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Dear Reader(s),

I take the privilege to welcome all of you to this issue of Ilorin Journal of Marketing (IJM). Ilorin Journal of Marketing (IJM) is a publication of Department of Marketing, Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria. It is a matter of great concern that academicians have did not much interest in writing research papers which may prove detriment in the future. The intention of the IJM is to provide an academic medium and create an atmosphere that stimulates creativeness, research and growth in the area of marketing management and related discipline.

The development and growth of the mankind is the consequence of brilliant researches done by researchers in every field. IJM provides an outlet for research findings and reviews in areas of marketing management and related discipline found to be relevant for local, national and international development. The aim and scope of the journal is to provide an academic medium and an important reference for the advancement and dissemination of research results that support high-level learning, teaching and research in the domain of marketing management and related discipline and to become a virtual knowledge grid for researchers, scholars, students both undergraduate and postgraduate studies, developments and innovators in the field of marketing management and related discipline.

Finally, I express my sincere gratitude to the Editorial Advisory Board Members and Editorial Team for their continuous support to make this issue of IJM possible and bring it to its present form. Undoubtedly we could not issue an outstanding journal without the amazing efforts of our reviewers. Papers are selected with utmost care and circumspection. The present issue of ijm epitomizes journals as its collections are diverse in nature and well researched. The motivation and expertise of the professionals who serve as reviewers are necessary to maintaining technical and editorial standards. So it is with great pleasure and thanks fullness that I offer my thanks to each of the peer reviewers. I hope you will enjoy reading this issue and we welcome your feedback on any aspect of the journal.

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Ilorin Journal of Marketing (IJM) is double blind peer-reviewed journal published bi-annually by the Department of Marketing, Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria. Ilorin Journal of Marketing is dedicated to increase the depth of knowledge about marketing and related disciplines with the ultimate aim of adding value to knowledge. The Journal gives focus to all (but not restricted) areas of marketing management

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Submission of Manuscripts

All papers should be clear and concise (MicroSoft Word), double space on A4-size paper (210mm x 297mm) on one side of the paper only; allowing 1 inch margin on all sides. The font size should be 12 point and the font style is Times New Roman. No paper should exceed 15 pages (5,000 words) including references, tables and illustrations. Additional words / pages attract extra fee.

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CORPORATE GOVERNANCE PRACTICES AND THE SURVIVAL OF MICRO ENTERPRISES IN ILORIN METROPOLIS

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Abstract
This study examines the relationship between corporate governance practice and the survival of micro-enterprises in Ilorin metropolis of Kwara state. Primary data was used to elicit responses from the selected micro-enterprises through the administration of questionnaire. A total of one hundred and twenty copies of questionnaire were administered across the selected micro-enterprises and upon completion and return, only ninety eight copies (representing 82%) were found to be useful. Kendall-tau (non-parametric) correlation technique was used to measure the degree of relationship between the two variables measured at 5% level of significance. The study reveals that a strong positive correlation (r=0.72) exists between the practice of the principles of corporate governance and the financial performance of the selected micro-enterprises. The study therefore recommends that owners of micro-enterprises must adhere strictly to the tenets of corporate governance relevant to their operations and management of micro-enterprises must act diligently in a way that is beneficial to both internal and external stakeholders.
Keywords: *Corporate governance, micro-enterprises, stakeholders, survival, Ilorin.*

1.0 Introduction

The importance of corporate governance has become globally recognized due to its numerous contributions to the growth and development of both micro and macro sectors of the economy. Corporate governance entails a detailed structure by which companies are controlled, directed and managed. It enlists individual's rights and responsibilities in the corporation from top to bottom, while spelling out the rules and procedures for making decisions on corporate affairs. Hence, corporate governance is a goal attainment mechanism which seeks to ensure that set objectives are met through proper monitoring and review (Lee, 2008).

The discourse as regards corporate governance was borne out of the corporate moral hazards or threats posed by management towards the shareholders of a company. Corporate moral hazard in an organization is a situation where top management takes risky decisions with the intent that if things go awry, the shareholders or other stakeholders would bear the cost of the risk (Adegbite, 2007). Thus, corporate governance is associated with the defense of shareholders' interest by the use of strict governance devices (Olof, Mattias & Johan, 2007). Adegbite (2007) further observed that every shortcoming or lapses that lead to distress in any organization is as a result of weak corporate governance. According to Bundaleska, Dimitrova & Nikolovska (2011), companies implementing good corporate governance create value and provide accountability and control systems equivalent to the risk assumed, thereby committing themselves towards providing harmonious relationships among all stakeholders.

