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Corporate Governance and Investment Decisions in Deposit Money Banks in Nigeria

Wisdom Okere[1]
Department of Accounting, Bells University of Technology, Ota Ogun State, Nigeria

Oyebisi Ibidunni
Department of Accounting, Bells University of Technology, Ota Ogun State, Nigeria

Abstract

Recently, following financial crises in the global world, the focus of attention has been moved towards how a company is being managed. This study examined the effect of corporate governance on investment decisions of shareholders of listed banks in the Nigerian capital market from 2005 to 2015. The study adopted the secondary method of acquiring data which was sourced from financial statements of eight banks listed. Panel Regression Analysis was employed in the analysis of the data collected with the use of electronic views. The results revealed that there exists a positive and significant relationship between corporate governance (board size, board independence and audit committee independence) and investment decisions of shareholders. Consequently, it is recommended that to further provide effective corporate governance measures, strengthening of corporate governance and accounting standards in Nigeria would go a long way in promoting investors' confidence and thereby create positive investing decision.

Keywords: Corporate Governance, Investment Decisions, Board Size, Board Independence, Audit Committee Independence.

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[1] *Corresponding author's email: wisescar@yahoo.com*

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Introduction

Financial crises naturally project corporate governance to the foreground (Eluyela, Akintimehin, Okere, Ozordi, Osuma, Ilogho & Oladipo, 2018). The integrity of financial disclosure has been of issue amongst stakeholders since the high-profile collapse of a number of recognised firms like global financial crisis, Enron, WorldCom, One Tel (Australia), Nortel (Canada), Parmalat (Italy), Oceanic Bank, Intercontinental Bank, Afribank, Skye Bank and Cadbury (Nigeria) (Adedipe, 2004 and Uwuigbe, Daramola, & Anjolaoluwa, 2014; Okere, Eluyela, Lawal, Oyebisi, Eseyin, Popoola & Awe, 2019). These high-profile collapses which involved accounting fraud unfortunately, had a negative effect on stakeholders in terms of losses in their investment (Ojeka, Iyoha & Obigbemi 2014). The central bank of Nigeria reported cases of attempted fraud and forgery in banks. It disclosed that a total of 741 cases of attempted forgery and fraud, involving #5.4 billion was reported in 2007 (Adeyemo, 2016). The conventional literature on corporate governance addresses the issues from various facets and reveals a school of definitions based on different business environments and corporate functions. In a wider sense, Organization for Economic Co-operation and Development (OECD) (2004) depicts corporate governance as a set of relationships via its management, board directors and other stakeholders.

Financial scandals have dampened investors' faith in banks as well as capital markets and the efficacy of existing corporate governance practices in positively preaching transparency alongside accountability. Corporate governance faces the issues of unprofessional affairs, fraud, diminishing internal control measures, non-implementation of penalty measures by regulatory and legal framework among others. These listed problems have affected the relative performance of the banking sector; giving room for inefficiency and reduced profit margin (Obeten & Ocheni, 2014).

Nweze (2016) posits that some banks may have been experiencing a full-blown financial crisis due to a cash crunch arising from failed monetary and fiscal policies. Also, Arqaam Capital report (2016) is in conflict with the central bank of Nigeria statement which last month gave all the 22 commercial banks a clean bill of health. The banking sector drew a lot of attention the last few years as it has no doubt had its fair share of the backlash expected in the economy that is battling to shrug off recession. The present economic challenges in Nigeria would only project the best with solid corporate governance (Ambode, 2016).

In the same vein, bad corporate governance has hindered the attainment of organisational objectives and economic growth in the banking sector and the economy as a whole. This has also led to public confidence loss and loss of customers' funds in the banking industry; it is generally believed that bad corporate governance is the issue affecting corporations in both rich and poor nations. This is evidently true of Nigeria where corruption is a culture (Financial Standard, 2007). Nwosu (2007) states that corporate governance code in Nigeria is promoted to ensure that managers and investors of companies carry out their functions within the framework of accountability and transparency. This will enable stakeholder's interests to be recognised and protected which is expected to promote investment decisions of shareholders and other interested groups. Recent investment decisions by entities are affected by the corporate governance performance of companies.

There exists an impressive research body that evaluates companies and the connection between strong governance and better performance. Although, existing literature presently goes so far; the introduction of behavioural finance has brought about companies looking into the behaviour of investors and what actually drives them to buy more shares in a company or sell their shares.

