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By

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Author Note

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Abstract

The 2008–2009 global financial crisis of financial systems negatively affected about 30% of Nigerian banks, leading to profitability issues. The profitability issues led to operational challenges, downsizing, and liquidation of some banks. The purpose of this correlational study was to examine the relationship between corporate governance structure, perception of leadership style, and bank performance. This study was grounded in agency theory and used survey and archival data. Survey data were collected from 11 participants employed by commercial banks located in Nigeria, using the Multifaceted Leadership Questionnaire. Corporate governance and bank performance data were collected from annual bank reports. The model as a whole was not able to significantly predict bank performance, $F(2,11,) = .361$, $p = .708$, $R^2 = .083$. There was no relationship between corporate governance structure, employees' perception of leadership style of bank leaders, and performance of banks. The social impact for this study is that a lack of corporate governance structures can lead to bank failures. The findings from this study may be valuable to bank executives and employees. However, the findings do not suggest that corporate governance should not be practiced in organizations. When corporate governance is practiced in organizations it strengthens the structure of the banks. The results of this study are designed to be of interest to bank leaders who need to understand the relationship between corporate governance structure, employees' perception of leadership styles, and bank performance.

## Background of the Study

Between December 2007 and June 2009 (National Bureau of Economic Research), the world business community was faced with a financial crisis. This financial crisis, which started from the United States of America because of the sub-prime mortgage-lending crisis, soon reverberated across the world. In Nigeria, the impact of the financial crisis was immediately felt in the stock market (Ikokua & Okany, 2014). This was because of the high dependence of the stock market on foreign funds. Following the crisis, foreign investors in the Nigerian stock market immediately recalled their funds. This development had a huge negative impact on the Nigerian stock market. In addition to the foreign investors that pulled out of the market, several local investors pulled out of the market as well. Prices of stocks in the market fell below record lows and the banking sector was severely hit as well (Peni & Vähämaa, 2012).

Following this development, some banks became dependent on the Central Bank of Nigeria (CBN) for funds to finance their operations. After observing this trend for a period, the CBN conducted a detailed examination of the books of all the banks. During this examination, it was revealed that some banks had a large portfolio of non-performing loans, particularly insider related credits. The management of these banks gave loans to friends, relations, and acquaintances without following sound banking principles (Ikokua & Okany, 2014). Consequently, these loans were not performing: the banks became unprofitable, there were large-scale job losses, and shareholders were not paid dividends (Uwuigbe, Peter & Oyeniyi, 2014). The CBN in a bid to prevent systemic distress and public distrust of the entire banking sector took over the management of 8 banks out of 24 operating at that time and injected new funds into these banks (Oyerinde, 2014).

## Problem Statement

The global economic crisis of 2008 and 2009 exposed the condition of Nigerian banks, as some were not able to perform their responsibilities to stakeholders (Oyerinde, 2014). The 2008–2009 crisis of financial systems globally affected about 30% of Nigerian banks leading to profitability issues (Oyerinde, 2014). The general business problem was corporate governance structure issues of 2008-2009 affecting financial systems globally. Corporate governance structure refers to the internal system of policies, guidelines and rules through which managers run an organization (Chaarani, 2014). The specific business problem was some banking leadership in Nigeria do not understand the relationship between corporate governance structure, perception of leadership style, and firm performance (Oyerinde, 2014; Rehman & Mangla, 2012).

## Purpose

The purpose of this quantitative correlational study was to examine the relationship between corporate governance structure, perception of leadership style , and firm performance. The independent variables were corporate governance structure and perception of leadership syle. The dependent variable was firm performance. The targeted population consisted of quoted banks on the Nigerian stock exchange. The implications for positive social change include the potential to understand better the correlates of bank performance, thus increasing the propensity for sustainability of the banking sector.

## Research Question

The goal of this research was to answer the central question:

- What is the relationship between corporate governance structure, perception of leadership style, and bank performance?