Sound corporate governance makes the management accountable to the stakeholders, protects shareholders and in the meantime, duly considers the interest of the organization at large without prejudice to employee's right. Hence, corporate governance is a set of relationships between a company's management, its board, its shareholders and other stakeholders (Ijeoma & Raymond, 2013). It is also a "process through which shareholders induce management to act in their interests, providing a degree of investor confidence that is necessary for the capital markets to function effectively" (Rezaee, 2009).

The collapse of the major corporate institutions in parts of Europe and United States of America as well as the financial scandals that characterized the winding up of some huge financial institutions in Africa, resonated the need for the strict practice of corporate governance among corporations with a view to protecting various stakeholders (CBN, 2006). Wilson (2006) observed that the corporate world has taken a cue from the disaster that befell the then "too big to fail" corporate institutions such as Cadbury Nigeria, Worldcom, Barings bank, Enron e.t.c. He opined that many of these companies failed due to the absence of effective corporate governance which led to asset and liability mismanagement, sharp practices, gross insider abuse and derailment from the set objectives of the organization. Hence, corporate governance practice has become a global practice that seeks to engender public confidence by ensuring that members of the society commit their funds into any organization with the assurance that such funds would be optimally utilized (Osolake, 2010).

Dittmar and Mahrt-Smith (2007) stressed the importance of corporate governance in their study when they observed that cash resources of an organization are efficiently utilized when sound corporate governance practice is put in place, whereas absence of or weak corporate governance practice weakens the operational performance of an organization thereby leading to illiquidity. The relative importance of micro enterprises in advanced and developing countries has led to a reconsideration of their roles in the economy of nations. The development of many countries is often measured by such indices as the level of industrialization, modernization, urbanization, gainful and meaningful employment for all those who are able and willing to work, income per capita, equitable distribution of income, and the welfare and quality of life enjoyed by the citizenry. There is no doubt that micro enterprises exist in most economic environment and are capable of providing the much needed impetus for economic growth and development (Mosk, 2010). The reality today is that an enterprise may appear small in size but many of them have potentials to grow and become big entities in future.

Regardless of the size of the enterprise (micro or macro), the corporate governance practice can apply to all. Maharaj (2011) asserts that corporate governance practice is no longer an exclusive feature of large corporations; in fact, many small organizations have integrated this practice into their organizational activities with a view to harnessing the numerous derivable benefits. However, less attention is given to corporate governance practices in micro, small and medium-sized enterprises. This

little attention is enunciated in the study conducted by Oyejide and Soyibo (2001) and Smith (2007) who decried that research on corporate governance of micro enterprises is limited compared to research on large firms. Also, Bundaleska etal (2011) observed that in terms of corporate practice, small and medium businesses are not given as much attention as their larger counterparts because of the difference in scale of stakes. It is believed that larger companies have a host of stakeholders whose hard earned wealth must be judiciously protected. Nonetheless the paucity of research on corporate governance practices in micro enterprises, this study seeks to contribute to existing literature on corporate governance by examining its relationship with the performance of micro enterprises in Ilorin, Nigeria. In most of the researches carried out in the past on the corporate governance practice of large firms, like those of Olof, Mattias and Johan (2007), Torneyva and Wereko (2012); Abogun, Fagbemi and Balogun (2013) and some others, several variables have commonly been used as indicators of corporate governance. However, this research focuses on the relationship between corporate governance components (such as ownership structure, separation of management and control, and regular independent audit) and the financial performance of micro enterprises.

2.0 Literature Review

The purpose of this section is to review past relevant literatures that have discussed the concept of corporate governance and its relationship with micro-enterprises. Hence, attempt will be made to link up global corporate governance practices with those of companies in Nigeria, specifically with reference to micro-enterprises.

