**NIGERIAN HIGHER EDUCATION INSTITUTIONS (NHEIs): ARE THEY PRACTISING CORPORATE GOVERNANCE?**

**BY**

**Lawal Abdulazeez Abioye (Ph.D)**

**Department of Business Administration and Management**

**Lagos State Polytechnic, Ikorodu, Lagos, Nigeria.**

**alhajilawal2000@yahoo.com** **or** **drlawal@mylaspotech.edu.ng**

**Corresponding Author**

**Akingbade, Waidi Adeniyi (Ph.D)**

**Department of Business Administration**

**Lagos State University, Ojo, Lagos, Nigeria.**

**akinwaidi@yahoo.com** **or waidi.akingbade@lasu.edu.ng**

**Abstract**

*Nigerian higher education institutions (NHEIs) are facing a number of challenges that border on corporate governance (CG) practices. This paper explores CG culture and its challenges in NHEIs. A qualitative research method was employed through structured interview of principal officers of selected NHEIs .The results of the interview and content analysis of operational documents such as the enabling laws, government directives and policies of these institutions revealed the adoption of a number internal and external corporate governance structures and non-existence of disclosure of application of CG principles. . Challenges such as inadequate funding, excessive interference by government, domineering influence of unions, faulty composition of CG constituents and leadership to mention just a few are affecting effective governance in these institutions. Hence, proper funding, leadership training, empowerment of these institutions and complete disclosure of application of CG practices are recommended.*

**Keywords: Corporate governance, Nigeria higher education institutions**

**INTRODUCTION**

Economic, social and technological developments are increasingly driven by the advancements and application of knowledge through effective higher education (Ajayi and Haastrup, 2016). Research evidence indicates that knowledge has been the most important engine of growth and driving force of economic performance in Organization for Economic and Cooperation Development (OECD) countries over the past decades (OECD, 2000; UIS/OECD 2003).

Higher education is the organized learning activities at the tertiary level. (Jaja, 2013). The National Policy on Education of Nigeria (2004) defined tertiary education to include universities, colleges of education, polytechnics and monotechnics. These institutions were established to blaze the trail in the production of workforce equipped with a unique education tailored to address Nigeria problems (Erwat 2014). The tripartite mandate of teaching, research and community service of higher institutions were derived from the age long core values characterized by intellectual vitality, academic freedom, ethical caring, diverse community and individual well-being (Okogie, 2013). Tertiary education is generally acknowledged as the citadel of knowledge, education and human resources development. The World Bank (1996) maintained that the single most important key to development and poverty alleviation is education. Little wonder, why the United Nations Education, Scientific and Cultural Organization (UNESCO) recommended that developing nations should invest a minimum of 26% of their annual budget to fund education.

In developed and developing countries of the world investment in education is premised on the efficacy of education in solving socio-political, economic and technological problems. In Nigeria, this is far from the reality. Recent findings on the state of higher education in Nigeria by the World Bank and UNESCO confirmed the degradation of Nigerian education system (Obiyo and Lencee, 2011). Most of these institutions are characterized by unethical practices, poor quality of a graduates, internal politics, bureaucracy, conflicting values, inadequate funding, low motivation, globalization, centralization of authority and decision making, competition and globalization poor CG culture (Lawal 2008; Bamiro 2012; Issa and Mohammed, 2014).Good leadership and governance are crucial issues for higher institutions to increase their role in the society (Crous, 2017).

Empirical evidence on CG and performance of public sector is relatively little (McDonogh, 2006). There has been increasing number of literature on CG in business enterprises. Majority of these literature focuses on CG of large enterprises on the premise that findings of the research could be generalized to other institutions. Higher education in Nigeria is in travail, the system is riddled with crises of various dimensions and magnitudes. A number of multifaceted problems have inhibited goal attainment and are raising questions, doubts and fears on effective and efficient management of these institutions (Ajayi and Haastrup, 2016). Against this backdrop, the successive governments have instituted a number of reforms aimed at improving the level of governance in these institutions.

The aims of this study is to establish through interviews and content analysis of documented reports, the extent to which CG has been embedded in corporate practices of NHEIs and assess the major challenges inhibiting effective CG culture in these institutions.

In recognition of the significant roles of NHEIs in sustainable development, the research addresses two primary questions:

* To what extent are Nigerian higher education institutions (NHEIs) adopting CG practices?
* What are the challenges affecting effective adoption of CG practices?

The rest of this paper is arranged as follows. First, the conceptual framework is discussed. Next, CG practices of HEIs in developed and developing countries are addressed. This is followed by the underpinning theoretical assumptions. The third section focuses on description of methodology. Section four presents the results of the study. The final section discusses the summary, conclusions, policy recommendations and suggestions for future studies.