## Research Hypothesis

The purpose of the research was to examine a quantitative correlational relationship between corporate governance structure, perception of leadership style, and the impact on bank performance. The research hypothesis is stated as:

- $H_o1$: There is not a statistically significant relationship between corporate governance structure, perception of leadership style, and bank performance.
- $H_a1$: There is a statistically significant relationship between corporate governance structure, perception of leadership style, and bank performance.

## Theoretical Framework

Agency theory was the theoretical framework for this study. Jensen and Meckling postulated the agency theory in 1976. The basis of the agency theory was that due to the separation between the owners and managers of a firm, there is a conflict of interest (Chaarani, 2014). Jensen and Meckling (1976) stated that the appointment of managers' results in economic rent to the firm, which increases production costs. In addition, Jensen and Meckling (1976) asserted that owners and managers pursue different interests (Puyvelde, Caer, Du Bois, & Jegers, 2015). While the owners of the company are interested in the maximization of shareholder value, managers are interested in pursuing other interests. The interests of managers are not the same as the interests of the owners of the firm.

Pepper and Gore (2015) suggested that due to the separation of ownership from management, the owners of the firm incur agency costs. Agency costs are the costs of monitoring the agent by the principal, bonding expenditures of the manager, and the residual cost in welfare experienced by the principal due to the separation of principals from agents. Puyvelde et al. (2015) suggested that to minimize agency costs, principals could motivate agents to act in the interests of the owners through various monitoring mechanisms and incentives. Puyvelde et al. (2015) further argued that owners offer these incentives (such as competitive compensation, and stock options) to agents to align the interests of the agents with those of the principal. The focus of this study was the corporate governance practices of Nigerian banks. The agency theory was applicable in this study because it provided a framework for understanding the reasons for differences between the interests of bank owners and managers, which results in a conflict of interest. However, when corporate governance practices are embedded in banks there will be alignment in the interests of owners and managers.

## Review of the Professional and Academic Literature

A major component of a study is the review of professional and academic literature related to the topic under investigation. In this study literature on the independent and dependent variables was critically reviewed. The purpose of this literature review was to give a contemporary analysis of all aspects of existing literature on the study.

### Critical Analysis and Synthesis of Literature Pertaining to the Independent Variables

In the theoretical framework, three variables were identified in this quantitative study. The independent variables are corporate governance and perception of leadership style while the dependent variable is firm performance. In this section of the literature review, I discussed the independent and dependent variables identified in the theoretical framework. In the first section of the literature review, I discussed corporate governance, followed by ethical leadership and finally firm performance.

In the first section, I gave an introduction of corporate governance and the reasons for corporate governance in organizations. I continued with a discussion on the corporate governance in large organizations and the practice of corporate governance in different countries.

**Corporate Governance**

Corporate governance refers to the internal mechanisms through which managers run an organization. Corporate governance became necessary due to the separation of ownership from management (Chaarani, 2014). When ownership and management were the same, the interest of the owners was the same as the interest of management. However, as organizations grew, it became necessary to increase management that was separate from ownership and as a result interests of management was different from the interests of ownership, thus leading to agency problems (Starbuck, 2014). Corporate governance thus is an attempt to ensure that managers meet the interests of owners. Furthermore, corporate governance is the creation and implementation of processes that aligns the interests of shareholders with those of stakeholders. This view by Young and Thyil (2014) extended the traditional perspective of corporate governance, which considers the interests of shareholders only but includes the interests of stakeholders as well in the day to day running of organizations. This extended view takes a holistic view of the duties and responsibilities of directors to include not only the interests of shareholders alone but also the needs of stakeholders as well.

Other scholars also supported the broadened definition of corporate governance. Young and Thyil (2014) argued that, there is a link between corporate social responsibility (CSR) and corporate governance. Corporate social responsibility refers to the interaction between organizations and other business entities in their operating environment. These entities are groups that are affected by the activities of the organization and the activities of these groups also impact on the operations of the organization. Rahim and Alam (2014) advocated that corporate governance goes beyond the internal control mechanisms, customs, policies, laws and institutions, regulations of an organization, but that corporate governance also includes corporate ethics, accountability, disclosure and reporting.

