

1 Corporate Governance and Global Best Practices: Perspectives, 2 Mechanics & Lessons for SMEs in Sub-Saharan Africa

3 Ekakitie Emonena, Sunny¹

4 ¹ Delta State University

5 *Received: 7 December 2017 Accepted: 1 January 2018 Published: 15 January 2018*

6

7 **Abstract**

8 This study is focused to crystallize the essence and benefits accrueable from the combination of
9 Corporate Governance (CG) and Global Best Practice (GBP) and how Sub-Saharan Africa's
10 SMEs can tap into it on adoption. The study adopted analytical and qualitative approach as
11 research methods via x-raying extant literature and models of best corporate governance. In
12 doing this, various perspectives and driving mechanics of CG and GBPs were discussed across
13 several cultures in the industrially advanced nations. A framework of legislation and
14 regulation by Ilori containing variables and actors in the system was illustratively discussed.
15 This framework received congruence from the CG template of Oso and Semui (2012) and the
16 position paper of the Applied Corporate Governance of the USA 2015. To give deeper insights
17 to the understanding of the perspectives and mechanics of CG and GBP, the authors
18 examined various models. These include the Anglo-American model, the Multi- stakeholder
19 model along with other variants such as the market and network oriented models of corporate
20 best governance. Lessons drawn from these templates were lucidly discussed for the benefits of
21 Sub-Saharan SME operators. The study pin-pointed areas of nexus between the two concepts
22 to include: quality consciousness, use of globally acceptable principles and rules; creativity
23 and innovation, systemic nature of operations among others. In concluding the study,
24 Sub-Saharan African SMEs were called upon to leverage on the benefits highlighted in the
25 study for effective regional dominance and global positioning. It is further suggested that
26 entrepreneurs should have a sound business plan and adopt appropriate techniques and
27 technologies in the creation of innovative and valued products/services to announce their
28 presence in the global market place.

29

30 **Index terms**— global best practices, corporate governance, innovative/creative culture, principles-rules and
31 guides and regulatory framework.

32 **1 I. Introduction**

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

37 On account of the above, various policies of government (See Ekuerhare 1996; Okojie 2006) have evolved
38 programmes and strategies targeted at stimulating SMEs creation and growth with the intention to midwife
39 a renaissance of sorts to solve a myriad of socio -economic problems top of which are: unemployment, youth
40 restiveness, attainment of self sufficiency in the production of basic items needed by citizens (as against imports)

3 II. LITERATURE REVIEW

41 and generally engaging the supply and demand side of the economy in productive activities for domestic and
42 sustainable economic development (Familoni 2001;Iyoha and Ekanem 2002).

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

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

60 2 Year ()

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

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

80 3 II. Literature Review

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

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

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

97 Another needful ingredient African SMEs require to bootstrap for is the evolvement and adoption of cutting
98 edge skills and competencies -modern management theorists call it 'best practices'. Best practices ??BP) or
99 what some authors call global best practices (GBP) are a set of technique and competency programs adopted
100 as an aid to improving the quality and quantity of products, commodities or service delivery of enterprises to

101 target markets. The evolution of GBP has commanded increased research attention in recent times. This can
102 be attributed to increased competition and innovation across several industries. A best practice is a method
103 or technique that has consistently shown results superior to those achieved with other means, and that is used
104 as a benchmark ??Grayfell, 2015). By this definition, the concept of GBP has assumed a deeper meaning and
105 implication with respect to context and practices which African SMEs should take interest in.

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

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

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

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

140 4 a) Corporate Governance and Global Best Practice: A Theoretical 141 Overview

142 Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are
143 controlled and directed (Shailler, 2004).

