Global Journal of Management and Business Research: A
Administration and Management
Volume 18 Issue 10 Version 1.0 Year 2018
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# Corporate Governance and Global Best Practices: Perspectives, Mechanics & Lessons for SMEs in Sub-Saharan Africa

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*Abstract-* This study is focused to crystallize the essence and benefits accruable from the combination of Corporate Governance (CG) and Global Best Practice (GBP) and how Sub-Sahara Africa's SMEs can tap into it on adoption. The study adopted analytical and qualitative approach as research methods via x-raying extant literature and models of best corporate governance. In doing this, various perspectives and driving mechanics of CG and GBPs were discussed across several cultures in the industrially advanced nations. A framework of legislation and regulation by Ilori containing variables and actors in the system was illustratively discussed. This framework received congruence from the CG template of Oso and Semui (2012) and the position paper of the Applied Corporate Governance of the USA 2015. To give deeper insights to the understanding of the perspectives and mechanics of CG and GBP, the authors examined various models. These include the Anglo-American model, the Multi-stakeholder model along with other variants such as the market and network oriented models of corporate best governance. Lessons drawn from these templates were lucidly discussed for the benefits of Sub - Sahara SME operators. The study pin - pointed areas of nexus between the two concepts to include: Quality consciousness, use of globally acceptable principles and rules; creativity and innovation, systemic nature of operations among others.

*Keywords: global best practices, corporate governance, innovative/creative culture, principles-rules and guides and regulatory framework.*

*GJMBR-A Classification: JEL Code: M10*

CORPORATEGOVERNANCEANDGLOBALBESTPRACTICESPERSPECTIVESMECHANICSLESSONSFORSMESINSUBSAHARANAFRICA

*Strictly as per the compliance and regulations of:*

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## I. Introduction

Small and Medium Enterprises (SMEs) in Sub-Sahara Africa have a range of common characteristics which define them (Ogbor 2009). They also have a range of similar constraining factors which impinge on their operation and even survival. None of these characteristics and limiting variables put them in any competitive position to succeed and become national or even regional players.

On account of the above, various policies of government (See Ekuerhare 1996; Okojie 2006) have evolved programmes and strategies targeted at stimulating SMEs creation and growth with the intension to midwife a renaissance of sorts to solve a myriad of socio - economic problems top of which are: unemployment, youth restiveness, attainment of self sufficiency in the production of basic items needed by citizens (as against imports) and generally engaging the supply and demand side of the economy in productive activities for domestic and sustainable economic development (Familoni 2001; Iyoha and Ekanem 2002).

A perusal of the success story of the USA, Japan, and Germany after World War II (WWII) and indeed most so-called Asian Tiger economies of the 20th and 21st century is a tale of SMEs renaissance breaking new grounds to become the giant multinational companies (MNCs) and transnational companies (TNCs) we have today. These giant corporations currently bestride the globe like colossuses dictating trends, competitive strategies and even best practices; many riding to success on the crest of good corporate governance. Africa is left as a hapless on-looker and ineffective participant not only in the domestic economy but also in the globalization process (Ekakitie, 2010). The question of how to frog-leap and bridge the gap becomes a veritable imperative. It is neither late nor unnecessary to advocate for a retrospective assessment of our socio-cultural beliefs and their performance implications and such 'African practices' that impinge on enterprise successes. As Iyayi (2004) argued, enterprises are creations of their socio - cultural environments, experiences and customs. This argument informs the thinking that these constraints along with infrastructure deficit conspired to limit the capacity of SMEs across Sub-Sahara Africa. The need for a paradigm shift has become an imperative. Hence we contend in this study that Corporate governance (CG) (which is a system of rule and regulations) and adoption of Best practices (BP) (which is a code of productive techniques) are beckoning tools African entrepreneurs can adopt to become significantly relevant in today's globalization race.

Corporate governance (CG) is one of the foremost practices enterprise leaders engage today as a winning and competitive tool. CG is increasingly

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becoming a strategic tool of strength to improve enterprise capacity to overcome internal and external challenges (Agbonifoh 2010; Igbinowanhian 2010). It is increasingly being noticed that CG has synergy of some sort with corporate vision. While the vision represents the strategic direction and intent of the enterprise creators, CG represents those sets of rules, procedures and belief system that enable managers of the business to arrive safely at corporate destinations (Oghojafor, 2001; Kazmi 2002). As Ekakitie (2015) argued, while corporate vision represents well nurtured skeletal structure, CG represents healthy blood that must flow through a network of veins (units and departments) to deliver needed 'lifeblood' to every segment of the body (enterprise) for survival.