2.1 Corporate Governance and Micro-enterprises

Corporate governance is a contemporary phenomenon that has gained massive global acceptability and relevance from the corporate world. In fact, in recent times, it has striven for mastery and risen to prominence among corporate entities. Although, corporate governance has enjoyed several definitions across boundaries, the major underpinning thrust of these definitions is the fact that corporate governance promotes accountability and responsibility.

According to Parkinson (1994), corporate governance is a process of supervision and control intended to ensure that a company's management acts in accordance with the interest of shareholders. This definition suggests that corporate governance is a mechanical process of setting rules, laws, regulations and accepted business practices of public and private organizations with the aim of regulating the affairs of shareholders who invest money in the corporation, on one hand and corporate managers who govern the investment and resources, on the other hand. This position is further buttressed in a study conducted by Schleifer and Vishny (1997) which assert that the main goal of any corporate governance practice is to assure suppliers of finance (shareholders and creditors) of a reasonable return on their investment commensurate to the risk they have taken without any improprieties but with strict adherence to due process and legally laid down regulations.

La Porta, Lopez-de-Silanes and Shleifer (1999) refer to corporate governance as a

protective mechanism instituted by stakeholders of an organization to prevent any potential expropriation by the management. Furthermore, Mayer (1999) contends that corporate governance means the sum of the processes, structures and information used for directing and overseeing the management of an organization. Hence, from the point of view of stakeholders, corporate governance is "both the knowledge and the art of weighing divided interest of stakeholders" (Siebens, 2002). In other words, it is the effort of balancing the relationships of power. The importance of corporate governance has been realized all over the world with the integration and liberalization of financial markets. It has been observed that strong and effective corporate governance system result in high performance of organizations which also prohibit the fraudulent activities that may be perpetrated in the organizations.

Good corporate governance brings about better management and prudent allocation of the company's resources; it also enhances corporate performance which would significantly contribute to the company's share price thereby increasing the value of shareholders' holdings. Banks (2004) asserts that companies that are properly governed are supported by deep and transparent financial markets, robust legal systems, and efficient resource allocation. This in turn promotes financial and economic stability and increases national and global growth rates, whereas poorly governed companies experience the opposite. Coleman and Nicholas-Biekpe (2006) opine that corporate governance is a code of conduct regulating the affairs of an enterprise to its shareholders or in the wider sense as the relationship of the enterprise to the society as a whole.

In 1999, the Organization for Economic Cooperation and Development (OECD) set up some principles of corporate governance which were endorsed by OECD Ministers and have since become the international benchmark for policy makers, investors, corporations and stakeholders worldwide. The objective of these principles was to assist both OECD and non-OECD governments in their efforts to evaluate and improve the legal, institutional and regulatory framework for corporate governance in their respective countries. The OECD principles of corporate governance signify the need for OECD member countries to uphold essentially, good governance practices, thus, the principles were spelt out in an unambiguous, succinct, concise and easily accessible manner to the international community.

These principles of effective corporate governance include areas such as: *ensuring the basis for an effective corporate governance framework; the rights of shareholders and key ownership functions; the equitable treatment of shareholders; the role of stakeholders; disclosure and transparency; and the responsibilities of the board* (OECD, 2004). The effectiveness of corporate governance depends on the application of these principles. In other words, these principles must be upheld in a manner which benefits stakeholders, as well as broadens industries and other economic sectors. Among the benefits which stakeholders are likely to derive from the application of these principles include: conflict of interest resolution, instilling controls and a sense

of ethics, and enforcing and encouraging transparency. Besides, the application of these principles of corporate governance will promote efficient use of resources within the firm and the larger economy. It will help firms to attract low cost investment capital through improved investor and creditor confidence, both nationally and internationally. It will also increase the firms' responsiveness to the needs of the society and results in improving long-term performance (Gregory and Simms, 2009).

Corporate governance in any organization can be discussed from two points of view; the narrow and broad views. The advocates of the narrow view opine that corporate governance relates to issues bordering on the protection of internal stakeholders such as management and control of an organization, shareholders' wealth protection and principal-agency relationship (Olayiwola, 2010). However, the proponents of the broad view such as Mayer (1999), Arun and Turner (2004) and Sullivan (2000) believe that a wide range of issues relating to legal, environmental, institutional, governmental and capacity building are central and germane for a sustainable corporate governance practice in any organization.