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

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

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

161 Corporate governance, as a concept, can be viewed from at least two perspectives: a narrow one in which it

6 RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS:

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

171 In modern businesses, major external stakeholder groups are shareholders, debt holders, trade creditors and
172 suppliers. Others include customers and communities which are affected by the corporation's

173 5 b) Mechanics of Corporate Governance: A Regulation & 174 Legislation Framework

175 The study of CG as a tool for explaining how enterprises are internally governed and externally 'connected'
176 to their publics have been put forward by Ilori (2012). The author attempt in the model to explain who
177 (actors/stakeholders) are involved in the complex of interactive interplay of the CG system in an economy and
178 how (strategies) these actors adopt to operationalize CG within the context of the body of rules and regulations
179 in addition to responsibilities of the CG system. Source: Bernard Ilori, 'Corporate Governance: Its meanings,
180 experience and usefulness in the world of corporate finance.' Published in the Guardian, Monday 9, 2012 pg. 52
181 Above framework spotlights how CG as a system is wired. The CG system operates within and around a set
182 of principles, actors and legislations. Studies by various authors have helped in the understanding of the basic
183 structures, tenets and principles behind the model.

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

186 6 Rights and Equitable Treatment of Shareholders:

187 This implies that there are certain fundamental rights of the shareholders which organizations must respect
188 and strictly uphold. Shareholders should equally be allowed to exercise their rights without fear or favour.
189 Organizations are duty bound to give clear interpretation of these rights for better understanding by the
190 shareholders as well as ensuring shareholders' participation in the affairs of the corporation through general
191 meetings. Corporate organizations should evolve a clear cut code of conduct to guide the conduct of their
192 directors and executives. This enhances their sense of duty and consciousness of the interest of all stakeholders.

193 5. Disclosure and Transparency: Corporate governance requires high level of accountability; hence
194 organizations should make concerted efforts to publicize the roles and responsibilities of boards and management
195 in order to make them accountable to the shareholders. Also, there should be a set of procedures to ensure
196 independent verification of the company's financial reporting to safeguard the integrity of the organization. All
197 investors should equally have access to timely and balanced disclosure of materials and factual information
198 concerning the organization.

199 The framework is also consistent with the template of the ACG (2015) titled: "our five golden rules of best
200 corporate governance". For them the principles underlying these rules are: Ethical Approach: Culture, society;
201 organizational paradigm, Balanced objectives -congruence of goals of all interested parties, Each party plays
202 his part -roles of key players: owners/directors/staff, Decision-making process in place -reflecting the first three
203 principles and giving due weight to all stakeholders, Equal concern for all stakeholders -albeit some have greater
204 weight than others, Accountability and transparency -to all stakeholders. One of the master piece statements
205 that easily synergize the basic ingredients, mechanics and lessons that can be drawn from adopting best corporate
206 governances ethos is that of a former Governor of the Central Bank of Nigeria, ??anusi (2003: 15) Two distinct
207 models of CG have been recognized in management theory and these differ according to the variety of capitalism
208 in which they are embedded. The Anglo-American model tend to emphasize the interests of shareholders.
209 The coordinated or Multi -stakeholder Model associated with Continental Europe and Japan also recognizes
210 the interests of workers, managers, suppliers, customers, and the community. A related distinction is between
211 market-orientated and network-orientated models of corporate governance ??Sytse 2003).

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

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

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

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

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

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

246 **7 Reputation and Recognition:**

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

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

254 **8 Reduce Risks, Mismanagement and Corruption:**

255 A company can reduce the amount of risks in their business as well as any attempts of corruption and
256 mismanagement by following the practices of good governance. Due to the level of transparency necessary
257 in companies that follow the principles of good governance, many individuals intending to misuse their position
258 and power will be unable to do so. This will reduce the overall incidences of negative acts in the company and
259 help it achieve success and a positive image in the community. Economic Benefit: A company following good
260 corporate governance will be able to achieve the trust of the community and hence, success in the long run. A
261 firm's good reputation will ensure a good flow of capital by attracting foreign investors in the economy and will
262 benefit the economic situation of the nation.

