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Nigerian Code of Corporate Governance: Imperative for Investment Attraction in Nigerian Banks

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ABSTRACT

This study entitled Nigerian Code of Corporate Governance: Imperative for Investment Attraction in Nigerian Banks aimed at surveying Nigerian Code of Corporate Governance with a view to ascertaining its potentials for investment attraction in Nigerian banks. The instrument has 34 items developed with a five-point Likert scale ranging from Not Important(1), Less Important(2), Quite Important(3), Very Important(4) to Very Much Important(5). Principal Component Analysis, Regression Analysis, ANOVA and Cronbach's alpha test were used to analyze data with the aid of SPSS version 25. It was found that Nigerian Code of Corporate Governance will significantly influence investment growth in Nigerian banking industry. We therefore, recommend that CEOs, Directors and Managers should be encouraged to see how sacrosanct Nigerian Code of Corporate Governance is to sustainable Foreign Direct Investment attraction so as to sincerely adhere to its tenets thereby making Nigerian banking industry an investment destination.

***KEYWORDS:** Investment Growth, Discipline, Accountability, Responsibility and Transparency*

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1. INTRODUCTION

The industrial revolution has made business relationship very complex with the emergence of joint stock companies, that is Private and Public limited liability companies, Group of companies and Conglomerates. Consequently, ownership of these companies which resides with the shareholders became separated from the control which is in the hands of the directors and the management team. The shareholders are sometimes scattered all over the country and even beyond. They entrust the day-to-day running of their investments in the company in the hands of some experts who constitute board of directors and management of the company. Periodically, especially at the end of every year's business, the directors and management summarize the result of their activities in the form of a set of report called financial statements which include statement of financial position and comprehensive income that they present to the shareholders at the Annual General Meeting of the company as their account of stewardship. Paradoxically, however, even amidst healthy financial statements regularly presented and equally published in the national dailies, there are alarming reports of high profile corporate failures resulting from the unscrupulous activities of unfettered corporate leadership. This is indicative of a problem worth investigating and evokes the need for a pragmatic solution. In particular, Nigerian banking industry needs to retain public confidence through the enthronement of good corporate governance because of the role of the industry in financial intermediation, the payment and settlement system and in facilitating Central Bank of Nigeria monetary policy implementation.

Therefore, the development of codes for corporate governance regulations however, has been essentially reactionary. The Nigerian Bankers' committee in August 2003 issued the foremost formal code of corporate governance for Banks and Other Financial institutions in Nigeria which was initiated in response to the financial crisis in Nigeria in the early 1990s and in the realization that poor corporate governance was one of the major factors in virtually all known instances of financial sector distress (Victor, 2017). Consequently, Banwo and Ighodalo (2016) reveal that Nigeria has experimented with sector-specific codes of corporate governance such as Code of Corporate Governance for Banks in Nigeria Post Consolidation 2006; Code of Corporate Governance for Licensed Pensions Operators 2008; Code of Corporate Governance for Insurance Industry in Nigeria 2009; Securities and Exchange Commission (SEC) Code of Corporate Governance in Nigeria 2011 and Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses 2014 as though a pragmatic mechanism has been installed to proffer solution to fraud related issues and restore public confidence in the banking industry and financial sector but all to no avail. Meanwhile, the Financial Reporting Council of Nigeria (FRCN) first started navigating certain legal hurdles in 2011 in its bid to regulate the operations of companies (Public Sector, Private and Not-for-Profit) by harmonizing and unifying Nigeria's sectoral codes of corporate governance, pursuant to its powers under sections 50 and 51 of the Financial Reporting Counting of Nigerian Act 2011. Similarly, there have been attempts to harmonize corporate governance in Europe, but the process is yet to become successful. Previously, Financial Reporting Council of Nigeria (FRCN) was pursuing a mandatory regime for the private sector and comply or justify non-compliance basis for the Not-for-Profit entities. Categorically and emphatically, it was clear that the Private Sector Code which ended in controversy, as far as possible, tried to take a mandatory or prescriptive approach to governance practices that focus on compliance requirements in Nigeria (Templars, 2016). But, finally, the Nigerian Code of Corporate of Governance 2018, a product of extensive consultations with stakeholders, has recently been released by the Financial Reporting Council of Nigeria (FRCN) which adopted a principles-based approach, based on the '**Apply and Explain**' principle now adopted but awaiting implementation after public hearings and awareness on the Code (FRCN, 2018).

