WHEN DOES CORPORATE GOVERNANCE WORK? REVISITING GOVERNANCE AND STRATEGIC IMPLEMENTATION EFFECTIVENESS IN NIGERIAN MANUFACTURING FIRMS

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Abstract
This study examines why corporate governance mechanisms show inconsistent effects on strategic outcomes across the literature, testing five hypotheses linking board composition, ownership structure, CEO duality, board committees, and governance-related challenges to strategic implementation effectiveness in Nigerian manufacturing firms. Primary survey data were collected from 138 senior and middle managers across five Nigerian Stock Exchange-listed firms (Dangote, Unilever Nigeria, Nestle Nigeria, PZ Cussons, and Nigerian Breweries), analysed using multiple regression and principal component analysis. Governance items with routine operational content, board financial and risk expertise, long-term ownership orientation, and committee-level strategy review and internal control monitoring, significantly predict implementation effectiveness, while items more closely associated with formal compliance, independent-director counts, nominal CEO-chairman separation, and general audit committee independence, do not. A principal component analysis of ten governance-challenge items extracted a single Governance-Challenges component explaining 68.4 percent of shared item variance among those items; this component, entered separately as a predictor of implementation effectiveness, explained a further, distinct 60.8 percent of variance in that outcome (R squared = .608, $p < .001$), the strongest single effect in the study, though as a ten-item composite it is not directly comparable to the individual governance coefficients reported elsewhere. This pattern is interpreted, cautiously, through the lens of institutional theory's account of decoupling, alongside agency, stewardship, resource dependence, and contingency perspectives, while acknowledging that decoupling itself is inferred from patterns of statistical significance rather than directly observed in board practice. The study contributes an empirically grounded, multi-theoretic account of governance effectiveness in an emerging-market manufacturing context and offers cautious guidance for boards and regulators, while identifying common method variance, sample scope, and construct-level limitations that bound the strength of its claims.

Keywords: corporate governance, strategic implementation, institutional theory, board effectiveness, manufacturing firms, Nigeria

1.0 Introduction

A recurring puzzle in corporate governance research is why governance mechanisms that theory predicts should improve firm outcomes so often fail to show consistent empirical effects. Reviewing the global evidence, Bui and Krajcsak (2023) conclude that no single governance model produces uniform performance effects across institutional settings, a conclusion echoed in country specific studies of Nigerian manufacturing and consumer goods firms, where some board or ownership attributes matter while others do not (Adebayo & Olugoke, 2020; Aziekwe & Okegbe, 2024; Boluwaji et al., 2024). A more recent study of listed Nigerian manufacturing firms similarly finds that board size and formal independence show weak or inconsistent associations with performance outcomes, while board meeting frequency, a marker of active engagement rather than structural composition, shows a more consistent positive association (Abubakar & Muritala, 2025), a pattern broadly consistent with the form-substance distinction this paper examines in more detail.

Several explanations for this inconsistency compete in the literature. Contextual and institutional differences across countries plausibly account for some of it, since governance codes, enforcement intensity, and ownership norms vary widely between settings (Aguilera et al., 2018; Claessens & Yurtoglu, 2013). Firm heterogeneity is another candidate: governance may matter more in some industries, ownership types, or growth stages than others, independent of any distinction between form and substance. Measurement variation across studies, differing governance indices, differing performance proxies, differing time horizons, is a further plausible source of inconsistency that has nothing to do with decoupling as such. This paper does not claim to rule out these alternative explanations. It instead tests, within a single country and sector where institutional context is held roughly constant, whether a further explanation, that some governance mechanisms are more substantively activated than others, helps account for which governance items predict outcomes and which do not. Meyer and Rowan (1977) describe this general phenomenon as decoupling: organisations adopt formal structures to secure legitimacy while day to day activity proceeds according to a separate, more informal logic. The present study uses that concept as an interpretive lens for a pattern observed in the data, rather than as a claim that has been independently verified through direct observation of board practice.