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

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

270 **9 IV. Corporate Governance & GBP: The Nexus in Contem- 271 porary Global Business**

272 In the early 1960s, CG was regarded as a business doctrine in most western cultures. At the twilight of the 20
273 th century it garnered steam achieving life and breath -it can be safe therefore, in the 21 st century, to posit
274 that CG has become a business philosophy, a corporate orientation that guide the thinking of both creators and
275 managers of enterprises. It is becoming evident that CG alone cannot midwife sustainable enterprise success
276 especially in the 21 st century dynamic and turbulent business environment. There is the need to partner it with
277 GBP principles not only to enhance competences but to garner critical mass and synergy for corporate survival
278 and excellence. Areas of such relational connections are articulated in the following discourse. The thinking here

12 SYSTEMIC OPERATIONS:

279 is that sub-Saharan SME operators will glean vital lessons and bring same to bear on their enterprises as they
280 project to become regional and global players.

281 10 Global Journal of Management and Business Research

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

296 11 Use of globally acceptable principles & rules:

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

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

324 12 Systemic Operations:

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

337 2010;Griffin 2005; Koontz and Weirich 1993) must continually receive inputs from its environment to maintain
338 steady-states. As Jayashree

339 **13 Global Journal of Management and Business Research**

340 Volume XVIII Issue X Version I Year () A (2006) puts it, implementing programmes for best governance must
341 include a reporting system which ensures regular feedback and transparency on matters which affects stakeholders
342 and their interests.

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

356 As Tool for competitiveness: Enterprises that pay lip service to practices of good CG only play the Ostrich and
357 in the end cheat themselves. Most of their operations are replete with symptoms of business failure ??ladipo 2004,
358 2010) which they often ignore. Ahmad (2008) reports a SEC survey in 2003 on level of adoption of corporate
359 governance codes by quoted companies in the Exchange including banks. It was found that 40% of quoted
360 firms ignore CG codes and principles of operations. This underscored the reason and level of bank failure at
361 that time that eventually necessitated the bank recapitalization policy of the Obasanjo administration ??1999
362 -2007). CG can become a tool of competitive excellence if its principles and codes are steadfastly adhered to by
363 operators. Strategies to the rescue must be internally propelled first and foremost. Maier (2005) identify them
364 to include: strengthening internal control systems and procedures, employee training, compliance monitoring,
365 whistle blowing, competitive corporate culture in addition to regular review of codes of operations. Okafor (2009)
366 re-emphasized the place of selflessness, integrity and honesty among employees and above all accountability. These
367 factors can condense into excellent service delivery, creation of valued products that distinguishes the firm's brands
368 among its peers. A history of consistency in performance with its publics rub off excellently on the firm's products
369 and results in customer loyalty ??Kotler and Keller, 2008;Jobber 2004; ??cCarthy and Perreault 2002). When
370 organizations consistently adopt GBP in product creation, service delivery and a robust interchange of customer
371 relationship management techniques -the resultant benefits are unquantifiable. It may only be fathomed in the
372 increase in the level of customer patronage, market share and indeed the stream of revenue garnered as ROI.

373 As ingredients for sustainable development: When creators of enterprises forfeit immediate gains for longterm
374 benefits, their quest goes beyond personal gains and gravitate into socio -economic initiatives which on the
375 aggregate add to economic, social and technological development. Hence Donovan (2003) aver that corporate
376 governance relies on the external market and the commitment of those with purchasing power to make the
377 wheel of manufacturers (suppliers) and buyers (demand side) of the economy continue to roll. In the view of
378 Dignam and Lawry (2006) CG is multi-faceted and has impact on sectoral growth of an economy. Sapovodia
379 (2007) adduces the instruments of CG as a socio-economic tool for national transformation and socio-economic
380 development. If CG is a tool for industrial and national development, the GBP constitute the driving mechanism
381 that makes the products/services of enterprises continue to receive value and quality and ultimately patronage
382 across several industries. As tastes and preferences change, and customers become more sophisticated (Zuboff
383 and Maxmin, 2002) in their demand pattern, evolution and innovations in BP must necessarily increase in tandem
384 with customer expectations. Government should rise up to the occasion in provision of necessary infrastructure
385 to act as facilitator, and lubricant to impact economic development.