In several attempts to proffer solutions to issues of corporate failures, some researchers have examined specific aspects of corporate governance. Most importantly, code of corporate governance implementation that requires thorough examination has scarcely been studied. However, a number of researchers had focused on level of compliance with the code by Nigerian banks (Afolabi & Dare, 2015; Jakada & Inusa, 2014; Nwagbara, 2012, Ikpefan & Ojeka, 2015; Starbuck, 2014)) and reported partial compliance with the code, indicating that the problem facing the Nigerian banking industry results from the fact that some banks do not fully comply with the code of corporate governance. This was confirmed by a joint CBN/NDIC examination of banks for compliance with the code in 2009 which revealed that during implementation of 2006 CBN code, certain provisions could not be implemented by banks in view of their ambiguity and or conflict with the provisions of Companies & Allied Matters Act 2004. Although, these studies merely focused on the level of compliance achieved by the banks, they gave evidence that the potentials of governance codes have not been fully realized in Nigeria due to partial implementations of the codes. Therefore, researchers have a need to explore the link between the provisions of code of corporate governance and investment attraction. The failure of sector-specific codes of corporate governance to achieve the envisioned governance objectives in Nigeria has given rise to the unification of sectoral codes through Nigerian Code of Corporate Governance (NCCG) 2018 which incorporates new governance dimensions, introducing for the first time in Nigeria new corporate governance regime of Apply-&-Explain principle applicable to all sectors. Consequently, since NCCG 2018 is new and no link has been established between the provisions of code of corporate governance and investment attraction by other researchers, there exists a gap. Therefore, this study aims at surveying Nigerian Code of Corporate Governance with a view to ascertaining its potentials for investment attraction in Nigerian banks. Sequel to this, the specific objectives are to ascertain the potential effect of Nigerian Code of Corporate Governance on financial crimes in Nigerian banks and determine the potential influence of Nigerian Code of Corporate Governance on investment growth in Nigerian banks.

2. Review of Literature

2.1. Nigerian Code of Corporate Governance

The Nigerian Code of Corporate Governance (NCCG) 2018, the outcome of a 15-member committee set up in January 2018 to review the October 2016 suspended National Code has finally reintroduced the principles-based approach to corporate governance provisions in a new fashion. The Code has adopted a principles-based approach, rather than setting rigid rules, that specifies minimum standards and requires companies to adhere to the spirit rather than the letter of the Code. The implementation of the Code is based on the '**Apply and Explain**' principle, which assumes application of all principles, and requires entities to explain how the principles are applied. The 'Apply and Explain' philosophy requires companies to take responsibility for demonstrating how the specific activities they have undertaken best achieve the intended outcomes of the corporate governance specifications in the Principles (See introduction to the Code, part C, page v).

2.2. Investment Growth in Nigerian Banks

Good governance is required by a number of country-based codes and regulations. In particular, the national regulators are expected to adopt principles and rules in accordance with those suggested and shared internationally. This explains why the rules and recommendations for effective corporate governance are similar in countries with significant differences in corporate governance structures (Gilson, 2004). An approach to corporate governance regulation is through convergence. In other words, there is convergence in the governance vision, which brings about long-term competitive advantage based on the company's global stakeholder relationship management approach to fulfill all its responsibilities (Daniela, Francesca &Luisa, 2016). Therefore, extant literature reveals that globalization of financial and product markets is encouraging a gradual path of convergence of corporate governance systems. The convergence between outsider and insider systems can be observed as convergence "in form" or "de jure" and convergence "in function" or "de facto" (Khanna, Kogan & Palepu, 2006).The two convergence dimensions influence each other. De jure convergence tends to make some companies' choices uniform, stimulating de facto convergence. De facto convergence can influence de jure convergence: for example, this can happen in the case of a regulatory gap, when the companies autonomously adopt the existing best practices to deal with competitive pressure (Gilson, 2004). Convergence in function or de facto refers to the practices voluntarily adopted by companies to be attractive on global markets. Such companies tend to share similar strategic approaches, regardless of the characteristics of their corporate governance systems. Specifically, the search for competitive advantage in global markets leads companies to emulate successful competitors, with the aim of attracting the best financial and human resources, particularly where they are lacking. This situation gives rise to companies' hybrid responses, which are partly due to institutional pressure and partly originated from their own strategic choices on how to satisfy different categories of stakeholders (Khanna, Kogan & Palepu, 2006). Convergence in form or de jure refers to the convergence of rules at an international level. The growing wish of both investors and issuers to operate in global capital markets requires some degree of acceptance of high common values and standards. International bodies encourage convergence in both corporate governance principles and sustainability, considering the latter as a condition for sound governance in terms of risk management, cost reduction and access to capital markets. At the same time, good governance encourages trust in the economic system, because it is a condition for the development of the entire society and the environment (UN Global Compact, 2014).

