDs. The findings also show that Nigerian shareholders play a role in the governance of a company. The study's findings show that Nigerian shareholders attend the AGM. The study also reveals that despite director attempts at preventing shareholders from attending the AGM, by holding the meeting in a distant places, shareholders associations sponsor their members to attend. Furthermore, the findings suggest that, directors are aware of the power that shareholders may wield in the company, hence the need for a Pre AGM.

The concept shareholder activism is evolving in Nigeria. For instance, a study by Uche & Atkins (2015) highlights that there are active shareholder associations in Nigeria. The active shareholder associations are namely the Nigerian Shareholders Solidarity Association (NSSA) and the Independent Shareholder's Association of Nigeria (ISAN). Uche & Atkins (2015) also found that besides the NSSA and ISAN, there are other shareholders associations that are yet to gain prominence in Nigeria. However, research on the impact of shareholders at the Pre AGM and private meetings is limited. Nigerian studies (Uche & Atkins 2015; Uche et al. 2016) reveal that, shareholders play active roles in company affairs via private and public meetings. Most of the studies on the role of shareholder associations in company affairs in Nigeria provide evidence for the AGM (Amao & Amaeshi 2008; Adegbite et al. 2012).

There are few studies which provide evidence for the role of shareholders and shareholder associations in private meetings in Nigeria (Uche & Atkins 2015; Uche et al 2016). This present study's findings indicate that minority shareholders may not have any influence in company affairs, since they are not invited to the Pre AGM. It may be argued that, minority shareholders rights may be protected by belonging to an active shareholder association. For instance, the ISAN and the Progressive Shareholders' association of Nigeria (PSAN) have filed court cases against companies and regulatory bodies (Uche & Atkins 2015).

7.5 Recommendations for Nigeria

The present study's findings indicate that board processes determine the level of board effectiveness. Additionally, the role and effectiveness of the NED in the boardroom is affected by their level of board involvement. This thesis makes a few recommendations relating to the role of the company secretary, chairman, government and professions. The government has a few roles to play in ensuring the practice of good corporate governance.
The roles are, namely, creating independent fraud agencies, establishing a whistle blowing culture and reviewing relevant laws and codes. The PENCOM (2008), NAICOM (2009), SEC (2011) and CBN (2014) governance codes provide for the role of the independent director. These codes stipulate that, the independent director should have no interests in the company. The independent director brings objectivity to the board's decision making process.

CAMA (2004) provides that, the board is responsible for the leadership of the company. This means that the members of the board are jointly liable. Therefore, the independent director may be more inclined to supporting EXECs. For instance, the independent director may support business decisions which may be legal, but unethical to improve the turnover of the company. The company pays the independent director a sitting allowance for his or her services. This is in itself a form of interest that the independent director has in the company. The EXECs may also provide perks for the independent director.

The researcher recommends that, governance codes should be reviewed to include detailed provisions on the evaluation of the board's performance. The PENCOM (2008) code does not apply to listed companies, but provides a few questions that directors may consider when evaluating their performance. This is commendable and should apply to other Nigerian codes. Furthermore, the governance code need to be harmonised. The governance codes are inconsistent in terms of their recommendations on board size and number of independent directors. The Nigerian governance codes should be mandatory to prevent companies from disregarding certain provisions. The SEC (2011) code is not mandatory but the institution (SEC) places sanctions on companies for not complaince. This appears confusing, as the code also provides that, it is not meant to be viewed as a rigid set of rules. This provision needs to be reviewed to clarify if it's a mandatory or voluntary code.

The only Nigerian governance code which provides for whistle blowing is the CBN (2014) code. This is commendable, but the government, through the regulatory bodies, have a role to play in ensuring that whistle blowers are adequately protected. The CBN (2014) code provides that banks and discount houses which fail to comply with its provisions shall be sanctioned.

The governance codes should also emphasise the protection of minority shareholders. All the Nigerian governance codes and CAMA (2004) provide that minority shareholders rights should be adequately protected. However, it is only the NAICOM (2009) code that has a provision which somewhat ensures that minority shareholder rights are protected. The NAICOM (2009) code provides that a representative of the minority shareholders should be appointed a director. This is commendable, since the director may represent minority shareholders even at the AGM. This suggests that even though minority shareholders are not invited to the Pre AGM, their interests will still be protected. The NAICOM (2009) code makes no provision on whether the director will be a NED or EXEC. It may be assumed that the director will most likely be a NED. Additionally, the NAICOM (2009) code is not a mandatory code; some companies may disregard the provision which applies to minority shareholders.

The Pre AGM needs to be regulated to prevent abuse and manipulation of all shareholders and stakeholders. The CAMA (2004) and governance codes except the PENCOM (2008) code do not provide for the Pre AGM. The PENCOM (2008) code mentions the Pre AGM, but there is no indication to show that it has a different meeting. It is submitted that CAMA (2004) needs to be reviewed in order to make the meeting a statutory, like the AGM. The process of reviewing laws in Nigeria is quite slow. The researcher recommends that the governance codes should have provisions which regulate the Pre AGM meeting. The corporate governance codes should provide for the gaps in CAMA (2004). The CAC has taken this step by creating the Companies Regulation (2012) pursuant to CAMA (2004) to provide for the gaps in CAMA. The Companies Regulation (2012) provides that the CAC will continue to pursue for a substantive review of CAMA (2004). The Companies regulation (2012) has increased its financial penalties, to discourage companies from not complying with its provisions. Additionally, beyond the review of regulations in Nigeria, the government needs to instil a compliance culture in Nigeria by ensuring that enforcement mechanisms are effective.

Okike (2007) states that, companies violate relevant laws because of a weak enforcement mechanism in Nigeria and recommends that rather than reviewing governance codes, efforts should be made to enforce compliance due to the pervasiveness of corruption in Nigeria. The government may reduce corruption by ensuring that fraud and corruption agencies are independent. The government has a major role to play in terms of ridding the country of corruption. There are a number of corrupt agencies in Nigeria, such as the EFCC and ICPC. Preferably, such boards should be primarily composed of independent persons with no political connections or have worked for the government. The members of the board should also not have connections such as extended family members being in politics. However, these agencies are subject to government interference, since they are government institutions. Additionally private citizens may establish corruption think tank or Non-Governmental Organisations (NGO) to create awareness on corruption.

The company secretary has a role to play in terms of the induction of NEDs. This research study's findings indicate that NEDs require power and influence to perform their roles. The researcher suggests that NEDs require training on how to gain influence in the company. The NEDs have to be encouraged to scrutinise the performance of management and support the EXECs in the leadership of the company. The company secretary plays a useful role in this regard by advising directors on corporate and governance issues. The company secretary may provide useful information on the board dynamics. This would help NEDs to successfully negotiate their roles with directors. The researcher observed that during the process of recruiting participants for this research, company secretaries provided useful insights as to which director will be interested in the research.

The chairman has a role in ensuring that board's processes are effective. The chairman has a role to play in ensuring that NEDs, are effective in their roles. The studies (Pettigrew & McNulty 1995; McNulty, 1998) reveal that chairmen have sources of power in the boardroom. However, the NED chairman requires will, skill and tact to convert potential power sources to real power and influence in the company. The chairman has a role to play in ensuring that, the board's culture provides an enabling environment for NEDs to contribute to the development of the company (Pettigrew & McNulty 1995). The chairman should ensure that Information asymmetry is reduced in the boardroom. The chairman may act as a bridge between EXECs and NEDs, by encouraging constructive dialogue between directors.

The following professions have a role to play in ensuring the practice of good corporate governance in Nigeria: accounting, company secretarial and the legal profession. The relevant bodies who regulate the practice of practice of the accounting, company secretarial and legal profession are ICAN, ICSAN and Nigerian Bar Association (NBA). The ICAN is in charge of the accounting profession in Nigeria and can offer training to its members on corporate governance related issues. The ICSAN should regularly offer continuous professional development for its members. The researcher discovered during the recruitment of participants that the ICSAN, regularly runs training sessions on different governance issues for its members. Furthermore, many company secretaries participate in the activities of the association.

The NBA should play a much greater role in the practice of corporate governance. This is because lawyers may act as in-house or external legal advisers to the company. Also lawyers may work at the CAC. It is therefore important for the NBA to educate its members on corporate governance issues. Additionally, the law curriculum at the universities and the Nigerian law schools should make corporate governance one of its modules.

7.6 Future research

This study suggests a number of possible directions for future research. First, future studies may examine the concept of a NED role conflict. These studies may measure the expectations gap of NED roles among different participants. Future studies may conduct qualitative studies on the role of the chairmen in Nigerian boards. This research gathered a few responses on the role of the chairman, however there was not enough evidence, so it failed to survive as a theme. Future studies may also consider the role of company secretaries in Nigerian listed companies. A few participants in this research identified the importance of the company secretary in corporate governance.

Additionally, future studies may consider the role of NEDs in the Pre AGM. This research found that, the Pre AGM plays a key role in the governance of a company. However, the findings did not reveal if NEDs had any real influence in the meeting. The findings regarding the Pre AGM pertains to the whole board. All the NED participants referred to Pre AGM as the business of the board. The studies may also consider measuring any power difference between EXECs and NEDs at the Pre AGM. Furthermore, the role of other private meetings, namely investors and shareholders forums in corporate governance, should also be investigated. Future studies may also consider if minority shareholders have any form of influence at the AGM.

The present study’s findings suggest that, minority shareholders rarely have any influence in the company. Furthermore, such studies may consider what possible strategies minority shareholder may use to gain influence in a company. Future studies may also benefit from other qualitative research methods, such as observation. It is suggested that future studies observe NEDs and EXECs relationship during board meetings and AGM's. This will provide the opportunity of actually seeing the board at work during its decision and deliberation process.

Future studies may further investigate the power struggle between minority and major shareholders. These studies may also consider, if shareholder associations mitigate the power struggle between minority and major shareholders. Also, there is the need for more studies to engage in board process research (Pettigrew 1992). These studies may examine the interactions and relationships in the board room. Particularly, it has been argued that the process of decision making has implications for board effectiveness (Forbes & Milliken 1999).