## Corporate Governance in Large Organizations

When studying the practice of corporate governance globally, practitioners and scholars need to give particular attention to multinationals. This attention to multinationals is important because of the unique nature of their operations. Multinationals operate in several countries. These countries have different local customs, policies, and regulations. These differences affect the practice of corporate governance in these jurisdictions (Starbuck, 2014). Nu Htay et al. (2013) advocated for a new corporate governance theory. The need for a new corporate governance theory by Nu Htay et al. (2013) is based on the premise that the practice of corporate governance which existing theories were based on could not prevent the corporate scandals of 2008–2009 involving global organizations. The basis of the new corporate governance theory according to Nu Htay et al. (2013) should be ethics. The view of Nu Htay et al. (2013) is also supported by Harp, Myring, and Shortridge (2014) and Young and Thyil (2014). Internalization of ethics in employees will embed corporate governance practice in followers (Young & Thyil, 2014).

Zeitoun, Osterloh, and Frey (2014) advocated that for a two-layer board of directors in organizations. In addition to the conventional board of directors, the second board should include representatives of all stakeholders of the organization. The premise of this view is that an all stakeholder board would incorporate the views of all the organizations' stakeholders in decision-making. According to Zeitoun et al. (2014), a stakeholder board would ensure that organizations are corporately responsible and meet the needs of all stakeholders. However, Starbuck (2014) does not agree with an all-inclusive stakeholder board. The contrary argument is due to the possibility of inefficiency in board processes and decision-making by an all-inclusive board. According to Starbuck (2014), a two-layer board would extend the time decisions are taken resulting in an inefficient board.

There are similarities in the results from studies conducted by Mason and Simmons (2013), Starbuck (2014), Young and Thyil (2014) and Zeitoun et al. (2014). These authors advocated that companies should have a multi-stakeholder board. This board is different from the conventional board that comprises only shareholders of a company. Proponents of the multi-stakeholder board posit that another board that consists of representatives of all stakeholders of a company should be formed. The proponents of the multi-stakeholder board, base their argument on the need to incorporate the views and interests of all stakeholders in strategic decision making by the board. However, this view is not supported by all authors. Wang, Dou, and Jia (2015) proposed that a multi-stakeholder board lead to inefficiency in board processes and decision-making and so for this reason should not be considered by companies. Also, Starbuck (2014) posited that a multi-stakeholder board will increase the cost of board governance thereby leading to a higher operating cost for the business.

**The Practice of Corporate Governance in Different Countries**

In this section of the literature review, I discussed the practice of corporate governance in different countries: developed and developing countries. In my review of the corporate governance literature, I gathered information on the practice of corporate governance in various countries. Scholars have attributed the differences in the practice of corporate governance to differences in local customs, laws, and culture. Young and Thyil (2014) suggested that corporate social responsibility and corporate governance are related, and there are contextual factors that impact on each variable from country to country. Consequently, across geographical boundaries, different corporate governance issues will affect different climes. In Canada, Salterio, Conrod, and Schmidt (2013), documented that across the 16 corporate governance items, there was an average 82 percent adoption of best practice by Canadian firms, with another four percent being compliant by explanation, and 14 percent noncompliant. When the researchers focused on compliance for individual governance items, Australian firms have higher compliance rates in 7 of the 16 items.

Rahim and Alam (2014) investigated the convergence of corporate governance and corporate social responsibility in Bangladesh, a less vigilant environment. In Bangladesh, Rahim and Alam (2014) argued that there is need to incorporate corporate social responsibility issues such as the impact on the environment and social issues in the annual reports of companies. Furthermore, in weak economies such as Bangladesh where there is a weak convergence between corporate governance and corporate social responsibility, these economies should not rely on corporate regulation but economic incentives and force majeure.

