Innovations

Corporate governance and corporate scandals in petroleum industry in Nigeria

Audu Tanimu
Faculty of Business Administration Department of Management,
University of Nigeria, Nsukka Enugu campus
Professor Onodugo V. A
Department of Management, Faculty of Business Administration,
University of Nigeria, Nsukka Enugu Campus
Abdullahi Tanimu
Department of Petroleum and Gas Engineering Nile University Abuja

Corresponding Author: **AuduTanimu**
DOI: 10.54882/7320237316574

Abstract
Corporate governance has been an important research area, which deals with the various governance arrangements used to control the corporation within the objective of maximizing shareholders (owners) wealth. This research was designed to establish relationship that exist between corporate governance and corporate scandal in Nigeria. Descriptive cross sectional design was adopted to study four hundred and thirty (430) consenting respondents who were randomly selected. A pre-tested semi-structured interviewer-administered questionnaire was used to elicit information relating to the objectives postulated for the study. Data collected presented using frequency table while the hypotheses were tested using spearman's rank correlation at 5% level of significance. the result showed that board composition and oil theft are positively related (correlation coefficient of 0.358, P-value: 0.000 <0.05, R^2 of 12.8%). ownership structure and bribery cases are positively related (correlation coefficient of 0.668, P-value: 0.000 <0.05, R^2 of 44.6%). Board independence and employees' poor working conditionare positively related (correlation coefficient of 0.274, P-value: 0.000<0.05, R^2 of 7.5%) while internal control system and error fund transactionare not related (correlation coefficient of 0.042, P-value: 0.386 >0.05). The study concludes that board composition, ownership structure and board independence were significantly positively associated with oil theft, bribery cases and employee poor working conditions respectively. It is recommended management board and ownership structure in petroleum industry should be reviewed

Keywords: *Corporate Governance, Petroleum Industry Nigeria*

Introduction

Corporate governance has been an important research area, which deals with the various governance arrangements used to control the corporation within the objective of maximizing shareholders (owners) wealth. Effective corporate governance should fundamentally guarantee shareholders' value by ensuring the appropriate use of firms' resources, enabling access to capital and improving investor confidence Olumbe, (2019). This is related both to internal organisation and external market conditions; firm‘s responsiveness to external conditions is largely dependent on the way the firm is managed as well as the efficacy of the firm’s governance structure Gregory and Simms, (2012). Some authors Rwegasira, (2014); Najid & Abdul Rahman, (2015) have argued that good corporate governance prevents the exploitation of company resources by managers, ensuring better decision making and efficient management. This result in better allocation of company resources and, ultimately, improved performance. Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation (company) is directed, administered or controlled (www.wikipedia.org). Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed Oman, (2001). The principal stakeholders are the shareholders management and the board of directors. Other stakeholders include employees, customers, creditors, suppliers, regulators and the community at large Nenova, (2016). Perfect corporate governance can strengthen intra-company control and can reduce opportunistic behaviours and lower the asymmetry of information, so it has a positive impact on the high quality of disclosed informationNajid & Abdul Rahman, (2015).

The failure of corporate governance cannot be separated from instances of corporate scandal Anderson and Reeb, (2019). The link between corporate governance and scandal has been strongly discussed in the developed countries. Emphasis was placed on specific governance mechanisms such as concentrated shareholding, board independence Hashim& Devi, (2015), director shareholding Inaam, (2016) and board composition Anderson and Reeb, (2018). Recently, the research attention has been turned to the study of corporate governance and corporate scandals especially in the public corporation (Anderson and Reeb, 2019; Hashim& Devi, 2015; Inaam, 2016 and Anderson and Reeb, 2018).

Petroleum industry sometimes refers to as oil industry is the global industry involved in various activities such as exploration, extraction, refining, transporting and marketing of petroleum products. The industries are full of multinational companies and global players where series of contracts take places and transaction runs in billions of dollars. The oil industry is technically and structurally complex, and the legal, and fiscal arrangements governing revenue flows are typically even more complex. This makes it relatively easy for those who manipulate revenue flows for political or personal gains to conceal their activities. Manukaji (2021) opine that oil industry remains the giant of economic activities for the majority of oil rich countries, including Nigeria. The board of directors is a collective body that should act in the best interest of shareholders, especially in the oil industry where gamut of management is required. Thus, the board requires the combination of executive and non-executive directors to pursue the shareholders’ interest. The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independent from management and ensure they provide unbiased business judgment. Independent directors are the persons entrusted by shareholders to represent them and will help to reduce agency problems as well as block threats of scandals.