**CONCEPTUAL FRAMEWORK**

In recent times, CG has become an issue of global significance due to the separation of ownership and management control, corporate scandals and increased accountability for wide stakeholders interest (Johnson et al, 2008). Traditionally, corporate administration was conceptualized in terms of a principal-agent relationship. (Ahumwan, 2002) However, the abuse of shareholders right in which corporate executive were increasingly able and predisposed to maximize their interest rather than shareholders (Khan, 2011) thereby creating the need for CG.

CG has also received increased attention because of crises of confidence created by the failure of large corporation due to high-profile scandals involving abuse of corporate power and in some cases alleged criminal activities of corporate officials (Kazmi, 2008). Global disasters such as unethical financial reporting witnessed by Enron and World com, Parmalat, the Maxwell saga in the U.K., Dawoo in Korea, Leisurenet, Regal Bank in South Africa, Cadbury, Oceanic Bank and Intercontinental Bank in Nigeria confirmed the growing need for transparency and accountability in corporate management (Uwigbe, 2013).

**Concept of Corporate Governance**

CG, as a concept, is viewed from at least two perspectives: a narrow one in which it is viewed merely as being concerned with the structures and systems of control by which managers are held accountable to those who have legitimate stake in an organization (Jacoby, 2005) and a broad perspective in which it is regarded as being the heart of both a market economy and a democratic society (Oyejide and Soyibo, 2001).

Literature on CG and practices around the world suggest a number of principles and codes. Globally, the Principles of CG by OECD (1999, 2004, and 2015) and the First and Second King Report on CG for South Africa (IOD, 1991, 2002, 2005) provided the foundation for the development of CG codes in African countries (Oso and Semiu, 2012). From the OECD principles, the objectives of CG include:

* To promote a transparent, fair and efficient market that is consistent with laws and rules
* To protect shareholders’ interest and facilitate the exercise of their rights
* To equate between minority, foreign and majority shareholders and treat them similarly
* To encourage cooperation between stakeholders and corporation for offering jobs, wealth creation and sustainability of the enterprise
* To ensure accurate, proper and timely disclosure of all information and data material in terms of financial statements, ownership, performance, governance, etc.
* To make sure that Board of Directors follows a clear strategic plan, monitors the management effectively, and is responsible for the company and the shareholders.

In summary, good CG has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable, inclusive and follows the rule of law. It assures that corruption is minimized, the views of stakeholders are taken into consideration and more importantly, it is also responsive to the present and future needs of the society (Aurangzeb, 2012).

**Corporate Governance and Performance**

Theoretically, effective governance is essential for long term success. It is a vital ingredient for balancing order and equity of society, ensuring accountability in the house of power, and protection of human rights and freedom (Kwakwa and Nzekwu, 2003). Empirical evidence on the relationship, between corporate governance and performance have been mixed (Adewusi et al, 2013). While some empirical reports support of positive relationship between CG and some indices of performance such as profitability, stock returns, share price and reduction incidence of corporate failure (Uwigbe, 2013; Gomper et al, 2003; Wapper and Loot, 2003; Droblez et al, 2004; Sanda et al 2005 and Aliya and Robina, 2007). However, studies conducted by Adewusi et al 2013 did not find significant relationship between CG and performance.

**CORPORATE GOVERNANCE OF HIGHER INSTITUTIONS IN DEVELOPED AND DEVELOPING COUNTRIES**

CG is not only applicable to industrial operations, organizations whether private or public sectors need effective CG. Higher institutions are increasingly been challenged by globalization, diversity of work force and complexity of environment. The problems of internal politics, work ethics, inadequate financing, overconcentration of authority and increased competition in the global market are manifestations of poor corporate governance culture. (Basheka, 2015).

CG in higher institutions according to Basheke, (2015) is the process for distributing authority, power and influence for academic division among various constituencies. The Council, the Senate/Academic Board, Faculty, Department Staff, Students, Administration, Unions, Committees and Subcommittees play significant role in higher institutions CG.

In recognition of the vital role of modern corporations in sustainable development, there has been increasing global initiatives toward the design and implementation of corporate governance principles for effective performance. Most of these initiatives featured prominently in developed countries like United Kingdom, United States of America, and Australia. Developing countries like India, South Africa and Nigeria have also taken bold steps to address the issue of CG (Okeke, 2007). CG in these countries was initially confined to corporate giants and multinational corporations; however, the trend has been extended to HEIs with the growing need for an educated society (Asi, 2011).

In Australia, the Bosch Reports and Hilmar Reports laid the foundation for promotion of good CG. Australian HEIs are incorporated by statutory legislations that influence the governance by stipulating the structure and providing the guidance in relation to the role of the Council and Principal Officers (Crous, 2017). Subsequently, the Deloitte Report reviewed and aligned governance of Australian HEIs with contemporary governance and management practices. The main features of the reforms include increase in the size of Councils, increase in the number of independent Council members, promoting the use of Standing Committees with independent members, retaining the power of Senate in governance of academic, research and learning (Deloitte, 2014).

