

Issues and Challenges In The Implementation of Corporate Governance In Private Owned Airlines In Nigeria: A Case Study of Med-View Airline

IsahRabiu Umar, AMNIM

Department: International Executive Masters in Business Administration

Institution: Paris Graduate School of Management, France.

Corresponding Author: Isah Rabiu Umar

Abstract: The collapse of major companies across the world like Ansett Airlines, Retailer Harris Scarfe, Enron and WorldCom has triggered a global consciousness to clear out the problem of corporate governance. Since the collapses in Australia there has been increased focus on disclosure and the independence of auditors and directors and the need for the board to act in the best interests of the stakeholders, not themselves. A study by Lockhart and Taitoko (2005) examined causes surrounding the collapse of Ansett Holdings Ltd and the largest corporate loss of Air New Zealand, which they attributed to a failure of governance to act in the organization's (stakeholders) interests. It is against this background that this paper investigates corporate governance practices within Med-view Airline. Data was collected through interview guide from directors and senior managers in Med-view Airline Limited. The results of the research established that Corporate Board and management of Med-view Airline Limited practices acceptable corporate governance practices. The study also established that Board of Directors roles, accountability and responsibilities are clearly defined, and the Board composition is based on expertise, experience and knowledge of the industry. The study also found out that Med-view Airline has three board committees which are independent and their responsibilities are clearly defined making them discharge their mandates effectively. One the whole, the challenges that are common to airlines in general include: to economic and capital market volatilities following the global economic crisis, the currency fluctuations against the American dollar, increasing fuel prices, competition at both the regional and domestic levels has become more intense, with more sluggish passenger activity caused by actions of foreign and local airlines.

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I. General Introduction

1.1 Background of the study

The problem of corporate governance was introduced by Berle and Means (1932). Corporate governance has traditionally been associated with the 'principal agent' or 'agency problem'. The principal-agent relationship arises when the owner of a company is not the same person as its manager. This 'separation' results in the following: business failures, takeovers, managers expropriating their rights by paying themselves enormous salaries, investors only concerned with short term objectives, etc. In order to overcome problems in corporate governance, different mechanisms can be applied. According to Cadbury (1992), corporate governance mechanisms refers to control that investors put in place to control the behavior of the management. Denis and McConnell (2003) distinguish corporate governance mechanism types as being either internal or external. Internal mechanisms operate through the Board of Directors and ownership structure, while external mechanisms refer to the external market for corporate control (the takeover market) and the legal system. Becht et al. (2000) identify five alternative mechanisms of corporate governance the concentration and identity of owners, hostile takeovers and proxy voting, the delegation and concentration of control in the Board of Directors, the alignment of managerial interests with investors through executive compensation contracts and the clearly defined fiduciary duty of the Chief Executive Officer (CEO). Agrawal and Knoeber (1996) propose seven corporate governance mechanisms: insider shareholdings, institutional shareholdings, shareholding by block holders, a proportion of outsiders on the Board of Directors, debt financing, an external labour market for managers and a market of corporate control. There are several basic reasons for the growing interest in corporate governance. In the first place, the efficiency of the prevailing governance mechanisms has been

questioned (see for instance, Jensen, 1993, Miller, 1997 and Porter, 1997). Secondly, this debate has intensified following reports about spectacular, high-profile financial scandals and business failures (e.g. Polly Peck, BCCI), media allegations of excessive executive pay (see for example, Byrne, Grover and Vogel, 1992), the adoption of anti-takeover devices by managers of publicly-owned companies and, more recently, a number of high visibility accounting frauds allegedly perpetrated by managers (Enron, WorldCom). Thirdly, there has been a surge of antitakeover legislation (particularly in the US) which has limited the potential disciplining role of takeovers on managers (see Bittlingmayer, 2000, for a description of this regulation). And, finally, there has been a considerable amount of debate over comparative corporate governance structures, especially between the US, Germany and Japan models (see Shleifer and Vishny, 1997, for a survey of this debate) and a number of initiatives taken by stock market and other authorities with recommendations and disclosure requirements on corporate governance issues.

1.1.1 Corporate Governance

The need for corporate governance arises because of the separation of management and ownership in the modern corporation. In practice, the interest of those who have effective control over a firm can differ from the interests of those who supply the firm with external finance. The 'principal-agent' problem is reflected in management pursuing activities which may be detrimental to the interest of the shareholders of the firm. The agency problem can usually only be mitigated through the protections derived from good corporate governance. There is no universally accepted definition of corporate governance. Defined broadly, "corporate governance" refers to the private and public institutions, including laws, regulations and accepted business practices, which in market economy, govern the relationship between corporate managers and entrepreneurs ("corporate insiders") on one hand, and those who invest resources in corporations, on the other (Oman, 2001). Other writers like Cochran and Warwick (1988) define corporate governance as: "an umbrella term that includes specific issues arising from interactions among senior management, shareholders, boards of directors, and other corporate stakeholders." It is concerned with creating a balance between economic and social goals and between individual and communal goals while encouraging efficient use of resources, accountability in the use of power and stewardship and aligning the interests of individuals, corporations and society. It also encompasses the establishment of an appropriate legal, economic and institutional environment that allows companies to thrive as institutions for advancing long-term shareholder value and maximum human-centered development while remaining conscious of their other responsibilities to stakeholders, the environment and the society. In general, corporate governance is concerned with the processes, systems, practices and procedures as well as the formal and informal rules that govern institutions, the manner in which these rules and regulations are applied and followed, the relationships that these rules and regulations determine or create, and the nature of those relationships. It also addresses the leadership role in the institutional framework. Corporate Governance, therefore, refers to the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission. Corporate governance implies that companies not only maximize shareholders wealth, but balance the interests of shareholders with those of other stakeholders, employees, customers, suppliers, and investors so as to achieve long-term sustainable value. From a public policy perspective, corporate governance is about managing an enterprise while ensuring accountability in the exercise of power and patronage by firms. Good corporate governance seeks to promote the following objectives; First, efficient, effective and sustainable corporations that contribute to the welfare of society by creating wealth, employment and solutions to emerging challenges. Second, responsive and accountable corporations. Legitimate corporations that are managed with integrity, probity and transparency and finally recognition and protection of stakeholder rights.

1.1.2 Airline Industry

An airline provides air transport services for passengers and/or freight. Airlines lease or own their aircraft with which to supply these services and may form partnerships or alliances with other airlines for mutual benefit. According to Michael, B. (2001); what can you learn from the Airlines, Business Week, June 16, 2009, generally, airline companies are recognized with an air operating certificate or license issued by a governmental aviation body. Airlines vary from those with a single aircraft carrying mail or cargo, through full service international airlines operating hundreds of aircraft. Airline services can be categorized as being intercontinental, intra-continental, domestic, regional, or international, and may be operated as scheduled services or charters. According to Appendix 1 the airlines are distributed all over the world and depending on their network and region of operation, it's an international business with competition both on domestic and international market. An increasing number of governments are moving to eliminate economic regulation of domestic airline services under policies known as "open skies" policies. However, even states that have deregulated the airline industry have been reluctant to allow foreign airlines to provide domestic services.

International services are generally provided under bilateral agreements within the framework of the Chicago Conference of 1944. Airport capacity, route structures, technology and costs to lease or buy the physical aircraft are significant in the airline industry. Other large issues are: Weather which is variable and unpredictable. Extreme heat, cold, fog and snow can shut down airports and cancel flights, which costs airline money. Fuel Cost which according to the Air Transportation Association (ATA), is an airline's second largest expense. Fuel makes up a significant portion of an airline's total costs, although efficiency among different carriers can vary widely. Short haul airlines typically get lower fuel efficiency because take-offs and landings consume high amounts of jet fuel. Labor according to the ATA, labor is the airline's number one cost; airlines must pay pilots, flight attendants, baggage handlers, dispatchers, customer service and others. The main components of demand for airline services are business travelers, tourism, freight transport, and mail transport. Flight schedules tend to be the crucial competitive issues for business travelers, while tourists and personal travel is much more price sensitive. Freight and mail services account for about 15% of airlines total overall revenue, while international freight and mail is closer to one-third of airlines' international revenue. Airline services enable access to other goods, such as vacations, business meetings, or foreign-sourced products. Thus the demand for airline services is closely linked to the demand for these other goods. Airlines have responded to these financial pressures in a variety of ways: liquidating, seeking government subsidies, improving operating efficiency, privatization, and forming alliances with other airlines.

1.1.3 Med-View Airline

Med-view has a humble beginning. The coming of Med-view airline into the Nigeria scene came with Hajj operations in year 2007 shortly its incorporation, as a litmus-test, and changed the whole concept of pilgrims airlift in Nigeria. The marshaling of the corporation plans in a professional way coupled with resourceful and dedicated team works serve as a pivot on which this new Airline's tremendous success rests. The remarkable performance in airlifting passengers earlier than expected during Hajj 2007/2008 no doubt, impressed the authorities of National Hajj commission (NAHCON) to call upon the newly incorporated airline to carry out rescue operations for pilgrims stranded in Ilorin, Lagos, Sokoto, Maiduguri and Yola during outbound to Saudi Arabia and those stranded in Saudi Arabia during inbound to Nigeria. Med-View Airline second time participation in pilgrim's airline, 2008/2009 Hajj operations, witnessed another excellent performance. Rescue operations for the stranded pilgrims were equally carried out to the delight of NAHCON. Year 2009 witnessed Med-view Airline participation in Umrah (Lesser Hajj) operation. Med-View Airline is now being called upon by some state Governments after carefully studying Med-view track record since incorporation, in helping to airlift their pilgrims smoothly. Med-view airline commenced domestic operations in November 2012 with a fleet of (2) Boeing 737-400 aircraft at inception and added another (1) Boeing 737-800 just a month after. Following the over-whelming acceptance of the new baby in the Nigerian market courtesy of its excellence service delivery, it plans to introduce (2) more B737-800 in the 2nd quarter of 2013 in order to alleviate the plight of the local travelers and of customers value for their money. In no distance future, Med-view airline intends to operate regional and international air services after obtaining necessary permits from the regularity authority. Med-view Airline is an emerging giant in the comity of reputable carriers in Sub-Sahara Africa. Our partnership with Euro-Atlantic Airways of Libson, Portugal, coupled with General Sales Agency (GSA) agreement with Saudi Air Cargo our blossom business relationship with Pluna Air of Uruguay and Air Atlantic of Iceland combined to set a standard in Aviation industry yet to be beaten. Med-view Airline Plc, Annual Report and Financial Statement, 31st Dec. 2016. Sources: Home (<http://medviewairline.com>) About Us

1.2 Research Problem

The collapse of major companies across the world like Ansett Airlines, Retailer Harris Scarfe, Enron and WorldCom has triggered a global consciousness to clear out the problem. Since the collapses Ansett Airline in Australia there has been increased focus on disclosure and the independence of auditors and directors and the need for the board to act in the best interests of the stakeholders, not themselves. A study by Lockhart and Taitoko (2005) examined causes surrounding the collapse of Ansett Holdings Ltd and the largest corporate loss of Air New Zealand, which they attributed to a failure of governance to act in the organization's (stakeholders) interests. Bell (2009) established that despite Southwest Airlines being the most unionized airline in the U.S. and proudly offering nothing to eat or drink in the cabin, it enjoys outstanding customer service ratings and loyalty as well as the best financial returns in the industry. A study by the Centre for Corporate Governance found out that governance remains the biggest challenge to the success of corporations in Nigeria, blaming it for the near collapse of key sectors of the economy including tea, coffee, and sugar sub sector. Several research work have shown a positive relationship between corporate governance and performance for companies.

