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# Corporate Governance: An Evaluation of Management Effectiveness in Nigerian Polytechnics

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***Abstract:***
*Much research work has been carried out on corporate governance but few have been targeted toward the effect of corporate governance inadequacy on the threatening quality of education in Nigerian tertiary institutions. The few papers that were discovered only address corporate governance in relation to the University education system and almost none addresses the polytechnic education. This study aims to fill that gap by first examining the conceptual and theoretical understanding of corporate governance in relation to public institutions. The primary objective of the study is to investigate the relative impact of three of the key corporate governance variables (accountability, transparency and stakeholder's satisfaction) on the so called "soft" human oriented measures of organisational effectiveness-perceived managerial competency. All the data used in the study comprise both secondary and primary data. A 35-item survey questionnaire was developed and 6 (3 Federal and 3 State) polytechnics were chosen (one each) from the six geopolitical zones in Nigeria as the sample for the study. 50 copies of questionnaire were given out to key informants from each of the polytechnics; and were targeted towards key Council, Management, Staff and Student's Representatives, of which only 200 copies of questionnaire were retrieved. The returned questionnaire was analysed by non-parametric correlation and regression coefficients using the Statistical Package for Social and Science Students (SPSS) version 16.0. The findings show that (1) accountability has significant relationship with perceived management competence, (2) transparency has significant relationship with perceived management competence (3) employees' satisfaction has significant relationship with perceived management competence and (4) students' satisfaction has significant relationship with perceived management competence. It is concluded that there is a positive relationship between corporate governance variables and perceived management competence in the Nigerian polytechnics. It is therefore recommended that (1) Governing bodies of Nigerian polytechnics should endeavor to use key accountability and transparency metrics in selecting management team for running the affairs of polytechnic system and (2) necessary provisions should be made for structural balances that culminate job satisfaction for staff and students in order to enhance the quality of polytechnic education for industrial development and economic diversification.*

***Keywords:*** *Corporate governance, accountability, transparency, competency, stakeholder's-satisfaction*

## 1. Introduction

In order to tackle the topic of this study holistically, there is need to know the meaning of corporate governance, organisational effectiveness in the light of management techniques, practices and effectiveness. What each of these words means in isolation and in relation to one another. Also, there is need to identify the institutions in Nigeria that provides tertiary education, paying due attention to how they were designed to operate, and how they are actually operating, the results expected from them and the problems and challenges they face in getting those results. By this, there is need to ask questions such as: why are these institutions created? How were they to be governed? How are they actually governed? What challenges are they facing? Finally, what roles does corporate governance play in meeting the purpose of their creations? In view of the aforementioned, the meanings of corporate governance, managerial techniques, practices and competency are briefly discussed, followed by discussions on the relevance of corporate governance in institutions that provides tertiary education in Nigeria. There are several topics under corporate governance and managerial competency, at the same time in Nigeria; there are several polytechnics (Federal, State and Private). Due to the constraints of resources, space and time, this study is limited to investigating the relative impact of three of the key corporate governance variables (accountability, transparency and stakeholder's involvement) on the so called "soft" human oriented measures of organisational effectiveness-perceived managerial competence. To this end, the specific objectives of the study are to (1) examine if accountability affects perception of management competence, (2) examine if transparency affects perception of management competence, and (3) to investigate if stakeholder's satisfaction affects perceived management competency.

The gap identified by this study is the much research work that has been carried out on corporate governance but few being targeted towards corporate governance inadequacy on the threatening quality of education in Nigerian tertiary institutions. The few papers that were discovered only address corporate governance with respect to the University education system and almost none addresses the polytechnic education in Nigeria. This study aims to fill that gap by first examining theoretical background of corporate governance in relation to public institutions, and then investigating literatures on how corporate governance is applicable to the Nigerian Polytechnic system. The growing decline of the relevance of polytechnic education in Nigeria and its failure to fully realise the objectives of its establishment are the major problems that arouse the concern of this paper. The possible implication of management practices that flows in opposite direction with ethics of corporate governance and how these practices have affected the dispositions of other players in the polytechnic system towards their roles and responsibilities in contributing to the achievement of the polytechnic objectives is the focus of the study. It is hoped that at the end of the study, a way forward into harmonizing the interests of all stakeholders towards the stability of the polytechnic education and the achievement of polytechnic objectives in Nigeria will be provided.

### *1.1. Higher Education Institutions (HEIs) In Nigeria*

In Nigeria, three distinct institutions are known to constitute higher education institutions (HEIs), the universities, polytechnics and colleges of education. These institutions comprise at present 158 Universities (40 Federal, 44 State, and 74 Private), 89 polytechnics, 47 monotechnics and 58 colleges of education (Premium Times, NUC, NBTE, and Campusbizjournal). The system of governance and management of tertiary education in the three HEIs is represented by figure 1.

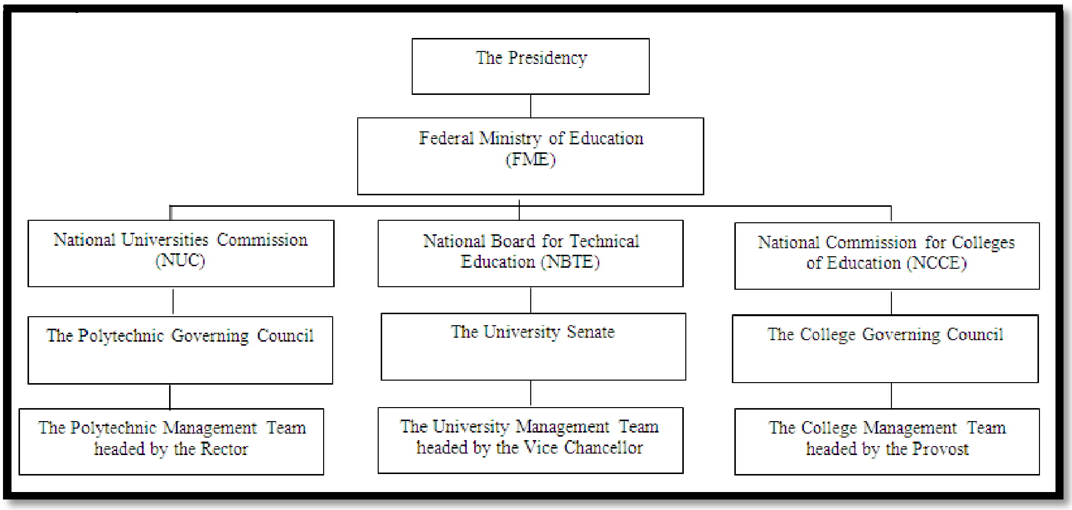


*Figure 1: The System of Governance in Federal Tertiary Institutions of Nigeria*
*Source: Authors*