The Cadbury Report of 1992 and the Stewardship Codes of 2010, 2012, 2014 and 2016 provided the building blocks for UK’s CG codes and principles. In Europe, HEIs’ CG is implemented through a number of internal and external structures. Academic Board/Senate, Council, Board of Trustees, Board of Directors, Governing Boards and General Assembly constitute the important internal structures. The duties differ and decision making power of these bodies varies from country to country. All the HEIs have executive heads called Vice Chancellor, Provost, Rector or Director appointed either by the Council and Senate. In recent times, changes in internal governance were directed towards increasing its autonomy and decision making. The external structures describe the involvement of the State for control, supervision and interference.

American Competitiveness Codes 1990, Business Round Table Statement of Corporate Governance etc. served as catalyst for several U.S CG practices. CG of HEIs in US is diverse with each State having its own government structures. The absence of uniform CG document makes CG in US HEIs complicated. Some external governance structures are affected by the State whose involvement ranges from only oversight to complete operational control. Others are governed by a combination of structural levels. Internal governance structures differ significantly and depend on the State level boards and their involvement in governance of HEIs. The level of State funding also differs and affects the State involvement in HEIs (Business Roundtable, 2010, 2014).

In South Africa, the state supervision model is adopted; Higher Education Act of 801 of 1997 and National Qualification Framework of 2018 amended in 2012 provide guidelines for institutional governance. These Acts empower the Minister of Higher Education to intervene in case of poor performance. These Statutes provide the Ministry of Higher Education assisted by Council of Higher Education with ultimate responsibility for quality assurance. The Internal Structures of South Africa HEIs include Councils responsible for strategic decision, Academic Board/Senate for academic matters. The Senate/Academic Board comprised of mainly academic employees with representation of non-academic staff and students (Crous, 2017).

**Corporate Governance in Nigeria Higher Institutions**

The history of HEIs in Nigeria is traceable to the early 1930s when Yaba Higher College was established following the Elliot Commission Report. Subsequently, other higher colleges were established in Zaria, Enugu and Ibadan in 1940s. In 1948, University College of Ibadan was founded as a campus of University College of London. Subsequently, the Ashibi Commission Report led to the establishment of regional universities in Nsukka, Ife and Zaria in 1962 to provide high level manpower for the emerging public sector. The University of Lagos was also established as a federal University. About the same time, regional polytechnics or Colleges of technology were established in Kaduna, Enugu, Ibadan and Benin to produce technical manpower and Colleges of education in Zaria, Ondo and Owerri for training of secondary school teachers. Later in 1970, the University of Benin came into existence as the fourth regional university. These Universities were regarded as the first generation universities (Ogunruku, 2012).

The evolution of second generation universities started in 1975 when seven federal universities came on board in Ilorin, Port Harcourt, Calabar, Jos, Maiduguri and Sokoto. During this period, many federal and state HEIs were established (Ogunruku, 2012).

The third generation of universities were founded in the early 1980s with the establishment of Universities of Technology and Agriculture in Owerri, Makurdi, Bauchi, Minna and Abeokuta. At the same time, many states like Imo, Ondo, Lagos, Oyo, Cross River established state universities borne out of the political and economic exigencies of the time (Ajayi and Haastrup, 2016).A new development was witnessed in the 1990s with the evolution of private HEIs. In fact, the fourth generation NHEIs were established between 1991 till date (Ogunruku, 2012).

The summary of HEIs in Nigeria offering approved and accredited programmes are provided in Table1 below:

Table I: **Higher Institutions Offering Approved and Accredited Programmes in Nigeria**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **Institution Type** | **Federal** | **State** | **Private** | **Total** |
| **1** | Colleges of Education **a** | 22 | 47 | 17 | **86** |
| **2** | Polytechnics/Monotechnics **b** | 28 | 43 | 48 | **119** |
| **3** | Universities **c** | 41 | 47 | 74 | **162** |
|  | **Total** | **91** | **137** | **139** | **367** |

Governance of University College of Ibadan (now University of Ibadan) naturally tapered from that of its main campus of London (Ogunruku, 2012). Other universities, particularly, the first generation universities adopted the governance structures of the early British Universities (Ajayi and Haastrup, 2016). These structures were incorporated into the various laws and statutes of various institutions.

The Statutes establishing these institutions such as Federal Universities of Technology Act 1986, The Universities (Miscellaneous Provisions) (Amendment) Act 2003 etc. provide for the external and internal structures of governance. The external structures involve the participation of key stakeholders in institutional decision making of NHEIs. They include the Ministry of Education and agencies like Nigeria Universities Commission (NUC), National Board for Technical Education (NBTE) and the National Council for Colleges of Education (NCCE) charged with the responsibility of monitoring the quality of services rendered by NHEIs.