Further, the Code of Corporate Governance and Regulators recommend the composition of board members should be balanced and consist of independent directors. However, mere compliance with the recommendations is not enough if the independent directors fail to exercise their functions effectively and their ineffectiveness could create rooms for various scandals such as financial misappropriation, theft, bribery cases, error funds transfer among others Fodio, Ibikunle & Oba, (2018). Apart from board composition, the ownership structure that concerns with the internal organization of industry can define how organisation deals with scandals. Through ownership structure, the oil industry could assign the rights and duties to various individuals that hold a legal or equitable interest in the business in such a way that it could prevent incidents of bribery cases.

The effectiveness of corporate governance in serving as direct or indirect bailout for corporate scandals in organisation can be enhanced by functionality of audit committee. The organs of corporate governance that capable of making earlier detection of any foul play is audit committee, which remains the one of the major operating committees of a company's board of directors. In every corporate governance structure, the audit committee is one of the organs that required to overseeing financial reporting and disclosure Fodio, et al., (2018). Most of persistent financial related scandals happened or being revealed during financial reporting and disclosure. Dabo and Adeyemi (2019) posit that many organisations intentionally modified their financial reports or make healthy account disclosure to prevent shareholders from aware of actual issues in the firms. Manipulated financial report that lack credibility and quality is one of the top scandals mostly witnessed in many organisation including oil sector. Thus, if audit committee is working, there is tendency of having effective corporate governance that capable of preventing fund misappropriation at least.

One of the top atrocities in the majority of multinational companies is to make firm look perfect and highly effective to the rest of world, while in the actual sense things could be worse than imagine. Many multinational companies are guilty of various abuses, funds, equipment, environment, and workers. Adebimpe and Peace (2017) assert that most multinational companies declare larger working staff far beyond their actual staff to give them undue status as job providers and allow them cover-up their financial abuses by making case for huge salaries and allowances. Also, some multinationals are guilty of seeking cheap labour but claiming huge or standard payments system for the workers. Yeager (2018) submits that one of the hidden scandals in most organisation is poor working conditions, situation where workers actually go home with far less amount written on paper. Thus, having independent board of directors could normalise various misdeeds, since independent board may lack personal interest that can influence their efforts to do the needful in the company. Labour issues in most multinational companies including oil firms could be intervene by board of directors. According to John and Senbet (2018) the focus of corporate governance should not be only shareholders, but employees as well, specifically how to recruit, train, control, and retain knowledge workers as well as their satisfaction of work environment.

In almost every human activity, errors are possible, but for big organisations like firms in the oil industry, avoidable errors could be costly. One of the tools by corporate governance to curb undue errors is internal control system. The internal control is one of the systems used by an organization to manage risk and diminish the occurrence of fraud or errors to ensure maximum efficiency Kamau, (2016). Through internal control system, firms could ensure that assets are kept secure, employees are in compliance with corporate policies and avoidable errors are promptly detectable. Thus, having corporate governance in place seems to be the solution to firms' scandal. However, Yeager (2018) noted that variations in the allowance of how and when corporate governance is instituted in the establishment could define its overall effectiveness. Thus, the board composition, ownership structure, audit committee, board independence and internal control system can define how corporate firms are doing regarding incidence of theft, fund misappropriation, bribery incidents, poor working conditions and grave errors.

The scenario of scandals in various oil industries across the globe and in particular in Nigeria, require succinct investigation into relationship that likely occurs between corporate governance and corporate scandals in the petroleum industry.

Objective of the study

The study sought to achieve the following objective:

- Examine the relationship between experience of board members and incidence of fraud .
- Evaluate the relationship between ownership structure and bribery cases,

Research question

- What is the relationship between board composition and cases of oil theft?
- What is the relationship between ownership structure and incidences of bribery cases?

Research Method

Survey research design was adopted. Both qualitative and quantitative data collections were used. Collection of qualitative data was through oral interviews and non-participant observation, while quantitative data were collected using structured questionnaire and secondary sources such as books,. Magazines, Newspaper and journal articles .The oral interview targeted key member of the management staff of the oil industry in the South-South State, Nigeria. Interview was conducted based on questions drawn from prepared interview guide and recorded manually. The non-participant observation data were derived using observation schedule andphotographic material during several visits made to the site.