1.3 Research Objectives

The principal objective of this study is to find out the issues and challenges militating against the implementation good corporate governance in private owned airlines in Nigerian with the view to removing the issues and challenges.

The specific objectives of the study are:

- (a) To identify the issues and challenges in the implementation of private owned airlines in Nigeria.
- (b) To examine the identified issues and challenges militating the implementation of corporate governance in private owned airlines in Nigeria.
- (c) To establish the role of Implementation of corporate governance on smooth, efficiently remand profitable privately owned airlines in Nigeria.
- (d) To recommend, on the strength of the issues and challenges identified and examined, the research conducted and the literature reviewed, available global best practices in the safe, profitable, innovative running of private owned airlines in Nigeria.

1.4 Research Questions

The research questions in this study are:

- (i) What are the issues and challenges militating against the implementation of corporate governance in private owned airlines in Nigeria?
- (ii) What is the effect of organization culture on the implementation of corporate governance in private owned airlines in Nigeria?
- (iii) What are the systematic problems militating against the implementation of corporate governance in Med-view airline?
- (iv) What are the strategies necessary to overcome the issues and challenges working against the implementation of corporate governance in private owned airlines in Nigeria?

1.5 Value of the study

First the study will be useful to policy makers in the government and in the private sector. By illustrating the how Med-view Airline have embraced the concept of corporate governance policy makers and regulatory institutions can use the finding of this study to better align or revise the existing code and the guideline of corporate governance. Secondly the findings of this study can also be used by investors and shareholders in evaluating the management and the board of director's performance. Shareholders and investors will gain better understanding and get reliable information on the published financial statements to get an indication of how their funds are invested. Thirdly the finding of the study will also be useful to various corporate boards of directors. They can use the study to understand the effect of structure, composition and leadership of the board and use it to strengthen monitoring role of the board on management and initiate structural reforms in board and in the management. Fourthly, Corporate Strategy Division, Human Resource Division and Government Relation Division within Med-view Airline can also benefit from this study because the study provides insights on current practices and principles on corporate governance in Med-view Airline. They can therefore appreciate and improve on areas not meeting the threshold set by the industry and the regulatory institutions. Finally, the study will add to the body of knowledge by documenting corporate governance concept and principles in African airline industry and in particular Med-view Airline. The study will also form basis of further research to academicians in the area of corporate governance.

1.6 Concept of corporate governance

The term "corporate governance" is a relatively new one both in the public and academic debates, although the issues it addresses have been around for much longer, at least since Berle and Means (1932) and the even earlier Smith (1776). Zingales (1998) expresses the view that "allocation of ownership, capital structure, managerial incentive schemes, takeovers, board of directors, pressure from institutional investors, product market competition, labour market competition, organizational structure, etc., can all be thought of as institutions that affect the process through which quasi-rents are distributed (p. 4)". He therefore defines "corporate governance as "the complex set of constraints that shape the ex-post bargaining over the quasi-rents generated by a firm (p. 4)". Williamson (1985) suggests a similar definition. Viewing the corporation as a nexus of explicit and implicit contracts, Garvey and Swan (1994) assert that "governance determines how the firm's top decision makers (executives) actually administer such contracts (p. 139)". They also observe that governance only matters when such contracts are incomplete, and that a consequence is that executives "no longer resemble the Marshalling entrepreneur (p. 140)". Shleifer and Vishny (1997) define corporate governance by stating that it "deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment (p.737)". A similar concept is suggested by Caramanolis-Cötelli (1995), who regards corporate governance as being determined by the equity allocation 12 among insiders (including executives, CEOs, directors or other individual, corporate or institutional investors who are

affiliated with management) and outside investors. John and Senbet (1998) propose the more comprehensive definition that “corporate governance deals with mechanisms by which stakeholders of a corporation exercise control over corporate insiders and management such that their interests are protected (p. 372)”. They include as stakeholders not just shareholders, but also debt holders and even non-financial stakeholders such as employees, suppliers, customers, and other interested parties. Hart (1995) closely shares this view as he suggests that “corporate governance issues arise in an organization whenever two conditions are present. First, there is an agency problem, or conflict of interest, involving members of the organization - these might be owners, managers, workers or consumers. Second, transaction costs are such that this agency problem cannot be dealt with through a contract (p. 678)”.

1.7 Benefits of Corporate Governance

Good corporate Governance is necessary in order to: Firstly, attract investors both local and foreign and assure them that their investments will be secure and efficiently managed, and in a transparent and accountable process. Secondly, create competitive and efficient companies and business enterprises. Thirdly, enhance the accountability and performance of those entrusted to manage corporations. Fourthly, promote efficient and effective use of limited resources. Corporate governance enhances the performance and ensures the conformance of corporations. Its principles stimulate the performance of corporations by creating and maintaining a business environment that motivates 13 managers and entrepreneurs to maximize firms' operational efficiency, returns on investment and long-term productivity growth. They ensure corporate conformance with investors' and society's interests and expectations by limiting the abuse of power, the siphoning-off of assets, the moral hazard, and the wastage of corporate-controlled resources (so-called "agency problems"). Simultaneously, they establish the means to monitor managers' behaviour to ensure corporate accountability and provide for the cost-effective protection of investors' and society's interests vis-a-vis corporate insiders. Results from an extensive study of corporate governance in emerging markets by CSLA Global Emerging Markets, released in April 2001 suggest that good governance pays. Elements of good governance considered include transparency, integrity and responsiveness to shareholders; focus on a few core businesses and firm's administration that largely benefit small investors. Among the top rated companies whose shares were recommended to investors are Infosys Technologies Ltd. (India), SIA Singapore Airlines Ltd., CLP Holdings Ltd. (Hong Kong), Singapore Press Holdings Ltd. and Standard Bank of South Africa, better known as Stanbic (Glassman, 2001). Recent financial scandals associated to accounting and other frauds allegedly blamed to top company managers (e.g. Enron, WorldCom and Adelphia) have brought into public light the recurring question of whether companies are managed on the best interests of shareholders and other company stakeholders such as workers, creditors and the general community. A point that has been made frequently is that top managers may possess too much power inside their companies and that a general lack of accountability and control of their activities is prevalent in companies with wide ownership diffusion. Although this kind of scandals is certainly not new, there has been a renewed interest on the mechanisms that can effectively curtail managerial discretion over sensitive company issues that can have an impact on the welfare of the remaining stakeholders. At the same, time, and especially after some well publicized company failures in the late 80s / early 90s (Polly Peck, Coloroll, Maxwell Communications, BCCI), numerous sets of recommendations on corporate governance issues have been published worldwide and adopted, in particular, by many stock market regulators since the seminal Cadbury (1992) report in the UK. This has given place to a considerable amount of research on the effectiveness of these recommendations in providing better company governance.

1.8 Corporate Governance Mechanisms

Dunham (2004) categorizes corporate governance mechanisms into two main classes. They are internal and external governance mechanisms. They are discussed below.

1.8.1 Internal Corporate Governance Mechanisms

These include mechanisms and policies that are in company's power to control and implement in order to enhance corporate governance. Some of internal governance mechanisms include; Board of Directors is individuals who are responsible for representing the firm's owners by monitoring top-level manager's strategic decisions. In order to enhance corporate governance, the shareholders have recently been increasing the diversity of board members backgrounds. This is to ensure good quality decisions are made all the times. The internal accounting and control systems have also been strengthened to ensure that the board gets all the information they require on timely basis to make decisions. Yermack (1996) carried a study on the board size and concluded that small board was more effective. Denis and Shleifer (2001) argue that the board exists primarily to hire, fire, monitor, and compensate management, all with an eye towards maximizing shareholder value. They further documented that while the board is an effective corporate governance mechanism in theory, in practice its value is less clear. Boards of directors include some of the very insiders who are to be monitored;

in some cases they (or parties sympathetic to them) represent a majority of the board. In addition, it is not uncommon that the CEO is also the chairperson of the board. Executive Compensation includes the use of salary, bonuses and Long-term incentives to align manager's interest with shareholders interests. Executive decisions are complex and non-routine. Many factors intervene, making it difficult to establish how managers will be responsible for the outcome of their decisions. Lewellen and Huntsman (1970) suggest that there is a significant correlation between performance and executive pay. Ownership Concentration, large block shareholders have strong incentives to monitor management closely. Large stakes make it worth the time, effort, and expense to monitor closely. They may also obtain board seat, which enhance their ability to monitor effectively. Mitton (2002) argues that firms with higher ownership concentration tend to perform better and have effective corporate governance. He believes the benefit of concentrated ownership does not extend to concentrated ownership by managers. Shleifer and Vishny (1997) concludes that higher outside ownership concentration is associated with high performance because outsider ownership with large stakes in the firm will monitor and change the management whenever necessary. When the government is a significant owner of corporations, government ownership represents concentrated ownership. If we view the government as a single entity, state-owned corporations have very concentrated ownership. Over time, there has been a trend away from state ownership of corporate assets. The conversion from state to private ownership, termed privatization, provides an interesting setting in which performance and governance has improved.