The constituents of internal governance structures are those established by the Statutes of NHEIs. They include the Councils, the Senate/Academic Boards, Congregation, Convocation, and Faculty/School Boards. The Council is the highest decision making authority of NHEIs. The composition of the Council has been reviewed in line with global best practices. For instance, the Universities (Miscellaneous Provision) (Amendment) Act of 2003 adjusted the position of the Governing Councils of Nigerian Universities to have more internal members than external members in order to drive the system effectively and efficiently. The Act also guarantees the autonomy of the University by providing the Councils with full responsibility for good management, growth and development of the institutions.

**THEORETICAL FRAMEWORK**

CG can be discussed under the framework of agency, stewardship, ethical, stakeholders, corporate social responsibility, organisational and institutional theories to mention just a few. Agency theory suggests that organizations can be viewed as a nexus of a contract between the principal (shareholders) and agents (corporate management). An agency problem exists when the management fail to act in the interest of the owners leading to friction and mistrust (Obasan, 2014). For management to act ethically in the interest of the principal, the need to apply CG principles is inevitable. The main critic of the theory is the assumption that corporate executives are self-centred and irresponsible (Kazmi, 2009).

In stewardship theory, corporate management are considered to be obedient servant managers who will act in the best interest of the owner/principals. As “stewards” their interests are aligned with those of the owners. (Davis et al 1997). The divergence of perspectives on CG in HEIs evidently derives from theories of the subject which include inter alia.

The agency theory is associated with a less trusting environment and provides for stringent measures using extrinsic rewards. At the other extreme, a stewardship theory is associated with more trusting environment and provides more intrinsic and empowering type of control.

The stakeholder’s theory has diffused tremendously after the publication of Freeman leading book “Strategic Management”: A stakeholders approach (1984). It is a redefinition of organization taking into account a wider group of constituents rather than focusing on shareholders (Babiri, 2012). The theory proposed that firms should design their strategies considering the interest of the stakeholders who are affected by the organization purpose (Freeman, 1984). The theory gathered momentum in the 70’s reflecting a social fear that the large Multinational Corporations (MNCs) had become too imperialistic and powerful to be held accountable. Classical stewardship theory, Environmentalists and Consumerists particularly find ally in the stakeholder theory (Yakasai, 2001).

Ethical theory is based on utilitarianism. It is the need to give greatest happiness to the greatest number of people. The utility of the stakeholders should be paramount in the minds of corporate management (Oso and Semiu, 2012).

For success of organizations, Corporate Social Responsibility (CSR) has long been identified as a factor. CG cannot be effective without CSR. Organization succeed where good CG is practiced, whereas, CG and effective CSR are intimately related (Oso and Semiu, 2012).

Meanwhile, this study is anchored on institutional theory of CG. Institutional theory argues that organizations are not just a place where goods and services are produced; rather they are also social and cultural systems. In order words, organizations do not only engage themselves on competition but legitimized themselves (Mamum, 2013). Institutional perspectives on CG are best met in environment with high level of regulatory efficiency (Krishnan and Das, 2005). It indicates that CG practices diffuse into a pre-existing moral environment or cultural field (Comaroff and Comaroff, 1991).

Institutional theory is significant in its openness of human behaviour and ability to provide a more holistic view of CG that accounts for configuration of interdependent elements such as the relationship between stakeholders and corporation and the relationship between the corporation and society (Davis and Useen, 2002).

**METHODOLOGY**

The study utilized qualitative approach to facilitate in depth and contextual analysis of CG and its challenges in Nigerian higher institutions. A content analysis of available documents and interview of principal officers provided insight into CG practices of higher institutions. Studies on CG in NHIs are scanty and views of the key stakeholders are important for understanding the phenomena. This approach facilitates the identification of issues relating to CG. HEIs constitute the literary level of education in Nigeria. They include Universities, Polytechnics/Monotechnics and Colleges of Education (Bamiro, 2012). Presently, there are 162 Universities, 119 Polytechnics/Monotechnics and 86 Colleges of education established by Federal, State and private investors. Data were gathered from 9 interviews conducted across these categories. A purposeful sampling approach (Sander et al, 2015) was used to select institutions relevant to the study. Participating NHEIs were leading Federal, State and Private institutions based on web ranking. The interviewees comprised Vice Chancellors, Rectors and Provosts of these institutions. These categories are accounting officers and drivers of change process. All the institutions were selected based on the main feature of providing comparability and justification (Yin, 2003). Interview was restricted once the required information was obtained. Respondents were also promised anonymity of names and their respective organisations.

**DATA ANALYSIS AND RESULTS**

 The analysis process commenced with transcribing the data from the interview. The transcripts were then summarized. An analysis of secondary information was also conducted to further corroborate the transcribed data. Documents such as conditions of service, enabling laws, annual reports, information available from web sites, vision, mission, strategic planning, organization structure, and organisational manual and so on were contently analysed to ensure rigor in the data collection process.