The institutions are managed and supervised using three agencies under the Federal Ministry of Education (FME). The agencies are National Universities Commission (NUC) for all Nigerian Universities, National Board for Technical Education (NBTE) for all monotechnics and polytechnics, and National Commission for Colleges of Education (NCCE) for all Nigerian colleges of education. Each of these agencies has their respective mandates and targets which are almost similar in structure. The department in FME responsible for tertiary education management was created in November 2000 from an existing department of Formal Education and named Department of Higher Education. In March 2003, all aspects of higher education were moved to this new department and the name was changed to "Tertiary Education" in December 2006, hence, the name Tertiary Education department". Of particular interest and importance to this paper are the governing councils of the polytechnic, mandates and targets given to them as they have a lot in relation to corporate governance and the achievements of Federal targets of the polytechnics (FME, 2017).

### *1.2. Establishment and Objectives of Polytechnics Education*

The establishment of polytechnics is witnessed by the currently existing 89 polytechnics and 47 monotechnics scattered all over the federation. The primary aim of establishing the polytechnics is to produce manpower needed for industrial and technological development of the nation. As for the functions of polytechnics; Section 2 of the Act expressly stated that the function of each polytechnic shall be [a] To provide full time courses of instruction and training in (i) technology, applied science, commerce and management; and (ii) such other fields of applied learning relevant to the needs of the development of Nigeria in the area of industrial and agricultural production and distribution and for research in the development and application of techniques as the Council may from time to time determine. [b] To arrange conferences, seminars and study groups relative to the fields of learning specified in paragraph (a) of section 1. [c] To perform such other functions as in the opinion of the Council may serve to promote the objectives of the polytechnic.

The primary objective of the polytechnic education is to promote technical education and vocational training, technological transfer and skills development to enhance the socio-economic development of the nation. Polytechnic education also targets the development of human skills for self-dependency and sustainability. It is created to help in creating skilled manpower, boosting industrial productivity and improving the general quality of life. Since polytechnic education is targeted towards training students in programmes such as architecture, engineering, computer science, estate management, carpentry, woodwork, farming, town planning, management, applied arts crafts and catering and hotel management, it equips students such that with small amount of money as a startup capital, either from cooperatives or supporting institutions, even an ND graduate can setup himself and train others. The overall effect of this is an increase in the GDP of the nation. Another focus of the polytechnic is to produce graduates that are more practical in skills unlike their colleagues from the universities who are more theoretical than practical. Strategic alliance for skills accumulation through IT exposure is another way by which the polytechnic enriches its graduates. One-year compulsory IT in any industry is organised to assist the students gain more practical experience from practicing experts who can provide valuable insight into the skills and abilities needed in their career, after which they can now return for their HND programmes. The graduates of polytechnics are to provide the middle-level manpower needs of Nigerian industries for enhanced economic empowerment and industrial diversification.

### *1.3. Corporate Governance*

Corporate Governance is the framework of rules and practices by which a company board ensures accountability, fairness and transparency in a company's relationship with its all stakeholders, financiers, customers, management, employees, government, and the community (Business Dictionary, 2018). It is the mechanisms, processes and relations by which corporations are controlled and directed (Greg, 2004). According to OECD 2004, corporate governance is a set of relationships between a company's management, its board, its shareholders and other stakeholders, as it provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. The structures and principles of governance identifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and includes the rules and procedures for making decision in corporate affairs (Tom, 2011).

#### 1.3.1. Elements of Corporate Governance

Four articles have summarized the elements of corporate governance; they are (1) the Cadbury Report of UK, 1992, (2) the Principles of Corporate Governance by OECD, 1999, 2004 and 2005, (3) the Sarbanes-Oxley Act of 2002, and (4) Code of Corporate Governance in Nigeria by Securities and Exchange Commission SEC, 2008. The elements include:

- Rights and Equitable Treatment of Shareholders
- Interests of other stakeholders
- Roles and responsibilities of the Board
- Integrity and Ethical Behaviour
- Disclosure and Transparency
- Risk management and audit

The rules and practices of corporate governance gives credence to the company's act, corporate control, shareholder's participation, statutory audit and codes of conduct. Youssef (2014) was precise when he listed the key elements of corporate governance as fairness, disclosure, transparency, responsibility, accountability, and integrity. The corporate governance pillar according to Youssef (2014) is shown in Figure 2.

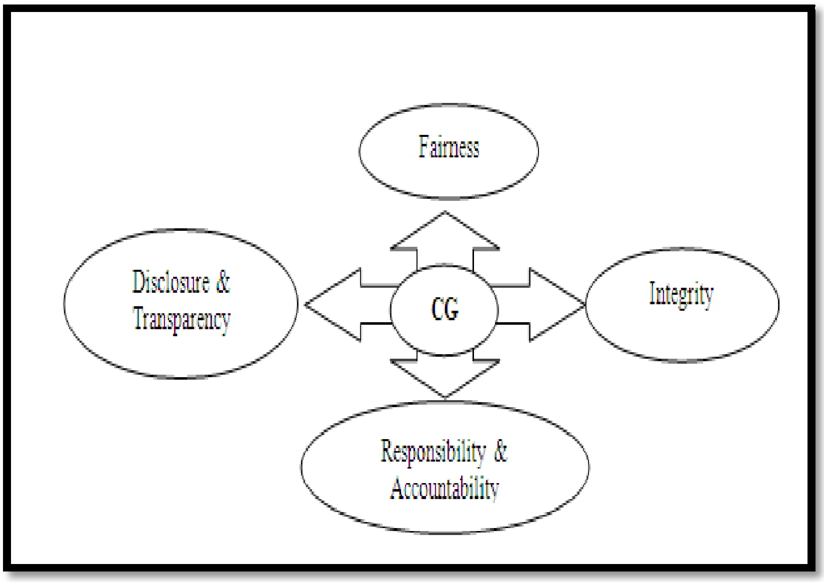


*Figure 2: Corporate Governance Pillars*
*Source: Youssef (2014)*

The focus of this study as earlier stated is to investigate the relationships between perceived management competence and accountability, transparency and stakeholders' satisfaction.