1.8.2 External Corporate Governance

Mechanisms these include the governance mechanisms that are out of the company's control. They include policies mechanisms that are controlled by external factors to the company. Some of the external governance mechanisms include: - Market for Corporate Control, refers to purchase of firms that are underperforming relative to the industry rivals in order to improve strategic competitiveness. Market forces have in recent threatened management to perform in the best interest of shareholders to reduce the risk of hostile takeover. Mannes (1965) observes that a hostile takeover is the acquisition of the firm (the target) by another group of firm (the acquirer) that is not supported by management. Hostile takeover occurs when the acquirer feels that the target firm is being poorly managed and as result it's undervalued in the market place. The constant threat of takeover motivates management to act in the best interest of the shareholder. According to Hermalin (2002), when internal control mechanisms fail to a large enough degree, when the gap between the actual value of a firm and its potential value is sufficiently negative, there is incentive for outside parties to seek control of the firm. The market for corporate control has been very active, as have researchers interested in this market. Changes in the control of firms virtually always occur at a premium, thereby creating value for the target firm's shareholders. Furthermore, the mere threat of a change in control can provide management with incentives to keep firm value high, so that the value gap is not large enough to warrant an attack from the outside. Thus, the takeover market has been an important governance mechanism. As with other potential corporate governance mechanisms, however, the takeover market has its dark side for shareholders. In addition to being a potential solution to the manager/shareholder agency problem, it can be a manifestation of this problem. Managers interested in maximizing the size of their business empires can waste corporate resources by overpaying for acquisitions rather than returning cash to the shareholders. On Legal and regulatory system, every external financing has legal agreement between the borrower and the lender. The agency conflict between managers, shareholders and creditors is sometimes resolved through use of legal agreement to ensure the interest of each party is protected. Jensen (1993) acknowledges the legal system as a corporate governance mechanism but characterizes it as being too blunt an instrument to deal effectively with the agency problems between managers and shareholders. Practically speaking, studies that examine evidence from a single country provide little scope for studying the effects of legal systems, as all of the firms in such a sample are subject to the same national legal regimes. LaPorta, Lopez-de-Silanes, Shleifer, and Vishny (1998) hypothesize that the legal system is a fundamentally important corporate governance mechanism. In particular, they argue that the extent to which a country's laws protect investor rights and the extent to which those laws are enforced are the most basic determinants of the ways in which corporate finance and corporate governance evolve in that country. This basic idea has spawned a growing body of research that examines differing legal regimes across countries. Such research allows for meaningful comparative studies of corporate governance.

1.9 Accountability and Responsibility

In governance terms, one is accountable at common law and by statute to the company, if one is a director; he is responsible to the stake holders identified as relevant to the business of the company. The stakeholder's concept of being accountable to all must be rejected for the simple reason that to ask boards to be accountable to everyone would result in being accountable to no one. The modern approach is for the board to identify the company's stakeholders, including its shareholders and to agree as to how the relationship with other stake holders should advance and managed in the interest of the company. The license to operate a

company is much more complex. Boards have to consider not only to the regulatory aspect, but also industry and market standards, industry reputation, the media and the attitudes of customers, suppliers, consumers, employees, investors and communities (local), national and international ethical pressure groups, public opinion, public confidence, political opinion etc. The inclusive approach recognizes that stakeholders such as the community in which the company operates, its customers, its employees and its suppliers need to be considered when developing the strategy of a company. This relationship between a company and its stakeholders is either contractual or non-contractual. The inclusive approach requires that the purpose of the company should be defined, and the values by which the company will carry its daily life should be identified and communicated to all its stakeholders. The stakeholders relevant to the company business should also be identified. The key challenge for good corporate citizenship is to seek an appropriate balance between the enterprise (performance) and the consultants (conformable) which takes into account the expectations of the share owners for reasonable capital growth and the responsibility concerning the company. Conforming to corporate governance standards results in constraints on management, boards have to balance this with performance for financial success and the sustainability of the company business.

1.10 Characteristics of Good Corporate Governance

According to King (2002) "Good Governance is regarded as constituting the seven characteristics outlined below: Corporate discipline is a commitment by a company's senior management to adhere to behavior that is universally recognized and accepted to be correct and proper. This encompasses a company's awareness of and commitment to, the underlying principles of good governance, particularly at senior management level. Transparency is the ease with which outsider is able to make meaningful analysis of a company's actions, its economic fundamentals and the non financial aspects pertinent to that business. This is a measure of how good management is at making necessary information available in a candid, accurate and timely manner – not only the audit data but also general reports and press releases. It reflects whether or not investors obtain a true picture of what is happening inside the company. Independence is the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest that may exist, such as dominance by a strong chief executive or large shareowner. These mechanisms range from the composition of the board, to appointments to committees of the board and external parties such as the auditors. The decisions made, and internal processes established, should be objective and not allow for undue influences. Accountability is where individuals or groups in a company, who make decisions and take actions on specific issues, need to be accountable for their decisions and actions. Mechanisms must exist and be effective to allow accountability. These provide investors with the means to query and assess the actions of the board and committees. Responsibility with regard to management pertains to behavior that allows for corrective action and for penalizing mismanagement. Responsible management would, when necessary, put in place what it would take to set the company on the right path. While the board is accountable to the company, it must act responsively to and with responsibility towards all stakeholders of the company. Fairness – the systems that exist within the company must be balanced in taking into account all those that have an interest in the company and its future. The rights of various groups have to be acknowledged and respected. For example, minority shareowner interests must receive equal consideration to those of the dominant shareowners. Social Responsibility is about a company being aware of and responding to social issues, placing a high priority on ethical standards. A good governance citizen is increasingly seen as one that is non disciplinary, non-exploitative and responsible with regard to environmental and human rights issues. A company is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those factors into consideration. If there is lack of good corporate governance in a market, capital will leave that market with the click of a mouse. As Arthur Levitt, the former chairperson of the US Securities and Exchange Commission has said "If a country does not have a reputation for strong corporate governance practices, capital will flow elsewhere. If investors are not confident with the level of disclosure, capital will flow elsewhere. If a country opts for lax accounting and reporting standards, capital will flow elsewhere. All enterprises in that country regardless of how steadfast a particular company's practices may be, suffer the consequences. Markets must now honor what they perhaps, too often, have failed to recognize. Markets exist by the grace of investors. And it is today's more empowered investors that will determine which companies and which markets will stand the test of time and endure the weight of greater competition. It serves us well to remember that no market has a divine right to investor's capital.

1.11 Corporate Governance and Leadership

Leadership for efficiency in order for companies to compete effectively in the global economy and thereby create jobs. Leadership for probity because investors require confidence and assurance that the management of a company will behave honestly and with integrity in regard to their shareowners. Leadership with responsibility as companies are increasingly called upon to address legitimate social concerns relating to

their activities and Leadership that is both transparent and accountable because otherwise business leaders cannot be trusted and this will lead to the decline of companies and the ultimate demise of a country's economy.

1.12 Ethics and Values

A company's ethics refer to the principles, norms and standards that it promotes for the guidance and conduct of its activities internal relations and interactions with external stakeholders, in accordance with its corporate values. King Code (2002) states that each company should demonstrate its commitment to organizational integrity by codifying its standards of ethical behavior in a code of ethics. Commitment to the code of ethics will be demonstrated by creating systems and procedures to introduce, monitor and enforce its code of ethics, assigning high-level individuals to oversee compliance with the code of ethics, assessing the integrity of new appointees in selection and promotion procedures, exercising due care in delegating discretionary authority, communicating with and auditing safe systems for reporting of unethical or risky behavior, enforcing appropriate discipline with consistency and responding to offences and preventing re-occurrence, establishing compliance standards and procedures otherwise known as a code of conduct or ethics. The Act mandates that companies put in place a mechanism for employees to raise concerns about financial reporting matters confidentially and anonymously. Establishing a process for frank and file employee to confidentiality report code violations is critical component of any ethics program.

1.13 Internal Accounting and Financial Audit

This internal system has, as its main objective, the facilitation of early detection of errors or fraud. The internal audit is an integral element of corporate governance and is carried out by an internal auditor who reports to the chief executive officer and is supposed to assist the executive management and the board in the discharge of their obligations relating to safeguarding assets, risk management, operation of adequate controls and reliability of financial statements and stewardship reporting. The Audit Committee plays a vital role in financial and operational controls in the whole system of corporate governance, by making recommendations to the board concerning the appointment and remuneration of external auditors, reviewing auditors' evaluation of the system of internal control and accounting, and considering and making recommendations on the conduct of any aspect of the business of the company which should be brought to the notice of the board. Budgetary control is another internal control tool, which involves two levels of activity, namely planning and control. Control is complementary to planning and it involves monitoring actual performance against planned (projected) milestones or targets, extracting variances from trends and exploiting further sources of favourable variances from target. Internal auditing functions differ among small, medium and large organizations. Most African listed companies are too small to sustain their own internal audit department. In their circumstances, services provided by third parties may be the only means of obtaining auditing support. The main object of the external audit is to give a report on the view presented by the financial statements prepared by the managers. The detection of fraud and errors are incidental to this main object. The audit may also prevent the commission of fraud and errors by reason of the deterrent and moral check that it imposes. Regulators' reliance on external auditors is premised on the belief that the auditors are public spirited and will act on behalf of either the public or the state, and that auditors are independent of the management. To engender public confidence in the integrity of the external auditor, he must be skilful, careful, diligent, faithful and honest. Such an auditor bolsters the perception of corporate governance. If the external audit firm provides this support then the most critical consideration must be whether the internal audit department is staffed by different personnel from the external audit and also headed by a partner not involved in external audit activities.

1.14 Conclusion from Literature Review

Corporate governance enhances the performance and ensures the conformance of corporations. The financial scandals and collapses in developed economies triggered most of the reviewed literature on the airline sectors and that corporate governance practices used in developed countries are not directly applicable in developing economies because of political, economic, technological and cultural differences (Mensah 2002; Rabelo&Vasconcelos, 2002). This means that there is a need to develop models of corporate governance that consider the conditions in each developing country and that are not directly borrowed from developed countries. This paper examines how corporate governance principles have evolved in the African airline industry taking a case of Med-view Airline Limited and how well the airline has embraced the generally accepted principles. Also the issues identified in this paper can form a research topic for future researchers.

1.15 Summary of Methodology

Given the interpretative position adopted in the study and the nature of the research question, the case study methodology was considered the most appropriate approach to employ because it provides a systematic way of collecting data, analysis of information and the reporting of the result. Thus aiding greatly in the

understanding of a particular problem or situating in great depth. From the following, the major instrument to be used in data collection in this research work will be the questionnaire. The questionnaire will consist of questions that are related to institutional and operational challenges confronting the successful administration of Small and Medium Enterprises (SMEs) in Nigeria. Likert five point scales ranging from 1-5 (1=strongly agree and 5=strongly disagree) will be used as a basis of the questions. Data collected from the research will be analyzed using frequency table, percentage and means score analysis while the non parametric statistical test (Chi-Square) will be used to test the formulated hypothesis

II. Literature Review

2.1 First Article Reviewed is; Geeta Duppati, Frank Serimgeour, Rikkie Stevenson "Corporate Governance in the Airline Industry – Evidence from the Asia Pacific Region ." *Corporate Ownership and Control*/Volume 13, Issue 2, Winter 2016, Conference Issue. Pages 220-230

I. Objective of The Study

The objective of the study is to analyze the strength and weakness of Airline Governance in the Asia Pacific Region. With the view to improving trust in the Airline Industry in a way that is consistent with national and international business contents.