Salterio et al. (2013) contended that it is noteworthy that Canadian companies demonstrate a greater rate of best practice adoption than the Australian companies, based on category averages. Australian firms are more likely to comply with governance items by using the “explain” alternative. This pattern of results, that Canadian businesses have a greater extent of best practice adoption, whereas, Australian firms have a greater degree of explanation, may be a factor in the OECD’S high ranking of Canada’s security regulations (Salterio et al., 2013).

In Nigeria, the global financial crisis of 2008–2009 has redefined the practice of corporate governance in Nigerian banks. Before the recent crisis of 2008–2009, corporate governance was not entrenched in the practices of many banks in Nigeria. However, following the crisis, regulatory authorities realized that the impact of the global financial crisis was severe in Nigeria. The severity of the crisis in Nigeria was as a result of lack of sound corporate governance practices (Ikokua & Okany, 2014). The global financial crisis led to regulatory authorities enforcing and monitoring the practice of corporate governance in Nigerian banks. The corporate governance mechanisms enforced after the crisis were CEO Duality, independent directors, establishment of board committees, dilution of family block holdings in banks, and a fixed tenure for CEOs and chairmen of boards (Oyerinde, 2014). I discussed the practice of corporate governance in different countries. Due to the peculiarities of local laws, regulations and customs, the practice of corporate governance may vary globally but the spirit of corporate governance runs globally.

## Leadership

In this section of the literature review, I discussed ethical leadership, and the attributes of ethical leaders. Leadership is a process of influencing others towards the actualization of the goals of an organization. In organizations, the process of leadership involves leaders and followers (Aggarwal & Krishnan, 2013). There are various leadership theories that have been postulated by leadership researchers (Kacmar, Andrews, Harris, & Tepper, 2013; McCleskey, 2014; Waddel & Pio, 2014). Leadership researchers asserted that these leadership theories when practiced in specific contexts give specific results. The appropriateness of a leadership theory depends on the situation, the context, and the results the leader intends to achieve.

## Ethical Leadership

Mayer, Aquino, Greenbaum, and Kuenzi (2012) examined whether a new leadership construct, *ethical leadership*, may be suited to explain unethical behavior and interpersonal conflict in work units. McCann and Sweet (2014) proposed that to be a successful leader, individuals should act ethically. Ethical behavior is the display of work related to normative behavior by leaders in the workplace. Ethical leaders by their conduct set standards and communicate appropriate work- related behavior. Due to their roles, ethical leaders can reward normative behavior or punish unethical behavior (Kacmar et al., 2013; Mayer et al., 2012).

Furthermore, ethical leaders place the interests of their subordinates above their own, and they care about their employees (Kacmar et al., 2013). Ethical leadership explains how the behavior of leaders affects the actions of their subordinates (Steinbauer, Renn, Tylor, & Njoroge, 2014). Thie et al. (2012) advocated that ethical leadership refers to the perceived appropriateness of a leader's behavior in workplace relationships, which are mostly anecdotal. A determining factor in ethics in leadership is the morality of a leader's decisions. Leaders can be influenced by external factors when making decisions. The impact of ethical leadership behavior flows down the organizational hierarchy, and ethical leadership mediates the relationship between ethical climate and the actions of followers.

**Ethical leadership globally.** The practice of ethical leadership varies globally. One reason for the diversity in the practice of ethical leadership is differences in local practices, customs, norms, and values. Consequently, Hooker (2003) asserted that Western paradigms that formed the basis of some leadership ethics and principles may not hold true globally. Using literature, the various dimensions of ethics was reviewed, Sanchez-Runde, Nardon, and Steers. (2013), suggested that there was a need for additional research that is cross-cultural and multidisciplinary. Further research will improve theory building and managerial practice, because of the impact of other factors such as culture, religion and poverty in contributing to the behavior of people (Sackey, Fältholm, & Ylinenpää, 2013).