Global best practices (GBP) on the other hand is a set of cutting-edge techniques, practices and even technology which imbued an enterprise with a competence that distinguishes it qualitatively and competitively. In this regard, Global best practices entail techniques and systems which are globally accepted by organizations (Bogan, 1994). Best practice is a method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark. Several studies have been conducted in the domain of science regarding GBPs. Some of these include studies on environmental BP (Bogan and English, 1994), studies on education BP (Angela Baber's STEM report, 2011), studies on pollution control (Gitua, Gburek and Jarett (2005) and even studies in Hydrology and Earth Systems Sciences (Bradmeadows and Nisbet (2004), etc. There is the need for a study to assess the combinational impart of GBP and CG on enterprises especially in sub-Sahara Africa. The objective of this study therefore is to x-ray these dimensions of practices with a view to assessing theoretically, their probable contributions and benefits on SMEs growth, and survival. This paper adopts an analytical and qualitative approach as a driving methodology.

## II. Literature Review

Corporate governance (CG) as a concept is viewed to be concerned with the structures within which a corporate entity or enterprise receives its basic orientation and direction (Rwegasira, 2000). Maier (2005: 2) see corporate governance as "encompassing the combination of laws, regulations, listing rules and voluntary private sector practices that enable the company to attract capital, perform efficiently, generate profit and meet other legal obligations and general societal expectations." Jayashree (2006) defines it as a system of making directors accountable to shareholders for effective management of the company in the best interest of the company and the shareholders along with concern for ethics and values. It is the administration of companies through the board of directors that is hinged on complete transparency, integrity and accountability.

For CG to be successful, a set of operational rules at SME level should align with the enterprise's corporate vision. African SMEs and their operators care little about vision and where they project the enterprise to be at some time point in future. In a position paper on CG, the *Applied Corporate Governance*, ACG USA (2015: 33) avers that alignment of vision and CG principles guarantees longevity of the enterprise. Hear them:

> *"…the ability to create a vision and turn it into a way of life for the company may be regarded as nothing unusual until one compares it with Robert Maxwell, whose business empire collapsed after he died, with another entrepreneur Thomas J. Watson, whose creation, International Business Machines (IBM), is still a global force to be reckoned with over eighty years after he founded it."*

Another needful ingredient African SMEs require to bootstrap for is the evolvement and adoption of cutting edge skills and competencies - modern management theorists call it 'best practices'. Best practices (BP) or what some authors call global best practices (GBP) are a set of technique and competency programs adopted as an aid to improving the quality and quantity of products, commodities or service delivery of enterprises to target markets. The evolution of GBP has commanded increased research attention in recent times. This can be attributed to increased competition and innovation across several industries. A best practice is a method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark (Grayfell, 2015). By this definition, the concept of GBP has assumed a deeper meaning and implication with respect to context and practices which African SMEs should take interest in.

Contextually, GBP is seen as an innovation, a new thinking or a new way of technically doing things that help ensure consistent positive results that is sustainable in industrial settings. It can therefore be inferred that GBP share a link with total quality management (TQM) as both have 'consistent improvement in quality' (Deming, 1986, Bendal, 2002) as a mantra that guides their general framework of operation. The concept of sustainability is seen in an industrial and economic sense. Therefore, for a new technique to qualify as a best practice, the cost of its input factors must be subordinate to its output (results) to ensure value recovery and continuity. Again, in its industrial sense, a GBP should have capacity to distinguish the organization as having something unique considered a vital contributor to productivity levels. This should be in addition to conferring a positive image and enhancing enterprise corporate profile in the eyes of its publics. In some sense, a GBP is considered a 'winning formula' and a 'critical success factor' within a given industry.

In Nigeria and many sub-Saharan Africa economies, the 'flu' of GBP has long been felt across several industrial sectors. As far back as 1989 to early 2000s, many firms in Lagos in the Illepeju and Ikeja Industrial Estates have begun to key into the GBP concept. One of the techniques adopted then was the development of a 'quality template' that guides production and operations activities. Apart from the quality template, there was a process of 'accreditation' across several industrial and trade associations in Lagos. The objectives of these associations (which became regulatory bodies) were to ensure uniform 'standard operation procedures' (SOP) across industries designed to confer 'certification' and 'genuineness' on enterprises and their products/services. Thus best practices was considered a feature of accredited management standards with various code names like ISO 9000, ISO 14001 etc. (Grayfell, 2006).