Result

Examine the relationship between experience of board members and incidence of fraud .

Table 1 Respondents' Opinion on Board Composition

Items	Responses	Frequency	Percentage	Mean ± SD
The board compositions in petroleum sector are purposely chosen to reflect higher proportion of outsiders	Disagree	90	20.9	3.60 ± 1.026
	Undecided	76	17.7	
	Agree	180	41.9	
	Strongly Agree	84	19.5	
Deliberately having people of diverse expertise in the board make them more effective.	Disagree	119	27.7	3.67 ± 1.108
	Agree	214	49.8	
	Strongly Agree	97	22.6	
Board members are chosen on the basis merit and experience	Disagree	54	12.6	3.74 ± 1.006
	Undecided	125	29.1	
	Agree	129	30.0	
	Strongly Agree	122	28.4	
Having people of varying status and backgrounds makes taking decisions difficult	Strongly Disagree	132	30.7	2.88 ± 1.456
	Disagree	48	11.2	
	Undecided	28	6.5	
	Agree	183	42.6	
	Strongly Agree	39	9.1	
The composition of board make them neutral when assessing issues	Strongly Disagree	54	12.6	3.13 ± 1.579
	Disagree	177	41.2	
	Undecided	28	6.5	
	Strongly Agree	171	39.8	
Grand Mean ± SD	3.41 ± 0.696			

Source: Researcher's field Survey, 2022

Information in table 1 showed that 180 (41.9%) agreed, 84 (19.5%) strongly agreed, 90 (20.9%) disagreed while 76 (17.7%) could not decide whether to agree or disagree that board compositions in petroleum sector are purposely chosen to reflect higher proportion of outsiders, 214 (49.8%) agreed, 97 (22.6%) strongly agreed while 119 (27.7%) disagreed that deliberately having people of diverse expertise in the board make them more effective, 122 (28.4%) strongly agreed, 129 (30.0%) agreed, 54 (12.6%) disagreed while 125 (29.1%) were neutral on the statement that board members are chosen on the basis merit and experience, 183 (42.6%) agreed, 39 (9.1%) strongly agreed, 132 (30.7%) strongly disagreed, 48 (11.2%) disagreed while 28 (6.5%) were neutral that having people of varying status and backgrounds makes taking decisions difficult in petroleum sector while 171 (39.8%) strongly agreed, 28 (6.5%) did not decide, 177 (41.2%) disagreed while 54 (12.6%) strongly disagreed that the composition of board make them neutral when assessing issues The grand mean value of 3.41 > 2.50 likert benchmark and standard deviation of .696 < 1.291 likert benchmark shows that the respondents gave a high rating to the construct of board composition.

Table 2: Respondents' Opinion on Ownership Structure

Items	Responses	Frequency	Percentage	Mean ± SD
The petroleum sector usually involving different people at various stage ownership	Disagree	99	23.0	3.76 ± 1.103
	Undecided	28	6.5	
	Agree	180	41.9	
	Strongly Agree	123	28.6	
Responsibilities are shared among people holding different ownership posts	Disagree	142	33.0	3.40 ± 1.017
	Agree	260	60.5	
	Strongly Agree	28	6.5	
Categorization in the ownership structure usually calls for deliberation when need to take action	Disagree	45	10.5	4.11 ± 0.975
	Undecided	48	11.2	
	Agree	152	35.3	
	Strongly Agree	185	43.0	
The structure of ownership in the petroleum industry make it difficult to make unilateral decision on behave of the firm	Disagree	99	23.0	3.45 ± 1.027
	Undecided	111	25.8	
	Agree	146	34.0	
	Strongly Agree	74	17.2	
There are clear rules and standing guiding individual representing the firm at various stage, which lead to check and balance	Strongly Disagree	132	30.7	3.05 ± 1.560
	Disagree	28	6.5	
	Undecided	45	10.5	
	Agree	137	31.9	
	Strongly Agree	88	20.5	
Grand Mean ± SD	3.56 ± 0.717			

