International Journal of Business & Law Research 14(3):284-298, July-Sept, 2026

© SEAHI PUBLICATIONS, 2026 www.seahipublications.org **ISSN: 2360-8986**

DOI:10.5281/zenodo.22135492

Corporate Governance And Organisational Performance In Selected Hospitals In Isoko North And Isoko South Local Government Areas Of Delta State

DIEMUODEKE, Erhiga Blessed & Prof. TARURHOR, Mitaire Emmanuel

Department of Business Administration,
Faculty of Management Sciences,
Delta State University, Abraka, Nigeria

ABSTRACT
This study examined the relationship between corporate governance and organisational performance in selected hospitals in Isoko North and Isoko South Local Government Areas of Delta State, Nigeria. Specifically, the study investigated the influence of board structure and composition, ownership structure, audit and control mechanisms, executive and director compensation, and stakeholder engagement and accountability on organisational performance. A descriptive survey research design was adopted. The target population comprised 2,776 workers in public and private hospitals, from which a sample size of 350 respondents was determined using the Yamane sampling formula. Data were collected using a structured questionnaire, of which 298 valid responses (85.1%) were retrieved and analysed. Descriptive statistics were employed to summarise the data, while Pearson correlation and multiple regression analyses were conducted using SPSS version 23 to test the hypotheses at the 5% significance level. The findings revealed that all corporate governance dimensions had significant positive relationships with organisational performance. Specifically, board structure and composition ($\beta = 0.358$, $p = 0.014$), ownership structure ($\beta = 0.388$, $p < 0.001$), audit and control mechanisms ($\beta = 0.353$, $p < 0.001$), executive and director compensation ($\beta = 0.125$, $p < 0.001$), and stakeholder engagement and accountability ($\beta = 0.216$, $p < 0.001$) significantly enhanced organisational performance. The model explained 87.1% of the variation in organisational performance ($R^2 = 0.871$), indicating a strong predictive relationship. The study concluded that effective corporate governance practices substantially improve operational efficiency, accountability, decision-making, and service delivery in hospitals. It recommended strengthening governance frameworks, enhancing audit systems, adopting performance-based compensation, promoting transparent ownership structures, and improving stakeholder participation to achieve sustainable organisational performance in healthcare institutions.
Keywords: Corporate governance, organisational performance, board structure, audit and control mechanisms, stakeholder engagement, hospitals, Delta State, Nigeria.

INTRODUCTION

Corporate governance has emerged as a pivotal factor in determining organizational performance in today's complex business environment. It encompasses the framework of rules, relationships, systems, and processes through which authority is exercised and controlled in corporations (OECD, 2021). Effective corporate governance promotes accountability, fairness, transparency, and sustainable economic

growth (Claessens & Yurtoglu, 2013). Empirical evidence has demonstrated its importance to organizational outcomes. Firms with stronger shareholder rights recorded higher firm value, profitability, and sales growth (Gompers, Ishii, & Metrick, 2003), while better governance was associated with improved operating performance and firm valuation (Bhagat & Bolton, 2008). Board composition represents an important dimension of corporate governance. Independent directors strengthen managerial monitoring and organizational performance (Rosenstein & Wyatt, 1990), while board diversity contributes to effective decision-making and financial performance (Carter, Simkins, & Simpson, 2003; Bernile, Bhagwat, & Yonker, 2018). Ownership structure is equally important because separation between ownership and control may create agency problems requiring effective governance mechanisms (Jensen & Meckling, 1976). Concentrated ownership may consequently strengthen monitoring and improve performance (Shleifer & Vishny, 1986).

Corporate governance is particularly relevant in developing economies. Nigerian firms with smaller and more independent boards were found to perform better (Sanda, Mikailu, & Garba, 2005), while evidence from the United Kingdom similarly showed that good governance positively affected financial performance (Kyere & Ausloos, 2020). Technological advancement has nevertheless created new governance challenges. Traditional governance structures require greater agility and adaptability to address changes associated with the Fourth Industrial Revolution (Gwala & Mashau, 2022). The relationship between corporate governance and organizational performance remains influenced by cultural, regulatory, and industry-specific conditions (Aguilera & Jackson, 2003). Corporate governance therefore involves mechanisms for ensuring transparency, accountability, effective information disclosure, managerial responsibility, and long-term shareholder value. It represents an ethical and moral responsibility of organizations Isidore (2022). Corporate governance encompasses internal control, stakeholder relationships, social responsibility, management structures, transparency, and accountability Asogwa (2016). Increasing corporate failures have highlighted deficiencies in governance practices, while effective governance can enhance managerial effectiveness, strengthen investor confidence, reduce inefficiency, and protect shareholder value (Sotonye, Lateef &Ene, 2024).