*1.4. Managerial Competence*

Competence is an underlying characteristic of a person's personality which results in effective and/or superior performance on the job. Hogg 1993 defined competency as characteristics of a manager that lead to his demonstration of skills and abilities which results in effective performance within an occupational area. In 1996, Parry defined it as a cluster of related knowledge, skills and attitudes that affects a major part of one's job (a role or responsibility), that correlated with performance on the job, that can be measured against well accepted standards and that can be improved via training and development. In summary, managerial competency is a leader's ability to achieve desired results. It has to do with how well he combines his skills, abilities and techniques with the organisational practices in guiding and directing others to effectively meet the desired objectives of the organisation. A "competent" manager according to theoretical models of leadership (Aimee, 2017) has a combination of technical, human and conceptual skills that can make him an effective leader. Technical skills include specialised training, skilled performance of specific tasks, expertise in a specific field or industry and the ability to apply specialised knowledge to tasks and objectives. Human skills include the ability to work well with others, motivate workers, resolve conflict, delegate responsibilities and clearly communicate objectives. Conceptual skills are broader and usually self-actualised. They include the ability of leaders to see the organisation in the context of its industry, understand how each part of the organisation functions as a whole, and visualize a future course of action based on current organisational and industry trends. Finally, conceptual skills are manifested in the manager's ability to analyse and diagnose and understand complex situations and organisational relationships. Good governance demands the identification of core competency needs of the organisation, making sure those competencies are complemented by managers and workforce, while ensuring accountability, transparency, fairness and security. Hence, it is up to the governing body to strategically place managers in departments and units where their skills and competencies will be helpful in identifying and meeting the current and future needs of the organisation while maintaining high level of accountability, transparency, fairness and security to effectively manage all stakeholders to achieve results that benefits the organisation in the short and long run. Globalisation and increase competitive pressures have made managerial competency important in the improvement of organisational performance and efficiency (Scarbrough, 2000). Even with the dominating nature of technology, the management of human resources is still receiving increased attention in the analysis of key factors for attaining competitive edge and achieving sustainable growth by business organisations. Traditionally, businesses have relied upon financial measures or hard figures for performance measurement and evaluation for value and reward purposes. Now, the so called "soft" human oriented indicators such as employee attitudes, traits, perceptions and beliefs are being recognised as important predictors of performance, hence, the need for managerial competency.

## 2. Literature Review: Theoretical Foundations

Several theories have been propounded to capture the body of rules, ideas, principles, and techniques that applies to making distinctions between corporate governance and other related management practices; the most common are agency theories, stewardship theories, resource dependence theories and stakeholder theories. These theories are applicable to public institutions but two (agency and stakeholders' theories) are considered in this study.

*2.1. Agency Theories of Corporate Governance*

This theory emerged from the need to make distinction between company owners or (shareholders) designated as "the principals" and the executives hired to manage the organisation designated as "the agent." The argument of this theory is that, once the principal is not the agent managing the company, their goals often conflicts (Johnson, Daily & Ellstrand, 1996). This means that the agent may be cumbered with opportunistic self-interest or pity, or other constraints and failing to maintain the interest of the principal. As a result of this, agency theories assume that the principal suffers loss, especially financial loss, which transforms to a reduced profit as a result of not managing the organisation directly. Agency theories suggest that there should be financial incentives that go to the principal to maximise owner's profit (Eisenhardt, 1989). Consequently, when a board is developed to manage the company in line with agency theories, such board tends to be strict in supervision, monitoring and controlling the performance of the agent in order to protect the interests of the shareholder (Hillman & Dalziel, 2003). This means that the agent is in charge of all managerial decision-making processes and is accountable to the shareholder, *accountability.*

2.1.1. Agencies Theory in Public Institutions

The relationship between the Government and management board is of central importance in corporate governance. Because of the separation of ownership and managerial control at public corporations, the CEO-board relationship has been proposed to have important organisational implications (Shen, 2003). In public institutions such as the Federal and State polytechnics, the principal here is the government while the agent is the management. The management protects the interest of the government, which is monitored by the governing councils. The agency model in a public institution *adapted* is shown in Figure 3.

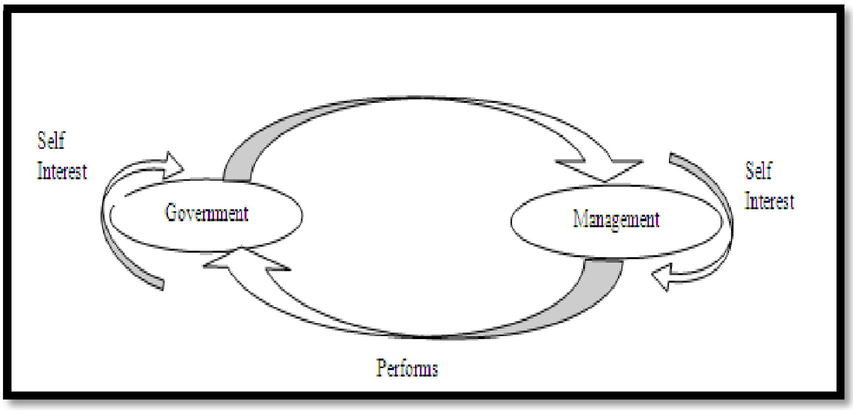


*Figure 3: The Agency Model Hires and Delegates*
*Adapted: Haslinda and Benedict, 2009, Fundamentals and Ethics Theories of Corporate Governance*

The agency theory principal "*government*" expects management to make decisions in its interest on a daily basis. On the contrary, the agency theory agent "*management*" may not necessarily make decisions in the best interest of the principal (Padilla, 2000).Here comes a serious problem of accountability, "such a problem was first addressed by Adams Smith in the 18th century" (Haslinda & Benedict, 2009). Agency theory prescribes that people or employees should be held accountable in their tasks and responsibilities. The employer-employee relationship of the agency theory is more of self-interest, individualistic and bounded rationality where rewards and punishments seem to be of high priority (Jensen & Meckling, 1976 cited in Haslinda & Benedict, 2009).