This lens is applied to primary survey data on corporate governance and strategic implementation effectiveness from five Nigerian Stock Exchange-listed manufacturing firms. Manufacturing remains structurally significant to the Nigerian economy, contributing 8.05 percent of real GDP in 2025 and 9.57 percent in the first quarter of 2026 (National Bureau of Statistics, 2026), while operating under governance codes modelled substantially on international templates. This setting is useful for the present question because governance codes are broadly similar across the sampled firms even though the firms themselves differ in ownership control, which allows the analysis to focus on variation in how governance mechanisms are exercised rather than on cross-country institutional differences.

The paper makes three contributions, stated modestly in light of the limitations discussed later. First, it reports item level regression evidence, rather than composite governance indices, for five governance dimensions against strategic implementation effectiveness, and compares the explanatory power of the item level approach against a composite index constructed from the same data. Second, it draws on institutional, agency, stewardship, resource dependence, and contingency perspectives to interpret why different governance items show different effects, while being explicit about which parts of that interpretation are directly supported by the data and which are proposed as a plausible reading of it. Third, it offers governance related implications for Nigerian manufacturing firms and, more cautiously, for research design in this literature. The remainder of the paper proceeds as follows. Section 2 reviews the literature, develops five hypotheses, and sets out how the study's theoretical perspectives relate to one another. Section 3 describes the methodology, including the distribution of respondents across firms and steps taken to assess common method variance. Section 4 reports results in full, including item level regression tables and principal component loadings. Section 5 discusses the findings, including their limits. Section 6 concludes with implications, limitations, and directions for future research.

Literature Review and Hypothesis Development

Institutional Theory and Decoupling

Meyer and Rowan (1977) argue that organisations operating in institutionalised environments adopt formal structures, board independence requirements, audit committees, disclosure regimes, in order to secure legitimacy, resources, and survival, independent of whether those structures improve technical efficiency. They argue that structures adopted for legitimacy reasons are frequently decoupled from actual organisational activity, with firms maintaining what they call a logic of confidence that formal compliance is occurring while daily operations proceed on separate, often more informal, terms. DiMaggio and Powell (1983) extend this by showing that organisations within the same institutional

field converge on similar formal structures, isomorphism, under coercive, mimetic, and normative pressures, even where those structures are not functionally necessary for every adopting firm. Recent empirical work continues to document this gap across varied settings: a study of listed firms in Ghana finds that formal structural independence of boards and audit committees is negatively, rather than positively, associated with audit quality and firm value in a weak institutional enforcement environment, concluding that governance mechanisms may exist in form without functioning in substance (Angsoyiri et al., 2026); a study of Chinese firms' international expansion finds that decoupling between stated strategic ambition and actual practice is more likely where firms face strong legitimacy pressure but weak internal capability to implement what they announce (Xu et al., 2025); and a study of sustainability disclosure finds that active institutional investor monitoring narrows, though does not eliminate, the gap between firms' stated ESG commitments and their substantive environmental and social practice (Cepeda et al., 2025). These studies indicate that the substance-form gap this paper investigates in a governance-implementation setting is an active and current concern across adjacent literatures rather than a phenomenon specific to this dataset.

It is worth being precise about what this study can and cannot show with respect to decoupling. Meyer and Rowan's original argument rests on direct evidence of a gap between formal structure and operating practice. The present study does not observe board practice, meeting conduct, or director behaviour directly; it observes managers' survey responses about governance items and about implementation outcomes, and it observes which items statistically predict outcomes and which do not. Decoupling is therefore used here as an interpretive frame for that pattern of significance, not as an independently measured variable. Where an item shows no significant relationship with implementation effectiveness, that absence is consistent with decoupling but is also consistent with several other explanations, including measurement error, insufficient statistical power for that particular item, or a genuine absence of effect unrelated to ceremonial adoption. This qualification is carried through the results and discussion below rather than treated as a one-time disclaimer.