Responding NHEIs were identified and represented by pseudonyms like FU, SP and PC for Federal University, State Polytechnic and Private College of Education respectively. The CG practices of selected NHEIs are shown in Table II below:

**Table 1I: APPLICATION OF CORPORATE GOVERNANCE PRACTICES IN SELECTED NHEIs**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Institu-tion** | **Year of Establish-ment** | **Statute** | **Constituents of Internal Governance** | **Constitu-ents of External Governance** | **Disclo-sure of CG Practi-ces** | **Principal Officers** |
| 1 | FU | 1948 | Universities Miscellaneous Provision 1993 Amendment 2003 | Councils, Management, Senate, Faculty Board, Departments | NUC, Federal Ministry of Education | None | VC, 2 DVCs, Registrar, Bursar and University Librarian |
| 2 | SU | 1984 | LASU Law of 2004 | Councils, Management, Senate, Faculty Board, Departments | NUC, State Ministry of Education | None | VC, 2 DVCs, Registrar, Bursar and University Librarian |
| 3 | PU | 2002 | Incorporated Trustees | Board of Regents, Senate, Faculty Board, Departments | NUC, Board of Trustees, Federal Ministry of Education | None | VC, 1 DVC, Registrar, Bursar and University Librarian |
| 4 | FP | 1963 | Federal Polytechnics Act 2004 Amendment 2017 | Council, Academic Board, Management, Board of School, Departments | NBTE, Federal Ministry of Education | None | Rector, Deputy Rector, Registrar, Bursar, Polytechnic Librarian |
| 5 | SP | 1978 | LASPOTECH Law 2004 | Council, Academic Board, Management, Board of School, Departments | NBTE, State Ministry of Education | None | Rector, 2 Deputy Rectors, Registrar, Bursar, Polytechnic Librarian |
| 6 | PP | 1990 | Incorporated Trustees | Council, Academic Board, Management, Board of School, Departments | BOT, NBTE, State and Federal Ministry of Education | None | Rector, Deputy Rector, Registrar, Polytechnic Librarian |
| 7 | FC | 1963 | Federal Colleges of Education Act 1963 | Council, Academic Board, Management, Board of School, Departments | NCCE, Federal Ministry of Education | None | Provost, Deputy Provost, Registrar, Bursar and Librarian |
| 8 | SC |  |  |  |  |  |  |
| 9 | PC | 2004 | Incorporated BOT | Council, Academic Board | NCCE, BOT, Federal and State Ministry of Education | None | Provost, Deputy Provost, Registrar, Bursar and Librarian |

Source: Compiled by the Authors

Table 1I shows the application of CG in NHEIs. The structures are similar to those of the UK. The internal governance structures of shared governance are found virtually in all the institutions. The external governance structures are in forms of state involvement in institutional governance and one important finding is the absence of Annual Report on disclosure of application of CG principles.

The major internal constituents of governance are usually provided by the statutes establishing the institutions. They include the Governing Councils, Executive Management, Management Committee, Senate/Academic Board, Faculty Board, etc. Table II provides the constituent bodies involved in the internal governance of NHEIs. Although, information provided by Table II are based on content analysis of documents. The Table II shows the executive head of NHEIs is known as VC/Rector/Provost. Overtime, the power of GC and CEO has changed to allow the CEOs have more power in decision making. For instance, the University (Miscellaneous) Amendment Act 2003 guarantees the autonomy of Nigerian universities by providing the Council with full responsibility for good management, growth and development. The selection of the CEO is usually by the GC for a single term of 5 years. The size and membership of the Council vary depending ownership structure. Membership also is composed with representation from internal and external stakeholders.

Table III: **Composition of Nigerian Higher Institutions Governing Councils According to the Statutes**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S/N | Membership | FU | SU | PU | FP | SP | PP | FC | SC | PC |
| 1 | Non-Executive Chairman | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Executive Chairman | - | - | - | - | - | - | - | - | - |
| 3 | VC/Rector/Provost | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | DVC/Dep. Rector/Dep. Provost | 2 | 2 | 2 | 2 | - | 1 | - | - | 1 |
| 5 | Rep Senate/ACB | 4 | 4 | 4 | 2 | 1 | - | 2 | 1 | - |
| 6 | Rep Congregation | 2 | 1 | 1 | 3 | 2 | - | - | - | - |
| 7 | Rep Ministry of Education | 1 | 1 | - | 1 | 1 | - | 1 | 1 | - |
| 8 | Rep Convocation | 1 | - | 1 | 3 | - | - | - | - | - |
| 9 | Rep Students | - | - | - | - | - | - | - | - | - |
| 10 | Rep Geo Political Zones | 9 | 12 | - | 5 | 5 | 5 | 3 | 3 | - |
| 11 | Rep of Regulatory | - | - | - | 1 | - | - | - | 3 | - |
| 12 | Rep Professional | - | - | - | - | 1 | - | - | - | - |
| 13 | Rep Industrial Ass | - | - | - | - | 2 | - | - | - | - |
| 14 | Rep Alumni | - | 1 | - | 1 | 1 | - | 1 | 1 | - |
| 15 | Rep BOT | - | - | 4 | - | - | - | - | - | 7 |
| 16 | Rep of University | - | - | - | - | - | - | 1 | 1 | - |
| 17 | Rep National Council for Women | - | - | - | - | - | - | 1 | - | - |
|  | TOTAL | 21 | 23 | 15 | 19 | 15 | 8 | 11 | 12 | 10 |