*2.2. Stakeholder Theories of Corporate Governance*

The stakeholder theory is a theory of organisation management and business ethics that addresses morals and values in managing an organisation. The stakeholder's theory identified the model by which the groups which are stakeholders of a corporation are described and recommends the methods by which management can give due regard to the interests of those groups (Freeman, 1983). This theory is against the traditional view of a company that recognised the owners and the shareholders as the only important entity of the business. Stakeholder theory has been advanced and justified in management literatures on the basis of its descriptive accuracy, instrumental power and normative validity (Donaldson and Preston, 1995).

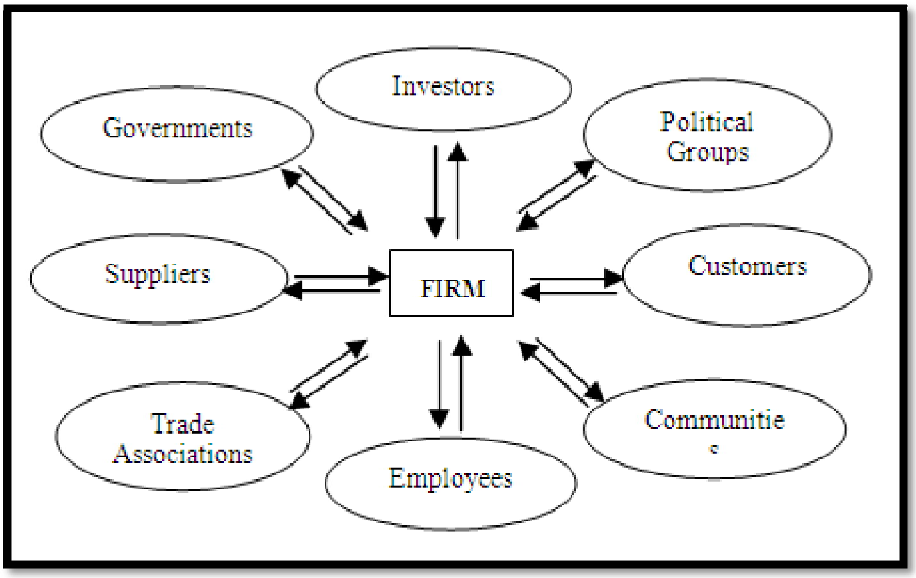


*Figure 4: Input-Output Stakeholder's Model of the Corporation*
*Source: Donaldson and Preston, 1995*

It was further explained that the stakeholder model (Figure 4) contrasts the input-output model in all its variations. Stakeholder analysts argue that all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits and that there is no prima facie priority of one set of interests and benefits over another. Hence, the arrows between the firm and its stakeholder constituents run in both directions enabling the theory to argue that some other parties such as government, political groups, customers, communities, employees, trade unions, and suppliers are also important to corporations. Stakeholder theories are generally based on the assumption that shareholders are not the only group with a stake in a company, clients, customers, political groups, communities, employees, trade associations, suppliers and government also share interest in the company. According to this theory, each stakeholder can affect and be affected greatly by the success or failure of the organisation, hence, the need for management to assume greater responsibilities in ensuring that the interests of all stakeholders not only (the shareholders) are protected, by making sure that each stakeholder get a fair return for their stakes in the company (Donaldson & Preston, 1995). The clamor for some forms of corporate social responsibility (an ethical business conduct) was advocated by stakeholder theory even if it would result in reduced profit for the organisation (Freeman, wicks & Parmer, 2004)

2.2.1. Stakeholders in the Nigerian Polytechnic System

The major players in the Nigerian polytechnic system (figure 5) as conceived in this study are:

- The Government represented by the Governing Council.
- The Management headed by the Rector.
- The Employees (academic and nonacademic).
- The Students and
- The Community

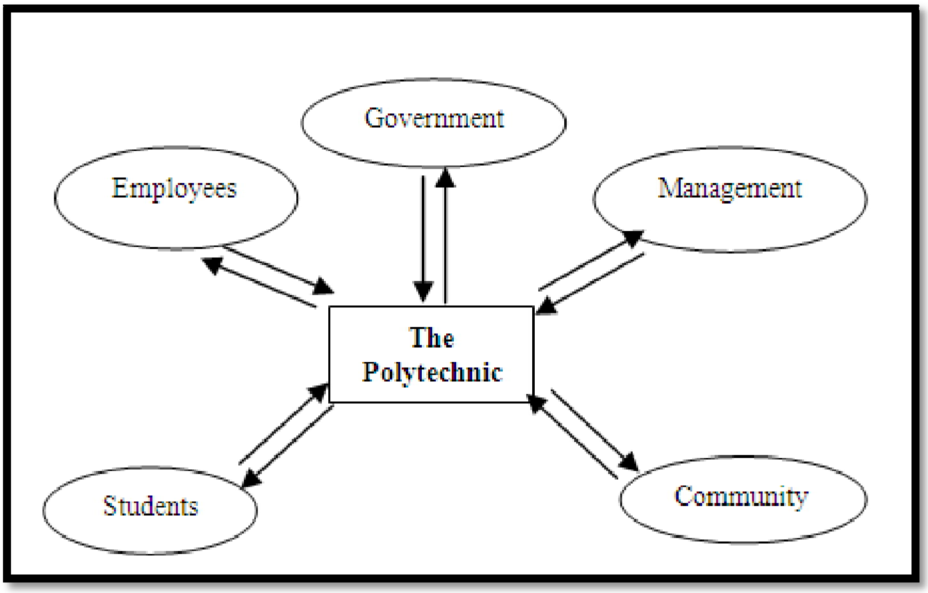


*Figure 5: Input-Output Stakeholder's Model of the Polytechnic*
*Source: Authors*

The Federal Government: In its bid to provide affordable technical education to all, the Nigerian government uses agencies and agents (such as NBTE and the Governing Councils) under the Federal Ministry of Education in managing, supervising and regulating polytechnic affairs all over the nation. Apart from these bodies, there is the Governing Councils that reports back to the Government on the affairs of the polytechnic.

The Governing Council: This by statute is the body charged with the general control of the policy, finances and property of the Federal Agencies and Institutions. The brief on tertiary education department 2017 by the FME established that the tenure of the University Councils is for a period of four years while that of the polytechnics and colleges of education are for a period of three years.

The Management**:** Headed by the Rector is the management that performs the day-to-day running of the affairs of the polytechnic and is directly responsible to the Hon. Minister of Education through the Governing Council.