Source: Researcher's field Survey, 2022

Information in table 2 showed that 123 (28.6%) strongly agreed, 180 (41.9%) agreed, 99 (23.0%) disagreed while 28 (6.5%) could not decide that the petroleum sector usually involving different people at various stage ownership, 260 (60.5%) agreed, 28 (6.5%) strongly agreed while 142 (33.0%) disagreed that responsibilities are shared among people holding different ownership posts in petroleum sector, 185 (43.0%) strongly agreed, 152 (35.3%) agreed, 45 (10.5%) disagreed while 48 (11.2%) could not decide whether categorization in the ownership structure usually calls for deliberation when need to take action, 146 (34.0%) agreed, 74 (17.2%) strongly agreed, 99 (23.0%) disagreed while 111 (25.8%) could not decide whether the structure of ownership in the petroleum industry make it difficult to make unilateral decision on behave of the firm when 137 (31.9%) agreed, 88 (20.5%) strongly agreed, 132 (30.7%) strongly disagreed, 28 (6.5%) disagreed while 45 (10.5%) could not decide whether there are clear rules and standing guiding individual representing the firm at various stage, which lead to check and balance.

The grand mean value of 3.56 > 2.50 likert benchmark and standard deviation of 0.717 < 1.291 likert benchmark shows that the respondents gave a high rating to the construct of ownership structure.

Table 3: Respondents' Opinion on Board Independence

Items	Responses	Frequency	Percentage	Mean ± SD
The components of membership in the board allows for unbiased decision making	Strongly Disagree	35	8.1	3.13 ±1.512
	Disagree	209	48.6	
	Agree	35	8.1	
	Strongly Agree	151	35.1	
Board formation comprise mostly outsider which allow their freedom to take decision on firm activities	Strongly Disagree	125	29.1	2.53 ± 1.412
	Disagree	154	35.8	
	Agree	102	23.7	
	Strongly Agree	49	11.4	
Boards members are usually those that has little to do with company in term of transaction or investment	Disagree	147	34.2	3.50 ± 1.246
	Undecided	52	12.1	
	Agree	99	23.0	
	Strongly Agree	132	30.7	
Board members are usually provide a safeguard for a balance of power in the firm	Disagree	211	49.1	3.01 ± 1.106
	Undecided	52	12.1	
	Agree	118	27.4	
	Strongly Agree	49	11.4	
Board size are usually proportion to various functions in the firms to allow expert deliberation and independence within the board	Strongly Disagree	35	8.1	3.23 ± 1.238
	Disagree	138	32.1	
	Agree	209	48.6	
	Strongly Agree	48	11.2	
Grand Mean ± SD	3.08 ± 0.971			

Source: Researcher's field Survey, 2022

Information in table 3 revealed that 151 (35.1%) strongly agreed, 35 (8.1) agreed, 209 (48.6%) disagreed while 35 (8.1) strongly disagreed that the components of membership in the board allows for unbiased decision making, 102 (23.7%) agreed, 49 (11.4%) strongly agreed, 154 (35.8%) disagreed while 125 (29.1%) strongly disagreed that board formation comprise mostly outsider which allow their freedom to take decision on firm activities, 132 (30.7%) strongly agreed, 99 (23.0%) agreed, 52 (12.1%) did not decide while 147 (34.2%) disagreed that boards members are usually those that has little to do with company in term of transaction or investment, 118 (27.4%) agreed, 49 (11.4%) strongly agreed, 52 (12.1%) did not decide while 211 (49.1%) disagreed that board members are usually provide a safeguard for a balance of power in the firm while 209 (48.6%) agreed, 48 (11.2%) strongly agreed, 138 (32.1%) disagreed when 35 (8.1%) strongly disagreed that board size are usually proportion to various functions in the firms to allow expert deliberation and independence within the board. The grand mean value of 3.08 > 2.50 likert benchmark and standard deviation of 0.971< 1.291 likert benchmark shows that the respondents gave a high rating to the construct of board independence

Table 4: Respondents' Opinion on Oil Theft

Items	Responses	Frequency	Percentage	Mean ± SD
There are instances of oil theft in my organisation	Disagree	54	12.6	3.88 ± 1.005
	Undecided	83	19.3	
	Agree	153	35.6	
	Strongly Agree	140	32.6	
Some management staff are involve in various oil theft and scandal	Agree	217	50.5	4.50 ± 0.501
	Strongly Agree	213	49.5	
There are instances of oil theft on the paperwork in this firm	Agree	269	62.6	4.37 ± 0.485
	Strongly Agree	161	37.4	
There are people difficult to punish participating in the oil theft in my firm	Disagree	54	12.6	3.80 ± 0.992
	Undecided	100	23.3	
	Agree	153	35.6	
	Strongly Agree	123	28.6	
Oil theft through diversion are difficult to be managed in my firm	Disagree	118	27.4	3.33 ± 1.079
	Undecided	135	31.4	
	Agree	93	21.6	
	Strongly Agree	84	19.5	
Grand Mean ± SD	3.98 ± 0.579			