Ardichvili, Jondle, Kowske, Cornachione, Li, & Thakadipuram, (2012) focused on comparison of perceptions of ethical business cultures in large business organizations from four most major emerging economies, commonly referred to as the BRICs (Brazil, Russia, India, and China), and from the US. Ardichvili et al. (2012), found significant differences among BRIC countries, with respondents from India and Brazil providing more favorable assessments of ethical cultures of their organizations than respondents from China and Russia. Overall, highest mean scores were provided by respondents from India, the US, and Brazil. There were significant similarities in ratings between the US and Brazil. In Ghana, Sackey et al. (2013) found gray areas concerning ethics within the cultural context of the society. While giving gifts by citizens is considered part of the culture, it becomes difficult to draw the line between gifts and bribes. To counter ethical issues such as these, entrepreneurs sometimes look for significant others in powerful positions of authority who can waive the demands of giving bribes in their favor. Differences were also observed between ethical leadership behavior in the east and west for dimensions such as humility, modesty and acceptance of ideas of team members (Ruiz-Palomino, Martı´nez-Can˜as, & Fontrodona, 2013). There is a need for more research that is cross-cultural and multidisciplinary to improve theory building and managerial practice (Sanchez-Runde et al., 2013). The study by Ardichvili et al. (2012) was similar to the study conducted by Rahim and Alam (2014). Both share similar characteristics in terms of the population type. The study by Ardichvili et al. (2012) was conducted in BRIC countries while Rahim and Alam (2014) carried out their study in Bangladesh. The BRIC countries and Bangladesh are developing countries and share similar characteristics with Nigeria, the scope of this study.

## Critical Analysis and Synthesis of Literature Pertaining to the Dependent Variable

### Firm Performance

The dependent variable in this doctoral study was firm performance. Firm performance is the outcomes of a firm's operations in a given period. These results may be quantitative in nature or qualitative. Quantitative measures of firm performance include Return on Assets (ROA), Return on Equity (ROE), or operating profits.

### Corporate Governance and Firm Performance

In this section of the literature review, I discussed corporate governance and firm performance. Corporate governance was one of the independent variables in this doctoral study while firm performance was the dependent variable. In this section, I discussed various arguments involving the two variables (corporate governance and firm performance).

Lama (2012) argued that shareholders of companies with a good corporate governance system in place, as measured by the level of compliance with the governance of best practice (for example ASX guidelines), enjoyed better economic returns, compared to shareholders of companies that have relatively inferior sets of governance mechanisms. Peni and Vähämaa (2012) extended the argument of Lama (2012) by advocating that banks that practiced corporate governance principles had improved profits in 2008. The financial performance of banks in 2008 suggested that the practice of corporate governance may have reduced the adverse effect of the global financial crisis on the financial performance of banks. Nevertheless, the result of Peni and Vähämaa (2012) also showed that the practice of corporate governance could have negatively contributed to the stock market valuation of banks during the 2008–2009 global financial crisis. Banks with sound corporate governance had lower financial performance during the crisis. Thus, inconsistent with the hypothesis by Peni and Vähämaa (2012), the practice of corporate governance did not improve shareholder worth in the banking industry during the global financial crisis. However, Peni and Vähämaa (2012) argued that banks with sound corporate governance practices had improved stock market returns, corporate governance did not positively affect the financial performance of banks during the crisis. The practice of corporate governance helped to prevent reputational issues during the crisis. Nicolăesc (2012) extended past research by studying corporate governance mechanisms of financial institutions in China, and the impact if any of corporate governance mechanisms on short-term firm performance and managerial actions during the crisis. Furthermore, Nicolăesc (2012) studied the relationship between corporate governance variables and firm performance. The results of the study by Nicolăesc (2012) are consistent with prior research on the corporate governance mechanisms of Chinese financial institutions, firms' corporate boards, and ownership structures. The results of the study by Nicolăesc (2012) were also consistent with prior research on the interrelations of board and ownership variables and their possible effect on firm performance. Lama (2012) argued that a significant relationship existed between corporate governance and the financial performance of a business.