No doubt the evolution or diffusion of GBP into Nigeria and the industrial framework of sub-Sahara Africa has its influence from the efforts of researchers, scholars and industrial titans of western orient. Scholars like Peters and Waterman (1982) in their earlier study In Search of Excellence recommended what they called 8-attributes of excellence. For them these attributes are indicators such as: a bias for action, being close to the customer, autonomy and entrepreneurship. Others include productivity through people, hands - on value driven, sticking to the knitting, simple - form lean staff, and simultaneous loose - tight properties. They advocated a doctrine of 'fix it' and 'management by wandering around' as viable techniques by which enterprises can achieve excellence. At that time, their study created a struggle by blue chip firms in the USA and indeed most parts of the highly industrialized world as competing enterprises adopted sterling techniques to improve productivity on the way to being listed among excellent organizations.

Side by side with the above study, management scholars like Boyatzis (1982), Perrenaud (2000) and later Jackson and Schuler (2003) redefined the perception, functions and even *modus operandi* of a GBP in their several studies on development and management of core competencies as basic building blocks in the growth and development of GBP. Currently, GBP is seen as a 'smart practice' and a 'code of operation' designed to recover positive results across enterprises, economies of nation - states for sustainable socio-economic development.

### a) *Corporate Governance and Global Best Practice: A Theoretical Overview*

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed (Shailer, 2004). Governance structures identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and indeed the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders (OECD 2004).

Corporate governance has also been more narrowly conceived as a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers (Sifuna 2012).

Corporate governance is the set of conditions that shapes the *ex post* bargaining over the quasi-rents generated by a firm (Luigi 2008). The firm itself is modeled as a governance structure acting through the mechanisms of contract. Here corporate governance may include its relation to corporate finance (Williamson 1988). Sometimes a "best practice" is not applicable or is inappropriate for a particular organization's needs. It is then required when applying best practice to organizations to balance the unique qualities of an organization with the practices that it has in common with others (Nash 1997).

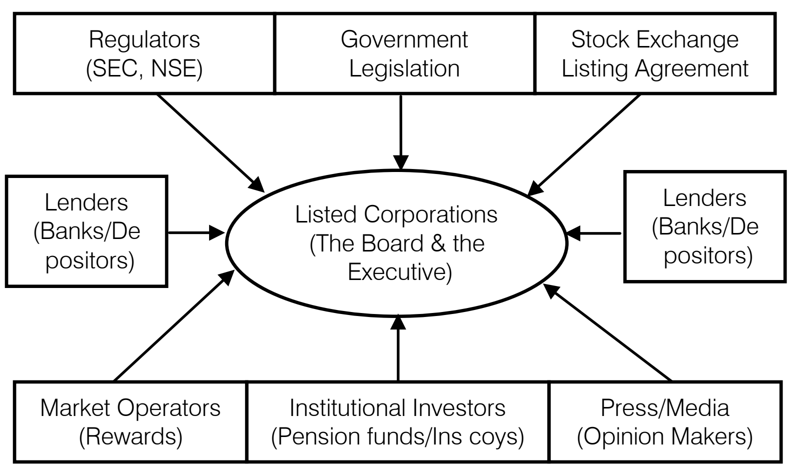
Corporate governance, as a concept, can be viewed from at least two perspectives: a narrow one in which it is seen merely as being concerned with the structures within which a corporate entity or enterprise receives its basic orientation and direction (Rwegasira, 2000); and a broad perspective in which it is regarded as being the heart of both a market economy and a democratic society (Sullivan, 2000). The narrow view perceives corporate governance in terms of issues relating to shareholder protection, management control and the popular principal-agency problems of economic theory. In contrast, Sullivan (2000), a proponent of the broader perspective used the examples of the resultant problems of the privatization crusade that has been sweeping through developing countries since the 1980s, and the transition economies of the former communist countries in the 1990s. For this perspective, issues of institutional, legal and capacity building as well as the rule of law are at the very heart of corporate governance.