Source: Researcher's field Survey, 2022

Information in table 4 majority 153 (35.6%) of the respondents agreed, 140 (32.6%) strongly agreed, 83 (19.3%) did not decide while 54 (12.6%) disagreed that there are instances of oil theft in their organizations 217 (50.5%) agreed while 213 (49.5%) strongly agreed that management staff are involve in various oil theft and scandal, 269 (62.6%) agreed while 161 (37.4%) strongly agreed that there are instances of oil theft on the paperwork in this firm, 153 (35.6%) agreed, 123 (28.6%) strongly agreed, 100 (23.3%) did not decide while 54 (12.6%) disagreed that there are people difficult to punish participating in the oil theft in their firm and 118 (27.4%) disagreed, 135 (31.4%) did not decide, 93 (21.6%) agreed while 84 (19.5%) strongly agreed that oil theft through diversion are difficult to be managed in their firms. The grand mean value of 3.98 > 2.50 likert benchmark and standard deviation of 0.579 < 1.291 likert benchmark shows that the respondents gave a high rating to the constructs of oil theft

Table 5: Respondents' Opinion on Bribery Cases

Items	Responses	Frequency	Percentage	Mean ± SD
The organisation is experiencing high level of bribery cases	Undecided	35	8.1	4.22 ± 0.577
	Agree	267	62.1	
	Strongly Agree	128	29.8	
Awarding contracts in this firm cannot go through without induce some individual with gifts or money	Agree	276	64.2	4.36 ± 0.480
	Strongly Agree	154	35.8	
The firm spend a lot to on people in order to secure contract in exchange	Undecided	97	22.6	4.14 ± 0.757
	Agree	176	40.9	
	Strongly Agree	157	36.5	
One can say bribery at top level is institutionalized	Disagree	125	29.1	3.56 ± 1.157
	Undecided	48	11.2	

	Agree	148	34.4	
	Strongly Agree	109	25.3	
Addressing issues of bribery in this firm is extremely impossible	Strongly Disagree	125	29.1	3.04 ± 1.538
	Disagree	54	12.6	
	Agree	181	42.1	
	Strongly Agree	70	16.3	
Grand Mean ± SD	3.86 ± 0.591			

Source: Researcher's field Survey, 2022

Information in table 5 revealed that 267 (62.1%) of the respondents agreed, 128 (29.8%) strongly agreed while 35 (8.1%) could not decide whether the organisation is experiencing high level of bribery cases, 274 (64.2%) agreed while 154 (35.8%) strongly agreed that awarding contracts in their firms cannot go through without induce some individual with gifts or money, 176 (40.9%) agreed, 157 (36.5%) strongly agreed while 97 (22.6%) could not decide whether their firms spend a lot to on people in order to secure contract in exchange, 148 (34.4%) agreed, 109 (25.3%) strongly agreed, 48 (11.2%) could not decide while 125 (29.1%) disagreed that one can say bribery at top level is institutionalized and 181 (42.1%) agreed, 70 (16.3%) strongly agreed, 54 (12.6%) disagreed while 125 (29.1%) strongly disagreed that addressing issues of bribery in their firms is extremely impossible.

The grand mean value of 3.86 > 2.50 likert benchmark and standard deviation of 0.591 < 1.291 likert benchmark shows that the respondents gave a high rating to the constructs of bribery cases

Hypothesis One

Table 6: Consolidated Responses to Questions Related to the first objectives

Responses	Board Composition	Oil Theft
Strongly Disagree	-	-
Disagree	45 (10.5)	-
Undecided	151 (35.1)	-
Agree	146 (34.0)	307 (71.4)
Strongly Agree	88 (20.5)	123 (28.6)