The Nigerian Code of Corporate Governance (2018) seeks to institutionalise the highest standards of corporate governance best practices in Nigerian companies, particularly those who are not already covered by sectoral regulations. This Code is also to promote public awareness of essential corporate values and ethical practices that will enhance the integrity of the market. Mr Asapokhai expressed that the proposed code will increase national competitiveness and is more in line with what most countries have taken in terms of the corporate governance especially the UK corporate governance code and the King IV Code of Corporate Governance for South Africa, 2016, whose chairman was invited to Nigeria to advise the team in charge of the review of the suspended code (Alawode, 2018). The Code, according to FRCN, is aimed at enhancing management credibility, preserving long-term investments, improving access to new capital and lowering the cost of capital. The Code, says the FRCN, will help to drive increased transparency and accountability in financial reporting through enhanced disclosures in financial statements, thereby supporting investment decisions and shareholders' value (Victor, 2017). Nigeria, as an economic entity, competes with other countries for investment capital; and investors will be attracted to where international standard and codes are observed. So it is therefore important we benchmark ourselves with internationally agreed standards and goals, investors can clearly see how well we are," said Mr. Asapokhai (Alawode, 2018).

2.3. Theoretical Framework

There are two complementary theories on which this study is based. These are:

2.3.1. Agency Theory

Agency theory was developed by Jensen and Meckling (1976). Jensen and Meckling defined the agency relationship as one in which "one or more persons (the principal[s]) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent". Perhaps the most recognizable form of agency relationship for the purpose of this study is that of shareholders (principal) and CEO (agent) (Mitnick, 2006). Agency theory is the study of the agency relationship and the issues that arise from this, particularly the dilemma that the principal and agent, while nominally working toward the same goal, may not always share the same interests. There is agency relationship in Nigerian banks particularly between shareholders (principal) and CEO/Board of Directors (agent) with the concomitant ethical dilemmas. It is compromise of integrity at that point of dilemma which has reputational threat and can lead to financial losses that result in financial crimes. The failure of Nigerian banks has been attributed to corporate leadership malfeasance and regulators' compromise of integrity at points of ethical dilemma. Therefore, the crux of agency theory is how to align the interests of the principal and the agent at that point of dilemma (Mitnick, 2006). This raises a fundamental question. How can directors and managers, as agents of their company, be induced or persuaded to act in the best interests of the shareholders? This question leads us to deontological theory that addresses it by offering acceptable solution to ethical dilemma.

2.3.2. Deontological Theory

The second theory is Deontological Theory. The first great philosopher to define deontological principles was Immanuel Kant in 1797. Kant held that people should adhere to their obligations and duties when analyzing an ethical dilemma and that an act must be performed because the act in some way is characterized by universality (i.e. appropriate for everyone) or that it conforms with moral law (formal rules used for judging the rightness or wrongness of an act) (Rainbow, 2012). Nigerian banks need deontology since as agents of the company, directors have a fiduciary duty to the company. Therefore, a director must act on behalf of the company in total good faith, and must not put his personal interests before the interests of the company. The need for the knowledge of what is good and proper required of corporate leaders based on their actions' adherence to rules or obligations is the essence of Nigerian Code of Corporate Governance (NCCG). Therefore, deontological theory is the basis of NCCG