The Polytechnic Employees are the people (workforce) hired to provide the necessary services needed to accomplish the polytechnic objectives. They are categorized into two, the academic and the nonacademic staffs. The academic staffs provide the teaching and some few administrative services while the nonacademic staffs are employed majorly for administrative duties.

The Polytechnic Students: These are the major customers of the institution; they are admitted for different programmes of the polytechnic in order to obtain National Diploma (ND) and Higher National Diploma (HND) Certificates in various programmes. To them, the polytechnic is for them to become graduates, but to the government, it is to produce technological workforce for industrial diversifications.

The Community: This comprises the people in the immediate and distant environment where the polytechnic is located. Some have direct interest in the affairs of the polytechnic, while the interests of others are secondary.

2.2.2.The Federal Polytechnic Acts

In July, 1979, the Federal Polytechnic Acts (FPA), which is "an Act to establish polytechnics in various parts of the country to provide full time courses in technology, applied science management and other fields of studies and to make provisions for the general administration of such polytechnics", was established and it provides for: (1) The establishment of Federal Polytechnics in section 1, (2) Functions of each polytechnic in Section 2 (3) Establishment of Councils and constitution of each Council, etc. in section 3.

For example, the Composition of the Governing Council was stated in Section 3, and it states that: (1) there shall be established for each polytechnic a Council (hereafter in this Act referred to as "the Council") which shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name, (2) the Council shall consist of a Chairman and the following other members, that is-(a) one person to represent the universities; (b) one person to represent the Manufacturers' Association of Nigeria; (c) one person to represent professional bodies whose disciplines are taught at the polytechnic; (d) one person selected from a Federal or State public utility statutory corporation; (e) one person of standing in the community where the polytechnic is situated; (f) the Rector of the polytechnic; (g) one representative of the Minister charged with responsibility for matters relating to polytechnics; (h) one representative of the Permanent Secretary of the Ministry charged with responsibility for matters relating to industries; (i) one representative of the academic board of the polytechnic; (j) one representative of the State Commissioner of Education; and (k) five other persons, at least one of whom shall be a woman, to be selected each on his personal merit based on his contribution to either the development of industry, technology or commerce or special interest in technical education. (3) The Chairman and members of the Council other than ex-officio members shall be appointed by the President.

## 3. Literature Review: Hypothesis Development

Based on previous studies, this section is dedicated to reviewing relevant theories with the focus on developing the hypothesis for this study. Since the research purpose to examine the relationship between corporate governance and perceived management competence in Nigerian polytechnics, perceived management competence has been examined as a dependent variable and three corporate governance elements have been considered as independent variables. The independent variables are accountability, transparency and stakeholder's satisfaction.

### *3.1. Accountability*

To be accountable according to Encarta Dictionaries (2009) is to be responsible to somebody or for something. By this, it simply means being in readiness to report to others on something, usually funds, materials, or personnel one is in charge of Accountability has become critical issues in organisational management especially in the Nigerian Polytechnic system. As much as it hampers the performances of management, it is still a serious problem that awaits lasting solution. Waziri (2009) emphasized the relationship between accountability and lack of good governance in political power and democratic setups. It is the bridge linking the people or the electorate with the executive – to whom enormous power has been entrusted. It was stated further that accountability is the public servant's report card on how public money is spent and used on behalf of the people. Stressing that the notion of accountability and good governance are very connected, Waziri (2009) stated further that the first evidence of bad governance is the absence of accountability. Accountability demands that a person in charge of organizational resources must be willing to give account on how those resources were utilised, especially during audit. Dogo (1990) as cited by Osho and Afolabi (2014)posits that the accounting systems of government-owned companies in Nigeria do not seem to guarantee proper and up-to-date record keeping for government. All polytechnic stakeholders irrespective of status within or outside the polytechnic system look forward to getting a desired and deserved benefits from the polytechnic; students desire quality education at affordable cost, employees wants higher remuneration, training and development, management crave funding and peaceful work environment, the community wants its share of the national cake through adequate social responsibility, while government desires manpower development, economic empowerment and industrial diversification through quality technological education. "All these are yet to be adequately achieved as a result of ineffective accountability in all the various sectors of the Nigerian economy (Osho & Afolabi, 2014)". In the light of these foregoing arguments is the first hypothesis for this study offered: $H_0$1. Accountability has no significant relationship with perceived management competence.

### *3.2. Transparency*

Okegbe and Madumere (2016) defined transparency as the timely, reliable, clear and relevant public reporting on its status, mandate, strategy, activities, financial management, operations and performance of government activities, including the obligation of public reporting on audit findings and conclusions and public access to information about government income and expenditure. Transparency therefore, is a practice by which the management of an organisation is obviously open enough for employees and other stakeholders to understand its activities with less stress. As the problems of insufficient resources and reduced economic growth are still lingering in Nigeria, it has been argued that there is a positive relationship between transparency and growth of institutions (Williams, 2011). Williams argued that it is not the problem of lack of resources that hampers the growth of public institutions, but lack of transparency. The connectivity between transparency and managerial competence was further stressed by Eei, Husain and Mustapha (2012) when they argued that without transparency, "open competition cannot prevail, corrupt dealings can proliferate, and other failings in the Nigerian civil service may be covered up, thereby weakening the relationships between management and employees. A significant relationship between transparency and effective tackling of corruption and handling organisational challenges towards industrial peace in government sectors has been advocated by Okegbe et al (2016). Thus, any public officer that is willing to shy away from corruption and unethical behaviours in the public sector like the Nigerian polytechnic system should adopt transparency as a principle. According to the above findings and arguments, the second hypothesis of this study is offered: $H_0$**2.** Transparency has no significant relationship with perceived management competence.