Hence, corporate governance is seen as the whole set of measures taken within an enterprise to favour the economic agents to take part in the productive process, in order to generate some organizational surplus, and to set up a fair distribution between the partners, taking into consideration what they have brought to the organization (Torneyva and Wereko, 2012). Thus, the concept of corporate governance therefore harps on all these aspects and as well the management of organizational resources in the interests of all stakeholders (Nadia & Saeed, 2014).
There appears to be no consensus among scholars and policy makers concerning the point at which a business firm is deemed to be micro, small or medium. Several criteria such as number of employees, assets acquired, sales turnover and a combination of employees, sales and assets are used to determine the size of a firm (Abor and Adjasi, 2007).

The definition of micro enterprises varies with the culture and peculiar circumstances of the person attempting the definition. Studies on micro enterprises identify more than fifty different definitions in seventy-five countries. Organization for Economic Cooperation and Development (2005) defines micro or small sized firms as the non-subsidiary and independent firms which employ less than a given number of employees and less than a turnover of EUR 15 million. In February 1996, The European Commission adopted the definition for micro enterprises as firms with less than 50 employees, less than EUR 10 million turnovers and less than EUR 7 million total assets (Abor and Adjasi, 2007). However, size-based definitions are problematic as a small increase in sales or employee numbers would catapult the company into the next higher category without significant change to its underlying characteristics (Bundaleska, Dimitrova and Nikolovska, 2011). The Central Bank of Nigeria circular No 28 of 1998 defined a micro enterprise as that in which total investment will not exceed ₦500,000 and the annual turnover will not exceed ₦5,000,000.

Micro-enterprises play important roles in the process of industrialization and economic development of both developing and developed countries. Apart from increasing per capita income and output, micro enterprises create employment opportunities, enhance regional economic balance through industrial dispersal and generally promote effective resource utilization considered critical to engineering economic development and growth. (Ogujiuba, Ohuche and Adenuga, 2004). According to a study conducted by Levy (2002), it was evident that the position of micro-enterprises as a dominant employer of labour is overwhelmingly a strong one; statistics from the study showed that micro enterprises in Australia contributed 45% of total employment and 23% to GDP in 2001, In U.S.A 53.7% of total employment and 48% to GDP, In U.K, 67.2% of total employment and 30.3% to GDP. In France, it was even higher as micro enterprises in the country contributed 69% to total employment and 61.8% to GDP. Although, statistics from the Central Bank of Nigeria (2014) suggests that contribution of SMEs to national development and economic growth in Nigeria is dismal, their importance however cannot be overemphasized.

The importance of corporate governance to micro-enterprises cannot be under estimated. Claessens (2003) states that there are several channels through which corporate governance affects growth and development of micro enterprises and these include: increased access to financing, higher firm valuation, better operational performance, reduced risk of financial crises and better relations with other stakeholders. Improvement in corporate governance practices can improve the decision making process within and between a company's governing bodies, and should thus enhance the efficiency of the financial and business operations. Better corporate governance also leads to an improvement in accountability system and helps in minimizing the risk of fraud or self-dealing by company officers. An effective system of corporate governance also ensures compliance with applicable laws and regulations, and further allows companies to avoid costly litigations (International Finance Corporation, 2004). Hence, effective corporate governance promotes the efficient use of resources both within the enterprises and the economy at large (Gregory & Simms, 2009). The underpinning discovery from the crop of definitions and postulations about corporate governance is that better corporate governance leads to improved economic performance for enterprises, allows enterprises to reduce their financial and operational risks and significantly raises their attractiveness to investors which results in the growth of these enterprises and the development of the economy at large.

2.2 Theoretical Framework

This section discusses two critical theories that are relevant to this study. These theories are the agency theory and stakeholder theory.