Board Composition

Agency theory (Jensen & Meckling, 1976) predicts that board composition, particularly the presence of independent, non-executive directors, constrains managerial opportunism and thereby supports effective strategy execution. Resource dependence theory (Pfeffer & Salancik, 1978) offers a different prediction: boards add value through the expertise, information, and external resources directors bring, regardless of independence status. The expectation that independent director counts will show a weaker relationship with implementation effectiveness than board expertise is grounded, prior to seeing the results, in the observation that director independence is typically defined and mandated by external governance codes in a way that expertise is not; independence can be satisfied by appointment alone, whereas expertise requires directors to actually exercise judgement on financial and risk matters. Okpara (2011) documents that in developing economy contexts more broadly, governance codes are often satisfied at the level of appointment and disclosure while substantive practice continues to be shaped by other, less formal dynamics, which is the basis for treating board independence counts as more likely, on prior grounds, to show a weaker relationship with outcomes than expertise based items. This treatment of independence as a form of symbolic compliance is consistent with evidence that boards adopt formally compliant governance devices partly to manage external legitimacy judgements, sometimes decoupled from a change in underlying decision practice (Westphal & Zajac, 2001). Board diversity of perspective, distinct from independence in the formal sense, has separately been linked to more substantive board engagement in African corporate governance settings (Adegbite & Nakpodia, 2024). This gives: H1: Board expertise and diversity of perspective, rather than the formal count or presence of independent non-executive directors, will significantly predict strategic implementation effectiveness.

Ownership Structure

Ownership structure has traditionally been treated as a monitoring mechanism within agency theory, where concentrated ownership is expected to reduce information asymmetry and improve managerial discipline. Fama and Jensen (1983) distinguish between the decision management and decision control functions embedded within ownership and governance arrangements, a distinction that separates ownership concentration, a control function signal observable to outsiders, from incentive aligned ownership structures, a decision management function that is harder to observe externally. Stewardship theory (Davis et al., 1997) predicts that ownership arrangements aligning managerial and owner incentives around long term value, rather than concentration alone, will support better strategic follow through. This yields: H2: Ownership arrangements that promote long-term strategic orientation and managerial alignment, rather than ownership concentration alone, will significantly predict strategic implementation effectiveness.

CEO Duality

Boyd's (1995) contingency model of CEO duality holds that the effect of separating the CEO and chairman roles depends on how that separation functions in practice rather than being uniformly positive or negative. Donaldson and Davis (1991) provide empirical support for this contingent view, showing that duality's effect on shareholder returns is not consistently negative as a simple agency account would predict. The expectation that formal role separation will show a weaker relationship with outcomes than substantive checks and balances follows from the same reasoning applied to board composition: role separation is a title level fact that is easy for external stakeholders to verify, while the exercise of genuine oversight is not. Hence: H3: Leadership structures that provide substantive checks and balances, rather than the formal separation of CEO and chairman roles alone, will significantly predict strategic implementation effectiveness.

Board Committees

Board committees are a core element of most governance codes and are often assessed by their formal existence and stated independence rather than their operating activity. Hrebiniak (2006) identifies weak monitoring of implementation progress as among the most persistent obstacles to effective strategy execution, which points toward routine review activity, rather than committee existence or stated independence, as the more likely predictor of implementation outcomes. This gives: H4: Routine committee review of strategy implementation and internal controls, rather than formal committee independence or reporting attributes, will significantly predict strategic implementation effectiveness.

Governance-Related Challenges

Beyond individual governance mechanisms, firms may experience governance related difficulties, weak enforcement of internal controls, unclear board and management roles, conflicts among board members, political or external interference, that are systemic rather than confined to a single structure. Where such difficulties are widespread across a firm, the gap between formal governance appearance and practice is likely to be larger and more consequential than where a single mechanism functions poorly in isolation. This suggests: H5: A systemic governance-challenges component will be a significant negative predictor of strategic implementation effectiveness, with an effect size larger than that of any single positively functioning governance mechanism tested individually.