***Source: Compiled by the Authors***

It follows from the preceding Table III that participating NHEIs Councils range from ten to twenty-three. While some NHEIs have all DVCs on the Councils, others have provision for only one. Senate/ACB representatives on the Council also vary. While the federal institutions provide for more representation, states have less and virtually none in private institutions. Some institutions provide for Alumni representation. One of the polytechnics allows for the representation of organised private sectors, such as Manufacturers Association of Nigeria (MAN), Lagos State Chambers of Commerce and Industries (LCCI). All the federal and states institutions provide for the representation of Ministry of Education. In addition, federal institutions have representatives of regulatory bodies like NUC, NBTE and NCCE. Some of the institutions have representatives of professional bodies e.g., COREN. Private institutions have Council members comprising the Board of Trustees of the funding organisations. Assisting the Councils in performing their functions are standing committees. Financial and General Purpose, Tenders Board, Development, Audit, Appointments and Promotions Committees are common to most of these institutions. The composition of these Committees depends on the provisions of the Statutes.

Statutes of NHEIs provides for a Senate/Academic Board. The body is academic governance and is accountable to the Councils. It has responsibility for academic and research activities. Table IV contains the summary of composition of Senate/Academic Boards of participating NHEIs as stated in the Statutes.

Table IV: Senate Composition of Selected Nigerian Higher Education Institutions According to the Statutes

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S/N | Composition | FU | SU | PU | FP | SP | PP | FC | SC | PC |
| 1 | VC/Rector/Provost | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** |
| 2 | DVC/Dep. Rector/Dep. Provost | **√** | **√** | **√** | **√** | **√** | **√** | - | **√** | **-** |
| 3 | Registrar | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** |
| 4 | Campus Heads/Directors | **√** | **√** | **√** | **√** | **√** | - | - | - | - |
| 5 | Deans | **√** | **√** | **√** | **√** | **√** | **√** | **-** | **√** | **-** |
| 6 | Dean Students Affairs | **√** | **√** | **√** | **√** | **√** | **√** | - | - | - |
| 7 | Director ICT | **√** | **√** | **√** | **√** | **√** | - | - | - | - |
| 8 | Director Academic Planning | **√** | **√** | **√** | **√** | **√** | **√** | - | - | - |
| 9 | Heads of Departments | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** |
| 10 | Professors/Chief Lecturers | **√** | **√** | **√** | **√** | **√** | **√** | - | **√** | **√** |
| 11 | Librarian | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** |
| 12 | Senate Representative | **√** | **√** | **√** | **√** | **√** | **-** | **-** | **-** | **-** |
| 13 | Representative of Congregation | **√** | **√** | **√** | **√** | - | - | - | - | - |
| 14 | Representative of Unions | - | - | - | - | - | - | - | - | - |
| 15 | Students Union Representative | - | - | - | - | - | - | - | - | - |
| 16 | Rep of Council | - | - | - | - | - | - | - | - | - |

***Source: Compiled by the Authors***

From Table III, all the institutions have the Vice Chancellors/Rectors/Provosts and their respective deputies, Librarians, Deans of Students Affairs, Campus Heads, Academic Directors, Directors of Academic Planning, Heads of Departments and Representatives of Congregation included in the composition of the Senate/Academic Boards. All the institutions do not have Staff and Students union’s representatives as practiced in developing countries.

The Senates/Academic Boards of participating institutions also adopt a committee system of governance. Research Grant and Staff Development, Business Committee, Committee of Directors/Deans, Curriculum Committee and Students Disciplinary Committee are common to all participating institutions. Some of these HEIs also operate a joint Committee of the Council and Senate particularly in respect of appointments and promotions of academic staff.

Operation management of the NHEIs is vested with the Principal Officers appointed by the Councils and comprising the Vice Chancellor/ Rector/Provost, DVC/ Deputy Rector/Deputy Provost, Registrar, Bursar and the Polytechnic Librarian. To achieve organizational wide participation in decision making an expanded management known as Management Committee is put in place. The Committee is composed of the Principal Officers, Dean Student Affairs, Deans of Schools, Directors of Ventures, Director Academic Planning, Director of Works, Director Health Administration, Chief Internal Auditor and Director Public Relations. The committee exists to advise the executive management on the day to day running of the institution.