Agency theory

According to Pandey (2010), principal-agent relationship exists between owners of the company and management. The owners of the company entrust unto individuals

with specialized skills or expertise the responsibility of managing the affairs of the company. Hence, the owners of the company are the principal while those saddled with the responsibility of management are the agent. Anthony, Sridharan, Farshid and Braendle (2012) observe that management of modern firms requires the separation of ownership from control so as to allow for the optimal use of capital for wealth creation. Agency theory argues that as firms grow in size, the shareholders (principals) lose effective control, leaving professional managers (agents) with specialized knowledge to manage the affairs of the business, and in so doing, these agents over time gradually gain effective control over the business (Mizruchi, 1983). As a result of the transfer of control from owners to management, management tends to indulge in managerial mischief (Dalton, Hitt, Certo and Dalton, 2007) by freely pursuing a self seeking agenda usually at the expense of their principal. The organization owners however consequently become hostages to their agents, whom the theory assumes will always place their own personal goals ahead of the organization's and its owners (Mintz, 2004). The objective of agency theory is then to reduce the agency costs incurred by the principals by imposing internal control measures to keep these self-serving agents in check (Jensen and Meckling, 1976). In order to forestall a potential mischief on the part of management and ensure that they act in accordance with the objectives of shareholders' wealth maximization, Jensen (1993) as cited in Anthony et al (2012) suggests that certain policies and mechanisms are put in place to monitor and oversee the actions of the management in order to achieve the overall goals of the firm.

With the aid of corporate governance mechanisms, micro-entrepreneurs who are not directly involved in the management of their enterprises are assured that the agents will act in their best interest. Thus, the overall objective of the enterprise even in the absence of the owners is optimally achieved.

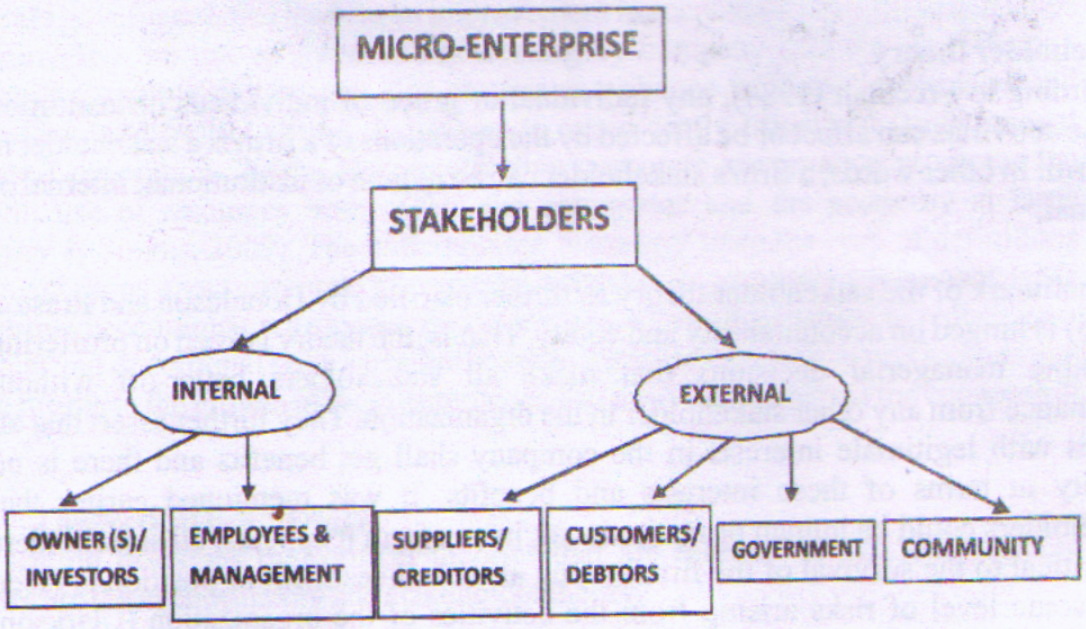
Stakeholder theory

According to Freeman (1984), any individual or group of individuals or institution whose activities can affect or be affected by the operations of a firm is a stakeholder in the firm. In other words, a firm's stakeholder can be human or institutional, internal or external.

The hallmark of the stakeholder theory as further clarified by Donaldson and Preston (1995) is hinged on accountability and equity. That is, the theory is keen on proffering equitable managerial decisions that make all stakeholders better-off without dominance from any other stakeholder in the organization. They further assert that all parties with legitimate interests in the company shall get benefits and there is no priority in terms of these interests and benefits. It was mentioned earlier that stakeholders could be human or institutional; in any form it appears, all stakeholders are critical to the survival of the firm as long as their investment or position is faced with some level of risks arising from the activities of the organization (Clarkson, 1995). Hence, the stakeholder theory is an extension of the agency theory where responsibility of the board of directors is increased from shareholders to other stakeholders' interests (Smallman, 2004).