In modern businesses, major external stakeholder groups are shareholders, debt holders, trade creditors and suppliers. Others include customers and communities which are affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees. Modern interest in corporate governance is concerned with rise of the conflicts of interests between stakeholders (Georgen 2012). Discussions on corporate governance tend to refer to principles raised in three documents released since 1990: The Cadbury Report (UK, 1992), the Principles of Corporate Governance (OECD, 1998 and 2004), the Sarbanes-Oxley Act of 2002 (US, 2002). The Cadbury and Organization for Economic Co-operation and Development (OECD) reports present general principles around which businesses are expected to operate to assure proper governance. The Sarbanes-Oxley Act, informally referred to as Sarbox or Sox, is an attempt by the federal government of the United States to legislate several of the principles recommended in the Cadbury and OECD reports. These include: rights and equitable treatment of shareholders, interests of other stakeholders, role and responsibilities of the board, integrity and ethical behavior, disclosure and transparency.

Some continental European countries, including Germany and the Netherlands, require a two-tiered Board of Directors as a means of improving corporate governance, Tricker (2009). The Securities and Exchange Board of India Committee on Corporate Governance conceives CG as the "acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company." [SEBI Report 2013].

b) *Mechanics of Corporate Governance: A Regulation & Legislation Framework*

The study of CG as a tool for explaining how enterprises are internally governed and externally 'connected' to their publics have been put forward by Ilori (2012). The author attempt in the model to explain who (actors/stakeholders) are involved in the complex of interactive interplay of the CG system in an economy and how (strategies) these actors adopt to operationalize CG within the context of the body of rules and regulations in addition to responsibilities of the CG system.




*Source: Bernard Ilori, 'Corporate Governance: Its meanings, experience and usefulness in the world of corporate finance.' Published in the Guardian, Monday 9, 2012 pg. 52*

*Figure 1:* CG Regulation & Legislation Framework

Above framework spotlights how CG as a system is wired. The CG system operates within and around a set of principles, actors and legislations. Studies by various authors have helped in the understanding of the basic structures, tenets and principles behind the model.

Oso and Semui (2012) document the following as basic and accepted principles of CG to be adhered to for success.

1. *Rights and Equitable Treatment of Shareholders:* This implies that there are certain fundamental rights of the shareholders which organizations must respect and strictly uphold. Shareholders should equally be allowed to exercise their rights without fear or favour. Organizations are duty bound to give clear interpretation of these rights for better understanding by the shareholders as well as ensuring shareholders' participation in the affairs of the corporation through general meetings.
2. *Interest of Stakeholders:* Corporations are obliged to recognize, in their policies and other aspect of operations, their legitimate stakeholders as having legal and other obligations which should be fulfilled at all time.
3. *Role and Responsibility of the Board of Directors:* As a matter of fact, board members should be constituted by people with expertise and the required knowledge. Put differently, technocrats of

excellent skills and comprehensive understanding should form the board to be able to deal with various business issues in order to review and challenge management performance. The size of the board should be sufficient enough with appropriate level of commitment to fulfill its responsibilities and duties.

4. *Integrity and Ethical Behaviour:* This is quite central to the practice of good governance. It involves ethical and responsible decisions making which is necessary in managing risk and avoiding lawsuits. Corporate organizations should evolve a clear cut code of conduct to guide the conduct of their directors and executives. This enhances their sense of duty and consciousness of the interest of all stakeholders.
5. *Disclosure and Transparency:* Corporate governance requires high level of accountability; hence organizations should make concerted efforts to publicize the roles and responsibilities of boards and management in order to make them accountable to the shareholders. Also, there should be a set of procedures to ensure independent verification of the company's financial reporting to safeguard the integrity of the organization. All investors should equally have access to timely and balanced disclosure of materials and factual information concerning the organization.