Apart from the statutory internal structures presented above, there are Management and Advisory Committees which further enhance participation in decision making. Vice Chancellors, Provosts and Rectors operate a committee system to advice on strategic and non-strategic issues. Examples are Executive Management, Management, Ceremonies, Sports and Games, Students and Staff Discipline, Staff and Students Welfare, Research and Development, External Relations, Congregation, Security and Housing Committees. The institution of these committees enhances the beauty of CG in HEIs. It also facilitates capacity building and participative management.

 Management of some NHEIs also engage in interactive sessions with all stakeholders including students, teaching and non-teaching staff, Ministries, Departments and Agencies (MDAs) of the governments, royal fathers and the hosting communities.

Faculty Boards, Schools Boards and Academic departments also play important role in CG of NHEIs. They are responsible to the Senate/Academic Board and are expected to report their activities to the Senate/Academic Board for approval. In addition, they provide inputs for academic and management decisions.

Congregation is statutory recognised but has no executive functions, yet is strategic to good governance and order of NHEIs. The Statutes in all cases prescribe that congregation shall comprise all full time academic staff who holds a degree of any HEIs recognised for the purpose of the Statute by the Vice Chancellors/Rectors/Provosts not being honorary degrees.

 Statutes of NHEIs also provide for Convocation, in Nigeria Universities, it is usually presided by the Chancellor, in his absence, Vice Chancellor and where both are absent, the Deputy Vice Chancellor. The Convocation comprises all officers of HEIs as mentioned in the Schedule of the Statutes, all academic staff and all graduates of the institution. The purpose is to confer degrees, diplomas and fellowships on graduates and members of the society.

A meeting of the congregation is usually held periodically for the purpose of receiving reports of the institutions activities. It offers the most convenient forum for disseminating vital information and exchanging views freely on issues affecting stakeholders.

The NHIs Conditions of Service regulates appointments of various categories of staff. It addresses issues like compensation package, promotion, staff discipline, retirement, leave, and governance procedure.

The Financial Guidelines of these institutions outline the primary responsibility of the CEOs on financial matters, responsibility of spending officers, bursary, internal audit, budgetary provisions, order of work, tenders, acquisition of assets, payments, income, insurance, etc.

**CHALLENGES OF CORPORATE GOVERNANCE IN NHEIs**

From the scheduled interview, the design and implementation of CG in NHEIs are faced with internal and external challenges. Funding was found to be one of the major internal challenges affecting effective adoption of CG. Majority of the respondents argued that inadequate funding from the government and owners of these institutions did not allow for effective CG practice. A Rector of a State Polytechnic commented:

“The Polytechnic relies heavily on government subvention to survive. The total monthly personnel costs are over 210 million naira and the monthly subvention from the State Government is 153 million naira which is grossly inadequate. To complement the subvention, part time programmes are run to boost internal revenue generation. The operation of part time system affects the quality of education. Moreover, the institution is not in full control. The State that provides the bulk of funds for running the institution usually dictates the programs and projects to channel the funds.”

Owing to the challenge of funding and breakdown of infrastructure in NHEIs since the commencement of economic recession in the late 1980s, many who have no business in academic environment found their ways in. Such people have limited understanding of the system, they are products of the prevalent emergency situations, witnessed by a lot of bellicose unionistic intervention for redeeming the created confusion in the system. In fact, rather than the system improving, the system began to retrogress (Ajayi and Haastrup, 2016).

A similar disturbing symptom of poor CG in NHEIs is the historical evolution and changing dynamism of staff unions whose instruments for negotiation is strike. Over the years, these unions had embarked on strikes to press for their demands (Falase, 2010). As rightly noted by a Registrar:

“…majority of the strikes are caused by financial and other problems of NHEIs and traceable to government who routinely bypass the Management and Governing Council to issue all sorts of instructions and circulars.”

Resulting from reliance on government for funding is the interferences of the State in administration of these institutions which is also a major challenge. Admission of quality candidates and recruitment of qualified manpower to fuel CG practices are problematic in view of frequent requests from civil servants, public officers and politicians as rightly remarked by a Provost of College of Education:

“There are criteria for selection of prospective candidates for admissions and recruitment of manpower. Such criteria are compromised to accommodate requests from top government functionaries. This to a large extent would affect the quality of students and staff.”

Most NHEIs were established by various Statutes. These laws contain relevant information relating to appointment of key officers. In some cases the laws are violated to satisfy the need of the key stakeholders. For example, a State Government recently filled the vacuum created by the death of a College Provost through selection of a university lecturer in acting capacity without following normal procedure. Political considerations and loyalty to the government were the main criteria for the appointment. Management of such institutions would therefore be based on the dictate of the government rather than application of CG principles.