II. Summary of The Methodology

The present study approaches the issues of corporate governance and performance by utilizing the theoretical framework that recognizes that the important influence in corporate governance includes: Shareholders, Stakeholders, Board of Directors and Regulators. The research involved five steps: Measuring Financial Performance, Characterization of Airline Governance, Identification of Airline Problem, Linking of Problem with Governance Characteristics, Interpreting the Finance in the Light of Airline Performance and Corporate Governance, more generally, the component of level of disclosure is assessed based on the trends in return on assets (ROA). The peaks and troughs of each airline are chosen and analyzed. ROA is the widely used method to measure profitability, and is expressed as net income divided by total timed assets. This ratio reflects the ability of firms to generate income from using assets (Locke and Duppati, 2014, Abor 2005; Bistрова, 2011).

III. Summary of Findings

From the results it is evident that the ROA decline for all the five airlines in 2006 and subsequently increases and has peaks for four airlines: Air New Zealand, Qantas Garuda Indonesia and Singapore Airlines in the year 2008 with the exception of Air India in which case the ROA declines sharply. Further in the year 2010 the ROA of all the airlines is on decline. Air India shows a rebound towards year 2014 while the ROA of Qantas falls sharply. The changes in ROA are analyzed and interpreted based on the governance and strategy of the five airlines from the annual reports and public commentaries on the sector. From the study the challenges that are common to airlines in general include: economic and market volatilities following the global economic crisis, the currency fluctuations against the American dollar, increasingly fuel prices, competition at both the regional and domestic levels has become more intense, with more sluggish passenger activity caused by actions of foreign and local airlines.

IV. Analysis of the Authorities Position

Although the ownership models in the cases of Air New Zealand, Garuda Indonesia and Singapore are the same, but the way the portfolio are held differs. In all three cases the government shareholding is considered as investment portfolio and this indicates the governance using these corporate as investment vehicles. In contrast, the case of Air India government as the only shareholder, struggles to demonstrate optimal social and commercial performance.

2.2 The second paper to be reviewed is; Stephan A. Ejuebe, Benjamin U. Esuiké "Corporate Governance Issues and its Implementations, The Nigeria experience ." *Journal of Research in International Business Management* (ISSN: 2251-0028) Vol. 3(2) PP 53-67. February, 2013.

i Objective of the study

The objective of the study is to examine the operational environment of corporate governance and the need for the corporate governance, to be made compulsory and compliance enforced on limited liability companies and public institutions. The paper also advocates the enforcement of the codes of best practices on corporate governance in Nigeria.

ii Summary of the Methodology

A survey type of research was adopted. Selected organizations were used as samples. The operational environment that conduces to go the practices of good governance was explored.

iii Summary of Findings

The need for corporate governance in Nigeria extends beyond resolving problems stemming from the separation of ownership and corporate control. Given the fact hereto, Nigeria lacks the political and institutional framework to enforce good corporate governances.

Hence the urgent need to make corporate governance compulsory and compliance enforced in both public and private institutions in Nigeria.

iv Analysis of Authors Position

The author position is that

- a Good corporate governance must be conducted in a transparent manner so that owners of companies and investors can make informed decisions about their investment
- b In order for good corporate governance to have a meaningful impact in Nigeria, the necessary political will and institutional frameworks including a legal systems to enforce compliance must be put in place.
- c The government should establish an institute of Corporate Governance for the teaching and promotion of good corporate governance.

v Researcher View on the Authors Position

The researcher agrees with the author concerning making the practice of good corporate governance in public and private institutions in Nigeria compulsory and punishable. The setting up of an institute for the teaching promotion of corporate governance needs more reflection.

2.3 The third paper to be reviewed is: Asogwa, Ogochukwu Sheila. "Corporate Governance and Organization Performance." *Worldwide Journal of Multidisciplinary Research and Development*. WWJMRD 2016: 7-20
www.wwjmr.com

i Objective of the Study

The objective of the study is to explore the implications of corporate governance on organization performance in selected commercial banks in Nigeria.

ii Summary of the Methodoogy

The study was a survey type of research that employs compared mean in an attempt to indentify the direction and the magnitude of the impact variables under investigation. The descriptive survey desiring used to collect information from respondent. The data were analyzed with the test in order to solve the unresolved problem in this research, two hypothesis were formulated

iii Summary of Findings

The findings revealed that corporate governance has significant Impact on the performance of organization.

The study concludes that effective corporate governance is the fulcrum upon which organization performance revolves.

iv Analysis of the Authors Position

The authors' position is that good corporate governance leads to good organization performance. And that the Central Bank of Nigeria (CBN) should set up committees to monitor the activities of the commercial banks to ensure strict compliance with the regulatory framework as provided by code of best practices of corporate governance in Nigeria

v Researchers View on the Authors Position

The researchers agree with the author on the need to follow through on best practices application on corporate governance by both private and public sector organization in Nigeria.

III. Case Study Organization- Med-View Airlines

3.1 Profile of Med-View Airlines

Med-view Airlines had an unusual start to its operations, when back in 2007, only after three years after its incorporation, it decided to cover a niche in the market by flying Nigerian Muslims on their annual Hajj to Mecca with more than 100,000 pilgrims traveling from Nigeria, Med-view quickly become a popular choice. Previously many Nigerians had difficulty making the journey and some where even left behind. This is where

Med-view only and timely step to offer reliable and efficient service. The national Hajj Commission were impressed by the airline that, the airline was the one called upon to carry out rescue operations for standard outbound and inbound pilgrims during Hajj 2007/2008. By 2009 Med-view was also getting involved in Umrah (lesser Hajj) and witnessing their smooth operation, many state governments are requesting Med-view to flights their pilgrims. As desperate carrier, med-view actually carried people from all across Africa. Every year, the airline now works with some big international names like; Air Atlanta- Icelandic and Euro-Atlantic. The Managing Director/CEO of the airline Alhaji Muneer, A. Bankole, a 40 year old veteran of the aviation industry is a calm and collected individual with an astute sense of where next trend in the industry will be happening. The airline felt there was a gap in the service its render in the industry that needed to be filled urgently. Hence, Med-view started operating scheduled commercial international/domestic flights. The airline was buoyed by the lack of capacity in the domestic market and knew that it had the capability to offer good quality services. Hence, Med-view airline commenced domestic operations in November 2012 with a fleet of (2) Boeing 737-410 aircraft at reception and added another (1) Boeing 737-710 just a month later. Med-view is now flying from Lagos base to Abuja- where it flies five times daily- Port-Harcourt, Enugu and Yola. The airline is also desirous of flying to popular destination in West Africa. In fact, in September 2014 it started daily flights to Accra, Ghana. The airline is now close to concluding negotiation to fly to four more countries in the region. The airline, in addition to starting domestic commercial flight with two Boeing 737-400 and a month later it acquires a Boeing 737-800 and there are plans to introduce two aircraft more. Furthermore, the airline has also become a cargo expert and is now approved sales agent in Nigeria for the Saudi Airline Cargo Company. Mission: To be the preferred carrier for Nigerians on domestic routes while providing best-in-class services for its passengers.

The vision of the airline is:

- to be a preferred carrier
- to deliver quality service at all time
- to represent their clients by giving them value for money
- delivering on-time service
- making their customers comfortable all the time when they are with us

Source: Home (<http://mrdviewsairline.com>) / About Us

3.2 General Profile

Med-view has a humble beginning. The coming of Med-view airline into the Nigeria scene came with Hajj operations in year 2007 shortly its incorporation, as a litmus-test, and changed the whole concept of pilgrims airlift in Nigeria. The marshaling of the corporation plans in a professional way coupled with resourceful and dedicated team of workers serve as a pivot on which this new Airline's tremendous success rests. The remarkable performance in airlifting passengers earlier than expected during Hajj 2007/2008 no doubt, impressed the authorities of National Hajj commission (NAHCON) to call upon the newly incorporated airline to carry out rescue operations for pilgrims stranded in Ilorin, Lagos, Sokoto, Maiduguri and Yola during outbound to Saudi Arabia and those stranded in Saudi Arabia during inbound to Nigeria.

Med-View Airline second time participation in pilgrim's airlift, 2008/2009 Hajj operations, witnessed another excellent performance. Rescue operations for the stranded pilgrims were equally carried out to the delight of NAHCON. Year 2009 witnessed Med-view Airline participation in Umrah (Lesser Hajj) operation. Med-View Airline is now being called upon by some state Governments after carefully studying Med-view track record since incorporation, in helping to airlift their pilgrims smoothly.

3.3 Med-view Organization Structure

3.3.1 Med View Airline Board of Directors

Sheik Abdul Mosheen Al-Thunayan – Chairman

- Board Member Saudi United Company
- Diverse investment interest in Business Aviation, Banking and Finance

Alhaji Muneer Bankole – Chief Executive officer

- Over 30 years experience in the aviation industry.
- B.A Marketing College of Business Administration (CBA), Jeddah, Saudi Arabia
- Diploma-in-Law, Lagos State University

Engr. Lookman O. Animashaun – Executive Director/Chief Operational Officer

- Over 28 years experience in the Aviation Industry
- HND, Mechanic/Production Engineering, Yaba College of Technology
- Rated Licensed Aircraft Maintenance Engine (AMEL)

- Several Certificates and approvals in aviation on Maintenance Engineering, Quality, Management and Computer Sciences

Mr. IsiaqNa` Allah – Executive Director (Business Development)

- Over 22 years` experience in the aviation industry
- B.Sc. Physics, University of Jos.
- IATA Certificate in Air Transport Management
- Certificate in Basic and Advance Fare Construction

Mr. Adebayo A. Olaniyan – Executive Director (Finance and Accounts)

- Over 20 years` experience in finance
- B.Sc. Management and Accounting (OAU)
- Ile-Ife, FCA, MBA, LadokeAkintola University

Alhaji Bode Oyedele – Non-Executive Director

- Over 32 years` cognate experience on Financial Management and Administration both in Public and Private Sectors
- Served as the Chairman, Board of Governing Council, Industrial Training Fund (ITF)

Mr. AmmouriJalal – Non-Executive Director

- B.Sc. Business Administration, University of Lebanon
- Investment interest ranging from restaurants, amusement park, health industry and construction
- Currently the Chairman of Skycare Catering

3.3.2 Med-view Airline Management

AlhajiMuneerBankole – Chief Executive Officer

Engr. Lookman O. Animashaun – Executive Director/Chief Operating Officer

Mr. IsiaqNa` AllahSuyuti – Executive Director (Business Management)

OlaniyanAdemola Adebayo – Executive Director (Finance and Accountant)

Ajigbotosho Michael Ola – Head, Ground Operation

OlufuwaOluwadayoline – Head of Engineering

Audu Alfred A. B. – Head of Audit

Capt. William Inyang – Chief Pilot

Capt. Mohamed Y. Nwondha – Head of Flight Operation

Cliff OgoegbunemOkoh – Manager, Operation Control

BeneditUmunna – Quality Manager

Capt. Chris Ojughana – Safety Manager

Afolabi Joseph Olusola – Manager, Corporate Sales and Marketing

Ogundiran Joseph O. – Admin. Manager

3.4 Med View Airline Culture

Med-view airline is an emerging giant in the comity of reputable carriers in Sub-Sahara Africa. Their partnership with Euro-Atlantic Airways Lisbon, Portugal, coupled with General Sales Agency (GSA) agreement with Saudi Air Cargo, their blossom business relationship with Pluna Air of Uruguay and Air Atlanta of Iceland combined to set a standard in Aviation industry yet to be beaten.