Relating the Theoretical Perspectives

The five hypotheses above draw on four theories that are not simply interchangeable labels for the same prediction and are worth relating to one another directly rather than treating as a list. Agency theory and resource dependence theory make different predictions about the same governance mechanism, board composition, agency theory emphasising independence as a control device and resource dependence theory emphasising expertise as a value adding input, and the hypotheses above are

constructed specifically to pit these two predictions against each other empirically rather than to test them separately. Stewardship theory plays a similar role with respect to ownership and leadership structure, predicting that alignment and competence will outperform pure control mechanisms such as concentration or formal separation. Contingency theory, following Boyd (1995), operates at a different level: rather than predicting which specific item will matter, it predicts that no governance mechanism will show a uniform effect across contexts, which is the reason this study tests items individually rather than assuming a single composite governance score would behave consistently. Institutional theory's decoupling concept sits above these four accounts as an interpretive frame for the resulting pattern, offering one plausible explanation for why the agency prediction wins in some cases, the resource dependence or stewardship prediction wins in others, and some items show no effect at all, without itself generating a separate, independently testable hypothesis beyond H1 through H5.

Strategic Implementation Effectiveness as an Organisational Outcome

Strategic implementation effectiveness is treated in this study as a distinct organisational outcome rather than simply the far end of a governance chain. Noble (1999) reviews the strategy implementation literature and notes that implementation failure is common even where strategy formulation is sound, pointing to communication, resource allocation, and monitoring as recurring determinants of implementation success that are conceptually separate from the governance structures that oversee them. Hrebiniak (2006) similarly finds that unclear responsibility and inadequate monitoring of progress, rather than strategy content itself, are the most frequently cited obstacles to effective execution. This distinction between an organisation adopting a stated strategy and actually operationalising it consistently is echoed in adjacent accounting information systems research: Afrogha (2024) shows, in the context of accounting information systems put under strain during the COVID-19 pandemic, that the effectiveness of a stated business strategy depended less on the strategy's formal adoption than on how consistently organisational systems and practices were realigned to support it, a finding consistent with the present study's treatment of implementation effectiveness as a capability distinct from governance structure itself. The implementation effectiveness construct used in this study, covering clarity of strategic goals, resource allocation, communication, and regular monitoring with corrective action, follows this literature's treatment of implementation as its own organisational capability, one that governance structures may support or fail to support, rather than as a mechanical output of governance quality alone.

3.0 Methodology

The study adopts an explanatory survey design suited to hypothesis testing rather than pure description (Creswell & Creswell, 2018). Respondents were senior and middle managers directly involved in governance and strategy execution across five purposively selected Nigerian Stock Exchange-listed manufacturing firms, Dangote, Unilever Nigeria, Nestle Nigeria, PZ Cussons, and Nigerian Breweries, selected to capture variation in ownership control. A reconnaissance survey established an accessible population of 148 managers; a census approach was adopted (Kothari, 2004), and 138 valid responses were obtained, a 93.2 percent response rate. A structured, five point Likert questionnaire captured board composition, ownership structure, CEO duality, board committees, governance related challenges, and strategic implementation effectiveness. Cronbach's alpha ranged from .68 to .81 across constructs; board committees (alpha = .683) and governance related challenges (alpha = .677) fell marginally below the conventional .70 threshold, and results tied to these two constructs are interpreted with corresponding caution throughout the paper.

Distribution of Respondents Across Firms

Respondents were distributed almost evenly across the five sampled firms: 28 from Dangote, 28 from Unilever Nigeria, 28 from Nestle Nigeria, 27 from PZ Cussons, and 27 from Nigerian Breweries. To check whether implementation effectiveness scores clustered by firm in a way that could bias the

pooled analysis, a one way analysis of variance was conducted comparing mean implementation effectiveness across the five firms. The result was not statistically significant, $F(4, 133) = 0.97$, $p = .425$, and firm membership accounted for only 2.8 percent of the total variance in implementation effectiveness scores. This does not rule out all forms of organisational clustering, but it indicates that implementation effectiveness does not differ systematically by firm in this sample, which supports the decision to pool respondents across firms for the regression analyses reported in Section 4.