7.7 Limitations

There are a number of limitations to the study. First, the study is a cross sectional study hence, the participants were not interviewed over a long period of time. Future research will benefit from longitudinal studies on boards of directors. Second, the sample size is also limited, since there were more company secretaries than other participants. The EXEC participants were the least in the sample size. Interestingly, there were more NEDs than EXECs, despite NEDs being outsiders of the company. The researcher had quite a number of potential EXEC participants who could not participate due to busy schedules. Third, the research used the snowballing technique to recruit participants. The participants were recruited through referrals from participants and company secretaries. The company secretaries advised on directors who may be interested in the research and who were less busy. The snowballing technique is criticised for being biased and suffering from a lack of generalizability (Kaplan, Korf & Sterk 1987; Griffiths, Gossop, Powis, & Strang 1993).

The snowballing technique is also criticised for excluding persons who are outside a particular network (Van Meter, 1990). This creates the possibility of a selection bias in the recruitment of participants. This is because many potential participants may be excluded through referrals. The author (Heckathorn, 1997) states that, the snowballing technique leads to a 'mask' of potential research participants. It may also be argued that, the snowballing sampling technique may cause the sample to be homogenous. The researcher conducted interviews with some participants without any form of referral. This helped to limit the extent to which the sample was homogenous.

Furthermore, the researcher's role in the research process may introduce bias to the study. Prior to data collection the researcher reflected on the following questions: why this topic, what does the researcher know about the topic and how might the researcher's background affect the research process. The researcher noted the answers to these questions in a journal. It is submitted that, the role of reflexivity is crucial to the whole research process. This is because due to the subjective nature of qualitative research, it is therefore necessary to show potential biases that may have influenced the study. In doing this, a researcher shows that a transparent, systematic and rigorous conduct was achieved in the research process.

The researcher's initial idea was to create codes based on the conceptual framework and literature review of NEDs and Board research. However, the researcher decided to analyse the data inductively, to preserve the richness of the data. This meant that the researcher used a hermeneutic interpretation approach. The researcher kept a record of data analysis decisions. This made the researcher constantly reflect during interpretation.

The researcher focused on two key questions during the data analysis process. The questions were based on the following issues: the evidence in the data and how the research questions relate to the phenomenon. As a result, data analysis and interpretation was a continuous circle of thinking, reflecting, reading and writing (Van Manen 1990). The researcher repeatedly went through the reflective journal to limit the possibility of bias in the research. Additionally, the subject of the NED role is one aspect of the governance phenomenon. Therefore, other aspects of corporate governance, such as the role of the board, corporate disclosure and institutional environments determine the extent to which companies may imbibe the principles of good corporate governance. Also considering the fact that the context of this study is Sub Saharan Africa, specifically Nigeria; caution must be applied when applying generalizable conclusions. However, the study’s findings may be transferable to similar contexts where similar factors are at play.

References

Abor, J., & Adjasi, C. K. D. (2007). Corporate governance and the small and medium enterprises sector: theory and implications. Corporate Governance: The international journal of business in society, 7(2), 111-122.

Abor, J., & Biekpe, N. (2007). Small Business Reliance on Bank Financing in Ghana. Emerging Markets Finance & Trade, 43(4), 93-102.

Acharya, V. V., Myers, S. C., & Rajan, R. G. (2011). The internal governance of firms. The Journal of Finance, 66(3), 689-720.

Achebe, I. (1989). The legal problems of indigenization in Nigeria: a lesson for developing countries. Hastings International and Comparative Law Review, 12(3), 637.

Adams, R. B. (2012). Governance and the financial crisis. International Review of Finance, 12(1), 7-38.

Adams, R. B., Almeida, H., & Ferreira, D. (2005). Powerful CEOs and Their Impact on Corporate Performance. The Review of Financial Studies, 18(4), 1403-1432.

Adegbite, E. (2012). Corporate governance regulation in Nigeria. Corporate Governance: The international journal of business in society, 12(2), 257-276.

Adegbite, E., & Nakajima, C. (2011). Corporate governance and responsibility in Nigeria. International journal of Disclosure and Governance, 8(3), 252-271.

Adegbite, E., & Nakajima, C. (2011). Institutional determinants of good corporate governance: The case of Nigeria. In Firm-Level Internationalization, Regionalism and Globalization (pp. 379-396). Palgrave Macmillan UK.

Adegbite, E., & Nakajima, C. (2012). Institutions and Institutional Maintenance. International Studies of Management and Organization, 42(3), 69-88.

Adegbite, E., Amaeshi, K., & Amao, O. (2012). The Politics of Shareholder Activism in Nigeria. Journal of Business Ethics, 105(3), 389-402.

Adelberg, A. H. (1979). Narrative disclosures contained in financial reports: means of communication or manipulation? Accounting and Business Research, 9(35), 179-190.

Aerts, W. (1994). On the use of accounting logic as an explanatory category in narrative accounting disclosures. Accounting, Organizations and Society, 19(4-5), 337-353.

Aerts, W. (2005). Picking up the pieces: impression management in the retrospective attributional framing of accounting outcomes. Accounting, organizations and society, 30(6), 493-517.

Agrawal, A., & Knoeber, C. R. (1996). Firm Performance and Mechanisms to Control Agency Problems between Managers and Shareholders. Journal of Financial and Quantitative Analysis, 31(3), 377-397.

Agrawal, A., & Mandelker, G. N. (1987). Managerial Incentives and Corporate Investment and Financing Decisions. The Journal of Finance, 42(4), 823.

Aguilera, R. V., Filatotchev, I., Gospel, H., & Jackson, G. (2008). An organizational approach to comparative corporate governance: Costs, contingencies, and complementarities. Organization Science, 19(3), 475-492.

Ahrens, T., & Khalifa, R. (2013). Researching the lived experience of corporate governance. Qualitative Research in Accounting & Management, 10(1), 4-30.

Ahunwan, B. (2002). Corporate governance in Nigeria. Journal of Business Ethics, 37(3), 269-287.

Ajogwu, F. (2007). Corporate Governance in Nigeria: Law & Practice: Centre for Commercial Law Development.

Akerlof, G. A. (1970). The Market for'Lemons': Asymmetrical Information and Market Behavior. Quarterly Journal of Economics, 83(3), 488-500.

Akpan, E. O., & Amran, N. A. (2014). Board characteristics and company performance: Evidence from Nigeria. Journal of Finance and Accounting, 2(3), 81-89.

Alchian, A. A., & Demsetz, H. (1975). PRODUCTION, INFORMATION COSTS, AND ECONOMIC ORGANIZATION. IEEE Engineering Management Review, 3(2), 23-41.

Amao, O., & Amaeshi, K. (2008). Galvanising Shareholder Activism: A Prerequisite for Effective Corporate Governance and Accountability in Nigeria. Journal of Business Ethics, 82(1), 119-130.

Anderson, M., & Maher, M. (1999). Corporate Governance: Effects on Firm Performance and Economic Growth. Organization for Economic Cooperation and Development (OECD).

Andrews, K. R. (1981). Corporate strategy as a vital function of the board. Harvard Business Review, 59(6), 174-184.

Apostolides, N. (2007). Directors versus shareholders: Evaluating corporate governance in the UK using the AGM scorecard. Corporate Governance: An International Review, 15(6), 1277-1287.

Apostolides, N. (2010). Exercising corporate governance at the annual general meeting. Corporate Governance: The international journal of business in society, 10(2), 140-149.

Argyris, C. (1973). Some limits of rational man organizational theory. Public Administration Review, 253-267.

Arrow, K. J. K. J. (1970). Essays in the theory of risk-bearing (No. 04; HB615, A7.).

Ashforth, B. E., & Gibbs, B. W. (1990). The double-edge of organizational legitimation. Organization science, 1(2), 177-194.

Baier, A. C. (1992). Trusting people. Philosophical Perspectives, 6, 137-153.

Baker, M., & Gompers, P. A. (2003). The Determinants of Board Structure at the Initial Public Offering*. Journal of Law and Economics, 46(2), 569-598.

Baliga, B. R., Moyer, R. C., & Rao, R. S. (1996). CEO duality and firm performance: What's the fuss? Strategic Management Journal, 17(1), 41-53.

Balsam, S., & Upadhyay, A. (2009). Impact of board leadership on firm performance: does it matter who heads the board: Working Paper, Temple University, Philadelphia.

Bansal, P. (2013). Commentary: Inducing frame-breaking insights through qualitative research. Corporate Governance, 21(2), 127-130.

Barbour, R. S. (2001). Checklists for improving rigour in qualitative research: a case of the tail wagging the dog?. British medical journal, 322(7294), 1115.

Baysinger, B. D., & Butler, H. N. (1985). Corporate governance and the board of directors: Performance effects of changes in board composition. Journal of Law, Economics, & Organization, 1(1), 101-124.

Baysinger, B., & Hoskisson, R. E. (1990). The Composition of Boards of Directors and Strategic Control: Effects on Corporate Strategy. The Academy of Management Review, 15(1), 72-87.

Beattie, V., Dhanani, A., & Jones, M. J. (2008). Investigating Presentational Change in UK Annual Reports A Longitudinal Perspective. Journal of Business Communication, 45(2), 181-222.

Beatty, R. P., & Zajac, E. J. (1994). Managerial incentives, monitoring, and risk bearing: A study of executive compensation, ownership, and board structure in initial public offerings. Administrative Science Quarterly, 39(2), 313-335.

Beiner, S., Drobetz, W., Schmid, F., & Zimmermann, H. (2004). Is board size an independent corporate governance mechanism? Kyklos, 57(3), 327-356.

Bello, L., & Bello, L. (2016). Re: duplication of corporate governance codes and the dilemma of firms with dual regulatory jurisdictions. Corporate Governance, 16(3), 476-489.

Berle, A., & Means, G. (1932). The modern corporate and private property. McMillian, New York, NY.