3.5 Med View Airline Products

The principal activities of the companies are airline operations in all its ramifications including Hajj chatter flight operations, domestic and regional/international flight operations and allied services.

3.6 Organizations policies and practices regarding the implementation of corporate governance.

- i The airline is committed to the provision of quality services that are at par with global standards by the deployment of cutting-edge technology, industry best practices and value added services to ensure the satisfaction of their clients.

For instance, Med-view Airline is the first operator to ensure that the luggage of Hajj pilgrims arrives in their destination before them and by this eradication the usual delay in the arrival of pilgrims' luggage.

- ii To be deeply rooted in the culture of doing things right with the values of integrity, customer satisfaction, quality service delivery clients.
- iii To be the most preferred in terms of quick service delivery in the Aviation industry”
- iv The ability to succeed in providing the desired service for customers’ satisfaction and respect for individual clients

3.7 Issues and Challenges faced by Med-View Airline concerning the Implementation of Corporate Governance.

- i Separation of ownership and Management control.

The separation of ownership and management control is one of the cardinal best practice of corporate governance worldwide. Hence, the ownership structure of Med-view Airline should reflect at all times this reality.

- ii Enhancing the Effectiveness of the Board of Directors.

The Board of directors must challenge itself; it must act always within the confines of the law. For example, the non evaluation of its performance as witness in the year under review is un-acceptable

- iii Improvement and Sustenance of profitable performance

The challenges before the Med-view airline are to ensure the improvement on their performance and move to an era of sustained growth, profitability and adequate return to all stakeholders within the shortest period of time. The board need to work diligently to assure that the modest profit being enjoyed by the airline is sustainable.

3.8 How the identified challenges faced by Med-view Airline are being address.

- i Despite the challenging environment, med-view airline performance and operating results for 2016 was very encouraging. The airline revenue increased from N14,162,204,000 in 2015 to N25,962,545,000 at the end of 2016. The profit before tax increased marginally from N830,913,000 to N840,033,000.
- ii The airline have been significantly improved in their finances over the years since they started scheduled flights in 2012 till date. The revenue of the airline has shown an upward surge from 3.6 million in 2012 to 25.8 million in 2016. This is based on the dedication of staffs and the enabling environment provided by their management. The profit after tax grew from 110 million – 1 billion. In addition, their assets based have moved from 4.88 billion – 14.079 billion. This is no easy but for hard work.
- iii The airline expect 2017 to be a year that will provide them with the opportunities for the growth and investment and within which they shall consolidate on their past achievement, take advantage of the projected growth the Nigerian economy will offer and deliver value to their stake holders. They also envisage that the year will not be without its own challenges but, the airline is well positioned to overcome the challenges of the business environment as it has the human capital and experience to do so. The board will continue to reposition the company to take advantage of all opportunities in the Aviation industry. They are confident that with the right support of all stakeholders, the company will perform better in 2017.

IV. Research Methodology, Analysis of Data And Discussion

4.1 Introduction

This chapter presents primary data findings of the study. The study was done using questionnaire and interview guides and probing the interviewees. The total numbers of respondents interviewed were twenty including the CEO, Directors and managers. The study had one main objective to determine the Issues and Challenges in the Implementation of corporate governance in Med-view Airline. The presentation of this chapter starts with the analysis of the Issues and Challenges in the Implementation of corporate governance as provided by the respondents.

4.2 Methodology

The research was carried out using a case study design and the data required was qualitative. A case study was a very powerful form of qualitative analysis that involves a careful and complete observation of social units (Young, 1960). Cooper and Schindler(2003) assert that case studies place more emphasis on a full contextual analysis of fewer events or conditions. The qualitatively approach was aimed at establishing what corporate governance structures Med-view has put in place. This approach was appropriate to this study since the study was involving fact finding and enquiries of different kind of practices to describe the state of affairs as they exist at present.

4.3 Data Collection Techniques

Three common kinds of data collection instruments are: the questionnaire; the interview and the observation.

A The Questionnaire

The questionnaire is a widely used instrument for collecting survey information, providing structured, often numerical data. The questionnaire is being able to be administered without the presence of the researcher and often being comparatively straight forward to analysis (Wilson Milear, 1994). These attractions have to be counter balanced by the effort to develop and refine the pilot questionnaire. The drawback of the questionnaire also includes the possible un-sophistication and limited scope of the data collected and from likely limited flexibility of the response. Though there is a large range of types of questionnaire, there is a simple rule of thumb: the larger the size of the sample, the more structured, closed and numerical the questionnaire may have to be; and the smaller the size of the sample, the less structured, more open and word – based the questionnaire may be. Highly structure, closed questionnaires are useful in that they can generate preferences of response amenable to statistical treatment and analysis. They also enable comparisons to be made across groups in the sample. (Oppenhrim, 1992)

B Interview

The interview is an alternative method of collecting survey data. Rather than asking the respondent to read questionnaires and enter their own answers, researchers instruct interviewers to ask selected participants orally questions in order to find out what they do, think or feel. The interviewers record the respondent's answers. Interviews make it easy to compare answers and may be face-to-face, voice-to-voice or screen-to-screen, conducted with individuals or groups of individuals. The essential characteristic of interviewers is that they be neutral: their presence in the data-collection process must not have any effect on the responses given to questionnaire items. In addition, interviewers must be carefully trained and be familiar with the questionnaire, to follow the wording and the order of questions exactly and to record responses exactly as they are given.

C The Observation

Observation data are attractive as they afford the researcher the opportunity to gather 'live' situations. The researcher is given the opportunity to look at what is taken place 'in situ' rather than at second hand (Patton, 1990). This enables the researchers to understand the contents of programmed, to be open – ended and inductive, to see things that might be unconsciously missed, to discover things that participant might not freely talk about even in interview situations. Because observed incidents are less predictable there is certain freshness to this form of data gathering that is often denied on other forms. There is a number of problems associated with observation technique one problem is that you cannot control variables in a natural setting, but by observing behavior in two different settings you can draw comparisons. Other problems are concerned with ethics, objectivity, visibility, technology for recording what people say or do and boredom.

4.3.1 Sampling Techniques

Sampling methods fall into three main groups

- a. Random sampling.
- b. Quasi-random sampling.
- c. Non-random sampling.

Random Sampling

A simple random sample is a sample selected in such a way that every item in the population has an equal chance of being included. Such a sample is obtained when we sample without replacement.

Advantages of simple random sampling

- ✓ It is the basic form of probability sampling.
- ✓ It is widely used and easy to operate from a statistical point of view.
- ✓ It also serves as the basis for other more complicated schemes.

Drawbacks of Random Sampling

- a. The selected items are subject to the full range of variation inherent in the population.
- b. An unrepresentative sample may result.
- c. The members of the population selected may be scattered over a wide area, adding to the cost and difficult of obtaining the data.
- d. An adequate sampling frame might not exist.
- e. The numbering of the population might be laborious.

Quasi-Random Sampling

In many situations it might be too expensive to obtain a random sample, in which case quasi-random sampling is necessary, or else it may not be possible to draw up a sampling frame. In such cases, non-random sampling has to be used. Quasi-random sampling which provides a good approximation to random sampling, necessitates the existence of a sampling frame.

The main methods of quasi-random sampling are as follows

- (i) Systematic sampling
- (ii) Stratified sampling
- (iii) Multistage sampling

Systematic Sampling

Systematic sampling may provide a good approximation to random sampling – the practicality of a simple random sampling procedure depends on the size of the population and the size of the sample required. Systematic random sampling works by selecting every n^{th} item after a random start.

Advantages of systematic sampling

- ✓ Provides a good approximation to random sampling.
- ✓ The method is easy and cheap.
- ✓ It is well liked.

Disadvantage of systematic random sampling

- ✓ A systematic sample does not fully meet the criterion of randomness since some sample of the given size has zero-probability of being chosen.

Stratified Sampling

In many situations stratified sampling is the best method of choosing a sample. When population is being sampled is not homogenous (heterogeneous), it is advisable to divide the population into segments called strata. Then select a random sample from each stratum.

Advantages of stratification are as follows

- ✓ It ensures a representative sample since it guarantees that every important category will have elements in the final sample.
- ✓ The structure of the sample will reflect that of the population if the same Proportion of individuals is chosen from each stratum.
- ✓ Each stratum is represented by a randomly chosen sample and therefore inferences can be made by each stratum.
- ✓ Precision is increased – sampling takes place within strata and because the range of variation is less in each stratum than in the population as a whole and variation between strata does not enter as a chance effect, higher precision is obtainable.

One of the drawbacks of stratification is that it requires prior knowledge of each item in the population. Sampling frames do not contain this information.

Multistage Sampling

Multistage sampling is normally used to cut down the number of investigators and the cost of obtaining a sample. In market research it is usually necessary to draw conclusion about the whole country. This means that we have a very large and widespread population of interest. The exercise would rather be expensive, in addition to being tedious to travel all over the country. The sample can be restricted to certain smaller areas of the country. For example, about the amenities in the nation's primary school. The country is divided into a number of areas and a small sample of these areas is selected at random. Each of the areas selected is subdivided into smaller units and again a smaller number of these is selected at random. The process is repeated as many times as necessary and finally a random sample of the relevant people living in each of the smallest units is taken. A fair approximation of a random sample can be obtained. The main advantage of this method is one of cost saving:

The disadvantages of multistage sampling are:

- ✓ There is a possibility of bias if for example, only a small number of regions are selected.
- ✓ The method is not truly random as once the final sampling areas have been selected the rest of the population cannot be in the sample.
- ✓ If the population is heterogeneous, the areas chosen should reflect the full range of the diversity.