Despite the relative plethora of studies such as (Merton, 1987; Medhi, 2007; Adesanmi, Ogunleye & Sanyaolu, 2018), there are a relative few that explicitly inquire from investors what importance they place on corporate governance when making investment decisions. Studies in Nigeria haven't been extensively analysed whether the level and quality of firm-level corporate governance plays a role as large-scale investors consider investment decisions. Specific corporate governance-related reforms could make countries ripe for investment.

However, it is imperative to explore this question because governance, which promotes investor protection, might be expected to influence how investors behave; this will be imperative for understanding the role of governance. It is against this precipice that this study intends to identify the relationship between corporate governance and investment decisions of shareholders in Nigeria.

Literature Review

Behavioural Factors Influencing Investment Decision Making

Investment decision making is a crucial activity for investors, especially in the changing environment with multidimensional alternatives. Investment decisions cannot be made only depending on the personal resources and advanced models. Investors should be vigilant and updated to achieve the desired goals. Investment decisions deal with the allocation and utilisation of resources and funds. A wrong decision poses a serious threat to firm's survival. Hence, careful evaluation of investment decisions is of high priority to firms. However, recent studies (Baker, Stein & Wurgler 2003; Dong, Hirshleifer & Teoh, 2007) have found that managers do not always make investment decisions in the interest of shareholders.

Investment decision making is a very difficult task. Kannadhasan (2010) posits that investors should keep themselves updated in multidimensional fields to achieve their desired objective in business. Financial and economic theories explain that individual act rationally and think about all accessible information for decision making of investment. But behavioural finance believes that investor acts irrationally in the stock market. Pavabutr (2002) said investor's psychology, behavioural biases and emotions lead to a systematic error in how they process their information. Studies done by (Kahenman & Tverseky, 1979; Waveru, Munyoki & Uliana, 2008) explain further that decisions of investors are affected by behavioural, emotional and psychological factors. The empirical findings of studies carried out by (Chen, Kim, Nofsinger & Rui, 2013) illustrate that investors make poor trading and investing decisions because of behavioural biases. (Ricciardi & Simon, 2000) also identified many different behavioural factors which influence investment decision making. However, study done by (Qureshi, Rehman & Hunjra, 2012) illustrates that behavioural factors have a positive impact on investment decision making. According to (Mwangi, 2011; Waweru, Munyoki & Uliana, 2008) heuristics have more influence on investor decisions rather than prospect theory.

Concept of Corporate Governance

Shahid (2001) defined corporate governance as "the set of verified rules by which the management of a company is directed and controlled in order to maximize the profitability and future value of the firm for stakeholders". This definition flows with the agency theory, in which companies should act in favourably to shareholders by through profit maximisation**.** Corporate governance means the rules, norms, system processes, and culture that facilitates achieves the goals of accountability, transparency, justice and observing beneficiary's right. In essence, we can say that corporate governance addresses the means to monitor and manage companies, especially the role of the board in this regard, and defined the framework for an efficient and effective accountability system.

Abdelsalam, El-Masry and Elsegini (2008) defines corporate governance as an important business topic at the beginning of 21st century. In fact, the term corporate governance received considerable attention only in recent decades. In Cadbury (1992), institutional investors and the establishment of the internal control measures as well as internal auditing are truly emphasized. Most countries of the world, including the UK, Canada, China and Australia maintain a developed strategic system. In USA, after disclosure of Watergate election as well as the fraud in the capital market of USA in 2001, the Sarbanes–Oxley Act or the same corporate governance law was enacted (Najjar & Taylor, 2008).

The division of ownership and management causes corporate control to change from owner-controlled organisations to management-controlled organisations (Berle & Means, 1932). Management controlled firms tend towards making self-serving decisions and thus often forsake shareholders' interest (Monsen & Downs, 1965). The classification of corporate control types is in relation to the shareholding of an entity or a party in an organization (Tosi & Gomez-Mejia, 1989). There are many benefits for firms to develop good corporate governance foundation. La Porta, Lopez-de-Silanes, Shleifer, and Vishny (2000) provide positive evidence that implementing good corporate governance practices can promote firm competitiveness, which is pertinent factors to well-developed financial markets and good firm value.