Bhagat, S., & Black, B. (2001). Non-Correlation between Board Independence and Long-Term Firm Performance, The. J. CorP. l., 27, 231.

Bhagat, S., & Black, B. (2002). The non-correlation between board independence and long-term firm performance. The Journal of Corporation Law, 27(2), 231.

Bhagat, S., & Bolton, B. (2008). Corporate governance and firm performance. Journal of Corporate Finance, 14(3), 257-273.

Blackledge, D., & Hunt, B. (1985). Sociological interpretations of education: Croom Helm London.

Boatright, J. R. (2008). Ethics in finance (Vol. 1). Malden, Mass;Oxford;: Blackwell.

Boeker, W., & Goodstein, J. (1991). Organizational Performance and Adaptation: Effects of Environment and Performance on Changes in Board Composition. The Academy of Management Journal, 34(4), 805-826.
Bogdan, R. C., & Biklen, S. K. (1998). Foundations of qualitative research in education. Qualitative research in education: An introduction to theory and methods, 1-48.
Bokpin, G. A., & Isshaq, Z. (2009). Corporate governance, disclosure and foreign share ownership on the Ghana Stock Exchange. Managerial Auditing Journal, 24(7), 688-703.
Bontekoe, R. (1996). Dimensions of the hermeneutic circle.
Boone, A. L., Field, L. C., Karpoff, J. M., & Raheja, C. G. (2007). The determinants of corporate board size and composition: An empirical analysis. Journal of Financial Economics, 85(1), 66-101.
Bower, J. L., & Weinberg, M. W. (1988). Statecraft, strategy, and corporate leadership. California Management Review, 30(2), 39-56.
Boxer, R., Perren, L., & Berry, A. (2013). SME top management team and non-executive director cohesion: Precarious equilibrium through information asymmetry. Journal of Small Business and Enterprise Development, 20(1), 55-79.
Boyd, B. (1990). Corporate Linkages and Organizational Environment: A Test of the Resource Dependence Model. Strategic Management Journal, 11(6), 419.
Boyd, B. K. (1994). Board control and CEO compensation. Strategic Management Journal, 15(5), 335-344.
Brennan, M. J. (1995). Corporate Finance over the Past 25 Years. Financial Management, 24(2), 9-22.
Brennan, N., & McDermott, M. (2004). Alternative perspectives on independence of directors. Corporate Governance: An International Review, 12(3), 325-336.
Brickley, J. A., & Zimmerman, J. L. (2010). Corporate governance myths: comments on Armstrong, Guay, and Weber. Journal of Accounting and Economics, 50(2), 235-245.
Brickley, J. A., Coles, J. L., & Jarrell, G. (1997). Leadership structure: Separating the CEO and chairman of the board. Journal of corporate Finance, 3(3), 189-220.
British Institute of, M. (1972). The board of directors: a survey of its structure, composition and role (Vol. no.10). London: British Institute of Management.
Bryman, A. (1988). Doing research in organizations. London: Routledge.
Bryman, A. (2008). Social research methods (3rd Ed.). Oxford: Oxford University Press.
Buchholtz, A. K., & Ribbens, B. A. (1994). Role of chief executive officers in takeover resistance: Effects of CEO incentives and individual characteristics. The Academy of Management Journal, 37(3), 554-579.

Bujaki, M., & McConomy, B. J. (2002). Corporate governance: Factors influencing voluntary disclosure by publicly traded Canadian firms. Canadian Accounting Perspectives, 1(2), 105-139.

Burgess-Allen, J., & Owen-Smith, V. (2010). Using mind mapping techniques for rapid qualitative data analysis in public participation processes. Health Expectations, 13(4), 406-415.

Burkart, M., Gromb, D., & Panunzi, F. (1997). Large Shareholders, Monitoring, and the Value of the Firm. The Quarterly Journal of Economics, 112(3), 693-728.

Burmeister, E., & Aitken, L. M. (2012). Sample size: How many is enough? Australian Critical Care, 25(4), 271-274.

Burt, R. S. (1983). Corporate profits and cooptation: Networks of market constraints and directorate ties in the American economy: Academic Press.

Byrd, J. W., & Hickman, K. A. (1992). Do outside directors monitor managers?: Evidence from tender offer bids. Journal of Financial Economics, 32(2), 195-221.

Cadbury, A. (1990). The Company Director.

Cadbury, A. (1992). Report of the committee on the financial aspects of corporate governance (Vol. 1). Gee.

Callen, J. L., Klein, A., & Tinkelman, D. (2003). Board Composition, Committees, and Organizational Efficiency: The Case of Nonprofits. Nonprofit and Voluntary Sector Quarterly, 32(4), 493-520.

Callon, M. (1986). The sociology of an actor-network: The case of the electric vehicle. In mapping the dynamics of science and technology (pp. 19-34). Palgrave Macmillan UK.

Cameron, K. S., Kim, M. U., & Whetten, D. A. (1987). Organizational effects of decline and turbulence. Administrative Science Quarterly, 222-240.

Caputo, J. D. (1999). Who is Derrida's Zarathustra? Of fraternity, friendship, and a democracy to come. Research in Phenomenology, 29, 184.

Casciaro, T., & Piskorski, M. J. (2005). Power Imbalance, Mutual Dependence, and Constraint Absorption: A Closer Look at Resource Dependence Theory. Administrative Science Quarterly, 50(2), 167-199.

Catasús, B., & Johed, G. (2007). Annual general meetings—rituals of closure or ideal speech situations? A dual analysis. Scandinavian Journal of Management, 23(2), 168-190.

Ceertz, C. (1973). Thick Description; Toward an lnterpretive Theory of Culture. The interpretation of cultures, 3-30.

Certo, S. T. (2003). Influencing Initial Public Offering Investors with Prestige: Signaling with Board Structures. The Academy of Management Review, 28(3), 432-446.

Certo, S. T., Daily, C. M., & Dalton, D. R. (2001). Signaling firm value through board structure: An investigation of initial public offerings. Entrepreneurship: Theory and Practice, 26(2), 33.

Charmaz, K. (2005). Grounded theory: Methods for the 21 st century. Handbook of Qualitative Research. Third Edition. London, Sage.

Charmaz, K. (2006). Constructing grounded theory: a practical guide through qualitative analysis. London: SAGE.

Chen, C. Y. (2003). Investment Opportunities and the Relation Between Equity Value and Employees' Bonus. Journal of Business Finance & Accounting, 30(7-8), 941-974.

Child, J., & Rodrigues, S. B. (2003). Corporate Governance and New Organizational Forms: Issues of Double and Multiple Agency. Journal of Management and Governance, 7(4), 337-360.

Clatworthy, M., & Jones, M. J. (2001). The effect of thematic structure on the variability of annual report readability. Accounting, Auditing & Accountability Journal, 14(3), 311-326.

Clifford, P., & Evans, R. (1997). Non-Executive Directors: A Question of Independence. Corporate Governance: An International Review, 5(4), 224-231.

Collins, R. (1986). The passing of intellectual generations: Reflections on the death of Erving Goffman. Sociological Theory, 4(1), 106-113.

Conway, S. L., O'Keefe, P. A., & Hrasky, S. L. (2015). Legitimacy, accountability and impression management in NGOs: the Indian Ocean tsunami. Accounting, Auditing & Accountability Journal, 28(7), 1075-1098.

Copeland, T. E., & Galai, D. (1983). Information effects on the bid-ask spread. The Journal of Finance, 38(5), 1457-1469.

Corbin, J., & Strauss, A. (2008). Basics of qualitative research 3e: London: Sage.

Crabtree, B. F., & Miller, W. L. (1999). Doing qualitative research: Sage Publications.

Creswell, J. W. (2013). Research design: Qualitative, quantitative, and mixed methods approaches: Sage publications.

Culpan, R., & Trussel, J. (2005). Applying the Agency and Stakeholder Theories to the Enron Debacle: An Ethical Perspective. Business and Society Review, 110(1), 59-76.

Daily, C. M. (1995). The relationship between board composition and leadership structure and bankruptcy reorganization outcomes. Journal of Management, 21(6), 1041-1056.

Daily, C. M. (1996). Governance patterns in bankruptcy reorganizations. Strategic Management Journal, 17(5), 355-375.

Daily, C. M., & Dalton, D. R. (1993). Board of directors leadership and structure: Control and performance implications. Entrepreneurship: Theory and Practice, 17(3), 65-82.

Daily, C. M., & Dalton, D. R. (1994). Bankruptcy and corporate governance: The impact of board composition and structure. Academy of Management journal, 37(6), 1603-1617.

Daily, C. M., Dalton, D. R., & Cannella, A. A. (2003). Corporate Governance: Decades of Dialogue and Data. The Academy of Management Review, 28(3), 371-382.

Daily, C. M., McDougall, P. P., Covin, J. G., & Dalton, D. R. (2002). Governance and Strategic Leadership in Entrepreneurial Firms. Journal of Management, 28(3), 387-412.

Dalton, D. R., & Dalton, C. M. (2011). Integration of Micro and Macro Studies in Governance Research: CEO Duality, Board Composition, and Financial Performance. Journal of Management, 37(2), 404-411.

Dalton, D. R., & Kesner, I. F. (1987). Composition and CEO duality in boards of directors: An international perspective. Journal of International Business Studies, 18(3), 33-42.

Dalton, D. R., Hitt, M. A., Certo, S. T., & Dalton, C. M. (2007). Chapter 1: The Fundamental Agency Problem and Its Mitigation: Independence, Equity, and the Market for Corporate Control. The Academy of Management Annals, 1(1), 1-64.

D'Aveni, R. A. (1990). Top Managerial Prestige and Organizational Bankruptcy. Organization Science, 1(2), 121-142.

Davis, G. F. (1991). Agents without principles? The spread of the poison pill through the intercorporate network. Administrative science quarterly, 583-613.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Davis, Schoorman, and Donaldson Reply: The Distinctiveness of Agency Theory and Stewardship Theory. The Academy of Management Review, 22(3), 611-613.