**Financial Performance and Corporate Governance During the 2008–2009 Global Financial Crises**

In this section of the literature review, I discussed financial performance and corporate governance during the 2008–2009 global financial crises. The thrust of this doctoral study is *the effect of corporate governance practices and leadership style of Nigerian executives on bank performance.* The global financial crisis of 2008–2009 revealed that many Nigerian bank leaders did not adhere to corporate governance practices, leading to the negative financial performance of the banks.

Zeidan (2013) argued that the fact that the banking industry was the reason for the global financial crisis of 2008–2009 showed the importance of the industry. This importance showed why particular focus should be given to the industry. It is important that banks adhere to regulatory and legal requirements to enable bank leaders achieve financial performance. Findings from the study by Othman and Ameer (2012) revealed that the higher financial performance of sustainable companies has increased and been sustained over the periods 2006–2008, 2006–2009, and 2006–2010, respectively.

Peni and Vahamaa (2012) posited that adherence to corporate governance practices led to improved financial performance and has a positive effect on stock market valuation. After the global financial crisis, banks with sound corporate governance practices had higher stock market returns compared to banks that did not have sound corporate governance practices. However, Zeidan (2013) suggested that the market reaction did not vary meaningfully by the severity or repetitiveness of the violation. The results of the study by Zeidan (2013) were in conformity with previous research on industries other than banking, notably concerning an adverse market reaction. Zeidan (2013) confirmed that shareholders in the banking sector reacted in a manner considerably similar to their counterparts in other sectors. Furthermore, Peni and Vahamaa (2012) argued banks that had sound corporate governance practices may have been able to prevent reputational issues after the 2008–2009 global financial crises.

Bhagat and Bolton (2013) conducted a research to study the relationship between corporate governance and firm performance in two dispensations, pre, and pox-SOX implementation guidelines. The results showed that pre-SOX guideline there was a negative relationship between corporate governance and firm performance, however, pox-SOX regulations, this relationship was reversed. The corporate governance indexes used in this study were board independence, director ownership, and CEO duality. The variable used to measure firm operating performance was ROA. The results showed that pre-SOX guidelines, there was no relationship between corporate governance and firm performance and post-SOX there was a relationship between corporate governance and firm performance. The post-SOX findings were due to the higher number of independent directors compared to the post-SOX era. Results showed that firms with greater board independence and stock ownership of board members were less likely to engage in value-destroying behavior such as acquisitions. Also, there is a positive relationship between director ownership and corporate governance.

# Presentation of Findings

## **Introduction**

The purpose of this quantitative correlation study was to examine the relationship between corporate governance structure, perception of leadership style, and bank performance. In a brief summary of the findings, there is no statistically significant relationship between corporate governance structure, perception of leadership style and bank performance. The findings from the standard multiple linear regression analysis conducted led to the rejection of the alternative hypotheses and the acceptance of the null hypotheses as the p-values were more than .05.

### **Descriptive Statistics**

Data for corporate governance structure and bank performance was obtained from the annual reports of the banks. The annual reports for some banks for the 2014 financial year was not available at the time of this study so their figures were not included in this analysis. Furthermore, data for perception of leadership style was obtained from 11 participants employed in Nigerian banks. The majority of these participants were male (64%). Six (55%) participants were between 30 and 44 years of age. Most of the participants had 5-10 years working experience (6, 55%).

## Inferential Statistics

I computed a standard multiple linear regression analysis to examine the relationship between corporate governance structure, perception of leadership style and bank performance. The result of the standard multiple linear regression model show there is no statistically significant relationship. The result of the model of bank performance was $F(2,11,) = .361$, $p$=.708, $R^2$=.083, which suggested that corporate governance structure and perception of leadership style did not significantly predict bank performance. I rejected the alternative hypotheses which states that there is a statistically significant relationship between corporate governance structure, perception of leadership style and bank performance. I performed a bootstrap analysis after confirming that the assumptions of parametric techniques were not met by this sample size.