Oluyemi (2007) explains that bad corporate governance such as fraud, unprofessional conduct tends to reduce shareholders wealth, leading to a weak and unreliable banking sector. Corporate governance in the banking industry is complex, when new generation banks streamline corporate governance issues as their main policy, other banks have generally ignored the issue of bringing to light operational corporate governance philosophies, ensuring clear understanding of the issues at hand to be vague. Moreover, several banks in Nigeria have based on profitability level, liquidity assurance, asset

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www.ijmae.com

quality and capital adequacy as criteria for measuring performance levels, yet there's existence of crucial performance variables like investment, policy shift and inflation.

Corporate Governance Mechanism

Corporate governance mechanisms can be subdivided into internal (e.g., the board) and external (e.g., the market for corporate control and the managerial labour market) corporate governance mechanisms. The directors of the board are in charge of the conduct of a firm's operational activities and monitor its management (Conyon & Peck, 1998). Managerial labour market punishes managers once they make decisions in their interest and thus harm their reputation Manne (1965). The considered corporate governance variables are as follows;

Board Composition

One important mechanism of board structure is the composition of the board, which shows ratio of executive and non-executive director representation on the board. In contrast, a majority executive director representation on the board is grounded in stewardship theory, which argues that managers are good stewards of the organization and work to promote higher profits and shareholder returns (Donaldson & Davis 1994). An effective board should be dominated by non-executive directors (Dalton et al. 1998). However, executive director's responsibility is on operational activities of the business such as finance and marketing, etc. They bring specialized expertise to the company (Weir & Laing, David 2001).

Board Size

Board size is the number of members on the board. Identifying appropriate board size that affects its ability to function effectively has been a matter of continuing debate (Jensen 1993; Yermack, 1996; Dalton, Daily, Johnson & Ellstrand, 1999; Hermalin & Weisbach, 2003). Some scholars have been in favour of smaller boards (e.g., Lipton & Lorsch, 1992; Jensen 1993; Yermack, 1996). Lipton and Lorsch (1992) support small boards, suggesting that larger groups face problems of social loafing and free riding. As board increase in size, free riding increases and reduces the efficiency of the board. On the other hand, large boards were supported on the basis of greater monitoring and advice (Pfeffer, 1972; Klein, 1998; Adam & Mehran, 2003; Anderson et al., 2004; Coles, et al., 2008). Diversified firms and those operating in multiple segments require greater need for advice (Hermalin & Weisbach, 2003; Yermack, 1996). However, Singh &Harianto (1989) found that large boards improve board performance by reducing CEO domination within board.

Board Committees

Board committees are also an important mechanism of the board structure providing independent professional oversight of corporate activities to protect shareholders interests (Harrison 1987). The agency theory principle of separating the monitoring and execution function is promoted to monitor the execution functions of audit, remuneration and nomination (Roche 2005). Corporate failures in the past focused criticism on the inadequacy of governance structures to take corrective actions by the boards of failed firms. Importance of these committees was adopted by the business world (Petra 2007). As a result, the Cadbury Committee report in 1992, recommended that boards should nominate sub-committees to address the following three functions:

i. Nominating committees to nominate directors and officers to the board;

ii. Audit committees to oversee the accounting procedures and external audits;

iii. Remuneration committees to decide the pay of corporate executives;

Therefore, the Cadbury committee and OECD principles recommended that these committees should be composed exclusively of independent non-executive directors to strengthen the internal control systems of firms (Davis 2002; Laing & Weir 1999).

Theoretical Framework

Numerous theories have tried to address the focus of this study. With respect to traditional financial market theories, market participants are usually rational. But numerous studies posit that investor behaviour isn't always rational. Recently, stock markets are turning into more unpredictable state. The stock markets instability increases the risk related to the investment. According to Fama (1970) efficient market hypothesis explains that share prices completely indicate all existing information. Efficient market hypothesis is based on investor's information capabilities and rationality basis.

Shiller (1998) defines the efficient market theory based on the concept that investors behave rationally by increasing expected utility and quickly process all accessible information. Investor's view fluctuates of return and risk of their investment even with the existence of the efficient market hypothesis. Research done by Evans (2006) demonstrates that investors utilize repeated patterns of irrational behaviour and deviate from rationality. For investors, one of the most vital aspects when making an investment decision is the implementation level of corporate governance factors (public disclosure of information, shareholder rights protection and fair treatment of shareholders) and profitability, which ensures return on investment. To serve as foundation of this study, this agency theory is adopted.