The framework is also consistent with the template of the ACG (2015) titled: "our five golden rules of best corporate governance". For them the principles underlying these rules are:

*Ethical Approach:* Culture, society; organizational paradigm, Balanced objectives - congruence of goals of all interested parties, Each party plays his part - roles of key players: owners/directors/staff, Decision-making process in place - reflecting the first three principles and giving due weight to all stakeholders, Equal concern for all stakeholders - albeit some have greater weight than others, Accountability and transparency - to all stakeholders. One of the master piece statements that easily synergize the basic ingredients, mechanics and lessons that can be drawn from adopting best corporate governances ethos is that of a former Governor of the Central Bank of Nigeria, Sanusi (2003: 15) when he avers that:

> *Issues of corporate governance have become so pervasive in recent years and the lessons learned from experiences of corporate organizations have become major actors in the political economy of many countries. Under the current neo-liberal economic philosophy they are regarded as the engine of growth and development. Based on this premise the performance of these organizations is of interest to both the government and the citizens. Essentially, various measures, models and concept name being developed globally and nationally to ensure that these corporate organizations not only survive but operate in the best interest of all stakeholders including the government. Dealing with them is so important that promoting corporate governance with its attendant challenges have become relevant and timely. Moreover, it is important to recognize that economic performance of any country is shaped largely by the quality and effectiveness of the nation's corporate governance. Thus, the world over, sound corporate governance has become major concern not only to business enterprises, but also to central banks and governments.*

## III. Corporate Governance: Models and Benefits

Two distinct models of CG have been recognized in management theory and these differ according to the variety of capitalism in which they are embedded. The Anglo-American model tend to emphasize the interests of shareholders. The coordinated or Multi - stakeholder Model associated with Continental Europe and Japan also recognizes the interests of workers, managers, suppliers, customers, and the community. A related distinction is between market-orientated and network-orientated models of corporate governance (Sytse 2003).

The USA and the UK are known to be foremost capitalist economies where corporate best practices are robustly practiced. Corporate governance in these cultural domain, emphasizes the interests of shareholders. It relies on a single-tiered Board of Directors that is normally dominated by non-executive directors elected by shareholders. Because of this, it is also known as "the unitary system" (Cadbury Report 1992). Within this system, many boards are inclusive of some executives who are from other companies, i.e. ex-officio members. Non - executive directors are expected to outnumber executive directors and hold key positions, including audit and compensation committees. In the United Kingdom, the CEO does not serve as Chairman of the Board, whereas in the US a dual role of sorts is the norm. This has had its own misgivings and criticism regarding its impact on corporate governance (Bowen, 2011).

In the United States, corporations are directly governed by state laws, while the exchange (offering and trading) of securities in corporations (including shares) is governed by federal legislation. Many USA States have adopted the Model Business Corporation Act, but the dominant State law for publicly traded corporations is *Delaware*, which continues to be the place of incorporation for the majority of publicly traded corporations. Individual rules for corporations are based upon the corporate charter and, less authoritatively, the corporate bylaws. Shareholders cannot initiate changes in the corporate charter although they can initiate changes to the corporate bylaws (Bebchuck, 2004).

Benefits of Corporate Governance and Global best practices in the life of an enterprise are not farfetched. Corporate Governance is now being increasingly practiced by companies across the globe due to the range of benefits it offers. Practicing corporate governance is beneficial for a company and its stakeholders as well for the economy as a whole. A few benefits of corporate governance are mentioned below.

*Excellent Management:* If a company is practicing corporate governance, people not linked to the firm will also be able to assess its governance. This is because the most fundamental principle of corporate governance is transparency and the principles of disclosure. Every step taken by company authorities, having control over the company's management, is in the best interests of the company and its stakeholders. This has a positive impact on the community and may reflect upon the market valuation of the firm and hence, its share price.

*High Level of Transparency:* Companies that follow a set of best practices are encouraged to be highly transparent about their business. This helps them attain the trust of the community and its stakeholders and eases the task of raising capital when needed. As the business is easy to assess and evaluate due to its high level of transparency, many investors and financial institutions prefer funding these companies than those that are not following the core principles of corporate governance.

*Stakeholder Benefits:* Under corporate governance, a BOD tends to act in the best interest of the firm and its stakeholders. This will ensure greater success as the goal of the company managers will now be aligned with the goals of the company. The result of this will be greater profits and faster growth which will benefit the company and all the stakeholders.

*Reputation and Recognition:* The practice of good corporate governance followed by firms will allow them to gain the trust of the investors, the customers and the community at large. This will have a positive impact on the company's reputation and it will be recognized as a fair and transparent company. This image will help the company prosper in the long run and achieve its goals more quickly.

*Reduces Wastage:* Good practices of corporate governance help companies become more efficient in their business. Employees that are trained to follow ethical business practices will avoid excessive wastage of company resources and will tend to utilize all resources optimally.