Non Random Sampling

There are two main methods of non-random sampling, used when a sampling frame cannot be established.

- (a) Quota sampling
- (b) Cluster sampling.

Quota Sampling

In quota sampling, randomness is forfeited in the interest of cheapness and administrative simplicity. Investigators are told to interview all the people that meet up to a certain quota. It is closely related to stratify random sampling and it is widely used in opinion survey and market research.

Advantages of quota sampling

- ✓ It is cheap and administratively easy.
- ✓ A much larger sample can be studied and hence more information can be gained at a faster speed for a given quota than when compared with a fully randomized sampling method.
- ✓ Although a fairly detailed knowledge of the characteristic of a population is required, no sampling frame is necessary because the interviewer questions every person she meets up to the quota.
- ✓ Quota sampling may be the only possible method in certain situations, such as television audience research.
- ✓ Given a suitably, trained and properly briefed workers, quota sampling yields enough information for many forms of commercial market research.

Disadvantages of quota sampling

- ✓ The method can result in certain biases although these can often be allowed for or may be unimportant for the purpose of research.
- ✓ The non-random nature of the method rules out any valid estimate of the sampling error in estimates devised from the sample.

Cluster Sampling

It refers to the procedure where by the items in the sample are not chosen individually but in groups (clusters). It involves selecting one definable subsection of the population as the sample, the subsection taken to be representative of the population in question.

The advantages of cluster sampling are:

- ✓ It benefits from low cost.
- ✓ It is a good alternative to multistage sampling if a satisfactory sampling frame does not exist.
- ✓ It is inexpensive to operate because little organization or structure is involved.

Disadvantage

- ✓ There is potential for considerable bias.

4.3.2 Population and Sample

A population is any precisely defined set of people or collection of items which is under consideration that is a population is the aggregate of all the objects or members that confirm to a set of specifications comprising the entire group of persons that is of interest to the researcher and to whom the research results can be generalized (Polict and Hungler, 1999) in this study the population is the entire of all the case study company.

4.3.3 Board of Directors

According to the Executive Director Finance and Account, the table below summarizes the shareholders holdings with whom the board is responsible to safeguard and balance their vast interests through corporate governance.

Shareholder	Percentage Holdings
Individual Nigerian Corporate Bodies	23%
Foreign Institutional investors	36%
The CEO	41%

Med-view Airline Board is composed of the Chairman and Chief Executive Officer/Managing Director and five other Executive and Non-Executives Directors. The corporate governance according to both the CEO and Executive Director Business Development was the process by which companies are directed, controlled and held to account, and added that Med-view Airline Board of Directors was responsible for the overall management of the governance of the airline and is accountable to the shareholders for ensuring that the

company complies with the law and the highest standards of best practices in corporate governance and business ethics. They affirmed that the directors are committed to the need to conduct the business and operations of the airline and the group with integrity and in accordance with generally accepted corporate practices and endorse the internationally developed principles of good corporate governance. The directors interviewed cited that the full board meets at least five times a year and they receive all information relevant to the discharge of their obligations in accurate, timely and clear form so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Managing Director and Chief Executive Officer. The Board nonetheless retains responsibility for establishing and maintaining the airline's overall internal control of financial, operational and compliance issues as well as implementing strategies for the long term success of the airline. Periodic reappointment in accordance with the company's Article of Association. The Directors have a wide range of skills and experience and each contributes independent judgment and knowledge to the Board's discussions.

4.3.4 Board Committees

According to the respondents, the Med-view Airlines Board has three standing committees, which meet regularly under the terms of reference set by the Board. In line with the articles and in conformity with Securities and Exchange Commission's 2011 Corporate Governance Code, the Board has established Committees. These Committees assist the Board to effectively perform its guidance and oversight function. The Board of Med-view Airlines has constituted the following committees; namely: Safety and Compliance Committees, Corporate Governance Committees and Statutory Audit Committees which meets four times a year or as necessary. Their responsibilities include monitoring and implementing changes in Med-view Airlines, sensitizing the management on the application of the code of conduct to ensure best practices and have direct access to the internal audit department, external audit, management and any other office that is required in compliance with the provision of Section 359) of the Companies and Allied Matters Act, (CAP C20) laws of the Federation 2004.

4.3.5 Financial Statement, Information and Audit

The Executive, Finance and Account stated that the board has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulation that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the organization remains structured to ensure appropriate segregation of duties. In reviewing the effectiveness of the systems of internal control, the Board takes into account the results of all the work carried out to audit and review the activities of the Group. A comprehensive management accounting system is in place providing financial and operational performance measurement indicators. Weekly meetings are held by executive management to monitor performance and to agree on measures for improvement.

4.3.6 Code of Conduct

Executive Director Business Development stated that the airline is committed to the highest standards of integrity, behavior and ethics in dealing with all its stakeholders. A formal code of ethics has been approved by the Board and is fully implemented to guide management, employees and stakeholders on acceptable behavior in conducting business. All the employees of the airline are expected to avoid activities and financial interests that could undermine their responsibilities to the airline.

4.3.7 Communication with Shareholders

The Executive Director Finance and Accounts asserted that the company is committed to ensuring that shareholders and the financial markets are provided with full and timely information about its performance. This is achieved by the distribution of the company's annual report, the release of notices in the press of its half yearly and annual results, and quarterly disclosures of operating statistics to the stock markets and capital markets authorities. There is a minimum of two investor briefings per annum for institutional investors. Periodically there are press releases announcing other major company developments which could be considered price sensitive information. In this regard the Airline also complies with the continuing listing obligations of the Capital Market Authorities and Stock Exchanges applicable in Nigeria. Also annual Report is published each year in the Company's website together with the notice and minutes of the Annual General Meeting.

4.3.8 Insider Trading

The Company has a strict insider trading policy to which Executive Directors and Senior Management must adhere and the Directors interests in the shares of the company are disclosed in the financial statements.

4.3.9 Customer and Service Delivery

According to the CEO Alhaji Muneer Bankole and Executive Director business Development Alhaji Na, Allah, customers are important to Med-view Airline and various methods had been put in place to maintain the existing customers and attract more. Med-view Airline used various methods to ensure that it met the varied changing demands of customers. Firstly, this was done through continuous audits and self assessments. Secondly, customer surveys and involvement such as open days and loyalty program were used. Third, the organization ensured frequent customer survey and action to customer feedback. Fourth, the organization ensured monitoring of prevailing market sentiments through customer surveys and keeping up with the latest air travel trends and product offering such as online check – in.

4.3.10 Corporate Social Responsibility

According to the Director Business Development, Med-view Airline had recently constituted a Corporate Social Responsibility (CSR) Committee charged with spearheading and managing the Organization's CSR strategy. The Committee is chaired by the company CEO and over the years Med-view Airline have sponsored and supported initiatives in several sectors of human endeavors

4.4 Presentation of Analysis of Data

Primary data was collected using an interview guide in order to comprehensively study the corporate governance practices applied by Med-view and make valid conclusions. This was an important approach in a case study design as it requires that several sources of information be used for verification and comprehensiveness (Cooper and Schindler, 2003). Personal interview was selected as the most appropriate primary data collection method taking into account the strategic approach of the study, as well as the complexity and the predominantly qualitative dimension of the phenomenon under investigation. This method is suitable for intensive investigations (Kothari, 1990). A personal interview was conducted with two members of the board of directors that is CEO/MD and Executive Director Business Development and five senior levels of management, Four Middle Level, and Five Unionized Staff of the Company. The interviews were conducted to management because they are concerned with making strategic decisions of the organization and also the unionized staff would give their opinion on leadership style in regards to corporate governance within Med-view Plc. The interview guide was open-ended and was accompanied by probing questions when the need arises to allow for elaboration and in order to get in-depth information. The data which was collected was of qualitative in nature and was analyzed using content analysis. The information obtained from the interview was grouped into themes and categories (concepts) that define the corporate governance applied by the firm. Nachmias and Nachmias (1996) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate trends. The researcher made meanings from interviewees' responses through conceptualization and explanation building.

4.5 Discussion of Findings

- ✓ Med-view airline board of directors has identified the need to enhance its corporate governance practices in the company hence the constitution of a statutory committee on corporate governance, headed by an executive director. This findings agree with Geeta Duppati, Frank Scrimgeour, Rikkie Stevenson (2016)
- ✓ Med-View airline is currently listed on the Nigerian Stock Exchange with individual and corporate Nigeria having shares which gives the status of a Public Liability Company on the 18 December 2016 has further reposition it towards the adherence to corporate governance practices. This is in line with the findings of Stephen A. Ejuvbekpokpo, Benjamin U. Esuik (2016).
- ✓ The share holders can now checkmate the accesses of board of directors and management if any. This power to checkmate the actions of board of directors and management by shareholders is in agreement with the findings of Asogwa, Ogochukwu Sheila (2016)
- ✓ The board of Med-View airline did not undertake any formal evaluation of its performance, individual or collective in the year under review. This is in disagreement with the findings of Geeta Duppati, Frank Scrimgeour, Rikkie Stevenson (2016), this is rather unfortunate. This action if not checkmated can lead to ruin of the airline

A. Constitution of a corporate governance committee

This action is in line with existing law and reputation of SEC – It is also in line with corporate governance standards and procedures. It is also in line with interpretation best practice. The implication of this practice is mandatory. The company must however ensure that this corporate governance committee operates according to law.

B. Effect of being (PLC)

The law requires more detailed information and practices concerning corporate governance practices and expectation – more mandatory disclosures. The company must be up and doing in this case, otherwise there will be legal sanctions. Hence the company must standardize its corporate governance practices and it must continually review its corporate governance standards and procedures in line with the NSE and international best practice.

C. Board Evaluation

Best corporate governance practice – requires that the Board of Director should evaluate its performance individual or collective in the year under review. Unfortunately the finding shows that the board did not undertake any formal evaluate of its performance individual or collective in the year under review. This unacceptable, and must be corrected immediately the board should observe and obey all extent law and best practice procedures. The implication of this untoward practice is that it could lead to further abuse of corporate governance practice, hence having negative effects on corporate governance.