386 **14 V. Conclusions and Recommendations a) Conclusions**

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

394 **15 Global Journal of Management and Business Research**

395 Volume XVIII Issue X Version I Year () A organizations it is with a view to balancing the unique qualities of
396 that organization with the practices that it has in common with others (Nash 1997).

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

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

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

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

414 **16 b) Recommendations**

415 For African entrepreneurs desirous of surviving in an environment bedeviled with poor infrastructure, and physical
416 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). ^{1 2 3}

Year
Volume XVIII Issue X Version I
()
Global Journal of Management and Business Research

[Note: Activities.]

Figure 1:

Year
Volume XVIII Issue X Version I
()
Global Journal of Management and Business Research

Figure 2:

417

¹© 2018 Global Journals Corporate Governance and Global Best Practices: Perspectives, Mechanics & Lessons for SMEs in

²© 2018 Global Journals Corporate Governance and Global Best Practices: Perspectives, Mechanics & Lessons for SMEs in Sub-Saharan Africa

³© 2018 Global Journals 1

418 [Familoni ()] , K A Familoni . *Macro -Managerial Economics* 2001. Panaf Publishing Inc.

419 [Griffin ()] , R W Griffin . *Management* 2005. South-Western College Publication.

420 [Iyayi ()] , F Iyayi . 2007. Benin City. University of Benin (Ph.D Class Discourse)

421 [Ekakitie and Oladipo ()] , E S Ekakitie , P K Oladipo . 2010. Benin City Nigeria: Bob Poco Printing and Publishing Company Limited. (Introduction to Business Management, 2 nd edition)

422 [O'donovan ()] 'A Board Culture of Corporate Governance'. O'donovan . *Corporate Governance International Journal* 2003. 6 (3) .

423 [Okeaholam and Akinbode ()] *A Review of Corporate Governance in African Literature: Issues and Challenges. Being a Paper Presented on June 15 th at the Global Corporate Governance Forum*, C C Okeaholam , A O Akinbode . 2003.

424 [Gitau and Gburek ()] 'A tool for estimating best management practice effectiveness for phosphorus pollution control'. M W Gitau , W J Gburek , Jarrett , AR . *Journal of Soil and Water Conservation* 2005. 60 p. .

425 [Shailey ()] *An Introduction to Corporate Governance in Australia*, Shailey . 2004. Sydney: Pearson Education Australia.

426 [Mccarthy and Perreault ()] *Basic Marketing: A Global-Managerial Approach*, E J Mccarthy , W D Perreault . 427 2002. Irwin, McGraw-Hill.

428 [Bogan and English ()] 'Benchmarking for Best Practices: Winning Through Innovative Adaptation'. C E Bogan , M J English . *Best Practices, LLC*, (New York) 1994. McGraw-Hill.

429 [Nash and Ehrenfeld ()] 'Codes of environmental management practice: Assessing their potential as a tool for 430 change'. J Nash , J Ehrenfeld . *Annual Review of Energy and the Environment* 1997. 22 p. .

431 [Draganidis ()] 'Competency Based Management: A Review of Systems and Approaches'. F Draganidis . 432 *Information Management and AMP* 2006. 14 (1) p. . (Computer Security)

433 [Ekakitie ()] *Contemporary Management, Bob Poco Printing and Publishing Company, 47 Aruosa Street Benin 434 City, S Ekakitie* . 2007.