3. Methodology

The questionnaire to measure Nigerian Code of Corporate Governance and its potentials for investment attraction in Nigerian banks has been adopted from Credit Lyonnais Securities Asia (CLSA). However, it is amended according to the circumstance. Therefore, this research is not using the exact questionnaire but the amended form. The study uses five point Likert scale questionnaire ranging from Not Important (1), Less Important (2), Quite Important (3), Very Important (4) to Very Much Important (5) with number 1 to 5 representing respectively rating scale on the instrument of data collection. The questionnaire has two sections: section one elicited information on the respondents' personal data, while section two elicited information on the Nigerian Code of Corporate Governance. The questionnaire includes 20 questions to measure Nigerian Code of Corporate Governance, 7 questions to measure financial crimes, and 7 questions to measure investment growth in Nigerian banks.

3.1. Data Analysis

With the help of SPSS, the study used the Principle Components Analysis (PCA) to measure factors from different items on each construct like Nigerian Code of Corporate Governance, financial crimes and investment growth with respect to their reliable scales. Varimax method has been used in this study to get components. To check the sampling adequacy for data analysis Kaiser-Meyer –Olkin (KMO) test has been used. This study also used Bartlett's test of sphericity to investigate whether data used in this study are ample or not. Reliability is measured through value of Cronbach's alpha for all scales which suggest that its value should be greater than .80 in order to get internal consistency. In order to corroborate evidence and enhance the validity of findings, SPSS version 25 was employed to run regression analysis, Analysis of Variance ANOVA and t-test as a measure of the potential effect of Nigerian Code of Corporate Governance on financial crimes in Nigerian banks and potential influence of Nigerian Code of Corporate Governance on investment growth in Nigerian banks.

3.2. Model Specification

The proxies for Nigerian Code of Corporate governance are Transparency (TRAN), Independence (INDEP), Responsibility (RESP) and Accountability (ACCT). These NCCG surrogates of NCCG or dimensions to measure NCCG have been identified by UK Code 2014 (section 4) as the underlying principles of all good governance on which the code is based while NCCG 2018 (introduction to the code, part C, page iv) describes them as the overarching principles of corporate governance. On the other hand, the proxy for Investment Growth is Foreign Direct Investment Growth (FDIg). Capital flow into Nigeria from other countries of the world typifies investment growth in Nigeria. Therefore, to determine the potential influence of Nigerian Code of Corporate Governance on investment growth in Nigerian banks, the functional form of the regression equation adopted takes the form:

$$FDIg = \beta_0 + \beta_1 TRAN + \beta_2 RESP + \beta_3 ACCT + \beta_4 INDEP + \varepsilon$$

3.3. Reliability of Measurement

Responses of all 207 respondents vary from 01 to 05, whereas Cronbach's alpha test was used to determine the reliability and inter item consistency of the constructs used in the present study i.e Nigerian Code of corporate governance: Potentials for fraud control and investment attraction in Nigerian banks. Table 3.1 depicts the values of Cronbach's alpha for all construct variables respectively.

Table 3.1 Cronbach's Alpha

Construct	Valid Number	No of Items	Alpha
Transparency	207	05	.976
Independence	207	05	.971
Responsibility	207	05	.959
Accountability	207	05	.912
FDIg	207	07	.961

Source: Cronbach's Alpha Test Result

Reliability is measured through value of Cronbach's alpha for all scales which suggest that its value should be greater than .80 in order to get internal consistency. Therefore, as the values lie between .912 and .976, Cronbach's alpha internal consistency requirement is satisfied for all construct variables.

Principal Component Analysis was used for factor analysis with the help of Varimax rotation method to provide construct validity. Principle Component Analysis result is shown in table3.2, 3.3, 3.4. KMO and Bartlett's Test are used to measure sampling adequacy whether the adequacy of data is applicable for factor analysis or not. Table 3.2 represents the results of KMO and Bartlett's tests which shows that our data were sufficient for factor analysis. Values ranging from .5 to .9 show KMO's value from good to superb (Hutcheson and Sofroniou, 1999). Relationship between two construct variables is investigated by Bartlett's test. Factor analysis can be conducted if items of a construct are mutually related to each other. Table 3.2 demonstrates the significance level of Chi-square that is less than .001 in case of all constructs hence null hypothesis of no correlation is rejected and factor analysis is applied in this situation.