*Reduce Risks, Mismanagement and Corruption:* A company can reduce the amount of risks in their business as well as any attempts of corruption and mismanagement by following the practices of good governance. Due to the level of transparency necessary in companies that follow the principles of good governance, many individuals intending to misuse their position and power will be unable to do so. This will reduce the overall incidences of negative acts in the company and help it achieve success and a positive image in the community.

*Economic Benefit:* A company following good corporate governance will be able to achieve the trust of the community and hence, success in the long run. A firm's good reputation will ensure a good flow of capital by attracting foreign investors in the economy and will benefit the economic situation of the nation.

On the side of GBP, the goal of every organization is to make profit and to deliver quality products/service to their customers. The benefit of BPs to the organization includes:

- Improved customer satisfaction
- Increase on return on investment
- Improved staff morale
- Reduced staff turnover
- The best practices principles provide the framework for the organization to:
- Develop a good understanding of consumer's requirement: This is fundamental to being able to satisfy them. If the organization knows what the consumer want they will be able to satisfy them and deliver it.
- Improve the perception that customers have of the organizational functions, increasing their confidence in the organization.

## IV. Corporate Governance & GBP: The Nexus in Contemporary Global Business

In the early 1960s, CG was regarded as a business doctrine in most western cultures. At the twilight of the $20^{th}$ century it garnered steam achieving life and breath - it can be safe therefore, in the $21^{st}$ century, to posit that CG has become a business philosophy, a corporate orientation that guide the thinking of both creators and managers of enterprises. It is becoming evident that CG alone cannot midwife sustainable enterprise success especially in the $21^{st}$ century dynamic and turbulent business environment. There is the need to partner it with GBP principles not only to enhance competences but to garner critical mass and synergy for corporate survival and excellence. Areas of such relational connections are articulated in the following discourse. The thinking here is that sub-Saharan SME operators will glean vital lessons and bring same to bear on their enterprises as they project to become regional and global players.

*Quality Consciousness & Incrementation:* A veritable synergy is the institution of a culture of quality consciousness. Evolutions in core GBP consist of trading-in quality in product designs, packaging and offerings. O'Donovan (2003) emphasized the need for quality integration as a vital factor that can help distinguish a firm competitively. Quality is needed at several stages: quality at product conception, quality at product design and fabrication, market testing, pricing and promotion and ultimately quality in service delivery (Ekakitie, 2007). In Nigeria not much can be said in support of quality levels across enterprises of note. Many products are cloned, adulterated and some firms outrightly promote puffery. A lot has been done over the years to arrest these maladies, one such initiatives is the quality certification earlier discussed. In synergy with the above, CG imbued a culture of sound decision making by CEOs and their BODs – quality in screening and selection criteria, quality in assessment of functional managers' ability in policy making and implementation. Maier (2005) in this regard emphasize efficiency in decisions as regards, for instance, attracting capital as it impact on expected profit projections. Okeaholam and Akinbode (2003) aver that decisions taken which stems from the exercise of corporate power should ultimately underscore quality which in the end should increase shareholder's value and satisfaction of other stakeholders in the context of its corporate mission.

*Use of globally acceptable principles & rules:* Studies on GBP and CG have been grounded on popular principles and guides of global acclaim. CG is globally regarded as a framework by which companies are directed and controlled i.e. the setting of corporate objectives and monitoring of performance against these objectives (Agbonifoh, 2010). For Okafor (2009) such globally accepted principles and guides include: selflessness, integrity, and accountability. For Maier (2005) it accommodates the ethos of obeying laws, efficiency in use of company resources, and accepting government regulations including those imposed by regulatory agencies. GBP mechanics is driven on principles of best practices that are cutting-edge. It starts with identifying desired results, skills and competences planning and strategies to implement them, competency profiling, setting BP standards in terms of skills, and equipments needed (Dragonidis and Mentzas, 2006). Such guides should have space for manpower planning and trainings for skills required to implement BP techniques. Boyatzis (1982) underscores the need to profile the attributes of persons to be trained so as to align them with desired results. Boam and Sparrow (1992) recommends observation of performance as a control technique for standard conformance. The observations of these principles have a lot of positive implications for SMEs in sub-Saharan Africa.