Although, the stakeholder theory has received wide acceptance in the literature, it has nonetheless been criticized by some scholars. For instance, Jensen (2001) criticized the stakeholder theory for its sole emphasis on stakeholders' wealth maximization. He contends that a firm's performance is not only measured by returns but equally important is the management of information in the organization with particular reference to vertical communication, inter-personal relationships in the organization and the environment. He therefore proffered a more befitting name by refining the theory to "enlightened stakeholder theory". This according to Jensen (2001) would take care of the shortcomings in the erstwhile theory. Smallman (2004) also criticized the stakeholder theory for its inability to identify those who genuinely constitute a firm's stakeholders. He further explained that the stakeholder theory could be a conduit for corrupt practices as it offers agents of the company (management) the opportunity to divert the wealth away from the shareholders to others. However, Deegan (2004) while examining stakeholder theory from a moral perspective opines that the management of a company has the responsibility to ensure all stakeholders are treated fairly in the organization, and enjoy equal benefits regardless of the effect on the firm's financial performance. From the foregoing, this study therefore seeks to establish whether micro-enterprises operating in Ilorin metropolis practice the principles of corporate governance and if they do, examine the relationship between corporate governance variables (ownership structure, separation of management and control, and regular independent audit) and the performance of these micro-enterprises by hypothesizing that corporate governance does not have any relationship with their financial performance.

Figure 1: THE STAKEHOLDER MODEL



2.3 Empirical Evidences

Although several attempts have been made in literature to establish a relationship between corporate governance and firms' performance, the level of causality between

these variables, based on evidences, have differed ranging from very weak to very strong correlation. In fact, Love (2011) asserts that the vast majority of research on corporate governance and performance are plagued with endogeneity problems and as a result, consensus may not be easily reached. For instance, in the study conducted by Black (2001), it was found that a strong correlation exists between corporate governance and firm performance. Furthermore, other studies such as Bebchuk, Cohen and Ferrell (2006), Black and Khana (2007) and Brown and Caylor (2009) also revealed varying degrees of positive association between corporate governance and firms' performance. However, studies like Gillan, Hartzell and Starks (2006) and Pham, Suchard and Zein (2007) found a negative relationship between corporate governance and firm's performance.

Hermalin and Weisbach (1991) examined the effect of corporate governance on the performance of 142 listed companies on the New York Stock Exchange in US. The study adopted board composition (in terms of the percentage of board members who are employees of the organization) as a proxy for corporate governance. It was found that there was no strong relationship between board composition and the firms' performance. Hence, the study concluded that the composition of the board is of no significance to a firm's performance as board composition may portend a good or bad element to shareholder's interest. In Nigeria, a study conducted by Sanda, Mikailu and Garba (2005) examined the relationship between corporate governance and financial performance of some selected companies listed on the Nigerian Stock Exchange. The study reported a weak positive relationship between corporate governance and organization's financial performance. The study also concluded that a small board size only functions effectively up to a point; as the number increases, it may become ineffective.

The discord amongst scholars and researchers as regards the impact of corporate governance variables on firm's performance necessitates the quest for deeper research on the subject matter particularly with reference to micro-enterprises. For instance, a consensus is reached among scholars that board size has a correlation (whether positive or negative) with firm's performance, however, the size of the board (small or big) which positively correlates with firms' performance has been an unresolved riddle. In the studies conducted by Yermack (1996) and Sanda, Mikailu and Garba (2005), it was found that small boards were more positively associated with high firms' performance, while on the other hand Kyereboah-Coleman (2007) found that larger boards enhanced shareholders' wealth more positively than smaller ones.

Similar studies conducted by Lipton and Lorsch (1992) and Jensen (1993), aiming to empirically measure the relationship between the board size and firm performance, suggest that "as size of the board grows, the decision-making processes slow down and this causes communication problems and impacts the firm's performance negatively." These inharmonious findings amongst researchers as to the extent of correlation between corporate governance and firm performance have made the concept of corporate governance more nebulous and contentious in theory (Abogun et al, 2013). Hence, this study seeks to fill the gap in literature by examining the nature of relationship that exists between the two variables among micro-enterprises operating in Ilorin metropolis.