Table 3.2 KMO and Bartlett's Test

Construct	No of Items	KMO MSA	Bartlett's Test of Sphericity Chi-Square	Bartlett's Test of Sphericity Sig
Transparency	05	.902	517.605	.000
Independence	05	.875	1.512E3	.000
Responsibility	05	.903	1.353E3	.000
Accountability	05	.802	1.061E3	.000
FDIg	07	.888	2.434E3	.000

Source: PCA Result

No value is below the minimum threshold of 0.5 as they range between 0.802 and 0.902. Therefore, for these data which fall into the range of being great and superb, we should be confident that factor analysis is appropriate for these data. In corroboration, the significant tests indicate that the R-Matrix is not an identity matrix, therefore, there are some relationships between the variables which we hope to include in the analysis. For these data, Bartlett's tests are highly significant ($p < 0.001$), and therefore, factor analysis is appropriate.

Table 3.3 Eigen Value and Total Variance Explained

Construct	Components	Initial Eigen Values		
		Total	% of Variance Explained	Cumulative % of Variance Explained
Transparency	Comp1	4.678	93.563	93.563
Independence	Comp1	4.486	89.726	89.726
Responsibility	Comp1	4.354	87.089	87.089
Accountability	Comp1	3.897	77.939	77.939
FDIg	Comp1	5.839	83.421	83.421

Source: PCA Result

In furtherance of analysis, we use only those components of construct which have Eigen value greater than 1 as principle components. Table 3.3 illustrates total variance explained for constructs and the Eigen values. For each set of construct variables one component is extracted as principal component using Eigen value rule to analyze.

To show how each item loaded into its relevant principal component we use table 3.4 for the factor loading of each item. Schrieber (2006) suggest that value of each item in factor loading should be at least 0.40 into its relevant principal component.

Table 3.4 Factor Loadings

Variable	Items	Factor Loading
Transparency	The Board should ensure that all communications issued to stakeholders are in clear and easily understood language & that reports issued to stakeholders are posted on its web portal.	.979
	The Board should ensure that its web portal is constantly updated to keep the stakeholders up to the minutes.	.968
	The Board should disclose information in a manner that enables stakeholders to make an informed analysis of the company's performance.	.976
	The Board should establish an investors' portal on its website where company's annual reports for a minimum of five immediate preceding years should be published	.971
	The Board should ensure that the reports and other relevant information about the company published on its investors' portal are accessible in downloadable format to the public	.943
Independence	In order to ensure quality audit outcomes in Nigerian banks, the audit team must be independent of the company & approach their work with a high level of objectivity and professionalism.	.967
	There should be an external assessment of the effectiveness of the internal audit function annually by qualified independent reviewer	.957
	Corporate governance evaluation should be externally facilitated by an independent external consultant every three years	.955
	There should be periodic independent assurance on the effectiveness of the banks' Information Technology arrangement to ensure that IT data risks are mitigated adequately.	.932
	The committee responsible for audit should preserve auditor independence by setting clear hiring policies for employees or former employees of external auditors.	.925
Responsibility	The Board should ensure strict adherence to the Code of Conduct for bank Directors & be responsible for monitoring adherence to ensure that breaches are effectively sanctioned.	.967
	Board members should act and conduct themselves in a responsible and professional manner at all times. They should identify and raise emerging concerns early to prevent them from becoming actual risks.	.956
	Board Members have responsibility to report promptly any violation of law or regulation through available channels & should honour invitations from law enforcement agents in the course of their investigations and act as witness in court.	.947
	It is the responsibility of the Board to ensure that every shareholder is fairly treated.	.942
	If these responsibilities are meticulously shouldered and discharged, it will be a safeguard against fraud that will in turn enhance investor confidence and boost investment attraction in the industry.	.849
Accountability	A Director should, in the discharge of his duties, be accountable to his employers	.962
	Directors and management should, in the discharge of their duties, be accountable to customers	.927
	Directors and management should, in the discharge of their duties, be accountable to regulatory authorities	.869
	Directors and management should, in the discharge of their duties, be accountable to governments and the general public.	.842
	The apply-&-explain philosophy signals to investors and regulators that accountability is being taken seriously.	.806
FDI Growth	By entrenching a culture of disclosure, transparency and accountability, the code will promote ease of doing business in Nigeria.	.968
	The revised code will attract local and foreign investments by enhancing the integrity of the Nigerian capital market.	.962
	The shift of the code from rule-based to principle-based approach is in conformity with international capital market standard and so, enhances investor confidence	.958
	As an investor, I prefer an environment where internationally agreed standards of governance are observed	.956
	I am aware that a successful business requires an enabling environment to thrive, hence, the need for the Code.	.926
	Nigerian Code of Corporate Governance may lead to industry friendly environment in Nigerian in the long run.	.910
	I believe that implementing these standards enhances national competitiveness.	.679