Agency Theory

Agency theory offers a satisfactory explanation why corporate governance is so important. It posits that there is conflict arising from different managers and shareholders' interests. Managers have a self-interest motive to make self-significant decisions and thus might harm shareholders' interest. Corporate governance makes available strong protection on shareholders' interest. Most research has recognized that corporate governance can help firms to curb agency problems (Daily & Cannella, 2003). The board is particularly viewed a major corporate governance mechanism. The directors of the board are often selected based of their expertise and their familiarity with the operating activities of firms or their networks with outside parties. The board is authorized to evaluate managerial decisions thoroughly and is responsible monitoring top management units (Finkelstein & Hambrick, 1996). According to the above, shareholders would express how firms implement their governance practices. The stock performance reveals how investors evaluate firms.

In line with the research objectives, this study will adopt the agency theory because, it focuses on the board of directors as a mechanism which dominates the corporate governance literature. The theory, further explain the association between shareholders and those entrusted to manage the affairs of the firm. This is also in accordance to the works of Ross (1973); Fama (1980); Uwuigbe (2011)

Relationship between Corporate Governance and Investment Decision

Table 1. Positive Relationship between Corporate Governance and Investment Decisions

Author	year	Result
Merton	1987	argues that investors are more likely to invest in those companies that they know about
Kang and Stulz	1997	Foreign Investors Tend to Invest Primarily in Those Companies Associated with Less Information Asymmetry.
Mitton	2002	positive association between corporate governance (ownership structure) and stock return
Choe, Kho and Stulz	2005	Foreign Investors Tend to Invest Primarily in Those Companies Associated with Less Information Asymmetry.
Covrig, Lau and Ng	2006	Foreign Investors Tend to Invest Primarily in Those Companies Associated with Less Information Asymmetry.
Bushee, Carter and Gerakos	2007	Investors Have A Tendency to Invest More in Companies Which Have Better Governance Systems
Leuz, Lins and Warnock	2007	Investors Exhibit Preference for Well-Governed Firms.
Medhi	2007	Evidence of a strong relationship between corporate governance and institutional investment.
Chang, Chang and Wei	2008	They Proved That Strong Corporate Governance Structure Can Ease the Investment Decisions.
Chung and Shen	2009	They Found That Higher Ownership Governance Yields Greater Abnormal Returns to Capital Investment Decisions However; Higher Board Governance Mechanism Yields Abnormal Returns to Research and Development Investment Decisions.

Chen and Lin	2013	Under-Invested Firm with A CEO That Has A Higher Level of Managerial Optimism Improves the Firm's Investment Efficiency By Reducing The Amount of Underinvestment, Thereby Increasing Firm Value.
Ogbowu	2014	Board size has a significant influence on number of institutional investors: Board independence, shareholders representative in audit committee, size of audit committee and audit committee independence have positive influence on institutional investors.

Table 2. Negative Relationship between Corporate Governance and Investment Decisions

Author	Year	Result
Freeman and reed	2003	No significant relationship between corporate governance and volume of institutional investors
Mashcyekhi and Buzaz	2008	Board size is negatively associated with institutional investment
Theo, Hans and Elmer	2013	Negative influence between the board composition and institutional investors

Methodology

The research was conducted by confirming and testing the relationship between variables is done by testing hypotheses using a well-structured equation. The data used in this study were obtained from a sample comprising eight publicly listed banks in the capital market looking at a period from 2005 to 2015. The eight banks selected were based on Balsely and Clover (1988); Okere, Imeokparia, Ogunlowore and Isiaka (2018) who posit that it is common to use 10% of the population as sample size in research studies, because, having a sample size of 10% has been fact fully recommended to be sufficient to embark on a research work. Out of fifteen (15) which are listed on the Nigerian Stock Exchange (CBN, 2016), the sample size covers more than 10% recommended.

Panel regression analysis was utilised in the study to analyse the relationship between corporate governance and investment decisions. Materials explored were from published and unpublished works, reports, journals, reviews and magazine; as well as financial statements of the selected banks.