Common Method Variance

Because both governance variables and implementation effectiveness were reported by the same respondents in a single survey instrument, common method variance is a plausible concern. This was assessed using Harman's single factor test, in which all items across all six constructs were entered into an unrotated principal component analysis. The first component accounted for 38.3 percent of total variance, below the 50 percent threshold conventionally used to flag a dominant single factor. This suggests common method variance is unlikely to account for the pattern of results reported below, though it cannot be fully excluded given the single source, cross sectional design, a point returned to in the limitations section.

Data were analysed using descriptive statistics, ordinary least squares regression for each governance dimension against strategic implementation effectiveness, and principal component analysis for the governance challenges construct.

4.0 Results

Full regression results are reported for each governance dimension, rather than summary statistics alone, so that coefficient stability and each item's relative contribution can be assessed directly.

Board Composition

The regression model for board composition was statistically significant, R squared = .286, adjusted R squared = .259, $F(5, 132) = 10.58$, $p < .001$.

Table 1

Regression coefficients, board composition on strategic implementation effectiveness.

Item	B	SE	Beta	t	p
Independent non-executive directors present	.000	.106	.000	0.001	.999
Independent directors challenge management	.180	.103	.171	1.757	.081
Board members have relevant strategic experience	.004	.091	.004	0.047	.962
Board financial and risk management ability	.216	.091	.205	2.367	.019
Board diversity improves strategic decision-making	.298	.090	.294	3.302	.001

Source: Authors Compilation, 2026.

Board financial and risk management ability and board diversity are statistically significant; independent director presence, independent directors challenging management, and relevant strategic experience are not, consistent with H_{01}.

Ownership Structure

The regression model for ownership structure was statistically significant, R squared = .649, adjusted R squared = .624, F (5, 132) = 14.14, p < .001.

Table 2.
Regression coefficients, ownership structure on strategic implementation effectiveness.

Item	B	SE	Beta	t	p
Few stakeholders influence strategic decisions	.118	.065	.128	1.814	.072
Ownership structure supports long-term strategic priority	.315	.090	.283	3.485	< .001
Investors encourage accountability of implementation	.132	.090	.125	1.462	.146
Managerial shareholding increases strategic implementation	.293	.087	.290	3.379	< .001
Ownership-related conflicts delay strategic decisions	-.014	.060	-.016	-0.223	.824

Source: Authors Compilation, 2026.

Long-term strategic orientation and managerial shareholding are statistically significant; ownership concentration, investor-driven accountability, and ownership-related conflict are not, consistent with H_{02}.

CEO Duality

The regression model for CEO duality was statistically significant, R squared = .509, adjusted R squared = .488, F(4, 133) = 14.87, p < .001.

Table 3.
Regression coefficients, CEO duality on strategic implementation effectiveness

Item	B	SE	Beta	t	p
Role separation between CEO and chairman strengthens implementation	-.054	.078	-.050	-0.686	.494
Separation of CEO and chairman roles strengthens oversight	.216	.088	.215	2.446	.016
CEO influence affects board accountability for outcomes	.290	.084	.283	3.443	< .001
Leadership structure supports checks and balances	.214	.088	.208	2.424	.017

Source: Authors Compilation, 2026.

Items reflecting substantive oversight are statistically significant; the item asking only whether formal role separation itself strengthens implementation is not, consistent with H_{03}.

Board Committees

The regression model for board committees was statistically significant, R squared = .544, adjusted R squared = .419, F(5, 132) = 13.84, p < .001. The wider gap between R squared and adjusted R squared here is consistent with this construct's below threshold reliability noted in Section 3.

Table 4.
Regression coefficients, board committees on strategic implementation effectiveness

Item	B	SE	Beta	t	p
Audit committee is independent and competent	.136	.091	.129	1.487	.139
Committees regularly review strategy implementation progress	.283	.100	.263	2.841	.005
Committees ensure effective internal controls	.215	.098	.201	2.191	.030
Committee recommendations lead to corrective action	.068	.093	.064	0.730	.467
Committee oversight improves reporting transparency	.089	.090	.091	0.986	.326

Source: Authors Compilation, 2026.