Davison, A. G., Stening, B. W., & Wai, W. T. (1984). Auditor concentration and the impact of interlocking directorates. Journal of Accounting Research, 313-317.

Dayton, K. N. (1984). Corporate Governance-the Other Side of the Coin. Harvard Business Review, 62(1), 34-37.

Deegan, C. (2002). Introduction: the legitimising effect of social and environmental disclosures-a theoretical foundation. Accounting, Auditing & Accountability Journal, 15(3), 282-311.

Deegan, C., Rankin, M., & Tobin, J. (2002). An examination of the corporate social and environmental disclosures of BHP from 1983-1997: A test of legitimacy theory. Accounting, Auditing & Accountability Journal, 15(3), 312-343.

Demb, A., & Neubauer, F.-F. (1992). The corporate board: Confronting the paradoxes. Long Range Planning, 25(3), 9-20.

Demirag, I., & Tylecote, A. (1992). The Effects of Organizational Culture, Structure and Market Expectations on Technological Innovation: A Hypothesis. British Journal of Management, 3(1), 7-20.

Denis, D. J., & Sarin, A. (1999). Ownership and board structures in publicly traded corporations. Journal of Financial Economics, 52(2), 187-223.

Denis, D. K. (2001). Twenty-five years of corporate governance research..and counting. Review of Financial Economics, 10(3), 191-212.

Denzin, N. K. (2009). The elephant in the living room: or extending the conversation about the politics of evidence. Qualitative Research, 9(2), 139-160.

Denzin, N. K., & Lincoln, Y. S. (2000). The handbook of qualitative research (Vol. 2nd). London: SAGE.

Diamond, D. W., & Verrecchia, R. E. (1991). Disclosure, liquidity, and the cost of capital. The journal of Finance, 46(4), 1325-1359.

Diener, E., & Crandall, R. (1978). Ethics in social and behavioral research: U Chicago Press.

DiMaggio, P. J. (1991). Constructing an organizational field as a professional project: US art museums, 1920-1940. The new institutionalism in organizational analysis, 267, 292

DiMaggio, P., & Powell, W. W. (1983). The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields. American Sociological Review, 48(2), 147-160.

Donaldson, L. (1990). The ethereal hand: Organizational economics and management theory. Academy of management review, 15(3), 369-381.

Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. Australian Journal of Management, 16(1), 49-64.

Dooley, P. C. (1969). The interlocking directorate. The American Economic Review, 59(3), 314-323.

Doucouliagos, C. (1994). A Note on the Evolution of Homo Economicus. Journal of Economic Issues, 28(3), 877-883.

Duchin, R., Matsusaka, J. G., & Ozbas, O. (2010). When are outside directors effective? Journal of Financial Economics, 96(2), 195-214.

Durnev, A., & Kim, E. (2005). To steal or not to steal: Firm attributes, legal environment, and valuation. The Journal of Finance, 60(3), 1461-1493.

Ehikioya, B. I. (2009). Corporate governance structure and firm performance in developing economies: evidence from Nigeria. Corporate Governance: The international journal of business in society, 9(3), 231-243.

Eisenberg, T., Sundgren, S., & Wells, M. T. (1998). Larger board size and decreasing firm value in small firms. Journal of Financial Economics, 48(1), 35-54.

Eisenhardt, K. M. (1989). Agency Theory: An Assessment and Review. The Academy of Management Review, 14(1), 57-74.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. Academy of Management journal, 50(1), 25.

Elsbach, K. D., & Sutton, R. I. (1992). Acquiring organizational legitimacy through illegitimate actions: A marriage of institutional and impression management theories. Academy of management Journal, 35(4), 699-738.

Emenyonu, E. N., & Gray, S. J. (1996). International accounting harmonization and the major developed stock market countries: An empirical study. The International Journal of Accounting, 31(3), 269-279.

Emmanuel, U., Ayorinde, B., & Babajide, O. (2014). Audit Committee Multiple Directorships and Financial Reporting Quality in Nigeria: An Evaluation of the Interconnectedness using Empirical Evidence. Mediterranean Journal of Social Sciences, 5(20), 628.

Fahlenbrach, R. (2009). Founder-CEOs, investment decisions, and stock market performance. Journal of Financial and Quantitative Analysis, 44(02), 439-466.

Fama, E. F. (1980). Agency Problems and the Theory of the Firm. The journal of political economy, 288-307.

Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control. Journal of Law and Economics, 26(2), 301.

Felton, B., & Watson, M. (2002). The need for informed change in the boardroom. McKinsey Quarterly, 28(6), 1-8.

Ferlie, E., Ashburner, L., & Fitzgerald, L. (1993). Board Teams: Roles and Relationships. Research for Action Paper, 10.

Fiegener, M. K., Brown, B. M., Dreux, D. R., & Dennis Jr, W. J. (2000). The adoption of outside boards by small private US firms. Entrepreneurship & Regional Development, 12(4), 291-309.

Filatotchev, I., Toms, S., & Wright, M. (2006). The firm's strategic dynamics and corporate governance life-cycle. International Journal of Managerial Finance, 2(4), 256.

Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. Academy of Management journal, 35(3), 505-538.

Finkelstein, S., & D'Aveni, R. A. (1994). CEO Duality as a Double-Edged Sword: How Boards of Directors Balance Entrenchment Avoidance and Unity of Command. The Academy of Management Journal, 37(5), 1079-1108.

Finkelstein, S., & Hambrick, D. C. (1996). Strategic leadership: Top executives and their effects on organizations: South-Western Pub.

Finkelstein, S., & Mooney, A. C. (2003). Not the usual suspects: How to use board process to make boards better. The Academy of Management Executive, 17(2), 101-113.

Finkle, T. A. (1998). The relationship between boards of directors and initial public offerings in the biotechnology industry. Entrepreneurship: Theory and Practice, 22(3), 5.

Flick, U., Von Kardorff, E., & Steinke, I. (2004). What is qualitative research? An introduction to the field. A companion to qualitative research, 3-11.

Forbes, D. P., & Milliken, F. J. (1999). Cognition and Corporate Governance: Understanding Boards of Directors as Strategic Decision-Making Groups. The Academy of Management Review, 24(3), 489-505.

Franks, J., Mayer, C., & Renneboog, L. (2001). Who Disciplines Management in Poorly Performing Companies? Journal of Financial Intermediation, 10(3), 209-248.

French Jr, J. R., & Raven, B. (1959). The bases of social power.

Fusch, P. I., & Ness, L. R. (2015). Are We There Yet? Data Saturation in Qualitative Research. The Qualitative Report, 20(9), 1408.

Gabrielsson, J. (2007). Boards of Directors and Entrepreneurial Posture in Medium-size Companies Putting the Board Demography Approach to a Test. International Small Business Journal, 25(5), 511-537.

Gabrielsson, J., & Scandinavian Institute for Research in, E. (2003). Boards and governance in SMEs: an inquiry into boards' contribution to firm performance. Halmstad: Scandinavian Institute for Research in Entrepreneurship (SIRE) Halmstad.

Garba, T., & Abubakar, B. A. (2014). Corporate board diversity and financial performance of insurance companies in Nigeria: an application of panel data approach. Asian Economic and Financial Review, 4(2), 257.

García Osma, B., & Guillamón-Saorín, E. (2011). Corporate governance and impression management in annual results press releases. Accounting, Organizations and Society, 36(4), 187-208.

Gaved, M. (1997). Closing the communications gap: Disclosure and institutional shareholders. Institute of Chartered Accountants in England and Wales.

Gillan, S., Hartzell, J. C., & Starks, L. T. (2003). Explaining corporate governance: Boards, bylaws, and charter provisions. Weinberg center for corporate governance working paper(2003-03).

Glaser, B. G. (1995). Grounded theory: 1984-1994. Mill Valley, Calif: Sociology.

Glaser, B., & Strauss, A. (1967). The discovery grounded theory: strategies for qualitative inquiry. Aldin, Chicago.

Glosten, L. R., & Milgrom, P. R. (1985). Bid, ask and transaction prices in a specialist market with heterogeneously informed traders. Journal of financial economics, 14(1), 71-100.

Goffman, E. (1959). The presentation of self in everyday life.

Goffman, E. (1974). Frame analysis: An essay on the organization of experience. Harvard University Press.

Golden, B. R., & Zajac, E. J. (2001). When will boards influence strategy? Inclination× power= strategic change. Strategic Management Journal, 22(12), 1087-1111.

Goodstein, J., Gautam, K., & Boeker, W. (1994). The effects of board size and diversity on strategic change. Strategic Management Journal, 15(3), 241-250.

Goyal, V. K., & Park, C. W. (2002). Board leadership structure and CEO turnover. Journal of Corporate Finance, 8(1), 49-66.

Greenbury, R. (1995). Greenbury Report. Directors' Remuneration: Report of a Study Group Chaired by Sir Richard Greenbury, 17.

Griffiths, P., Gossop, M., Powis, B., & Strang, J. (1993). Reaching hidden populations of drug users by privileged access interviewers: methodological and practical issues. Addiction, 88(12), 1617-1626.

Grossman, S. J. (1981). The informational role of warranties and private disclosure about product quality. The Journal of Law & Economics, 24(3), 461-483.

Grossman, S. J., & Hart, O. D. (1980). Disclosure laws and takeover bids. The Journal of Finance, 35(2), 323-334.

Guba, E. G., & Lincoln, Y. S. (1989). Fourth generation evaluation: Sage.

Guba, E. G., & Lincoln, Y. S. (2005). Paradigmatic controversies, contradictions, and emerging confluences.

Guest, G., Bunce, A., & Johnson, L. (2006). How Many Interviews Are Enough?: An Experiment with Data Saturation and Variability. Field Methods, 18(1), 59-82.

Guest, G., MacQueen, K. M., & Namey, E. E. (2011). Applied thematic analysis: Sage.