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Vol. 6, No. 3, March, 2019
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www.ijmae.com

Variables and Research Model

This study employed a modified version of the econometric model of Uwuigbe (2011). The Econometric model of Uwuigbe (2011) is therefore seen below as;

ROEit = F(BOSt, BCOMPt, DEIt, CGDIt)……………………………….. (1)

ROEit = o + 1BOSt + 2BCOMPt + 3DEIt + 4CGDIt +*et* ……………….. (2) Where:

ROE represents firm performance variables

BOS represents the Board Size; Board Composition is represented by BCOMP

While DEI and CGDI represents Directors‟ Equity Interest and Corporate Governance Disclosure Index respectively.

et, the error term which account for other possible factors that could influence ROEit

Based on the fact that we employed different governance and performance proxies, the above model is therefore modified to determine the relationship between investment decisions and corporate governance of banks in Nigeria

The mathematical description of the relationship existing between the variables is represented below

INVDit = f (BSt, BIPt, ACIt)……………………………….. (1)

$INVD_{it} = \alpha + \beta_1 BS_{it} + \beta_2 BI_{it} + \beta_3 ACI_{it} + \varepsilon$

Where; INVD= investment decision, α= Intercept, BS= Board Size, BI=Board Independence, ACI= Audit Committee Independence, E= Error Term

Investment Decision= Natural Logarithm of Total Amount of shareholders fund/value of Shareholdings by Investors (Okere, Imeokparia, Ogunlowore & Isiaka, 2018)

Board Size = Number of Total Directors

Board Independence = Number of Non-Executive Directors Divided by Total Number of Directors

Audit Committee Independence = Number of Non-Executive Directors Divided by Total Number of Audit Committee Members

Hypotheses

For the purpose of this study, three (3) Hypotheses were generated from the review of relevant literature. They are:

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H_{01}: There is no significant relationship between the board size and investment decisions in listed deposit money banks in Nigeria.

H_{02}: There is no significant relationship between board independence and investment decisions in listed deposit money banks in Nigeria.

H_{03}: There is no significant relationship between audit committee independence and investment decisions in listed deposit money banks in Nigeria.

Results And Discussion

Table 3. Test for Correlation between Independent Variables and Investors Shareholdings

	INV	BS	BI	ACI
INV	1.000000	0.395160	0.342991	0.035975
BS	0.395160*	1.000000	0.040847	0.010080
BI	0.342991*	0.040847	1.000000	-0.024220
ACI	0.035975*	0.010080	-0.024220	1.000000

BI in this table represents board independence, AC represents audit committee independence and BS represents board size and INV represents the shareholdings of investors.
Source: Authors Computation (2019)

From table 1 above, it can be seen that there is a positive and mild relationship (correlation of 0.395160= 40%) between the board size of a firm and investors shareholdings. That is, as the board size increases the level of investment by shareholders increases. Also, the relationship between board independence and investors shareholdings shows a positive and mild correlation of 0.342991(34%) which explains that as the level of independence of the firm's board increases (which is a measure of corporate governance), the level of investment by shareholders increases.

Consequently, the table shows a positive but weak relationship between audit committee independence and investment decisions of shareholders with a correlation of 0.035975 (4%) which explains that as the independence of the audit committee in Nigerian banks increases, the level of investment decision (measured by investors shareholdings) increases.

Table 4: Hausman Test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.789741	3	0.0506

International Journal of Management, Accounting and Economics
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www.ijmae.com

The Hausman test was carried out to determine which model is appropriate for the panel regression. The Hausman test rule is as follows:

If the P-value is statistically significant, accept the alternative hypothesis (**Fixed Effect Model**)

If the p-value isn't statistically significant, accept the null hypothesis (**Random Effect Model**)

From the analysis, it is seen that the P-value (0.0506) < 5% significance level, so the null hypothesis is rejected and the alternative accepted which is a fixed effect model.

Table 5: Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BS	0.251248	0.033212	7.564999	0.0000
BI	2.081650	0.904887	2.300454	0.0241
ACI	-0.720823	0.237915	-3.029757	0.0033
C	18.62818	1.560916	11.93413	0.0000
	Weighted Statistics			
R-squared	0.701206	Mean dependent var		22.54251
Adjusted R-squared	0.662402	S.D. dependent var		9.244508
S.E. of regression	0.721858	Sum squared resid		40.12310
F-statistic	18.07026	Durbin-Watson stat		0.762816
Prob(F-statistic)	0.000000			

BI in this table represents board independence, ACI represents audit committee independence and BS represents board size and INV represents the shareholdings of investors.
Source: Authors Computation (2019*)*

Discussion of Panel Regression Result.