Regular strategy review and internal control monitoring are statistically significant; audit committee independence, corrective action follow-through, and reporting transparency are not, consistent with H_{04}.

Governance-Related Challenges

Ten governance-challenge items were first reduced using principal component analysis (KMO = .953; Bartlett's chi-square = 1047.57, df = 45, $p < .001$). A single component was extracted, explaining 68.4 percent of shared variance among the ten items, with an eigenvalue of 6.84 against the next largest eigenvalue of 0.49. Table 5 reports the loading of each item on this component; loadings ranged from .784 to .859, none below the .50 threshold conventionally used to identify a weak indicator.

Table 5.
Component loadings, governance-related challenges (single extracted component).

Item	Loading
Lack of transparency in governance decisions	.859
Board decisions are sometimes influenced by personal interests	.858
Conflicts among board members	.834
Delays in board approvals	.833
Systemic weaknesses in monitoring and reporting	.829
Political or external interference	.826
Board oversight is insufficient to ensure managers are accountable	.819
Poor communication between the board and management	.816
Weak enforcement of policies and internal controls	.806
Unclear board and management roles	.784

Source: Authors Compilation, 2026.

This composite score, labelled here Governance-Challenges Component rather than assumed in advance to represent systemic failure, was then entered as the sole predictor in a separate regression model against implementation effectiveness. That model was statistically significant, R squared = .608, adjusted R squared = .603, $F(1, 136) = 60.54$, $p < .001$. The standardised coefficient was -.555 ($p < .001$). This regression R squared of .608 is a distinct statistic from the 68.4 percent of item variance the same component explained in the prior PCA step, and the two should not be conflated; the .608 figure describes how much of the variation in implementation effectiveness this single composite

predicts, while the .684 figure describes how much of the variation across the ten challenge items themselves is captured by treating them as one construct. Because this predictor is a ten-item composite rather than a single specific practice, its coefficient is not directly comparable in scale or interpretation to the individual item coefficients reported in Tables 1 through 4, and it is reported and discussed separately for that reason. This result is consistent with H5.

Item-Level versus Composite Governance Index

To assess whether item-level analysis adds explanatory power over a conventional composite governance index, a single index was constructed by averaging all nineteen board composition, ownership, CEO duality, and board committee items into one score, following the practice common in composite-index governance studies. This composite index, entered alone, explained 35.2 percent of variance in implementation effectiveness (R squared = .352, $p < .001$). A model entering all nineteen items individually explained 46.3 percent of variance (R squared = .463, adjusted R squared = .377, $p < .001$). The item-level approach explains more variance than the composite index constructed from the same nineteen items, which is consistent with, though not conclusive proof of, the concern that averaging functionally different items into a single index can understate the true governance-performance relationship.

5.0 Discussion

The pattern across the five hypotheses is broadly consistent with an interpretation in which governance items requiring routine operational engagement predict implementation effectiveness more reliably than items that function mainly as visible compliance markers. Financial and risk expertise on the board, ownership structures that reward long-term orientation, substantive leadership checks and balances, and regular committee review of strategy and internal controls are all statistically significant; independent-director counts, formal role separation, and audit committee independence, considered as standalone items, are not.

This pattern is one the decoupling literature would predict, but it is worth stating plainly what has and has not been shown. The study has not observed board meetings, director behaviour, or the actual exercise of oversight; it has observed which survey items respondents rated highly and which of those ratings statistically predicted implementation outcomes. An item's lack of significance is consistent with that item being ceremonially adopted, but it is also consistent with weaker measurement precision for that particular item, with genuine absence of an effect that has nothing to do with ceremony, or with insufficient power in a sample of 138 respondents drawn from five firms to detect a real but modest effect. The classification of items into substantively active and more compliance-oriented categories was partly grounded in reasoning stated before the results were examined, set out in Sections 2.2 through 2.5, but it was also informed, after the fact, by which items turned out significant; this is a genuine limitation of the study's design rather than a point that can be fully resolved through interpretation, and readers should weigh the decoupling account offered here as a plausible, data-consistent explanation rather than as a finding independently confirmed by direct observation of governance practice.