Researcher's field Survey, 2022

The analyses

Table 7: Correlation between Board Composition and Oil Theft

R^2 = 0.128			Board Composition	Oil Theft
Spearman's rho	**Board Composition**	Correlation Coefficient	1.000	.358**
		Sig. (2-tailed)	.	.000
		N	430	430
	Oil Theft	Correlation Coefficient	.358**	1.000
		Sig. (2-tailed)	.000	.
		N	430	430
**. Correlation is significant at the 0.01 level (2-tailed)				

Source: Researcher's field Survey, 2022

Table 7 shows the correlation between board composition and oil theft. The result indicates that there is positive relationship between board composition and oil theft and it also confirms that the relationship is weak and significant given that r-value is 0.358, $p<0.05$. The coefficient of determination was also assessed and the result indicates that 12.8% changes in oil theft were accounted for by the changes in the board composition. The decision rule for this study is Reject the null hypotheses (H_o) if P-value < 0.05 Do not reject if otherwise. Hence, given that the relationship is significant, it thus implies that the null hypothesis was **rejected**. It is concluded that there is a significant relationship between board composition and oil theft.

Discussion of Findings

The study examined the relationship that exists between corporate governance and corporate scandals in petroleum industry in Nigeria. Based on the two objective below the two postulated hypotheses were tested using spearman rank man correlation.

The hypothesis one was a correlation between board composition and oil theft. The result indicates that there is positive relationship between board composition and oil theft and it was also confirms that the relationship is weak and significant given that r-value is 0.358, $p<0.05$. This means that there is 35.8% shared positive and significant relationship between board composition and oil theft. The coefficient of determination was also assessed and the result indicates that 12.8% changes in oil theft is accounted for by the changes in the cultural board composition. The finding is oppose the works of Inaam, Fathai and Khmouss (2014); Florackis and Ozkan (2017) that stated that say board composition and oil theft has negative re;ationship.

Evaluate the relationship between ownership structure and bribery cases,

Hypothesis Two

Table 8: Consolidated Responses to Questions Related to the second objective

Responses	Ownership Structure	Bribery Cases
Disagree	45 (10.5)	0 (0.0)
Undecided	0 (0.0)	45 (10.5)
Agree	297 (69.1)	228 (53.0)
Strongly Agree	88 (20.5)	157 (36.5)

Researcher's field Survey, 2022

The analyses

Table 9: Correlation between Ownership Structure and Bribery Cases

<table>
<tr><th colspan="3">$R^2 = 0.446$</th><th>Ownership Structure</th><th>Bribery Cases</th></tr>
<tr><td rowspan="6">Spearman's rho</td><td rowspan="3">Ownership Structure</td><td>Correlation Coefficient</td><td>1.000</td><td>.668**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>.</td><td>.000</td></tr>
<tr><td>N</td><td>430</td><td>430</td></tr>
<tr><td rowspan="3">Bribery Cases</td><td>Correlation Coefficient</td><td>.668**</td><td>1.000</td></tr>
<tr><td>Sig. (2-tailed)</td><td>.000</td><td>.</td></tr>
<tr><td>N</td><td>430</td><td>430</td></tr>
<tr><td colspan="5">**. Correlation is significant at the 0.01 level (2-tailed).</td></tr>
</table>

Source: Researcher's field Survey, 2022

Table 9 shows the correlation between ownership structure and bribery cases. The result indicates that there is positive relationship between ownership structure and bribery cases and it also confirms that the relationship is strong and significant given that r-value is 0.668, $p<0.05$. The coefficient of determination was also assessed and the result indicates that 44.6% changes in bribery cases were accounted for by the changes in the ownership structure. Hence, given that the relationship is significant, it thus implies that the null hypothesis was **rejected**. It was concluded that there is a significant relationship between ownership structure and bribery cases.

The decision rule for this study is: Reject the null hypotheses (H_o) if P-value < 0.05

Do not reject if otherwise. Hence, given that the relationship is significant, it thus implies that the null hypothesis was **rejected**. It is concluded that there is a significant relationship between ownership structure and bribery cases.

Discussion of Findings

The hypothesis two was a correlation between ownership structure and bribery cases. The result indicates that there is positive relationship between ownership structure and bribery cases and it also confirms that the relationship is high and significant given that r-value is 0.668, $p<0.05$. This means that there is 66.8% shared positive and significant relationship between cultural ownership structure and bribery cases. The coefficient of determination was also assessed and the result indicates that 44.6% changes in bribery cases were accounted for by the changes in the ownership structure. The finding is consistent with the works of Sanda et al. (2015); Shleifer and Vishny (2018) work that ownership structure and bribery cases have positive relationship.