Gugler, K., Mueller, D. C., & Yurtoglu, B. B. (2008). Insider ownership, ownership concentration and investment performance: An international comparison. Journal of Corporate Finance, 14(5), 688-705.

Gugong, B.K., 2011. Impact of corporate governance mechanisms on the performance of Nigerian insurance industry. PhD Thesis, (Unpublished).Department of Economics, Nigerian Defence Academy,Kaduna

Habermas, J. (1984). The theory of communicative action, volume 1: reason and the rationalisation of society. Beacon, Boston.

Hambrick, D. C., Cho, T. S., & Chen, M.-J. (1996). The influence of top management team heterogeneity on firms' competitive moves. Administrative Science Quarterly, 659-684.

Hampel Committee. (1998). Hampel Committee Report.

Haniffa, R., & Hudaib, M. (2006). Corporate governance structure and performance of Malaysian listed companies. Journal of Business Finance & Accounting, 33(7-8), 1034-1062.

Harris, M., & Raviv, A. (1978). Some results on incentive contracts with applications to education and employment, health insurance, and law enforcement. The American Economic Review, 68(1), 20-30.

Haunschild, P. R. (1993). Interorganizational imitation: The impact of interlocks on corporate acquisition activity. Administrative Science Quarterly, 564-592.

Heckathorn, D. D. (1997). Respondent-driven sampling: a new approach to the study of hidden populations. Social problems, 44(2), 174-199.
Heemskerk, E. M., Heemskerk, K., & Wats, M. M. (2016). Conflict in the boardroom: A participant observation study of supervisory board dynamics. Journal of Management and Governance, 1-31.
Heidegger, M., MACQUARRIE, J., & ROBINSON, E. S. (1962). Being and Time... Translated by John Macquarrie & Edward Robinson (First English Edition.). London.
Heller, R. (1970). Britain's Boardroom Anatomy (pp. 82). London: Haymarket Press.
Hendry, J. (2005). Beyond self-interest: Agency theory and the board in a satisficing world. British Journal of Management, 16(s1), S55-S63.
Hendry, K., & Kiel, G. C. (2004). The role of the board in firm strategy: Integrating agency and organisational control perspectives. Corporate Governance: An International Review, 12(4), 500-520.
Heracleous, L. (2001). What is the impact of corporate governance on organisational performance? Corporate Governance: An International Review, 9(3), 165-173.
Hermalin, B. E., & Weisbach, M. S. (1991). The effects of board composition and direct incentives on firm performance. Financial management, 101-112.
Herman, E. S. (1981). Corporate control, corporate power (Vol. 98): Cambridge University Press Cambridge.
Higgs, D. (2003). Review of the role and effectiveness of non-executive directors (pp. 1-120). Stationery Office.
Hill, C. W., & Jones, T. M. (1992). Stakeholder-agency theory. Journal of management studies, 29(2), 131-154.
Hill, S. (1995). The Social Organization of Boards of Directors. The British Journal of Sociology, 46(2), 245-278.
Hillman, A. J. (2005). Politicians on the Board of Directors: Do Connections Affect the Bottom Line? Journal of Management, 31(3), 464-481.
Hillman, A. J., & Dalziel, T. (2003). Boards of Directors and Firm Performance: Integrating Agency and Resource Dependence Perspectives. The Academy of Management Review, 28(3), 383-396.
Hillman, A. J., Cannella, A. A., & Paetzold, R. L. (2000). The Resource Dependence Role of Corporate Directors: Strategic Adaptation of Board Composition in Response to Environmental Change. Journal of Management Studies, 37(2), 235-256.
Howell, K. E. (2013). An introduction to the philosophy of methodology. Los Angeles: SAGE.
Huse, M. (1998). Researching the dynamics of board—stakeholder relations. Long Range Planning, 31(2), 218-226.

Huse, M. (2007). Boards, governance and value creation: The human side of corporate governance: Cambridge University Press.
Hutchinson, M., & Gul, F. A. (2004). Investment opportunity set, corporate governance practices and firm performance. Journal of Corporate Finance, 10(4), 595-614.
Iwasaki, I. (2008). The determinants of board composition in a transforming economy: Evidence from Russia. Journal of Corporate Finance, 14(5), 532-549.
Jensen, M. C. (1986). Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers. The American Economic Review, 76(2), 323.
Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3(4), 305-360.
Jensen, M. C., & Murphy, K. J. (1990). Performance pay and top-management incentives. Journal of political economy, 225-264.
Jensen, M. C., & Ruback, R. S. (1983). The market for corporate control: The scientific evidence. Journal of Financial Economics, 11(1), 5-50.
Johnson, J. L., Daily, C. M., & Ellstrand, A. E. (1996). Boards of directors: A review and research agenda. Journal of Management, 22(3), 409-438.
Jones, C. D., Makri, M., & Gomez-Mejia, L. R. (2008). Affiliate Directors and Perceived Risk Bearing in Publicly Traded, Family-Controlled Firms: The Case of Diversification. Entrepreneurship Theory and Practice, 32(6), 1007-1026.
Judge, W. Q., & Zeithaml, C. P. (1992). Institutional and strategic choice perspectives on board involvement in the strategic decision process. Academy of Management journal, 35(4), 766-794.
Kajola, S. O. (2008). Corporate governance and firm performance: The case of Nigerian listed firms. European Journal of Economics, Finance and Administrative Sciences, 14(14), 16-28.
Kakabadse, A. (1982). Politics of Interpersonal Influence: Issues for the Management Development Adviser. Journal of Management Development, 1(3), 43-53.
Kaplan, B., & Maxwell, J. A. (2005). Qualitative research methods for evaluating computer information systems Evaluating the organizational impact of healthcare information systems (pp. 30-55): Springer.
Kaplan, C. D., Korf, D., & Sterk, C. (1987). Temporal and Social Contexts of Heroin-Using Populations an Illustration of the Snowball Sampling Technique. The Journal of nervous and mental disease, 175(9), 566-574.
Kaplan, S. N., & Minton, B. A. (1994). Appointments of outsiders to Japanese boards: Determinants and implications for managers. Journal of Financial Economics, 36(2), 225-258.

Keasey, K., Thompson, S., & Wright, M. (1997). Introduction: The corporate governance problem-competing diagnoses and solutions. Corporate governance: Economic and financial issues, 1-17.

King, N., & Horrocks, C. (2010). Interviews in qualitative research. London: SAGE.

Klapper, L. F., & Love, I. (2004). Corporate governance, investor protection, and performance in emerging markets. Journal of corporate Finance, 10(5), 703-728.

Koch, T. (1994). Establishing rigour in qualitative research: The decision trail. Journal of Advanced Nursing, 19(5), 976-986.

Koch, T. (1995). Interpretive approaches in nursing research: The influence of Husserl and Heidegger. Journal of advanced nursing, 21(5), 827-836.

Koenig, T., & Gogel, R. (1981). Interlocking corporate directorships as a social network. American Journal of Economics and Sociology, 40(1), 37-50.

Kohut, G. F., & Sears, A. H. (1992). The president's letter to stockholders: An examination of corporate communication strategy. Journal of Business Communication, 29(1), 7-21.

Kosnik, R. D. (1987). Greenmail: A Study of Board Performance in Corporate Governance. Administrative Science Quarterly, 32(2), 163.

Kroll, M., Walters, B. A., & Le, S. A. (2007). The Impact of Board Composition and Top Management Team Ownership Structure on Post-IPO Performance in Young Entrepreneurial Firms. The Academy of Management Journal, 50(5), 1198-1216.

Kvale, S. (1996). The interview situation. Interviews. An Introduction to Qualitative Research Interviewing, 124-143.

Kyereboah-Coleman, A., & Biekpe, N. (2006). Do boards and CEOs matter for bank performance? A comparative analysis of banks in Ghana. Corporate Ownership and Control, 4(1 A), 119-126.

Kyle, A. S. (1985). Continuous auctions and insider trading. Econometrica: Journal of the Econometric Society, 1315-1335.

La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Ownership structures around the world. Journal of Finance, 54(2), 471-517.

Laing, D., & Weir, C. M. (1999). Governance structures, size and corporate performance in UK firms. Management Decision, 37(5), 457-464.

Lang, J. R., & Lockhart, D. E. (1990). Increased environmental uncertainty and changes in board linkage patterns. Academy of Management journal, 33(1), 106-128.

Latour, B. (1999). Pandora's hope: essays on the reality of science studies. Harvard University Press.

Laverty, S. M. (2003). Hermeneutic phenomenology and phenomenology: A comparison of historical and methodological considerations. International journal of qualitative methods, 2(3), 21-35.

Lawrence, P., & Lorsch, J. (1967). Organization and its environment. Harvard University Press, Boston, MA. Lieberson, S. and J. O'Connor (1979).'Leadership and organization performance: A study of large corporations', American Sociological Review, 37, 1l7-130.
Lawrence, T. B. (1999). Institutional strategy. Journal of management, 25(2), 161-187.
Leblanc, R. (2005). Assessing board leadership. Corporate Governance: An International Review, 13(5), 654-666.
Lee, R. M. (2004). Recording technologies and the interview in sociology, 1920–2000. Sociology, 38(5), 869-889.
Leung, S., Parker, L., & Courtis, J. (2015). Impression management through minimal narrative disclosure in annual reports. The British Accounting Review, 47(3), 275-289.
Leventis, S., & Weetman, P. (2004). Voluntary disclosures in an emerging capital market: Some evidence from the Athens stock exchange. Advances in International Accounting, 17, 227-250.
Lincoln, Y. S., & Guba, E. G. (1985). Naturalistic inquiry. Newbury Park, Calif;London;: Sage.
Lindgreen, A., Hingley, M., & Rundle-Thiele, S. (2009). Bridging the gap between claimed and actual behaviour: the role of observational research. Qualitative Market Research: An International Journal, 12(3), 295-306.
Lorsch, J. W., & MacIver, E. (1989). Pawns or potentates: The reality of America's corporate boards: Harvard Business School Press. Boston, MA.
Lorsch, J. W., & Zelleke, A. (2005). Should the CEO be the chairman. MIT Sloan Management Review, 46(2), 71-74.
Lowes, L., & Prowse, M. A. (2001). Standing outside the interview process? The illusion of objectivity in phenomenological data generation. International Journal of Nursing Studies, 38(4), 471-480.
Lynall, M. D., Golden, B. R., & Hillman, A. J. (2003). Board Composition from Adolescence to Maturity: A Multitheoretic View. The Academy of Management Review, 28(3), 416-431.
Maassen, G. F. (1999). An international comparison of corporate governance models (Vol. 31): Gregory Maassen.
Mace, M. L. (1971). Directors: Myth and reality.
Mangena, M., & Chamisa, E. (2008). Corporate governance and incidences of listing suspension by the JSE Securities Exchange of South Africa: An empirical analysis. The International Journal of Accounting, 43(1), 28-44.
Mason, J. (1996). Qualitative researching. London: SAGE.
Mason, J. (2002). Qualitative researching (Vol. 2nd). London: SAGE.