435 [Corporate Governance and Global Best Practices: Perspectives, Mechanics Lessons for SMEs in Sub-Saharan Africa] *Corporate Governance and Global Best Practices: Perspectives, Mechanics & Lessons for SMEs in Sub-Saharan Africa*,

436 [Oman ()] *Corporate Governance and National Development, An Outgrowth of the OECD Development Center's 437 experts Workshop in 2000 and Policy Dialogue in 2001*, C Oman . 2001. (Sponsored by CIPE)

438 [Rwegasira (2000)] 'Corporate Governance in Emerging Capital Markets'. K Rwegasira . *Whither Africa? 439 Empirical Research-Based and Theory-Building Papers*, 2000. July. 8 p. .

440 [Ahmad ()] *Corporate Governance in the Pension Industry. A paper presented at the Adebayo Akerele Distinguished Lecture Series at the Faculty of Management Sciences*, M K Ahmad . 2008. Benin City. University of Benin

441 [Okafor ()] *Corporate Governance, in B. A. Agbonifoh, Introduction to Business: A Functional View*, C A Okafor . 442 2009. Benin City: Mindex Publishing Company Ltd.

443 [Sullivan (2000)] *Corporate Governance: Transparency between Government and Business. Paper Presented to 444 the Mediterranean Development Forum 3, World Bank Meeting Cairo Egypt*, J D Sullivan . 2000. March 7.

445 [Ekakitie ()] 'Cost Reduction Strategies and Corporate Governance: The Need for a Paradigm Shift in Public 446 Sector Financial Management in Nigeria. BULLION'. E S Ekakitie . *Journal Publication of the Central Bank of Nigeria (CBN)* 2015. 37 (2) p. .

447 [Boam and Sparrow ()] *Designing and Achieving Competency*, F Boam , P Sparrow . 1992. London: McGraw-Hill.

448 [Diagnam and Lowry ()] Diagnam , J Lowry . *Company Law*, 2006. Oxford University Press.

449 [Sytse and Schreuder ()] *Economic Approaches to Organizations*, D Sytse , H Schreuder . 2013. London: Pearson. 450 15. (5 th edition)

451 [Sanusi (2003)] *Embracing Good Corporate Governance Practices in Nigeria: Being a Keynote Address delivered 452 at the 19 th Annual Directors' Seminar Organized by FITC Abuja 17 th*, J O Sanusi . 2003. June.

453 [Tricker ()] *Essentials for Board Directors: An A-Z Guide*, Tricker . 2009. New York: Bloomberg Press.

454 [Essentials for Board Directors: An A-Z Guide ()] *Essentials for Board Directors: An A-Z Guide*, 2009. 2009. 455 New York: Bloomberg Press. (Second Edition)

456 [Sapovadia (2007)] *Good Corporate Governance: An Instrument for Wealth Maximization. www. 457 papers.ssrn.com/so13/papers.cfm?abstract_id=955289*, V Sapovadia . 2007. 10 February, 2015.

458 [Okojie ()] *Governance, Public Policy and Poverty Reduction. A Seminar Paper on Governance and Pro-Poor 459 Growth in Sub-Saharan Africa*, C E E Okojie . 2006. Nairobi: AERC.

460

16 B) RECOMMENDATIONS

473 [Harper and Row] & Harper , Row . *Publishers Inc. 10 East 53 rd Street, (New York NY10022)*

474 [Maier ()] *How Global is Good Corporate Governance? Ethical Investment Research Services*, S Maier .
475 www.eiris.org 2005. p. .

476 [Igbinomwanhia ()] *Human Resource Management*, O R Igbinomwanhia . 2010. Benin City, Nigeria: Broadgate
477 Publishers.

478 [Agbonifoh ()] 'Human Resource Management and Corporate Governance: The Quest for best Practice in
479 Nigeria'. B A Agbonifoh . *Nigerian Academy of Management Journal* 2010. 4 (2) .