4.6 Summary of Findings

Summary of findings is predicated on the inference deduced from analysis of data. Some of the inferences deduced are:

- ✓ Med-view airline board of directors has identified the need to enhance its corporate governance practices in the company hence the constitution of a statutory Committee on corporate governance, headed by an executive director.
- ✓ Med-View airline is currently listed on the Nigerian Stock Exchange with individual and corporate Nigeria having shares which gives the status of a public Liability Company on the 18 December 2016 has further reposition it towards the adherence to corporate governance practices.
- ✓ The share holders can now checkmate the accesses of board of directors and management if any
- ✓ The board of Med-View airline did not undertake any formal evaluation of its performance, individual or collective in the year under review.

4.7 Discussion of Results

This chapter presents primary data findings of the study. The study was done using interview guides and probing the interviewees. The total number of respondents interviewed was ten managers. The study had one main objective to determine the corporate governance practices by Med-view Airlines. The presentation of this chapter starts with the analysis of the corporate governance practices as provided by the respondents.

4.8 Test of hypothesis

For the purpose of testing the hypothesis, the Spearman Rand correlation coefficient will be use. The formula for calculation of spearman Rand correlation is

$$1 - \frac{\sum d^2}{n(n^2 - 1)}$$

Where:

\sum is the summation

d is the difference in the rank of x and y

n is the number of data used

The hypothesis will be rejected or accepted at 5% level of significance under the following conditions.

- (i) Accept H_0 of the computed mean is greater than the expected mean.
- (ii) Reject H_0 of the computed mean is lower than the expected mean.

Grading of responses from respondents.

1. Very Low Extent (VLE)
2. Low Extent (LE)
3. Neutral (N)
4. High Extent (HE)
5. Very High Extent (VHE)

V. Recommendations

5.0 Introduction

This chapter summarizes the results of the research work. First, it gives a summary, discussion and conclusion of each objective. Recommendations and suggestions for further research are also discussed. Finally, the limitations of the study are provided.

5.1 Summary

There was one main objective of the study and in order to arrive at the result, the researcher conducted in-depth interviews with the management. It was observed from the study findings that Med-view Airline Plc. practices good and acceptable corporate governance practices and the Board of Directors together with the management balances the interest of all the stakeholder's interests. Several useful observations can be deduced from the above conceptual analysis of the findings regarding the manner in which Med-view Airline incorporate corporate governance practices. First, Responsibilities and Accountability of both Board of Directors and Management are clearly set out with defined roles. Second, the company has a system of disclosing all relevant information to all stakeholders with reports such as press releases, monthly CEO newsletter etc, Third, Med-view Airline Plc. have in place policies, system and rules where one can register interest and raise concerns and issues for different stakeholders. Fourth, the company has shown its commitment towards social responsibility through funding of projects. Fifth, Med-view Airline Plc. has established code of conducts policies that governs the way the management and staff within the organization ought to behave in their day-to-day activities and the underlying ethics and values that uphold the vision and mission of the company. Finally the management and the workers union are working closely to address the concerns of the unionized employees.

5.2 Conclusions

The contextual analysis of the data provided and the summary above helped the researcher build up to the conclusion that Med-view Airline Plc. corporate board and its management practiced generally acceptable corporate governance practices. However, there is a need for the regulators of airline industry in developing economies to emphasis and have a blue print guidelines on corporate governance for all players to benchmark and measure themselves against.

5.3 Recommendations

On the strength of the literature reviewed the survey carried out and given the fact that Airline just got on the stock exchange, there the need to do the following:

1. To sensitize the company on the need and importance to build a culture of corporate governance
2. The requirement of SEC and all other regulatory authorities concerning corporate governance be made known to all and be seen to be followed appropriately.
3. The directors should know their responsibility and be encouraged and supervised to do them.
4. The board composition, working and communication within and outside the airline should be in accordance to law.
5. The culture whistle blowing should be encouraged and be seen to be encouraged.
6. It is clear from the study that the issue of corporate governance practices needs to be understood by management in order to identify the appropriate business practices to be used and in order to relate appropriately with all the players and the stakeholders. Further research could be conducted using a different airline in the developing economies since organizations have different cultures, management and resource capabilities.
7. Also a survey can be conducted within the airline industry in Nigeria to determine the corporate governance practices in the industry and use the findings to rank airlines from the best practice airline to the least based on the generally accepted principles of corporate governance. This was a case study and therefore may not be used for generalization purposes. The corporate culture of Med-view Airline may not be the same with other organizations. This is because organizations have different values and resource capabilities. They also have different leadership styles and therefore are likely to respond differently to different aspects of corporate governance practices.
8. To remember at all times that good corporate governance is the oxygen of the organization (airline) the existence of Med- View Airline depends on it.

VI. Summary of Thesis and Conclusion

6.1 Summary of Thesis

6.1.1 The first chapter of the thesis provided a general introduction and background to corporate governance. Corporate governance in the airline industry in general and in the med-view airline in particular. The chapter also discussed the research objective significance of the study, research questions. The chapter discussed the concept of corporate governance, benefits of corporate governance, corporate governance

mechanism, external and internal corporate governance mechanism, accountability and responsibility in corporate governance, corporate governance and leadership, ethics and values of corporate governance and also internal accountability and financial audit

6.1.2 The second chapter of the thesis discussed the work of three researchers who have studied the issues and challenges in the implementation of corporate governance in airlines. The first researchers are Geeta Duppatti, Frank Serimgeour, Rikkie Stevenson; their review was on "Corporate Governance in the Airline Industry – Evidence from the Asia Pacific Region". Corporate Ownership and Control/Volume 13, Issue (2) Winter 2016, Conference Issue. Pages 220-230. The objective of their study is to analysis the strength and weakness of Airline Governance in the Asia Pacific Region. The methodology of the study approach the issues of corporate governance and performance by utilizing the theoretical framework that recognize that the important influence in corporate governance include: Shareholders, Stakeholders, Board of Director and Regulators and their research also review the challenges that are common to airlines which are ; the currency fluctuations against the American dollar , increasingly fuel prices and many more . The second researchers are Stephan A. Ejuebe, Benjamin U. Esuik and their review was based on "Corporate Governance Issues and its Implementations, The Nigeria experience." Journal of Research in International Business Management (ISSN: 2251-0028) Vol. 3(2) pg 53-67. February, 2013. The objective of their review is to advocates the enforcement of the codes of best practices on corporate governance in Nigeria and their findings was on good corporate governance must be conducted in a transparent manner so that owners of companies and investors can make informed decisions about their investment. The third researchers are Asogwa, Ogochukwu Sheila . Their study was on "Corporate Governance and Organization Performance." Worldwide Journal of Multidisciplinary Research and Development. WWJMRD 2016: pg 7-20 www.wwjmr.com. The objective of their study is to explore the implications of corporate governance on organization performance in selected commercial banks in Nigeria while in their methodology they analyzed the data with the test in order to solve the unresolved problem in this research, two hypothesis were formulated

6.1.3 In the third chapter of the thesis, the case study Airline "Med-view Airline" was discussed. Its formation, quality of service, growth, and acquisition of aircrafts were also discussed. In addition the vision, the issues and challenges currently plaguing the airline concerning the implementation of corporate governance were also highlighted. Finally, the measures currently in places to overcome the highlighted issues and challenges were identified and discussed. Med-view Airlines had an unusual start to its operations, when back in 2007; the airline flies more than 100,000 pilgrims traveling from Nigeria on their annual Hajj to Mecca, the airline timely step to offer reliable and efficient service. The National Hajj Commission was impressed by the airline and was called upon to carry out rescue operations for standard outbound and inbound pilgrims during Hajj 2007/2008. As desperate carrier, the airline started operating scheduled flights across Africa and works with some big international names like; Air Atlanta- Icelandic and Euro-Atlantic. In November 2012, the airline commenced domestic operations with a fleet of (2) Boeing 737-410 aircraft at reception and added another (1) Boeing 737-710 just a month later and in addition to starting domestic commercial flight with 2 Boeing 737-400 and a month later it acquires a Boeing 737-800 and plans to introduce two aircraft more. This chapter also discusses the Issues and Challenges faced by Med-View Airline concerning the Implementation of Corporate Governance, such as: The issue of Enhancing the Effectiveness of the Board of Directors, the issue of the Separation of ownership and Management control and the challenges before the Med-view airline are to ensure the improvement on their performance and move to an era of sustained growth, profitability and adequate return to all stakeholders within the shortest period of time and how the identified challenges faced by Med-view Airline are being address also by: the airline staff performance and operating results, the dedication and the enabling environment provided by their management. The chapter also reviews the organizations policies and practices regarding the implementation of corporate governance, as follow; to cultivate the culture of doing things right with the values of integrity, customer satisfaction, and quality service delivery clients and to be the most preferred in terms of quick service delivery in the Aviation industry" Year 2009 witnessed Med-view Airline participation in Umrah (Lesser Hajj) operation and the airline was been call upon by some state Governments after carefully studying Med-view track record since incorporation, in helping to airlift their pilgrims smoothly. The airline organization structure comprises of (i) Board of Directors "Sheik Abdul Mosheen Al-Thunayan – Chairman, Alhaji Muneer Bankole – Chief Executive officer, Engr. Lookman O. Animashaun – Executive Director/Chief Operational Officer, Mr. Isiaq Na`Allah – Executive Director (Business Development), Mr. Adebayo A. Olaniyan – Executive Director (Finance and Accounts), Alhaji Bode Oyedele – Non-Executive Director and Mr. Ammouri Jalal – Non-Executive Director" and (ii) Management "Alhaji Muneer Bankole – Chief Executive Officer, Engr. Lookman O. Animashaun – Executive Director/Chief Operating Officer, Mr. Isiaq Na`Allah Suyuti – Executive Director (Business Management), Olaniyan Ademola Adebayo – Executive Director (Finance and Accountant), Ajigbotosho Michael Ola – Head, Ground

OperationOlufuwaOluwadayoline – Head of Engineering, Audu Alfred A. B. – Head of Audit, Capt. William Inyang – Chief Pilot, Capt. Mohamed Y. Nwondha – Head of Flight Operation, Cliff OgoegbunemOkoh – Manager, Operation Control, BeneditUmunna – Quality Manager, Capt. Chris Ojugbana – Safety Manager, Afolabi Joseph Olusola – Manager, Corporate Sales and Marketing and Ogundiran Joseph O. – Admin. Manager.”