Mather, P., & Ramsay, A. (2007). Do board characteristics influence impression management through graph selectivity around CEO changes? Australian Accounting Review, 17(42), 84-95.
McClelland, D. C. (1970). The two faces of power. Journal of international Affairs, 24(1), 29-47.
McClelland, D. C. (1975). Power: The inner experience. Irvington.
McClelland, D. C., & Burnham, D. H. (1976). Power is the Great Motivator. Harvard business review, 54(2), 100-110.
McNulty, A. P. T. (1998). Sources and Uses of Power in the Boardroom. European Journal of Work and Organizational Psychology, 7(2), 197-214.
McNulty, T., & Pettigrew, A. (1999). Strategists on the Board. Organization Studies, 20(1), 47-74.
McNulty, T., Zattoni, A., & Douglas, T. (2013). Developing Corporate Governance Research through Qualitative Methods: A Review of Previous Studies. Corporate Governance: An International Review, 21(2), 183-198.
Melia, K. M. (1997). Producing "plausible stories": interviewing student nurses. Context and method in qualitative research. London: Sage, 26-36.
Melyoki, L. L. (2005). Determinants of Corporate Governance in Tanzania (Doctoral dissertation, PhD Thesis. The University of Twente, The Netherland).
Merriam, S. B. (1998). Qualitative Research and Case Study Applications in Education. Revised and Expanded from "Case Study Research in Education.": Jossey-Bass Publishers.
Miles, M. B., & Huberman, A. M. (1984). Qualitative data analysis: A sourcebook of new methods.
Milliken, F. J., & Martins, L. L. (1996). Searching for Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups. The Academy of Management Review, 21(2), 402-433.
Mintz, B. A., & Schwartz, M. (1985). The power structure of American business. University of Chicago Press.
Mintzberg, H. (1978). Patterns in strategy formation. Management science, 24(9), 934-948.
Mintzberg, H. (1983). The case for corporate social responsibility. Journal of Business Strategy (pre-1986), 4(2), 3.
Mizruchi, M. S. (1983). Who controls whom? An examination of the relation between management and boards of directors in large American corporations. Academy of management review, 8(3), 426-435.
Mizruchi, M. S. (1996). What do interlocks do? An analysis, critique, and assessment of research on interlocking directorates. Annual review of sociology, 271-298.

Mizruchi, M. S., & Stearns, L. B. (1988). A longitudinal study of the formation of interlocking directorates. Administrative Science Quarterly, 194-210.

Morse, J. M., & Field, P. A. (1996). An overview of qualitative methods. In Nursing Research (pp. 18-34). Springer US.

Moustakas, C. E. (1994). Phenomenological research methods. Thousand Oaks, Calif: Sage.

Muniandy, B., & Hillier, J. (2015). Board independence, investment opportunity set and performance of South African firms. Pacific-Basin Finance Journal, 35, 108-124.

Muranda, Z. (2006). Financial distress and corporate governance in Zimbabwean banks. Corporate Governance: The international journal of business in society, 6(5), 643-654.

Neu, D. (1991). Trust, impression management and the public accounting profession. Critical Perspectives on Accounting, 2(3), 295-313.

Nicholson, G. J., & Kiel, G. C. (2007). Can Directors Impact Performance? A case-based test of three theories of corporate governance. Corporate Governance: An International Review, 15(4), 585-608.

Nowak, M. J., & McCabe, M. (2003). Information costs and the role of the independent corporate director. Corporate Governance: an international review, 11(4), 300-307.

Ntim, C. G. (2009). Internal corporate governance structures and firm financial performance: Evidence from South African listed firms (Doctoral dissertation, University of Glasgow).

Ntim, C. G. (2011). The King reports, independent non-executive directors and firm valuation on the Johannesburg stock exchange. Corporate Ownership and Control, 9(1), 428-440.

Ntim, C. G. (2012). Director shareownership and corporate performance in South Africa. African Journal of Accounting, Auditing and Finance, 1(4), 359-373.

Ntim, C. G. (2013). Monitoring board committee structure and market valuation in large publicly listed South African corporations. International Journal of Managerial and Financial Accounting, 5(3), 310-325.

Ntim, C. G. (2015). Board diversity and organizational valuation: unravelling the effects of ethnicity and gender. Journal of Management & Governance, 19(1), 167-195.

O'Higgins, E. (2002). Non–executive Directors on Boards in Ireland: co–option, characteristics and contributions. Corporate Governance: An International Review, 10(1), 19-28.

O'Reilly, M., & Parker, N. (2013). 'Unsatisfactory Saturation': a critical exploration of the notion of saturated sample sizes in qualitative research. Qualitative Research, 13(2), 190-197

O'donoghue, T. (2006). Planning your qualitative research project: An introduction to interpretivist research in education: Routledge.

O'Donovan, G. (1999). Managing legitimacy through increased corporate environmental reporting: an exploratory study. Interdisciplinary Environmental Review, 1(1), 63-99.

Ogbechie, C., & Koufopoulos, D. N. (2007). Corporate governance practices in publicly quoted companies in Nigeria. International Journal of Business Governance and Ethics, 3(4), 350-381.

Ogbechie, C., & Koutopoulos, D. N. (2010). Corporate governance and board Practices in the Nigerian banking industry.

Okeahalam, C. C. (2004). Corporate governance and disclosure in Africa: Issues and challenges. Journal of Financial Regulation and compliance, 12(4), 359-370.

Okeahalam, C. C., & Akinboade, O. A. (2003, June). OA 2003. ". In A review of corporate governance in Africa: Literature, issues and challenges", Paper prepared for the global corporate governance forum (Vol. 15).

Okike, E. N. (1998). Voluntary Disclosures in Corporate Audit Reports: A Nigerian Case Study (1978–1989). International Journal of Auditing, 2(2), 139-166.

Okike, E. N. M. (1994). Curious auditing regulations in Nigeria: A case study of cultural/political influences on auditing practice. International Journal of Accounting, 29(10), 78-91.

Okike, E. N. M. (1995). Corporate audit reporting and the structure of the market for audit services to listed companies in Nigeria: a longitudinal study. A Research Report submitted to the Research Committee of the Institute of Chartered Accountants of Nigeria (ICAN).

Okike, E. N. M. (2007). Corporate Governance in Nigeria: the status quo. Corporate Governance: An International Review, 15(2), 173-193.

Okogbule, N. S. (2006). An appraisal of the legal and institutional framework for combating corruption in Nigeria. Journal of Financial Crime, 13(1), 92-106.

Oliver, C. (1991). Strategic responses to institutional processes. Academy of management review, 16(1), 145-179.

O'Regan, K., & Oster, S. M. (2005). Does the Structure and Composition of the Board Matter? The Case of Nonprofit Organizations. Journal of Law, Economics, & Organization, 21(1), 205-227.

Organisation for Economic Co-operation and Development. (1999). OECD principles of corporate governance. OECD.

Osemeke, L., & Adegbite, E. (2016). Regulatory multiplicity and conflict: Towards a combined code on corporate governance in Nigeria. Journal of business ethics, 133(3), 431-451.

Oyejide, T. A., & Soyibo, A. (2001). The practice and standard of corporate governance in Nigeria: Development Policy Centre.

Palmon, O., & Wald, J. K. (2002). Are two heads better than one? The impact of changes in management structure on performance by firm size. Journal of Corporate Finance, 8(3), 213-226.

Parker, H. (1990). The company chairman—his role and responsibilities. Long Range Planning, 23(4), 35-43.

Parkinson, C., & Dobbins, R. (1993). Returns to shareholders in successfully defended takeover bids: UK evidence 1975–1984. Journal of Business Finance & Accounting, 20(4), 501-520.

Partington, G. (2001). Qualitative research interviews: Identifying problems in technique.

Patton, M. Q. (1990). Qualitative evaluation and research methods: SAGE Publications, inc.

Patton, M. Q. (2002). Qualitative interviewing. Qualitative research and evaluation methods, 3, 344-347.

Pearce, J. A., & Zahra, S. A. (1991). The relative power of CEOs and boards of directors: Associations with corporate performance. Strategic Management Journal, 12(2), 135-153.

Pearce, J. A., & Zahra, S. A. (1992). BOARD COMPOSITION FROM A STRATEGIC CONTINGENCY PERSPECTIVE. Journal of Management Studies, 29(4), 411-438.

Peel, M. J., & O'Donnell, E. (1995). Board structure, corporate performance and auditor independence. Corporate governance: An international review, 3(4), 207-217.

Peng, M. W. (2004). Outside Directors and Firm Performance during Institutional Transitions. Strategic Management Journal, 25(5), 453-471.

Peng, M. W., Zhang, S., & Li, X. (2007). CEO Duality and Firm Performance during China's Institutional Transitions. Management and Organization Review, 3(2), 205-225.

Pennings, J. M., & Kimberly, J. (1980). Environmental influences on the creation process. The Organizational Life Cycle, San Francisco: Jossey-Bass Publishers, 134-160.

Perrow, C. (1986). Economic theories of organization. Theory and society, 15(1), 11-45.