3.0 Methodology

A cross sectional survey design was used to measure the relationship between the variables of concern in this study. This was considered appropriate because the sample from the study population (micro-enterprises) were selected at a point in time for the purpose of estimating the population parameters. Furthermore, samples were selected from the population using a convenience sampling technique. This sampling technique was used based on the fact that the study did not use sampling frame from which a random sample could be drawn (Abogun & Fagbemi, 2011). More so, there is no up to date information about the list and location of registered micro-enterprises operating in Ilorin and as a result, some selected micro-enterprises were visited and sampled.

In a study of this nature, secondary data is believed to be more appropriate but due to the problem of data paucity, the primary source of data was used. A hundred and twenty (120) copies of questionnaire were administered on selected micro-entrepreneurs across the local governments within the Ilorin metropolis and upon completion and return, only ninety-eight (98) were found to be worthy of use. In the questionnaire, a measurement instrument was developed to measure the study variables. A likert type of questionnaire comprising of two (2) sections was developed.

The first section named respondent bio-data elicits information about the respondents while the second section named operational data was used to source data on the operational variables of the study. Respondents were asked to rate their opinion on a five (5) point likert typed scale. The scale is between five (5) points; strongly agree and one (1) point; strongly disagree. The respondents, majorly owners of the micro-enterprises, were asked to indicate on the scale the extent to which they agree or disagree with the items asked as regards corporate governance practice. In order to analyze the data, the descriptive and inferential statistical techniques were employed.

The study examines the relationship between corporate governance practice and performance of micro-enterprises in Ilorin; hence, a correlation analytical tool was used to find the association between these variables. The variables examined for the purpose of the correlation analysis were corporate governance (proxied by ownership structure, separation of management and control, and regular independent audit) and financial performance (proxied by turnover/sales, reduction in overhead costs, working capital and net profits). The study employed the Kendalls'tau statistical method to determine the coefficient of correlation between corporate governance practice and performance of micro-enterprises. This tool was employed due to the stringent conditions attached to the use of parametric test statistics such as normal distribution, interval scale and homogeneity of variance (Field, 2009). This study however could not satisfy some of these assumptions and therefore a non parametric test statistics with less emphasis on assumptions was used. This study also sets alpha level at 5%, hence, if the probability value is less than the significance level, the null hypothesis is rejected; otherwise the null hypothesis is not rejected.

Table 1: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Ownership structure	.422	97	.000	.619	97	.000
Separate management and control	.250	97	.000	.666	97	.000
Regular independent audit	.232	97	.000	.766	97	.000
Proper monitoring and control	.247	97	.000	.803	97	.000
Improvement in turnover or sales	.222	97	.000	.860	97	.000
Reduction in cost of Overheads	.216	97	.000	.769	97	.000
Improvement in working capital	.295	97	.000	.829	97	.000
Increase in Profits	.215	97	.000	.902	97	.000

Source: Field Survey (2015)

Evidence suggesting deviation from normality is shown in the results of skewness and kurtosis deviating from zero (0), signifying non-normality. Furthermore, Field (2009) asserts that when Kolmogorov-Smirnov normality significance test is less than p-value, the distribution is said to be significantly deviating from normality, hence, evidence from Kolmogorov smirnov and Shapiro wick tests results also affirm that the data was not normally distributed. To this end, a non-parametric (distribution free) statistics can be said to be suitable for the purpose of analysis.

Cronbach alpha was also used to measure the reliability of the instrument and the result as contained in table 2 below shows that the instrument was internally consistent because the Cronbach alpha value of 0.75 exceeds the theoretical benchmark of 0.70 (Field, 2009). This implies that items in the questionnaire adequately and reliably measured the main variables.