Source: PCA Result

Transparency (includes 5 items) and PCA extracted just one component as principle component and their values range from .943 to .979. Similarly, Responsibility, Independence and Accountability each has five components and PCA extracted only one component as principle component in each case, value ranging from .806 to .967. In all cases, PCA extracted only one component as the principle component and their values vary from .806 to .979. In the same manner, FDIg has seven components but PCA extracted only one component as the principle component. Their values range from .679 to .968.

4. Respondents' Demographic Criteria

The research study consisted of 207 respondents. We distributed 255 questionnaires out of which only 207 were returned with response rate of 81%. Table4.1 below shows the demographic details of respondents.

Table4.1 Demographic Profiles of Respondents

Respondents' Demographics		Frequency	Percentage
Gender (n=207)	Male	165	79.7
	Female	42	20.3
Age (n=207)	Below 25	0	0
	25-30	0	0
	30-35	0	0
	35-40	24	11.6
	40-45	30	14.5
	45-50	62	30
	50-55	80	38.6
	Above 55	11	5.3
Education (n=207)	BSc/HND	38	18.4
	MSc/MBA	150	72.5
	PhD	13	6.3
	Prof	6	2.9
Professional Qualification (n=207)	ACA	47	22.7
	NCA	18	8.7
	CIBN	23	11.1
	CITN	35	16.9
Position (n=207)	ED	51	24.6
	NED	32	15.5
	INED	25	12.1
	CEO	4	1.9
	Chairman	5	2.4
	Secretary	8	3.9
	Top MGT Executive	82	4.0
Year of Work Experience (n=207)	5-10	2	1.0
	11-15	4	1.9
	16-20	46	22.2
	21-25	118	57.0
	Above 25	37	17.9

Source: Field Survey 2018

Table 4.1 denotes the demographics of the study. Total of 207 respondents participated in this study with ratio of 79.7 and 20.3 percent of male and female participants respectively. Male (165) participants have contributed more as compare to female (42) participants. According to age demographic, most of the participants were within the age brackets 40-45; 45-50 and 50-55 with figures of 30, 62 and 80 respectively, out of 207. Most of the participants possessed MSc/MBA regarding education demographic, with a figure of 150 out of 207. Professionally, 47 respondents possessed ACA, only 18 respondents out 207 possessed NCA, but 23 respondents are members of CIBN whereas 35 belong to CITN. With regards to respondents designations, ED were 51respondents, NED were 32 respondents, INED were 25 respondents, CEOs were 4 respondents, Chairmen were 5 respondents while Top Management Executives were 82 respondents all out of 207. According to year of work experience demographic, most of the participants were within the experience year brackets 16-20; 21-25 and above 25, with figures of 46, 118 and 37 respectively, out of 207.

4.1. Test of Hypothesis

Ho_1: Nigerian Code of Corporate Governance will not remarkably influence investment growth in Nigerian banking industry.

4.1.1. Results and Findings

Table 4.2 shows the multiple linear regression model summary of NCCG surrogates' prediction of FDIg and overall fit statistics.