Pettigrew, A. M. (1972). Information control as a power resource. Sociology, 6(2), 187-204.

Pettigrew, A. M. (1992). On studying managerial elites. Strategic management journal, 13(S2), 163-182.

Pettigrew, A. M. (2013). The Conduct of Qualitative Research in Organizational Settings. Corporate Governance: An International Review, 21(2), 123-126.

Pettigrew, A., & McNulty, T. (1995). Power and influence in and around the boardroom. Human Relations, 48(8), 845.

Pfeffer, J. (1972a). Interorganizational influence and managerial attitudes. Academy of Management Journal (pre-1986), 15(3), 317.

Pfeffer, J. (1972b). MERGER AS A RESPONSE TO ORGANIZATIONAL INTERDEPENDENCE. Administrative Science Quarterly, 17(3), 382.

Pfeffer, J. (1973). Size, composition, and function of hospital boards of directors: A study of organization-environment linkage. Administrative Science Quarterly, 349-364.
Pfeffer, J. (1987). A resource dependence perspective on intercorporate relations. Intercorporate relations: The structural analysis of business, 25-55.
Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: a resource dependence perspective. New York; London; Harper & Row.
Polkinghorne, D. (1983). Methodology for the human sciences: Systems of inquiry: Suny Press.
Powell, W. W. (1991). Expanding the scope of institutional analysis. The new institutionalism in organizational analysis, 183, 203.
Provan, K. G. (1980). Board Power and Organizational Effectiveness among Human Service Agencies. The Academy of Management Journal, 23(2), 221-236.
Pye, A. (2002). Corporate directing: Governing, strategising and leading in action. Corporate Governance: An International Review, 10(3), 153-162.
Raheja, C. G. (2005). Determinants of Board Size and Composition: A Theory of Corporate Boards. Journal of Financial and Quantitative Analysis, 40(2), 283-306.
Randøy, T., & Jenssen, J. I. (2004). Board independence and product market competition in Swedish firms. Corporate Governance: An International Review, 12(3), 281-289.
Rechner, P. L., & Dalton, D. R. (1991). CEO duality and organizational performance: A longitudinal analysis. Strategic Management Journal, 12(2), 155-160.
Roberts, J. (2002). Building the complementary board. The work of the plc chairman. Long Range Planning, 35(5), 493-520.
Roberts, J., & Stiles, P. (1999). The Relationship between Chairmen and Chief Executives: Competitive or Complementary Roles? Long Range Planning, 32(1), 36-48.
Roberts, J., McNulty, T., & Stiles, P. (2005). Beyond Agency Conceptions of the Work of the Non-Executive Director: Creating Accountability in the Boardroom. British Journal of Management, 16(s1), S5-S26.
Roberts, J., Sanderson, P., Barker, R., & Hendry, J. (2006). In the mirror of the market: The disciplinary effects of company/fund manager meetings. Accounting, Organizations and Society, 31(3), 277-294.
Rosenstein, S., & Wyatt, J. G. (1990). Outside directors, board independence, and shareholder wealth. Journal of Financial Economics, 26(2), 175-191.
Ross, S. A. (1973). The Economic Theory of Agency: The Principal's Problem. The American Economic Review, 63(2), 134-139.
Ryan, H. E., & Wiggins, R. A. (2004). Who is in whose pocket? Director compensation, board independence, and barriers to effective monitoring. Journal of Financial Economics, 73(3), 497-524.

Sademola, T., & Soyibo, A. (2001). Corporate governance in Nigeria. Development Policy Centre, Lagos, Nigeria.
Sandelowski, M. (1993). Rigor or rigor mortis: the problem of rigor in qualitative research revisited. Advances in nursing science, 16(2), 1-8.
Sanders, P. (1982). Phenomenology: A new way of viewing organizational research. Academy of management review, 7(3), 353-360.
Sanders, W. G., & Carpenter, M. A. (1998). Internationalization and firm governance: The roles of CEO compensation, top team composition, and board structure. Academy of Management journal, 41(2), 158-178.
Sarbanes, P. (2002, July). Sarbanes-oxley act of 2002. In The Public Company Accounting Reform and Investor Protection Act. Washington DC: US Congress.
Schoorman, F. D., Bazerman, M. H., & Atkin, R. S. (1981). Interlocking directorates: A strategy for reducing environmental uncertainty. Academy of Management Review, 6(2), 243-251.
Schram, T. H. (2003). Conceptualizing qualitative inquiry: Mindwork for fieldwork in education and the social sciences: Prentice Hall.
Shankman, N. A. (1999). Reframing the debate between agency and stakeholder theories of the firm. Journal of Business Ethics, 19(4), 319.
Shen, W. (2003). The Dynamics of the CEO-Board Relationship: An Evolutionary Perspective. The Academy of Management Review, 28(3), 466-476.
Shivdasani, A., & Yermack, D. (1999). CEO involvement in the selection of new board members: An empirical analysis. The Journal of Finance, 54(5), 1829-1853.
Shleifer, A., & Vishny, R. W. (1989). Management entrenchment. The case of manager-specific investments. Journal of Financial Economics, 25(1), 123-139.
Simons, T., & Pelled, L. H. (1999). Understanding executive diversity: more than meets the eye. Human Resource Planning, 22(2), 49.
Singh, M., & Davidson III, W. N. (2003). Agency costs, ownership structure and corporate governance mechanisms. Journal of Banking & Finance, 27(5), 793-816.
Smallman, C. (2004). Exploring theoretical paradigms in corporate governance. International Journal of Business Governance and Ethics, 1(1), 78-94.
Smith, A. (1776). An inquiry into the wealth of nations. Strahan and Cadell, London.
Solomon, J. F., Solomon, A., Joseph, N. L., & Norton, S. D. (2013). Impression management, myth creation and fabrication in private social and environmental reporting: Insights from Erving Goffman. Accounting, organizations and society, 38(3), 195-213.
Spence, M. (1973). Job market signaling. The quarterly journal of Economics, 355-374.
Spencer, A. (1983). On the edge of the organization: the role of the outside director. Chichester: Wiley.

Stevenson, W. B., & Radin, R. F. (2009). Social capital and social influence on the board of directors. Journal of Management Studies, 46(1), 16-44.

Stewart, D. M. (1988). A. 1990. Exploring Phenomenology: A guide to the field and its Literature.

Stigler, G. J. (1961). The economics of information. The journal of political economy, 213-225.

Stiles, P. (2001). The Impact of the Board on Strategy: An Empirical Examination. Journal of Management Studies, 38(5), 627-650.

Stiles, P., & Taylor, B. (2001). Boards at work: How directors view their roles and responsibilities. Oxford: Oxford University Press.

Subramanian, R., Insley, R. G., & Blackwell, R. D. (1993). Performance and readability: A comparison of annual reports of profitable and unprofitable corporations. Journal of Business Communication, 30(1), 49-61.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. Academy of management review, 20(3), 571-610.

Sundaramurthy, C., & Lewis, M. (2003). Control and Collaboration: Paradoxes of Governance. The Academy of Management Review, 28(3), 397-415.

Thompson, J. D. (1967). Organizations in action: Social science bases of administrative theory. Transaction publishers.

Ticehurst, G. W., & Veal, A. J. (2000). Business research methods: A managerial approach: Addison Wesley Longman.

Tobin, G. A., & Begley, C. M. (2004). Methodological rigour within a qualitative framework. Journal of advanced nursing, 48(4), 388-396.

Todres, L., & Wheeler, S. (2001). The complementarity of phenomenology, hermeneutics and existentialism as a philosophical perspective for nursing research. International Journal of Nursing Studies, 38(1), 1-8.

Tracy, K. (1995). Action-implicative discourse analysis. Journal of Language and Social Psychology, 14(1-2), 195-215.

Tracy, S. J. (2010). Qualitative Quality: Eight "Big-Tent" Criteria for Excellent Qualitative Research. Qualitative Inquiry, 16(10), 837-851.

Tricker, R. I. (1984). Corporate governance: Practices, procedures, and powers in British companies and their boards of directors: Gower Pub Co.

Tsamenyi, M., Enninful-Adu, E., & Onumah, J. (2007). Disclosure and corporate governance in developing countries: Evidence from Ghana. Managerial Auditing Journal, 22(3), 319-334.

Uadiale, O. M. (2012). Earnings management and corporate governance in Nigeria. Research Journal of Finance and Accounting, 3(3), 1-10.

Uche, C. O., & Atkins, J. F. (2015). Accounting for rituals and ritualization: The case of shareholders' associations. Accounting Forum, 39(1), 34-50.
Uche, C. O., Adegbite, E., & Jones, M. (2016, March). Institutional shareholder activism in Nigeria: An accountability perspective. In Accounting Forum. Elsevier.
Ujunwa, A. (2012). Board characteristics and the financial performance of Nigerian quoted firms. Corporate Governance: The international journal of business in society, 12(5), 656-674.
Ulrich, D., & Barney, J. B. (1984). Perspectives in Organizations: Resource Dependence, Efficiency, and Population. The Academy of Management Review, 9(3), 471-481.
Useem, M. (1996). Shareholders as a Strategic Asset. California Management Review, 39(1), 8-27.
Uwuigbe, O. R., & Ojeka, S. The role of non-executive directors in the profitability of banks: a study of universal banks in Nigeria. International Journal of Business and Management, vol. 6, (2): 248-257.
Vafeas, N. (1999). Board meeting frequency and firm performance. Journal of Financial Economics, 53(1), 113-142.
Vafeas, N. (2000). Board structure and the informativeness of earnings. Journal of Accounting and Public policy, 19(2), 139-160.
Vafeas, N., & Theodorou, E. (1998). The relationship between board structure and firm performance in the UK. The British Accounting Review, 30(4), 383-407.
Van Maanen, J. (1979). Reclaiming qualitative methods for organizational research: A preface. Administrative Science Quarterly, 520-526.
Van Manen, M. (1990). Researching Lived Experience: Human Science for an Action Sensitive Pedagogy.
Van Manen, M. (1997). From meaning to method. Qualitative health research, 7(3), 345-369.
Van Meter, K. M. (1990). Methodological and design issues: techniques for assessing the representatives of snowball samples. NIDA Research Monograph, 98(51.40), 31-43.
Vance, S. C. (1983). Corporate leadership: Boards, directors, and strategy: McGraw-Hill Companies.
Verrecchia, R. E. (2001). Essays on disclosure. Journal of accounting and economics, 32(1), 97-180.
Walker, J. L. (2012). The use of saturation in qualitative research. Canadian journal of cardiovascular nursing = Journal canadien en soins infirmiers cardio-vasculaires, 22(2), 37.
Walsh, J. P., & Seward, J. K. (1990). On the efficiency of internal and external corporate control mechanisms. Academy of management review, 15(3), 421-458.