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.750	8

Source: Field Survey (2015)

4.1 Correlation and Descriptive Analysis

This study examined the relationship between corporate governance and financial performance of micro-enterprises. The variables examined for the purpose of the correlation analysis were corporate governance (proxied by ownership structure, separation of management and control, and regular independent audit) and financial performance (proxied by turnover/sales, reduction in overhead costs, working capital and net profits). The result for corporate governance was obtained by the summation of the values (responses) of all proxies for corporate governance in the questionnaire, divided by the number of the items. This implies that the average of the responses measuring corporate governance was obtained for the purpose of analysis. On the other hand, the second construct (financial performance) was obtained from the summation of reactions of respondents to certain items of the questionnaire relating to financial performance divided by the number of the items. It also implies that the average response was obtained to proxy financial performance.

Thereafter, the relationship between the two variables was examined. In order to examine this relationship, Kendall tau test statistics was used to test the significance of the correlation between corporate governance and financial performance. Table 3 reveals that a positive association exists between corporate governance and financial performance as shown by kendall tau _ b results, r = 0.72 and this was found to be significant at 5% alpha level. It means the hypothesis of no relationship between corporate governance and financial performance was rejected. The implication of the result is that corporate governance plays a very significant role in the financial performance of micro-enterprises in Ilorin, Kwara state. In other words, adherence to the principles of corporate governance by micro-enterprises will positively improve their financial results.

Table 3: Correlation Analysis

Kendall's au_b	Corporate Governance	Correlation Coefficient	1.000	.720**
		Sig. (2-tailed)		.000
		N	100	100
	Financial performance	Correlation Coefficient	.720**	1.000
		Sig. (2-tailed)	.000	.
		N	100	100

**. Correlation is significant at the 0.05 level (2 - tailed)

Source: Researcher's computation using SPSS 21.0

The result of the hypothesis testing is in consonance with the descriptive results in table 4. Table 4 reveals that the mean responses of all the items of the questionnaire on corporate governance and financial performance range between 3.21 and 4.46 with standard deviation of 1.45 (highest) and standard error of 0.114 (highest); the standard deviation of each item shows that the responses are close to the mean response. The standard error explains how the different means of different samples within the population cluster around the mean of the study sample. In other words, it shows how the sample mean can be used to make generalization about the population mean.

According to Kothari (2004), the smaller the standard error, the greater the uniformity of sampling distribution and hence, greater is the reliability of the sample. In a general term, these results imply that respondents are of the opinion that corporate governance influences financial performance. The strength of the association as defined by the correlation coefficient (r, 0.72) is so strong; that is, the correlation being positive suggests that financial results of micro-enterprises could be improved upon if they imbibed more of the principles of corporate governance. The explanation for the strong correlation between corporate governance and financial performance is buttressed by the result in table 4. The table also shows that the mean scores of some of the responses are much above the average point on the measurement scale while others are close to the maximum point on the scale.

Table 4: Descriptive statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Ownership structure	98	1.00	5.00	4.4610	.0713	.7190
Separate management and control	98	1.00	5.00	4.3612	.0864	.8457
Regular independent audit	98	1.00	5.00	4.1525	.0853	.8499
Proper monitoring and control	98	1.00	5.00	4.0515	.0939	.9350
Improvement in turnover or sales	97	1.00	5.00	4.0010	.09574	.9573
Reduction in cost overheads	97	1.00	5.00	3.8100	.1004	1.3360
Improvement in working capital	98	1.00	5.00	3.6000	.1011	1.3409
Increase in Profits	98	1.00	5.00	3.2119	.1138	1.4462
Valid N (listwise)	97					

Source: Researcher's computation using SPSS 21.0

5.0 Conclusion and Recommendations

The results emanating from this study suggests that a positive association exists between corporate governance practice and financial performance of micro-enterprises. Therefore, it can be concluded that micro-enterprises who adhere firmly to the principles of corporate governance are bound to have significant improvement in their financial performances. This finding is consistent with the findings of Lee (2008) who opined that through sound corporate governance mechanism, firms' objectives and goals are properly met.

The implication of his finding suggests that as enterprises (micro or macro) commit themselves to the tenets of corporate governance, the more the goals of the enterprises would be actualized. It is hereby recommended that management of micro-enterprises should be divorced from ownership so that set goals of the firm can be achieved. Furthermore, management must ensure strict compliance with all the codes of corporate governance relevant for their successful operation. Finally, the study recommends that management of micro-enterprises must act in a way that is beneficial to all stakeholders so as to ensure sustainable development of the enterprise and the economy at large.

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