This study looks at the relationship between corporate governance and investment decisions in Nigeria**.** The result in the table above shows the estimation the relationship between corporate governance and investment decision making measured by the amount of natural log of shareholding in banking firms. The result for the goodness of fit test as presented in table shows a coefficient of determination of $R^2 = 0.70$ (70%) and adjusted R^2 is 0.66 (66%); this shows that 66% of the total variation in the dependent variable (log of shareholding) is explained by the independent variables (Board Size, Board Independence, Audit committee). The p-value of the F statistics is 0.000000 which is significant at 5% explaining that the null hypothesis should be rejected. Consequently, the F-test results as depicted in table indicates clearly that the fairness and non-biasness of the model. It shows simultaneously that the independent variables altogether are significantly associated with the dependent variable. The Durbin Watson is 0.762816 which falls within the acceptable region and shows presence of low auto-serial correlation which is common in time series data. Therefore, the model shows that there is significant relationship between investment decisions and corporate governance variables.

Hypothesis One

H_0: There is no significant relationship between the board size and investment decisions in listed deposit money banks in Nigeria.

The result further shows that there is a positive and significant relationship between board size and investment decision. Board size has correlation coefficient value of 0.251248. This implies that a unit increase in board size will lead to 25% increase in the shareholding value in the sampled banks. The p-value of 0.0000 (which is less than 5% significance level). This shows that there is conclusive evidence about the significance of the association between the variables and the null hypothesis should be rejected and the alternative hypotheses accepted.

Hypothesis Two

H_0: There is no significant relationship between board independence and investment decisions in listed deposit money banks in Nigeria.

The result also shows that the correlation coefficient of board independence is 2.081650 and a p-value of 0.0241 which shows that there is positive and significant relationship between board independence and investment decision making of the sampled banks. This indicates that a unit increase in board independence will lead to a 208% increase in the financial performance of the sampled firms. This implies that the higher the independence of the board, the better the shareholding of the banks examined.

Hypothesis Three

H_0: There is no significant relationship between audit committee independence and investment decisions in listed deposit money banks in Nigeria.

The result shows that there is a negative and weak relationship between audit committee independence and the investment decision in the sampled firms. The correlation coefficient of the audit committee is -0.720823 and the p-value is 0.0033. This implies that a unit increase in the independence of the audit committee, it will lead to -72%% decrease in the shareholding of the banks examined. This further explains that increase in the level of independence of the audit committee would bring about a decrease in the investment decision by shareholders in the Nigerian banks.

Table 6. Analysis of Null Hypotheses.

Null hypotheses	Accept	Reject
H_{01}: there is no significant relationship between the board size and investment decisions.		✓
H_{02}: there is no significant relationship between board independence and investment decisions.		✓
H_{03}: there is no significant relationship between audit committee independence and investment decisions.		✓

In conclusion, high corporate governance practice in banks will boost the confidence of investor and this will increase the investment in shares of banks. This result is largely consistent with recent findings by Merton (1987), Kang and Stulz (1997), Bushee, Carter and Gerakos (2007), Leuz, Lins and Warnock (2007), Chang, Chang and Wei (2008).

Conclusion

This study aimed at analysing the relationship between corporate governance and investment decision in Nigeria considering eight commercial banks in Nigeria from 2005 to 2015. The study reviewed various literature and theories such as Agency theory as well as empirical studies from developed and developing countries. The Panel ordinary least square method of multiple regression is used to find out whether there is a relationship between the variables measured (i.e. corporate governance and investment decisions) and also to find out if the relationship is significant or not. The study expressed a result that there is a positive relationship between corporate governance and investment decisions in Nigeria.

The study shall also enhance and improve good corporate governance practice in Nigerian firm setting. Organizations such as Securities and Exchange Commission (SEC), Chartered Institute of Bankers of Nigeria (CIBN), the Nigerian stock exchange (NSE), Corporate Affairs Commission (CAC), Institute of Chartered Accountants of Nigeria (ICAN), financial institutions Training centre etc. would benefit from the study. Other stakeholders to benefit are the policy makers in government and those in the banking sector as well as the shareholders, employees and the general public; especially at this period that the banking industry is undergoing unprecedented turn around through reforms and restructuring. Finally, it is intended to contribute to knowledge and further the frontiers of reputable knowledge in corporate governance performance.

Based on the research findings, the following recommendations are made:

1. strengthening of corporate governance and accounting standards in Nigeria to be able to combat the current economic conditions

2. Future means for follow up investigation, to identify more specifically the kinds of governance changes that would be of value, and how to implement the changes at the firm level and at the country level, with the goal of economic growth.

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