*3.3. Stakeholder's Satisfaction*

Satisfaction as Encarta (2009) defines it is anything that brings gratification, happiness, and fulfillment. Webster (2018) defines it as the fulfillment of a need or want, and a convinced assurance or certainty. The major trouble from negotiator's standpoint is that satisfaction is subjective; but by definitions and implications, satisfaction is hard to measure. The utility received from money, services or gestures varies from one person to another. Fatma (2003) posits that there are certain differences in factors that determine satisfaction for individual employee (both academic and administrative), such factors include "colleague relations satisfaction", "colleague competition level satisfaction", "other work group satisfaction", "work environment satisfaction", "professional satisfaction", "work environment satisfaction", and "salary satisfaction". Hameed and Amjad (2011) after examining students' satisfaction in COSMAS Institute of Information Technology (CIIT) asserts that counseling staff, faculty and classes have a significant effect on students' satisfaction. In 1995, Hill proposed a "14 dimensions" to measuring student's perceived service quality which includes library facilities, travel agency, housing services, occupation services, university bookshop, advisory services, health services, financial assistance, and involvement of students in work contents, work expertise and computing facilities. Of course, the objective of Nigerian polytechnic is to provide quality technological education for the masses at affordable price, there is therefore the need for a holistic assessment of accountability, transparency and stakeholder's involvement approach to handling these divergent issues in the Nigerian polytechnics. Based on the above findings, the third hypothesis is proposed: $H_0$3**.** Stakeholder's (employees' and students') satisfaction has no significant relationship with perceived management competence. The conceptual model of this study is depicted in figure 6.

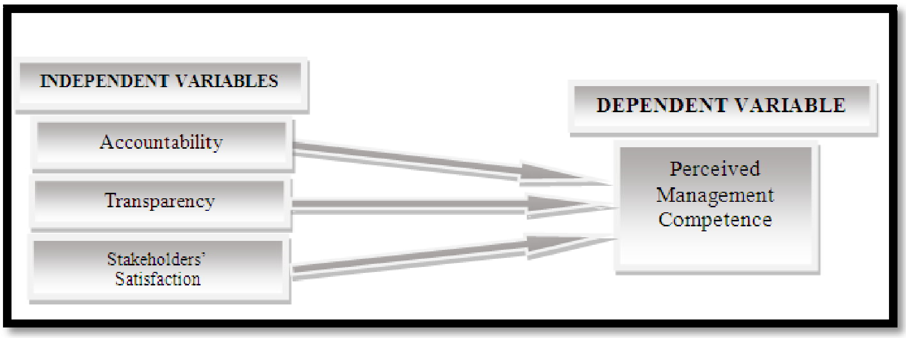


*Figure 6: Conceptual Model of the Study*

## 4. Methodology

The data used in this study comprise both secondary and primary data. A 35-item survey questionnaire was developed and 6 (3 Federal and 3 State) polytechnics were chosen (one each) from the six geopolitical zones in Nigeria as the sample for the study. The selected polytechnics are The Federal Polytechnic, Offa from the North Central Zone, The Federal Polytechnic, Bauchi from the North East Zone, Kaduna Polytechnic, from the North West Zone, Abia State Polytechnic, from the South East Zone, Delta State Polytechnic, Ozoro, from the South Zone, and The Federal Polytechnic, Ado-Ekiti, from the south West Zone of Nigeria. 50 structured questionnaires were given out to key informants from each of the polytechnics (i.e. 50 x 6 = 300 questionnaires in all); and were targeted towards key council, management, staff, student and community representatives, of which only 200 copies of the questionnaire were retrieved but 3 were void. The returned copies of the questionnaire were subjected to series of analysis: first was factor analysis for validity test using Kaiser-Meyer-Olkin's measure of sampling adequacy and Bartlett's test of sphericity, second was factor analysis for correlation compliant and third was regression analysis to determine the true pattern of relationships between the variables. All these analyses were successfully carried out with the help of Statistical Package for Social and Science Students (SPSS) version 16.0.

## 5. Results and Discussion

The results factor analysis (validity test and data screening) and regression analysis with their respective implications are discussed here.

*4.1. Factor Analysis*

4.1.1. Validity Test

Validity test is used to evaluate the relevance of the research hypotheses variables. For this study, it was carried out using Kaiser-Meyer-Olkin's measure of sampling adequacy and Bartlett's test of sphericity of the SPSS.

KMO's Measure of Sampling Adequacy varies between 0 and 1. A value of 0 is an indication that the sum of partial correlations is large relative to the sum of correlations, which means that there is significant diffusion in the pattern of correlations (hence, factor analysis is likely to be revealing inappropriate variables in the hypotheses), but a value close to 1 is an indication that correlations are relatively compacted in their patterns, thus factor analysis is expected to produce a reliable result (Bartlett, 1954). Kaiser (1974) recommends that values above 0.5 but less than 0.6 are not good but can be reluctantly accepted, but below 0.5 indicates bad variables; the researcher should collect more data or decide on changing the variables used in the test. Furthermore, values between 0.6 and 0.7 are averagely ok but not very good; values between

0.7 and 0.8 are good; values between 0.8 and 0.9 are great values and above 0.9 are rated as superb (Keiser, 1974; Hutcheson and Sofroniou, 1999). Observe in Table 3that the KMO's test value for this study is 0.874 (approximately equal to 0.9), which falls under the 'superb' category. Thus, the data for this study are valid and appropriate.

Bartlett's Test of Sphericity is a measure of the significance of the null hypothesis. It is a test that the original correlation matrix is an identity matrix. Factor analysis requires some relationships between the observed variables for it to be appropriate, and if the matrix were to be identity, then all correlation coefficients is expected to be significantly zero (Field, 2005). An acceptable Bartlett's result requires that the level of significance be less than 0.05. A significant level above 0.05 is an indication that the *R*-matrix is not an identity matrix, meaning some important variables are missing in the data set. For this data, Bartlett's test (Table 3) shows a very high significant (Sig. < 0.001). This is another indication that factor analysis is appropriate and the data used in this study are valid.

#### 4.1.2. Factor Analysis

##### 4.1.2.1. Data Screening for Correlation Compliant

Factor analysis is also used to screen data in order to check the validity of questions toward developing valid questionnaire. By this the researcher ensures that the research questions have relationships with the construct or topic of investigation (Field, (2000). It is an analysis that considered preliminary data screening to inspect the inter-correlation (correlation matrix) between the variables. It is expected that the research variables have significant relationships if the test questions or statements in the questionnaire measures the same dimension(s) with the research hypotheses, otherwise, they are to be deleted before subjecting the variables to further tests. This choice is made after screening the data for any variable with both the significance values greater than 0.05 and the correlation coefficients greater than 0.9. According to Field, if any such variable is found, this means that the data variables are having (Extreme multicollinearity or singularity) problems. It is the choice of the researcher to decide to eliminate some or all of the problem variables. Using SPSS, the Correlation Matrix for this study is shown in Table 4. At 1-tailed level of Significance, the results displayed no data with significance values greater than 0.05 and all the data are inter-correlated. At this point, it is concluded that the data are considered good and valid for further tests.