Table 4.2 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.918[a]	.842	.839	1.19558	.842	270.018	4	202	.000	2.237

a. Predictors: (Constant), ACCT, TRAN, RESP, INDEP
b. Dependent Variable: FDIg

With a p-value of zero to three decimal places, the model is statistically significant. The output above shows the F value for this test is 270.018 with a p value of 0.000, indicating that the overall contribution of the variables is significant. The multiple linear regression result is presented in table 4.2 above. The regression shown in table4.4 was run by taking FDIg as explained variable and NCCG surrogates (i.e. ACCT, TRAN, RESP, INDEP) as regressors. Based on the multiple linear regression model summary as table4.4 above shows, R = .918[a] shows that FDIg and predictors/explanatory variables have a strong positive linear correlation. The R-squared is .842, meaning that approximately 84.2% of the variability of FDIg is accounted for by the variables in the model. In this case, the adjusted R-squared indicates that about 83.9% of the variability of FDIg is accounted for by the model, even after taking into account the number of predictor variables in the model. The Durbin-Watson d = 2.237, which is between the two critical values of 1.5 < d < 2.5. Therefore, we can assume that there is no first order linear auto-correlation in our multiple linear regression data.

The next table4.3 shows the regression coefficients, the intercept and the significance of all coefficients and the intercept in the model.

Table4.3 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	17.397	1.079		16.122	.000	15.269	19.524
	TRAN	.195	.069	.254	2.843	.005	.331	.060
	INDEP	1.210	.097	1.737	12.455	.000	1.018	1.401
	RESP	-.629	.080	-.899	-7.899	.000	-.786	-.472
	ACCT	.306	.102	.276	3.010	.003	.106	.506

a. Dependent Variable: FDIg

The coefficient for each of the variables indicates the amount of change one could expect in **FDIg** given a one-unit change in the value of that variable, given that all other variables in the model are held constant. **t** and **Sig.** – These are the t-statistics and their associated 2-tailed p-values used in testing whether a given coefficient is significantly different from zero, using an alpha of 0.05. For this model, as table4.3 shows, Transparency(TRAN), $t_{.05}$ =2.843, P<.05, Independence (INDEP), $t_{.05}$ = 12.455, Responsibility(RESP), $t_{.05}$ =-7.899, P<.05, and Accountability(ACCT), $t_{.05}$ =3.010, P<.05, are significant predictors of FDIg. For example, consider the variable, Transparency(TRAN), we would expect a 0.195 unit increase in FDIg for every unit increase in TRANS, if other variables in the model are held constant. This is statistically significant because TRAN p value of 0.005 is smaller than .05. We would expect a 1.210 unit increase in FDIg for every unit increase in Independence (INDEP). This is statistically significant because INDEP p value of 0.000 is smaller than 0.05. We would expect a -0.629 unit decrease in FDIg for every unit increase in Responsibility (RESP). This is statistically significant because RESP p value of 0.000 is smaller than .05. We would expect a 0.306 unit increase in FDIg for every unit increase in Accountability (ACCT) if other variables are held constant. This is statistically significant because ACCT p value of 0.003 is smaller than .05. From the magnitude of their standardized beta values, we can also see that INDEP (Beta = 1.737) has the highest impact on FDIg followed by RESP (Beta = .899), ACCT (Beta =.276), and TRAN (Beta = .254). These are also statistically significant. Therefore, there is evidence to reject the null hypothesis and accept the alternative and hence, conclude that Nigerian Code of Corporate Governance will remarkably influence investment growth in Nigerian banking industry. This agrees with Muhammad and Muhammad (2012) who reported that discipline is a major contributor to organizational success but disagrees with the same study by reporting that independence remarkably influences investment growth. We also find that the multiple linear regression analysis estimates the linear regression function to be: ***FDIg = 17.397+ .195TRAN + 1.210INDEP - .629RESP +.306ACCT + 1.19558***

Conclusion

Based on the findings of the study, we conclude that developing a properly articulated sound ethical code of corporate governance for the Nigerian private sector by unifying sectoral codes of corporate governance is a pragmatic step to make the Nigerian private sector organizations investment destinations.

Recommendations

Based on the findings of the study, it is recommended that CEOs, Directors and Managers should be encouraged to see how sacrosanct NCCG is to sustainable investment attraction so as to sincerely adhere to its tenets which assures reduction of financial crimes to the barest minimum.

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