The governance-challenges component deserves separate comment for the same reason. Because it aggregates ten distinct challenges, weak internal controls, board conflict, external interference, unclear roles, and others, into a single score through principal component analysis, its strong negative relationship with implementation effectiveness should be read as evidence that these difficulties tend to co-occur and that their co-occurrence is damaging, rather than as evidence about any one specific challenge in isolation. The high loadings reported in Table 5 indicate the ten items behave as one underlying dimension in this sample, which supports treating them as a composite, but it also means the -.555 coefficient describes the effect of that composite dimension as a whole and should not be

compared directly, item for item, against the individual governance coefficients reported in Tables 1 through 4.

The comparison in Section 4.6 offers direct, if modest, empirical support for the idea that item-level analysis captures governance-performance relationships that a composite index would understate; the item-level model explains roughly eleven percentage points more variance than the composite index built from the same items. This is a single comparison within one dataset and should not be read as a general finding about governance indices as a class of measure; it is offered as evidence specific to this sample rather than as a settled methodological claim for the wider literature.

Read alongside the theoretical synthesis in Section 2.7, the pattern of results is consistent with agency theory's monitoring logic holding only where monitoring is exercised rather than merely present, with resource dependence and stewardship perspectives outperforming pure control-based predictions for board composition and ownership respectively, and with contingency theory's expectation that no single governance mechanism behaves uniformly. Institutional decoupling remains the paper's preferred interpretive frame for why this particular pattern, rather than a different one, was observed, but it is offered as the most plausible reading of the evidence available rather than as an independently verified mechanism.

Conclusion, Implications, and Limitations

This study examined why corporate governance mechanisms show inconsistent effects on strategic implementation outcomes in a sample of Nigerian manufacturing firms. Governance items with routine operational content, board expertise, ownership alignment, substantive leadership oversight, and regular committee review, predicted implementation effectiveness, while items functioning mainly as compliance markers did not, and a composite governance-challenges component was the strongest single predictor of implementation weakness.

For firms and boards, the implication is that satisfying the formal requirements of a governance code, appointing independent directors, separating CEO and chairman titles, establishing committees, does not by itself guarantee that governance supports strategic execution; the items that mattered in this sample were ones involving ongoing activity rather than one-time structural compliance. For governance codes and regulators, this pattern suggests it may be worth considering assessment approaches that look beyond structural compliance counts, though this study has not evaluated actual regulatory enforcement practices or outcomes, and any recommendation in that direction should be treated as a hypothesis for policy consideration rather than a demonstrated prescription. Similarly, while the findings suggest formal governance structures alone were less predictive of implementation effectiveness than functionally active practices within this specific sample of five large listed firms, this should not be read as a general claim that formal governance structures are unimportant; the study speaks only to the sample examined and to the specific outcome of implementation effectiveness as measured here.

Several limitations qualify these conclusions beyond those already noted in the relevant sections above. The sample is a purposive selection of five large, listed manufacturing firms, which limits generalisability to smaller or less formalised manufacturing enterprises and means the observed patterns may be specific to these firms rather than representative of the sector as a whole. The design is cross-sectional, which restricts causal inference regarding the direction of the governance-implementation relationship. Both governance variables and the implementation outcome were collected from the same respondents in a single instrument; Harman's single factor test did not indicate a dominant common factor, but common method variance cannot be fully excluded on that basis alone. The classification of specific governance items as more substantive or more ceremonial combined reasoning stated prior to the analysis with an assessment made after observing which items were

significant, a limitation discussed in Section 5 that future confirmatory work, ideally pre-registered, could address directly. The reliability of the board committees and governance-challenges constructs fell marginally below the conventional .70 threshold, and conclusions drawn from those two constructs should be treated as indicative pending replication with refined items. Future research could test the interpretation offered here using externally verifiable measures of governance activity, such as documented board meeting frequency or minutes, across a larger and more varied sample of firms, and using longitudinal or experimental designs capable of establishing direction of effect rather than association alone.

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