### *4.2. Regression Analysis*

Regression analysis is concerned with the study of the strength of relationships between two (simple or linear regression) or more (multiple regressions) variables. If two population variables *x* and *y* are related linearly, they have an equation of the form$y = \beta x + \alpha$, where *x* is the independent variable and *y* the dependent variable. The Beta value $\beta$ is the coefficient of regression while alpha $\alpha$ is a significant constant. For this study, the regression analysis of our variable data using SPSS produced the Coefficients of Regression, Model Summary and Significance Test results as shown in tables 5 and 6.

#### 4.2.1. Coefficients of Regression

As explained in 4.2 above, regression tends to portray (where applicable) a linear relationship of the form $y = \beta x + \alpha$, where $x$ is the independent variable and $y$ the dependent variable. The Beta ($\beta$) value is the coefficient of regression while the alpha ($\alpha$) value is a significant constant. Table 5 shows the values of *y*, *x*, $\beta$ and $\alpha$ for our survey data. With *Perceived Management Competence* as the dependent variable, the regression table shows that the value of B for *Accountability* is 17.1, for *Transparency* is –18.4, and for *Students' Satisfaction* is 78.1, while the constant value is 70.8. Thus, the regression equation from the table is summarized below:

PMC = 17.1Acc – 18.4Trans + 78.1 Students' Satisfaction + 70.8

#### 4.2.2. Test of Significance

Observe the *t* (test of null hypothesis) values in Table 5 that Students' Satisfaction and an unspecified constant are the only variables with 0.000 Significance values contributing positively (12.5 and 10.4) to perceived management competence. This level of significance shows that Students' Satisfaction is significant with Perception of Management Competence. The Significance values of Accountability, Transparency and employees' Satisfaction are 0.296, 0.272 and 0.197 respectively, which are greater than 0.05 (i.e. $p>0.05$). These significances are pointers to the decision to reject the null hypotheses for the variables. Also, the ***t*** testing the null hypothesis that the intercept is zero is of no interest, but those testing the partial slopes are as these partial slopes shows the significant contributions of the predictor variables to the dependent variables at the value of $p < 0.05$ (Karl, 2016).

#### 4.2.3. Model Summary

The regression model is summarized in "Model Summary" Table 6. This summary reports the value of R square $r^2$ showing that our linear model explains 88.4% of the predictor constants (Student's Satisfaction, Employee's Satisfaction, Transparency and Accountability) in Perceived Management Competence. Observe the beauty of regression as it arranged the predictor constants in their order of importance to Perceived Management Competence.

## 5. Findings

The main objective of this study is to investigate polytechnic management activities vis-à-vis accountability, transparency, employees' satisfaction in order to develop a model that links corporate governance with perception of management competence in the Nigerian polytechnics. The results of the study show that corporate governance variables play a significant role in perception of management competence in the polytechnic system. By this, the studies have been able to analyse the four hypotheses as follows:

- Hypothesis 1 ($H_0 1$): Accountability has no significant relationship with perceived management competence. The correlation results show that accountability at 0.00 levels of significance (i.e. $p<0.05$) has a positive (0.89) linear relationship with perceived management competence. The regression *t* test and model summary (tables 5 and 6) produced significant results for our decision criteria. The order of predictor variables in the model summary shows that accountability is the least variable that predicts perceived management competence in the population of study, while the *t* test partial correlation slope shows that accountability does make a significant contribution towards predicting perceived management competence: $t(75) = 1.05$, $p = 0.296$, which implies that *p* is greater than 0.05.Thus, the decision is to reject the null hypothesis and uphold the alternative hypothesis which states that accountability has significant relationship with perceived management competence in Nigerian polytechnics.
- Hypothesis 2 ($H_0 2$): Transparency has no significant relationship with perceived management competence. Here, the correlation results show that transparency at 0.00 levels of significance ($p<0.05$) has a positive (0.87) linear relationship with perceived management competence. The regression *t* test and model summary (tables 5 and 6) produced significant results again for our decision criteria. The model summary order shows that transparency is stronger than accountability in predicting perceived management competence in the population of study. The *t* test partial correlation slope shows that transparency makes a significant contribution towards predicting perceived management competence'*s* (79) = 1.1, p = 0.272, which implies that *p* is greater than 0.05. Thus, the decision here is also to reject the null hypothesis and uphold the alternative hypothesis which says that transparency has significant relationship with perceived management competence in Nigerian polytechnics.
- Hypothesis 3 ($H_0 3$): Employees' satisfaction has no significant relationship with perceived management competence. Here, the correlation results show that employees' satisfaction at 0.00 levels of significance (i.e. $p<0.05$) has a positive (0.858) linear relationship with perceived management competence. The regression *t* test and model summary (tables 5 and 6) produced significant results again for our decision pertaining this hypothesis. The model summary listed employees' satisfaction as a very strong variable in predicting perceived management competence in the population of study. The *t* test partial correlation slope shows that transparency makes a significant negative contribution towards predicting perceived management competence'*s* (–93) = –1.3, *p* = 0.197, which implies that *p* is greater than 0.05. Note here that the negative strength (–93) and the negative contribution (– 1.3) shows that the null hypothesis is to be accepted, but this suggestion was immediately nullified by the ($p >0.05$) significance levels value of the variable. Hence the decision is to reject the null hypothesis due to its insignificant negative contribution to perceived management competence and uphold the alternative hypothesis which says that employees' satisfaction has significant relationship with perceived management competence in Nigerian polytechnics.
- Hypothesis 4 ($H_0 4$): Students' satisfaction has no significant relationship with perceived management competence. Here, the correlation results show that students' satisfaction at 0.00 levels of significance (i.e. $p< 0.05$) has a positive (0.938) linear relationship with perceived management competence. The regression *t* test and model summary (tables 5 and 6) produced significant results again for our decision criteria for this hypothesis. The model summary listed students' satisfaction as the most important variable in predicting perceived management competence in the population of study. The *t* test partial correlation slope shows that students' satisfaction makes a significant positive contribution towards predicting perceived management competence: $t(67) = 12.5$, $p = 0.00$, which implies that *p* is less than 0.05.Note here that the positive significant contribution of students' satisfaction to perceived management competence shows that the null hypothesis is not in order. Hence, the decision is to reject the null hypothesis and uphold the alternative hypothesis which says that students' satisfaction has significant relationship with perceived management competence in Nigerian polytechnics. The theoretical model from the study is shown in the figure below:

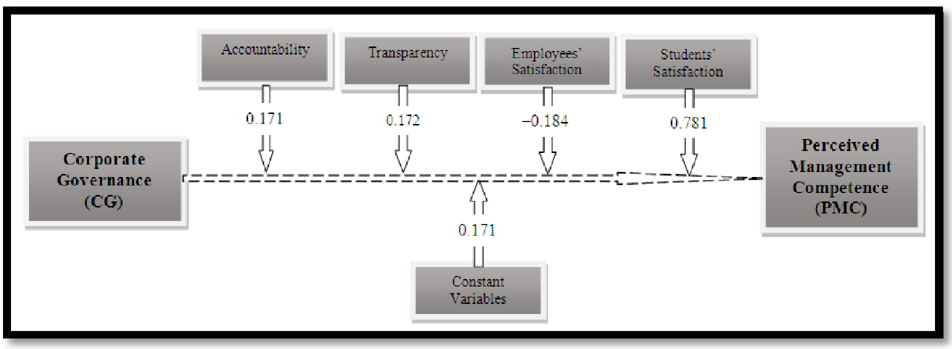


*Figure 7: Theoretical Model from the Study*

**6. Conclusions and Recommendations**

The basis of this survey study has been accomplished; it is aimed at providing the necessary information on the basic elements of corporate governance that can catalyze management activities towards creating positive perception of managerial competence in the employees and students of the Nigerian polytechnics. This survey study has just done that by revealing that corporate governance have significant effect with the level with which the government, employees and the students perceived management competence in Nigerian polytechnic. The study also revealed that the studied elements of corporate governance have varying degrees of effects on perceived management competence; with students' satisfaction as the most important, followed by employees' satisfaction and transparency, while accountability is needed to seal the overall impression. It is hereby concluded that, the techniques and practices of corporate governance is effectively applicable to the Nigerian polytechnic system.

The researchers on this note recommend that the governing bodies should endeavor to advise the government to adopt the use of key accountability and transparency metrics in selecting management team for running the affairs of polytechnic system. The study also revealed that necessary provisions should be made for structural balances that culminate job satisfaction for staff in order to enhance production of adequate technical manpower for industrial development and economic diversification. The interests of students and the community should be given prompt attention. Management should ensure that proper system of accountability is put in place in the polytechnic by ensuring that there is real value to show for government expenditures in the polytechnics all over Nigeria. Management should disregard any act of budget overloading while ensuring that appropriate set of resources were procured for the polytechnic. The governing council and management should come up with adequate performance measurement metrics for performance evaluations, and when employees deviate from established standards, sanctions must be made to be commensurate with such and any other misuse of office. In all Nigerian polytechnics, there should be adequate infrastructural development to make learning attractively easy and teachings pleasantly easy for students and lecturers respectively. There should be proper disclosure system that negates any appearance of undue secrecy in the activities of management and staff. By implication, all polytechnic stakeholders should be made to have access to necessary information, especially, as it buttresses on their concerns and welfares. Staff and students' protests can be avoided by proper disclosure and accountability system that empowers management to be willing and ready to answer questions from all at all times, especially when the need arises. If management wishes to extinguish staff protest, appointment into offices should be based on technical expertise, while promotion should be based on competence.

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## Appendix

*Tables and Figures*

For clarity of expressions, this section presents data and variable information in tables and figures where applicable.

| Description | Characteristics | Frequency | Percentage |
|---|---|---|---|
| Sex | Male | 144 | 73.1 |
| | Female | 53 | 26.9 |
| Age | Below 20yrs | 51 | 25.9 |
| | 20-25yrs | 67 | 34.0 |
| | 26-30yrs | 43 | 21.8 |
| | Above 30yrs | 36 | 18.3 |
| Education | Undergraduate | 38 | 19.3 |
| | Graduate | 73 | 37.1 |
| | Post Graduate | 86 | 43.7 |
| Designation | Academic Staff with special office | 78 | 39.6 |
| | Academic staff | 26 | 13.2 |
| | Non academic staff with special office | 74 | 37.6 |
| | Non-academic staff | 19 | 9.6 |

*Table 1: Demographic Profile of Respondents*

| | | Respondents' Responses | | | | | |
|---|---|---|---|---|---|---|---|
| Table | Data Variable | SA | A | U | D | SD | Total |
| Table 1 | Accountability | 49 | 43 | 37 | 36 | 32 | 197 |
| Table 2 | Transparency | 91 | 65 | 09 | 19 | 13 | 197 |
| Table 3 | Employees' Satisfaction | 93 | 71 | 05 | 16 | 12 | 197 |
| Table 4 | Students' Satisfaction | 89 | 72 | 14 | 8 | 14 | 197 |
| Table 5 | Perceived Mgt Competence | 91 | 39 | 14 | 29 | 24 | 197 |

*Table 2: Summary of Frequency Tables of Employees' Responses*

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .874 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1.981E3 |
| | df | 10 |
| | Sig. | .000 |

*Table 3: KMO and Bartlett's Test*

| Correlation | Perceived Mgt Competence |
|---|---|
| | Accountability |
| | Transparency |
| | Employees' Satisfaction |
| | Students Satisfaction |
| Sig. (1-tailed) | Perceived Mgt Competence |
| | Accountability |
| | Transparency |
| | Employees' Satisfaction |
| | Students Satisfaction |

*Table 4: Correlation Matrix[a]*

*a. Determinant = 3.58E-005*

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
| | | B | Std. Error | Beta | *t* | sig |
| 1 | (Constant) | .708 | .068 | | 10.444 | .000 |
| | Accountability | .171 | .163 | .147 | 1.048 | .296 |
| | Transparency | .172 | .156 | .142 | 1.102 | .272 |
| | Employees' Satisfaction | -.184 | .142 | -.149 | -1.294 | .197 |
| | Students Satisfaction | .781 | .062 | .809 | 12.507 | .000 |

*Table 5: Coefficients of Regression*

*. a. Dependent Variable: Perceived Mgt Competence*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .940[a] | .884 | .882 | .48804 | .884 | 366.044 | 4 | 192 | .000 |

*Table 6: Model Summary[b]*

*a. Predictors: (Constant), Students Satisfaction, Employees' Satisfaction, Transparency, Accountability*

*b. Dependent Variable: Perceived Mgt Competence*