Wan, D., & Ong, C. H. (2005). Board Structure, Process and Performance: evidence from public-listed companies in Singapore. Corporate Governance: An International Review, 13(2), 277-290.
Wanyama, S., Burton, B., & Helliar, C. (2009). Frameworks underpinning corporate governance: evidence on Ugandan perceptions. Corporate Governance, 17(2), 159-175.
Warner, W. L., & Unwalla, D. B. (1967). The system of interlocking directorates. The emergent American society, 1, 121-157.
Waweru, N. (2014). Determinants of quality corporate governance in Sub-Saharan Africa: evidence from Kenya and South Africa. Managerial Auditing Journal, 29(5), 455-485.
Weir, C., & Laing, D. (2001). Governance structures, director independence and corporate performance in the UK. European Business Review, 13(2), 86-95.
Weisbach, M. S. (1988). Outside directors and CEO turnover. Journal of Financial Economics, 20, 431-460.
Westphal, J. D., & Zajac, E. J. (1995). Who shall govern? CEO/board power, demographic similarity, and new director selection. Administrative Science Quarterly, 60-83.
White, J. W., & Ingrassia, P. (1992). Board ousts managers at GM; Takes control of crucial committee. The Wall Street Journal, 69(5), 56-69.
Williamson, O. E. (1985). The economic institutions of capitalism. Simon and Schuster.
Wilson, R. (1968). THE THEORY OF SYNDICATES. Econometrica (pre-1986), 36(1), 119.
Yasaki, A. G. (2001). Corporate governance in a third world country with particular reference to Nigeria. Corporate Governance: An International Review, 9(3), 238-253.
Yermack, D. (1996). Higher market valuation of companies with a small board of directors. Journal of Financial Economics, 40(2), 185-211.
Yin, R. K. (2013). Case study research: Design and methods. Sage publications.
Zahra, S. A. (1990). Increasing the board's involvement in strategy. Long Range Planning, 23(6), 109-117.
Zahra, S. A., & Pearce, J. A. (1989). Boards of Directors and Corporate Financial Performance: A Review and Integrative Model. Journal of Management, 15(2), 291-334.
Zahra, S. A., & Stanton, W. W. (1988). The implications of board of directors composition for corporate strategy and performance. International journal of management, 5(2), 229-236.
Zattoni, A., & Cuomo, F. (2010). How Independent, Competent and Incentivized Should Non-executive Directors Be? An Empirical Investigation of Good Governance Codes. British Journal of Management, 21(1), 63-79.
Zattoni, A., Douglas, T., & Judge, W. (2013). Developing Corporate Governance Theory through Qualitative Research. Corporate Governance: An International Review, 21(2), 119-122.

Appendices

Appendix 1

Interview questions

1. What are the Roles of NEDs in Nigerian Companies? Please explain how NEDs perform these roles
2. What are the attributes of Effective NEDs? Please give examples and scenarios of How NEDs have been effective in the company
3. How do NEDs contribute to the development of corporate strategy?
4. How do NEDs monitor Executives in relation to both strategy and performance?
5. Does the Relationship between EXECs and NEDs affect their role?
6. Does NED effectiveness have an effect on company performance?

Appendix 2

Pre Interview Questionnaire

Dear Director,

My name is Jennifer. I am conducting research concerning the role of Non-Executive Directors in ensuring good corporate governance for my PhD at the University of Huddersfield United Kingdom. The prime purpose of this research is to investigate the role and effectiveness of Non-Executive Directors in Nigeria through the perceptions of Non-Executive and Executive Directors.

You are therefore cordially invited to participate in a short questionnaire and an interview session of 30 minutes which is also part of this research. This questionnaire covers general information about you and your company and also three areas of research on corporate governance. It will take you approximately 10 to 15 minutes to answer the questions. There are no right or wrong answers. I am only interested in your opinion.

This questionnaire is completely confidential and has no identifying marks. All answers would be aggregated and summarised into one report. Your individual responses and all information derived from this questionnaire will remain with me and be kept secure and only used for the purposes of this research project.

I look forward to meeting and interviewing you. Thank you very much

Should you require further information, please feel free to contact me at **u0874512@hud.ac.uk**

Yours Sincerely,

Jennifer E Omobolaji-Epoyun
PhD Student
Business School
University of Huddersfield
Queensgate
Huddersfield HD1 3DH
UK
u0874512@hud.ac.uk

Supervised by

Prof. C. J. Cowton, PhD
Dean Business School
University of Huddersfield
Queensgate
Huddersfield HD1 3DH
UK
c.j.cowton@hud.ac.uk

Personal Information

1. Gender: Female ☐ Male ☐
2. Age: Less Than 40 years ☐ 40-49 years ☐ 50-59 years ☐ More Than 60 years ☐

3. Position within the company: Chief Executive Officer ☐ Chairman ☐ Non-Executive Director ☐ Other ☐ (Please State) ……………………………………………………
4. Please state any board committee you belong to: …………………………………………..........
5. Please underline any that you chair
6. Highest academic qualifications: Doctorate☐, Master's Degree ☐, Bachelor's Degree ☐, Higher Diploma ☐, Other ☐ (Please State)...
7. Please state any professional qualification: ………………………………………………..
8. Business experience (years): Less Than 10 ☐, 10-19 ☐,20-29☐, 30 to 39 ☐, More Than 40 ☐

Information about the company

9. Company size total assets (Million Naira): Less Than 100☐, 100 to 1000 ☐, More Than 1000 ☐
10. Company age- years from founding : Less Than 5 ☐, 5-14 ☐, 15-24 ☐, More Than 25 ☐
11. Type of industry: Agriculture☐, Bank☐, Insurance☐, Construction☐, Petroleum ☐ Other ☐ ....

Definitions of corporate governance

12. Please rank the two definitions you most agree with on a scale of 1 to 2

Most important	Important
1	2

☐ The process of supervision and control intended to ensure that the company's management acts in accordance with the interests of shareholders

☐ The governance role is not concerned with the running of the business of the company per se, but with giving overall direction to the enterprise, with overseeing and controlling the executive actions of management and with satisfying legitimate expectations of accountability and regulation by interests beyond the corporate boundaries

☐ The system by which companies are directed and controlled

☐ The structures, process, cultures and systems that engender the successful operation of the organisation

☐ The sum of those activities that make up the internal regulation of the business in compliance with the obligations placed on the firm by legislation, ownership and control. It incorporates the trusteeship of assets, their management and their deployment

☐ The relationship between shareholders and their companies and the way in which shareholders act to encourage best practice (e.g. by voting at AGMs and by regular meetings with company's senior management). Increasingly, this includes shareholder activism which involves a campaign by a shareholder or a group of shareholders to achieve change in companies

☐ A set of relationships between a company's management, its board, shareholders and other stakeholders

Roles of Non-Executive Directors

13. Please rank the two roles you most agree with on a scale of 1 to 2

☐ Constructively challenge and help to develop proposals on strategy

☐ Scrutinise the performance of executive management in achieving goals and objectives and monitor reporting of performance

☐ Satisfy themselves about the integrity of financial information and that the systems of internal control and risk management are robust

☐ Responsible for deciding the level of remuneration for executive directors and should have a prime role in appointing directors and removing them when necessary and in succession planning

☐ Monitoring the company's legal and ethical performance

☐ Providing advice and direction to a company's management in the development and evaluation of its strategy

☐ Monitoring the company's management in strategy implementation and performance

Non-Executive Director Independence

14. Please rank the two views you most agree with on a scale of 1 to 2

Independence is:

☐ Having independence of mind and the confidence to exercise it in board room discussions

☐ Being aloof from and suspicious of executives

☐ Having no family, business ties with the CEO, executive directors and employees

☐ Hasn't spent nine years or more on the board

☐ Being selected through a formal process such as advertisements to be sure of independence

☐ Not owning shares in the company

☐ Not being a consultant to the company

Appendix 3

Consent form for Participation in Interview

I volunteer to participate in a research project conducted by Jennifer Emuesiri Omobolaji-Epoyun a PhD Researcher in the University of Huddersfield. I understand that the PhD research project is designed to gather information about the perceptions of Directors about the role and effectiveness of Non-Executive Directors in Nigeria in ensuring good corporate governance in publicly quoted companies. I will be one of approximately 40 people being interviewed for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty. If I decline to participate or withdraw from the study, no one will be told.
2. I understand that most interviewees may find the discussion interesting and thought-provoking. If, however, I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview

3. Participation involves being interviewed by Jennifer Omobolaji-Epoyun a PhD Researcher from the University of Huddersfield. The interview will last approximately 30-45 minutes. Notes will be written during the interview. An audio tape of the interview and subsequent dialogue will be made. If I don't want to be taped, I would opt for note taking only in order to be able to participate in the study.

4. I understand that the researcher will not identify me by name in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. However if I want to be identified in any report as having participated in this study I will inform the researcher. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions and organisations.

5. I understand that this research study has been reviewed and approved by the Ethical Review Committee the Business School University of Huddersfield Queens Gate Campus Huddersfield.

6. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.

7. I have been given a copy of this consent form.

Participant’s Signature and Date

Researcher’s Signature and Date