*Creativity & Innovation:* Nothing translates an enterprise into a market leader faster than creativity and innovation. In adopting or evolving GBP ethos a creative and innovative culture is crucial. Jobber (2004) outlines the attributes of innovative enterprises to include: tolerance for failure, rewarding success, top management support via timely resource allocation/release, backing words with action, emphasizing strongly the importance of new ideas and creative thinking in their workforce, etc. For Peter Drucker (1954) innovation and creativity is about taking decisions today for tomorrow's results and doing yesterday's tasks differently and better today (Deming 1986). To effectively carry out CG practices and bring them in tandem with today's business requirements in the 21st century, BODs of enterprises and regulatory agencies need to jettison old rules for new ones (Ahmad, 2008). Thus laws like the companies and Allied Matters Act, 1990, the Banks and other Financial Institutions Act 1999 (as amended) and the Investment and Security Act, 1999 (as amended); including the Security and Exchange Commission 1988 (SECA) (as amended) all need to be brought in tandem with the global laws of the OECD. This is so because the Nigerian economy and business environment is so turbulent that constant and innovative supervisory mechanisms need to be imbibed and enforced to ensure better harmony and stability for investors and forward looking enterprises to find their bearing.

*Systemic Operations:* The systemic nature and character of CG and GBP are implicated in their basic modus operandi. For CG, the Legal and Legislative framework of operations earlier illustrated in this study (Ilori, 2012) reveal factors and variables at issue in the task of regulation of CG activities. Some of these include but not limited to: regulators (NSE, SEC), government legislation, Stock Exchange listing agreements, lenders (banks/depositors), institutional investors and market operators among others. As with most systems, a hi-cup in one sector e.g. the banks can have reverberating effects across the entire system of stakeholders and operators and even government and its agencies. GBP also is entrenched in a web of systemic interplay of inputs and throughputs. An enterprise with a patent for a BP that goes to 'sleep' with its R&D department and market surveys and become oblivious to innovations and changes in customer taste and preferences, oblivious to better and more efficient production/operations techniques etc., will suddenly find itself struggling to catch up with its rivals after losing its market share and dominance. A GBP should therefore have a system of self assessment, self regulation and renewal to continually stay atop competitively. This is to avoid an entropy state of decay as enterprise as open systems (Ekakitie, 2010; Griffin 2005; Koontz and Weirich 1993) must continually receive inputs from its environment to maintain steady-states. As Jayashree

(2006) puts it, implementing programmes for best governance must include a reporting system which ensures regular feedback and transparency on matters which affects stakeholders and their interests.

*Transparency & Objectivity:* People and enterprises of conscience almost always cherish operations in business that aligns with transparency, objectivity and even trust. Successful enterprises that mainstream the going concern philosophy of businesses often operate on certain codes of ethics that shields them from malfeasance such as corruption, giving and receiving bribes, conflict of interest and the like. Hence, in Omar's (2001) assessment, good CG should be about ethical business conduct, transparency, integrity in running a business and about making a distinction between personal and corporate fund. Okeaholam and Akinbode (2003) in orchestrating this imperative of CG aver that it should be about promoting and protecting all stakeholders, particularly shareholders against those who may be tempted to use their privileged positions to serve their selfish interest at the expense of other stakeholders. In the same vein, enterprises that wish to evolve BP must engage in correct assessment of their needs, identify areas within the production line that requires capacity upgrade and midwife technologies that are difficult to clone by rivals. When for instance, a certain part of their production system is to be automated, there should be factual profiling of needs and objectives; there should be healthy debate guided by transparency and objectivity. The expected benefits must outstrip acquisition costs.

*As Tool for competitiveness:* Enterprises that pay lip service to practices of good CG only play the Ostrich and in the end cheat themselves. Most of their operations are replete with symptoms of business failure (Ekakitie and Oladipo 2004, 2010) which they often ignore. Ahmad (2008) reports a SEC survey in 2003 on level of adoption of corporate governance codes by quoted companies in the Exchange including banks. It was found that 40% of quoted firms ignore CG codes and principles of operations. This underscored the reason and level of bank failure at that time that eventually necessitated the bank recapitalization policy of the Obansanjo administration (1999 - 2007). CG can become a tool of competitive excellence if its principles and codes are steadfastly adhered to by operators. Strategies to the rescue must be internally propelled first and foremost. Maier (2005) identify them to include: strengthening internal control systems and procedures, employee training, compliance monitoring, whistle blowing, competitive corporate culture in addition to regular review of codes of operations. Okafor (2009) re-emphasized the place of selflessness, integrity and honesty among employees and above all accountability. These factors can condense into excellent service delivery, creation of valued products that distinguishes the firm's brands among its peers. A history of consistency in performance with its publics rub off excellently on the firm's products and results in customer loyalty (Kotler and Keller, 2008; Jobber 2004; McCarthy and Perreualt 2002). When organizations consistently adopt GBP in product creation, service delivery and a robust interchange of customer relationship management techniques - the resultant benefits are unquantifiable. It may only be fathomed in the increase in the level of customer patronage, market share and indeed the stream of revenue garnered as ROI.