6.1.4 In the fourth chapter, research methodology adopted in the thesis was presented and discussed.

This chapter study had one main objective to determine the Issues and Challenges in the Implementation of corporate governance in Med-view Airline and it starts with the analysis of the Issues and Challenges in the Implementation of corporate governance as provided by the respondents. The research methodology was carried out using a case study design by Young, (1960) and Cooper and Schindler (2003) and the data required was qualitative. This approach was appropriate to this study since the study was involving fact finding and enquiries at establishing what corporate governance structures Med-view has put in place. Furthermore, in this chapter, Cooper and Schindler, (2003) and Kothari, (1990) sources of information are used for verification and comprehensiveness for intensive investigations while Personal interview was selected as the most appropriate primary data collection such as: Presentation of Analysis of Data, Discussion Findings, Summary of Finding, Data Collection Instruments, Data Collection Sampling Techniques and Data Collection of Population.

6.1.5 The fifth chapter, titled recommendations was based on the strength of the literature reviewed.

This chapter gives a summary, discussion and conclusion of each objective. Recommendations and suggestions for further research are also discussed. This chapter, also summarize the main objective of the study and in order to arrive at the result, the researcher conducted in-depth interviews with the management and useful observations that can be deduced from the conceptual analysis of the findings regarding the manner in which Med-view Airline incorporate corporate governance practices. Such as, Responsibilities and Accountability of both Board of Directors and Management, the airline has a system of disclosing all relevant information to all stakeholders and the policies, system and rules where one can register interest and raise concerns and issues for different stakeholders. The chapter recommends on the strength of the literature reviewed, the survey carried out and given the fact that Airline just got on the stock exchange, with the need of following; (i) The requirement of SEC and all other regulatory authorities concerning corporate governance be made known to all and be seen to be followed appropriately, (ii) Directors knowing their responsibility and be encouraged and (iii) the culture whistle blowing should be encouraged, to be seen, to be encouraged and supervised and many more.

6.2 Conclusion

The thesis has indeed being an eye-opener. No doubt the Nigeria aviation industry is in trouble. Given, the security issue involved, for every exchange, the test and checks required by the authorities as to, aircraft maintenance personnel training and supervision, the passenger general well-being of all in the industry, a lot definitely need to be done the way aid manner the private owned airline are run is without doubt a critical factor. It is hoped that recommendation adduced will go a long way in making things look bright for private owned airlines in Nigeria. The study may also have some weaknesses inherent in using interview guides for data collection purposes. First is the misinterpretation of words by respondents. This results in some answers which reflect an ideal situation rather than the actual occurrence. Some respondents may also withhold some information which is important for the study. There is also likelihood of bias as some respondents may not be willing to disclose information which might give a negative impression of the organization to the public. The respondents were not willing to disclose some of the information which they termed as confidential based on the privacy policy of the organization. The researcher had to be cautious not to appear to be getting information to give to a competitor firm by making the respondents understand that it was an academic research project. Time constraint was also another limitation which resulted in having some managers very busy and not willing to give the researcher enough time to probe further in order to get in-depth information. Most of the respondents postponed the researcher till when they were available for the interview to be carried out. The researcher was also limited to the time allocated to complete the study and need to keep the Corporate Governance spirits alive and well.

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Abstract The collapse of major companies across the world like Ansett Airlines, Retailer Harris Scarfe, Enron and WorldCom has triggered a global consciousness to clear out the problem of corporate governance. Since the collapses in Australia there has been increased focus on disclosure and the independence of auditors and directors and the need for the board to act in the best interests of the stakeholders, not themselves. A study by Lockhart and Taitoko (2005) examined causes surrounding the collapse of Ansett Holdings Ltd and the largest corporate loss of Air New Zealand, which they attributed to a failure of governance to act in the organization's (stakeholders) interests. It is against this background that this paper investigates corporate governance practices within Med-view Airline. Data was collected through interview guide from directors and senior managers in Med-view Airline Limited. The results of the research established that Corporate Board and management of Med-view Airline Limited practices acceptable corporate governance practices. The study also established that Board of Directors roles, accountability and responsibilities are clearly defined, and the Board composition is based on expertise, experience and knowledge of the industry. The study also found out that Med-view Airline has three board committees which are independent and their responsibilities are clearly defined making them discharge their mandates effectively. One the whole, the challenges that are common to airlines in general include: to economic and capital market volatilities following the global economic crisis, the currency fluctuations against the American dollar, increasing fuel prices, competition at both the regional and domestic levels has become more intense, with more sluggish passenger activity caused by actions of foreign and local airlines.

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Appendix One

Paris Graduate School of Management,
25, Rue Saint-Ambroise, 75011.

Paris, France.

October 3rd, 2017

Dear Sir,

Questionnaire for Research Project

Kindly assist in filling this questionnaire. It is being administered in partial fulfillment of the requirement for the award of MBA in strategic and Management Consultancy from Paris Graduate School of Management, Paris.

The purpose of the study is to find out the issues and challenges in the Implementation of Corporate Governance in Private Owned Airlines in Nigeria. The aim is to make the practice of corporate governance strong.

All information supplied will be held in high confidentiality and used strictly only for academic purposes.

Thank you for your anticipated and unreserved assistance

Kind Regards,

IsahRabiu Umar

WA07123

Questionnaire

Have you heard before the term Corporate Governance?: Yes () No ()

In the following questions, please choose the degree of your acceptance from strongly agree to strongly disagree.

1. Is management commitment to Corporate Governance in Med-view Airlines adequate?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
2. Is the knowledge and understanding of Corporate Governance adequate in your company?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
3. How does your organization culture assist in implementation of good Corporate Governance practice in your organization?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
4. Are company plans well communicated to all employees?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
5. Does your organization encourage continuous Training and Education?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
6. How well do you agree with the opinion that your organization has become a learning organization (one that recognizes, nurtures, encourages and utilizes the input of every employee in the decision making process) in as far as continuous improvement in quality service is concerned?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
7. To what extent are management policies are regards practice of corporate governance autocratic
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
8. To what extent do you agree that employee empowerment and human resources policies and practices in your organization fully support the highest standard in the practice of Corporate Governance?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
9. Management encourages and recognizes team-work effort?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
10. Management made available enough resources, budget, schedule and infrastructure that will make support actualization of Corporate Governance standard on continuous bases in your organization?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
11. Decision making involves the input of all employees Yes () No ()
If YES, to what degree can you agree that you advice are used in decision making?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
If NO, please states how the input of all employees can be encourage?

12. With adoption of Corporate Governance practice quality of service has improved, cost of running the airline went down and productivities have increased, how far do you agree?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
13. Attentions to internal and external customers are appropriate from management?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
14. The board of Directors have positive effect on the administration of the airline
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
15. The use of team work and interdepartmental relationship are adequate at all levels as regards quality service in your organization?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
16. Rational customers prefer quality service?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
17. Quality of service is a watch word if your company?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
18. Employee morale is high with the implementation of corporate governance?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
19. Employees try as much as possible to curb unnecessary waste?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
20. Employees are seen as keys to the company?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
21. Corporate Governance has reduced customer's complaint?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
22. Corporate Governance has enhanced customer's loyalty?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()
23. Corporate Governance principles are judiciously adhered to by the company?
Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

Open Ended Question:

- A. Given your experience and position in your organization: please comment on the practice of Corporate Governance in Med-View Airline (challenges, way-out plans for the future etc)

- B. In general what would you consider to be the issues and challenges facing the implementation of corporate governance in private owned airlines in Nigeria?

C. In what way(s) do you think that quality of Corporate Governance can be strengthened in Med-view Airlines?

Thanks.

Appendix Two

Interview Guide

General

1. What is the main business of the company?
2. What is the nature of the company?

Responsibility

1. To what extent do members of the board understand their responsibilities?
2. Are board members and management staff responsibilities clearly set out in writing?
3. Does the company differentiate between what the board can do, and what managers and employees of the company can do?
4. Do the board and the relevant sub-committees have already defined roles?

Audit

1. Is there an Audit committee?
2. Is there an external auditor of the company?
3. Is there an independent internal audit function within the company?
4. Are there any provisions in the company's Articles of Association mandating rotation of external auditors?
5. Does the Audit Committee produce a report on the internal audit function?
6. Is it mandatory to prepare an internal audit plan?
7. Is the internal audit plan reviewed on an annual basis?

Composition of the Board

1. What is the size of the board?
2. What do you think should be the ideal size of the board?
3. What is the composition of the board?
4. Does the organization have any kind of mechanism for rotating board members?
5. How often are the board members rotated?

Meetings

1. Is there a set quota for meetings of the board?
2. How often do board and sub-committees conduct meetings?
3. What are the quorum requirements for board and board committees?

Information

1. How are the public kept informed of company information's?
2. Is there an information disclosure policy, which indicates the type of information that could be disclosed to the public?
3. What type of information can be disclosed to the public pursuant to the information disclosure policy?
4. What information is provided to the board of directors in advance of board meetings?
5. What information is revealed to shareholders in advance of the Annual General Meeting (AGM)?
6. Who is responsible for recording minutes of meetings?
7. Are minutes of the previous meeting approved at the following meeting?

8. Is responsibility for action clearly indicated in the minutes?
9. Does the organization undertake a review to ensure that actions decided at the meetings have been taken?
10. How does the company disclose transactions made by directors or management that conflicts with the interest of the company or that has the potential for conflicts of interest?

Register of Interest

1. Are there policies/rules which require directors to disclose personal interest in the company?
2. What type of personal interest is required to be disclosed?
3. Does the company maintain a register of interests?
4. How is the register of interest reviewed and updated?
5. Is it mandatory for members to sign the register?

System to raise concerns

1. Does the organization have an established system to raise concerns?
2. What type of system has been established to raise concerns?
3. Is the system reviewed regularly to ascertain effectiveness?
4. Who is responsible for reviewing the system?

Performance Measurement/Review

1. How is the performance of the board/sub- committees/management reviewed?
2. Does the organization undertake a review of terms of reference of board, subcommittees?
3. How often is the review undertaken?
4. Are there set performance indicators?
5. Are reports produced detailing the board's/sub committee's/management's?
6. Who calculates the Board?
7. How often is the review undertaken?
8. Does the organization benchmark the policies for review of the board against international best practices?

Voting at Shareholders meetings

1. Does the company have proxy voting guidelines or rules?
2. Are shareholders allowed to vote in absentia?
3. How are resolutions put before shareholders for voting?
4. Are there separate resolutions for separate matters?

Financial Statements

1. Does the company apply international Accounting Standards (IAS) in the preparation of financial statements?
2. Are financial statements, balance sheets and profit and loss accounts signed by Chairman, CEO and CFO?
3. How does the company maintain accounting records?

Board Appointment

1. Does the organization have a nomination committee, which is responsible for Board nominations?