480 [Ekakite and Ogbor ()] 'ICT as an Equalizing Agent for SMEs Competitiveness in the Global Market'. E S
481 Ekakite , J O Ogbor . *Journal of Management Sciences* 2012. University of Benin (Unpublished)

482 [Iyoha and Ekanem ()] *Introduction to Econometrics*, M A Iyoha , O T Ekanem . 2002. Benin City: Mareh
483 Publishers.

484 [Jackson and Schuler ()] S E Jackson , R S Schuler . *Managing Human Resources through Strategic Partnerships*,
485 (South-Western, Mason, OH) 2003. (8th ed.)

486 [Kazmi ()] A Kazmi . *Business Policy and Strategic Management*, (New Delhi) 2002. Tata McGraw-Hill
487 Publishing Company Ltd.

488 [Koontz and Weirich ()] *Management: A Global Perspective*, Koontz , H Weirich . 1993. New York: McGraw
489 Hill Inc. (10 th edition)

490 [Kotler and Keller ()] *Marketing Management*, 12 th ed Pearson Education Inc. and Dorling Kindersley India,
491 Kotler , L Keller . 2009.

492 [Ogbor ()] J Ogbor . *Entrepreneurship in Sub-Saharan Africa: A Strategic Management Perspective*, Author
493 House, (Bloomington, Indiana) 2009.

494 [Deming ()] *Out of the Crisis*, W E Deming . 1986. Cambridge Massachusset: MIT.

495 [Jobber ()] *Principles and Practice of Marketing*, D Jobber . 2004. McGraw Hill.

496 [Cadbury (1992)] *Report of the Committee on the Financial Aspects of Corporate Governance*, Adrian Cadbury
497 . December, 1992. Gee, London.

498 [Jayashree ()] 'Some Views on Corporate Governance'. S Jayashree . *Indira School of Management Studies* 2006.
499 Tathawade. (Indira Management Review)

500 [Ekuerhare ()] *Studies in Patterns and Problems of Industrial Accumulation in Nigeria*, B U Ekuerhare . 1996.
501 Lagos: Van Hurst Nigeria Ltd.

502 [Bowen ()] *The Board Book: An Insider's Guide for Directors and Trustees*, W G Bowen . 2008. New York &
503 London: W.W. Norton & Company.

504 [Bebchuck ()] 'The Case for Increasing Shareholder Power'. L A Bebchuck . *Harvard Law Review* 2004.

505 [Boyatzis ()] *The Competent Manager: A Model for Effective Performance*, R Boyatzis . 1982. New York, NY:
506 John Wiley & Sons.

507 [Broadmeadow and Nisbet ()] 'The Effects of Riparian Forest Management on the Freshwater Environment: A
508 Literature Review of Best Management Practice'. S Broadmeadow , T R Nisbet . *Hydrology and Earth System
509 Sciences* 2004. 8 p. .

510 [Wikipedia ()] 'The free encyclopedia'. Wikipedia . <http://en.wikipedia.org/wiki/bestpractices> Best
511 Practices 2013.

512 [Drucker ()] *The Practice of Management*, P F Drucker . 1954.

513 [Crawford (2007)] *The Reform of Corporate Governance: Major Trends in the USA Corporate Boardroom 1977
514 -1997, A Doctoral Dissertation*, Capella University, C J Crawford . www.xceo.net/about_us/crawford_dissertation.php.Retried12th 2007. January 2015.

516 [Zuboff and Maxmin ()] *The Support Economy: Why Corporations Are Failing Individual and the Next Episode
517 of Capitalism*, S Zuboff , J Maxmin . 2002. 2018. Viking, New York, NY. (Global Journals)

518 [Bendal (2003)] *TQM: The Old and the New View*. www.aceounting.web.co.uk/eg. Retrieved on: 12 th, P Bendal
519 . 2003. June, 2013.

520 [Baber (2011)] 'Using Community Colleges to Build a STEM -Skilled Workforce'. A Baber . *NGA Center for
521 Best Practices*. www.STEM-Skilledworkforce.org. Retrieved 2011. 22 September 2011.