*As ingredients for sustainable development:* When creators of enterprises forfeit immediate gains for long-term benefits, their quest goes beyond personal gains and gravitate into socio - economic initiatives which on the aggregate add to economic, social and technological development. Hence Donovan (2003) aver that corporate governance relies on the external market and the commitment of those with purchasing power to make the wheel of manufacturers (suppliers) and buyers (demand side) of the economy continue to roll. In the view of Dignam and Lawry (2006) CG is multi-faceted and has impact on sectoral growth of an economy. Sapovodia (2007) adduces the instruments of CG as a socio-economic tool for national transformation and socio-economic development. If CG is a tool for industrial and national development, the GBP constitute the driving mechanism that makes the products/services of enterprises continue to receive value and quality and ultimately patronage across several industries. As tastes and preferences change, and customers become more sophisticated (Zuboff and Maxmin, 2002) in their demand pattern, evolution and innovations in BP must necessarily increase in tandem with customer expectations. Government should rise up to the occasion in provision of necessary infrastructure to act as facilitator, and lubricant to impact economic development.

## V. Conclusions and Recommendations

### a) *Conclusions*

This study has looked into the concepts of GBP and CG from various dimensions; we can conclude that these concepts are germane to business success and economic development not only in Sub-Sahara Africa but globally. Best practice is revealed to be used to describe the process of developing and following a standard way of doing things that multiple organizations can use. Best practices are used to maintain quality as an alternative to mandatory legislated standards and can be based on self-assessment or benchmarking. Not all "best practices" are applicable/appropriate for all organizations' needs. It is therefore safe to conclude that BPs can be industry and business specific. Sometimes when applying best practice to organizations it is with a view to balancing the unique qualities of that organization with the practices that it has in common with others (Nash 1997).

It is the argument of the authors that for SMEs to succeed in Sub-Sahara Africa, GBP is needed to leverage on the gains of CG. As posited in the study CG are a set of managerial rules, guides and pattern of qualitative decision making governed by ethics, consciences and regulations. All these must have stakeholders interest at the center. It is therefore safe to conclude that CG is stakeholder-centric.

Perspectives of CG perused include principles contained in the Cadbury Report (UK, 1992), the Sarbanes-Oxley Act of USA (2002), and the general principles contained in the OECD reports among others. A common string that links these perspectives revolve around rights and equitable treatment of shareholders, interests of other stakeholders, the roles and responsibilities of the board, need for full disclosure, ethics and transparency.

CG and GBP mechanisms discussed include process monitoring, policies and decisions of corporations and their agents. It also includes methods and techniques of how stakeholders' interests align with corporation's mission vis-à-vis how the organizations are structured and directed.

Lessons to be drawn from enterprise adoption of GBP and CG are wide and varied. Among others, they instill not only financial discipline and prudence but also arm the operators of the enterprise as a system with guidelines and operational ethics. It also propels regulators to be alive to their responsibilities. Best practices have imposed a need for standardization products/service and of roles and operations, quality certification and innovation. All SMEs in sub-Sahara Africa that desire to be taken seriously and want to be competitive for success and survival need to imbibe these principles as a working philosophy.

*b) Recommendations*

For African entrepreneurs desirous of surviving in an environment bedeviled with poor infrastructure, and physical environmental turbulence, success will largely depend upon the following recommended actions:

- Having a sound business plan (corporate vision, mission and goals to live out the plan).
- Initiating the right technology (local or foreign) to make cost effective products/services.
- Having the right techniques and managerial competence to innovate and implement the business' strategy and tactical plans.
- Evolving competitively priced and valued products for identified markets (local and foreign).
- Having the right corporate governance and innovating business culture across several functional areas of the business that is synchronized with the external business environmental dictates.

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