Recommendations

Based on the findings of this study, the following recommendations were made:

- Since positive relationship exists between board composition and oil theft, it is recommended the way board in petroleum industry being composed should be reviewed.
- It is also that the way ownership being structured should also be reviewed in petroleum industry in order to curb bribery cases in the industry.

Conclusion

The study concludes that board composition, ownership structure and board independence were significantly positively associated with oil theft, bribery cases and employee poor working conditions respectively As a result, the study's results served as the foundation for the recommendations made at the study's conclusion.

References

1. *Adebimpe, K.& Peace, J. (2017). Corporate governance, company attributes and voluntary disclosures among Nigerian listed companies. Journal of Economic Behavior and Organization, 59(1), 29-44*
2. *Anderson, R.C.& Reeb, D. M. (2019). Founding-family ownership and firm performance: Evidence from the S & P 500. The journal of finance, 58(3), 1301-1327.*
3. *Anderson, R.C., & Reeb, D.M. (2018). Board compositions and the company performance besides the CEO change. Journal of finance, 58(3), 1301-1327.*
4. *Dabo, O. & Adeyemi, I.(2019). Corporate governance and the credibility of financial statements in Nigeria. Journal of Corporate Finance, 5(4), 323-339*
5. *odio, M, Ibikunle, J. & Oba, V. (2018). Corporate governance mechanisms and reported earnings quality in listed Nigerian insurance firms. International Journal of Finance and Accounting, 2(5), 279 – 286*
6. *Florackis, C. & Ozkan, A. (2017). The Impact of Managerial Entrenchment on Agency Costs: Evidence Using UK Panel Data, European Financial Management, 15: 497–528.*

7. *Gregory, H. J., & Simms, M. E. (2012). Corporate governance: What it is and why it matters.Paper presented at the 14th International Anti-Corruption Conference, Kuala Lumpur.*
8. *Hashim, H. A., Devi, S. S. (2015). Corporate governance, ownership structure and earnings quality: Malaysian evidence. Journal of Business and Finance, 1-21.*
9. *Inaam, A. L. (2016). Effects of corporate governance on firm financial report. An International Review, 15(4), 585-608*
10. *Inaam, K., Fathai, F. & Khmouss, J. (2014). Effects of corporate governance on firm financial report in textile industries in Tunisian context. Academy of Management Review, 24 (3): 489–505*
11. *Kamau, C. N. (2016). Effect of internal controls on the financial performance of servicing firms in Kenya. Unpublicized MSc. Thesis, University of Nairobi.*
12. *Manukaji, I. J. (2021). Corporate governance and income smoothing in the Nigerian Deposit Money Banks. International Journal of Business and Law Research 6(1):27 – 38.*
13. *Najid, N. A., & Abdul Rahman, R. (2015). Government ownership and performance of Malaysian. government-linked companies. International Research Journal of Finance and Economics, 61, 42-56.*
14. *Nenova, T. (2016). A corporate governance agenda for developing countries. Contaduría Administración, 2 (7), 201 - 217.*
15. *Olumbe, C. O. (2019). The relationship between internal controls and corporate governance in commercial banks in Kenya, Unpublished thesis, University of Nairobi.*
16. *Oman, C. P. (2001). Corporate governance and national development, an outgrowth of the OECD development centre s experts workshop in 2000 and Informal Policy Dialogue in 2001 sponsored in part by CIPE.*
17. *Rwegasira, K. (2014). Corporate governance in emerging capital markets: Whither Africa? Corporate governance. An International Review, 8(3), 258-267.*
18. *Sanda, A.U., Mikailu, A.S. & Garba. T. (2015). Corporate governance mechanisms and firm financial performance in Nigeria. AERC Research Paper 149. African Economic Research Consortium, Nairobi, Kenya*
19. *Shleifer, A. &Vishny, R.W. (2018). Large shareholders and corporate control. Journal of Political Economy, 16,461-88.*
20. *Yeager, M.G., (2018). The CIA made me do it: Understanding the political economy of corruption in Azakhstan Crime. Rev. Law Soc. Change 57 (4), 441–457.*

Corresponding email: ***audutanimu123@gmail.com*****.**