Leadership is another major challenge. Effective implementation of CG in these institutions is contingent on good leadership in both teaching and non-teaching departments. Also good leadership is necessary at the Councils. Leadership in NHEIs require not only professional competence but administrative acumen to successfully implement CG principles as rightly echoed by a Vice-chancellor.

“Some officers have professional skills but majority of these leaders lack administrative experience to stir the affairs of the institutions. The passage of the new Pension Law by the Government created leadership vacuum for my institution. Majority of experienced staff retired to take opportunity of the old pension schemes. The mass retirement of experienced staff left the administration of the institution in the hands of inexperienced staff. In addition, the composition of the present Council constituted an impediment to effective to CG practices. Council comprising members from the geo political zones of the States appointed not on the basis of skills and experience but political affiliations will not provide for robust decision making process.”

Meanwhile, the present composition of Federal Universities Councils designed to favour internal members is a major challenge. While some members are elected to the Council with leadership skills and commitment, a number of these elected officers lack the skills, experience and attitudes to contribute positively to the development of the institutions. They are just squarely politicians pursuing the narrow interest of their sponsors.

Also, the domineering influence of Unions on election matters has its decreasing impact. A situation in which elective positions are influenced by the Unions will create mediocrity and shift of loyalty. A former Registrar commented on the negative effect of this development in his Valedictory Speech delivered in June 2010 as follows:

“A Council with this composition is obviously not in good position to take an independent view of the affairs of its University; such Council will be more concerned with internal politics”.

In the same vain, appointments of leadership of academic and non-academic units by the VC/Rector/Provost on the basis of personal and principle of giving job to the boys will also affect quality of output negatively.

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The mandate of higher institutions to develop a whole man mentally, morally and physically is being seriously challenged nationally and internationally. Effective CG is a sine qua non for long term corporate success. (Menih Ukpong, 2013). Intellectual capital is the most important resources in knowledge-based organisations. Its importance is increasingly appreciated in the world of business (Bontis, 1996; Bradley, 1997; Keenan and Aggestam, 2001). CG practices were initially confined to corporate giants and businesses. However the trend has started to take roots in NHEIs with growing need for an educated society.

Governance in NHEIs has been under spotlight for several years due to leadership problem, poor funding, and mismanagement of resources, government interference, organisational politics, influence of unions and faulty composition of Councils to mention just a few.

Good governance has been recognised as the major force in enhancing the quality of higher education in the contemporary environment characterised by globalisation, internationalisation and global university ranking (Salami, 2009). Various governance models have been documented in recommending best governance practices for quality education. There is no model that fits all situations. However, an effective model must seek for greater accountability, transparency, competition and fewer regulations.

State involvement in NHEIs is supervisory in nature with Ministry of Education and regulatory agencies playing oversight functions. The internal governing structures of NHEIs are the Council, Senate/ACB and Management. The Council serves as a focal point of governance. It is the highest decision making body for good order and governance. The recent changes in composition of internal governance structures of NHEIs are directed towards empowering the Council and Management effective performance.

In view of the foregoing, it is therefore recommended that attempts by the various Nigerian governments in granting autonomy to higher institutions through the various enabling laws should be used as opportunities by higher institutions to take full responsibility for good CG. This system of administration must be accountable, transparent, participatory, ethically caring, motivating, guarantees free flow of information and guarantee fundamental human rights. To sustain public confidence, the Council should include more external members and focus on providing strategic direction and reduce interference in management of the institutions.

Disclosure of internal government practices is virtually non-existent in NHEIs. Hence, commitment of these institutions to CG principles of independence, transparency, accountability and responsibility is in doubt. Information gathered from content analysis of documented reports does not portray application of disclosure principles of CG which is the core aspect of international best practices. Although, Congregation reports delivered by Vice Chancellor/Rectors/Provost will render some account of stewardship. Without disclosure of application of CG principles by the Councils and Management, the stakeholders will find it difficult to hold the constituents of governance accountable. Usually, Annual Reports must be prepared, published and submitted to the government through the Ministry of Education. In addition, a National Database that will guarantee access of these documents for public use should be established.

 Meanwhile, the study makes important contributions to theory and practice. First we expand the existing small number of studies on CG in NHEIs. This study clearly describes the internal and external governance structures of NHEIs and the importance of CG in the performance of these institutions in light of developments in the global environment. Second, the study highlights the challenges faced by these institutions in achieving good governance. Third we demonstrate the absence of disclosure of application of CG in institutional reports which needs adequate attention. Such information can be used for the purpose of benchmarking.

Nevertheless, the findings of this exploratory study must be interpreted with care. It has some limitations. Hence, suggestions for future studies deserve some comments. The study focused mainly on few NHEIs and generating data from only Principal Officers. A more comprehensive study on NHEIs incorporating both academic and non-teaching staff would be desirable in order to enlarge the sample size and increase the possibility of generalizing the findings for future studies.

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