## Applications to Professional Practice

The results of this study did not provide support for agency theory with respect to corporate governance structure. The specific business problem was some banking leadership in Nigeria do not understand the relationship between corporate governance, perception of leadership style, and firm performance (Oyerinde, 2014; Rehman & Mangla, 2012). The findings from this study did not provide support for the proposition that emplacing corporate governance structures in organizations will enhance bank performance. However, the findings do not imply that bank executives should not practice corporate governance in their organizations. Bank executives should put corporate governance structures in place in their organizations. In addition, findings from this study show that employees' perception of the leadership style of bank leaders is not a predictor of bank performance. This does not imply that bank leaders should not act in a manner consistent with effective leadership behavior. Bank executives should act in ways that they are perceived by their employees as displaying leadership behavior.

**Recommendations for Action**

Staff members of financial institutions need to uphold high ethical values due to the highly sensitive nature of their jobs (McCann & Sweet, 2014). When bank leaders display ethical behavior and reward same, it motivates the followers to follow suit (Brown & Trevin˜o, 2014). Also, when bank leaders punish unethical behavior in their various institutions, it sends a message that unethical behavior is not acceptable in their organizations.

One of the issues arising from the world financial crisis was the lack of corporate governance structure practices in institutions globally. The lack of corporate governance structure practices led to large-scale corporate scandals. Consequently, researchers (Harp, et al., 2014; Nu Htay et al., 2013) have identified ethics training for all levels of staff in organizations as part of the solution towards entrenching corporate governance structure practices in firms.

Type 1 agency issues could be reduced when managers have a higher shareholding in the organizations they work for (Chaarani, 2014; Misangyi & Acharya, 2014). When stock options are part of staff entitlements, this may reduce the agency problem. Proponents of the agency theory have argued that when employees and directors have stock holdings of the companies they are employed in, employees and directors see themselves as co-owners of the institutions (Chaarani, 2014). This co-ownership status may influence employees and directors to act more in the interest of owners thereby reducing the effect of the agency problem.

## Recommendations for Further Research

Further studies could consider examine if there is a relationship between specific corporate governance indexes and bank performance. There are inconclusive results between the relationship between size of the board and bank performance (Lama, 2012; Rahman & Mangla, 2012). Further studies in this area could determine if there is a relationship between size of the board and bank performance.

## Conclusion

The purpose of this quantitative correlation study was to examine the relationship between corporate governance structure, perception of leadership style, and bank performance. During the 2008-2009 global financial crises, there was a decline in the performance of stocks in the Nigeria stock market. The downturn in the stock exchange as well as, the liquidity crisis in the banking sector prompted the CBN to conduct a special examination of Nigerian banks. The examination revealed non-adherence to lending principles in addition, to lack of corporate governance structure practices in the Nigeria banking sector. This non adherence to corporate governance practices was evidenced by a high volume of non-performing loans, leading to the poor financial performance of many Nigerian banks.

I used the agency theory as the theoretical framework for this study. The agency theory was suitable for this theory because advocates of the agency theory assert that agency problems occur due to the separation of ownership from management. Consequently, to minimize these agency problems, advocates of the agency theory propose that boards of organizations should emplace corporate governance structure practices in their various organizations. Implementation of corporate governance structure practices by managers could minimize the occurrence of agency problems.

The participants in this study were from deposit-taking banks on the Nigeria stock exchange. The target participants were restricted to deposit-taking banks due to the ease of obtaining the annual reports of these banks. The annual reports of publicly quoted banks are readily available on their websites and other public sources.

The results from the study show that there is no relationship between corporate governance structure, perception of leadership style, and bank performance. This study on corporate governance structure, perception of leadership style, and bank performance could be useful to bank leaders, employees of banks, investors, and other stakeholders in the banking industry. Results from this study show that there is a relationship between corporate governance structure, employees' perception of leadership style, and bank performance. Further studies could be conducted to examine if there is a relationship between board size and bank performance.

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