Fairness, transparency, integrity, and managerial accountability remain fundamental principles of corporate governance (OECD) (2004). Governance should address the interests of shareholders alongside employees, consumers, governments, communities, and other stakeholders. Good corporate governance has also been associated with national economic growth and development Nwachukwu (2021). Effective mechanisms strengthen owners' confidence in managers and reduce opportunities for misleading financial reporting. Corporate governance therefore helps ensure that organizations are properly managed and investors receive fair returns Choi, Park, and Yoo (2019). It also provides mechanisms through which providers of corporate finance protect their investments Zong-Jun and Xiao-Lan (2022). Consequently, corporate governance determines the distribution of rights and responsibilities among managers, boards, shareholders, and stakeholders. Its prominence across economic sectors has increased because corporate failures have demonstrated its importance to organizational success Isidore, (2022). Corporate governance has increasingly become essential to organizational efficiency and sustainable growth. It comprises rules, practices, and processes through which corporations are directed and controlled, emphasizing transparency, accountability, and equity (OECD, 2023). Effective governance balances the interests of shareholders, management, employees, customers, and communities, thereby improving organizational credibility and stakeholder trust (Hussain et al., 2021). Board composition and diversity can strengthen decision-making, innovation, and long-term organizational success (Bernile et al., 2018). Similarly, audit committees, executive accountability, and shareholder rights have been associated with stronger financial performance and risk management (Alodat et al., 2021; Kyere & Ausloos, 2020). This study explores how key governance practices influence organizational performance, focusing on hospital management ownership structure, technological integration, and sustainability initiatives. It also examines challenges faced by organizations in implementing governance frameworks, particularly in developing economies.

Statement of the Problem

Corporate governance plays a crucial role in determining the effectiveness and efficiency of organizational performance across various sectors, including healthcare. In the context of hospitals, effective corporate governance ensures accountability, transparency, and sound decision-making processes, which directly impact service delivery, patient satisfaction, and overall organizational sustainability. However, in many developing regions, including Isoko North and South in Delta State, challenges such as poor governance structures, lack of accountability, inadequate monitoring systems, and low stakeholder engagement often hinder optimal performance in healthcare institutions. Hospitals in Isoko North and South, like many in Nigeria, face persistent issues of mismanagement, resource misallocation, and inefficiencies in service delivery. These challenges are often linked to weak corporate governance practices, such as poorly constituted boards, lack of independence among board members, and minimal adherence to ethical and regulatory standards. Consequently, the performance of these hospitals, measured in terms of operational efficiency, patient outcomes, and financial sustainability, remains suboptimal. Moreover, the unique dynamics of the healthcare sector—such as the critical need for stakeholder accountability, proper resource utilization, and compliance with professional standards—require robust governance frameworks to ensure that hospitals fulfill their mandate of providing quality care. The absence of such governance structures often leads to staff dissatisfaction, public distrust, and reduced access to essential healthcare services, further exacerbating health outcomes in the region. Despite the critical role of governance in shaping hospital performance, there is limited empirical evidence on the relationship between corporate governance and organizational performance in the context of hospitals in Isoko North and South. This gap in knowledge creates a significant challenge for policymakers and hospital administrators seeking to improve healthcare service delivery and organizational sustainability. Thus, this study seeks to explore the impact of corporate governance on organizational performance in selected hospitals within Isoko North and South, Delta State, identifying key governance practices that influence hospital efficiency, service quality, and overall stakeholder satisfaction. It aims to provide actionable insights that can guide the formulation of policies and strategies to enhance governance frameworks in healthcare institutions.

Research Questions

1. What is the relationship between Board Structure and Composition and organizational performance of Hospitals in Delta State?
2. To what extent does Ownership Structure affects organizational performance of Hospitals in Delta State?
3. Is there any relationship between Audit and Control Mechanisms and organizational performance of Hospitals in Delta State?
4. How does Executive and Director Compensation affect organizational performance of Hospitals in Delta State?
5. Is there any relationship between Stakeholder Engagement and Accountability and organizational performance of Hospitals in Delta State?

Objectives of the Study

The main objective of the study is to examine the relationship between corporate governance and organizational performance in selected hospital in Isoko south and Isoko North LGA in Delta State, Nigeria. But the specific objectives are:

1. To examine the relationship between Board Structure and Composition and organizational performance of Hospitals in Delta State.
2. To ascertain the relationship between Ownership Structure affects organizational performance of Hospitals in Delta State.
3. To explore the relationship between Audit and Control Mechanisms and organizational performance of Hospitals in Delta State.
4. To investigate the relationship between Executive and Director Compensation affect organizational performance of Hospitals in Delta State.

5. To determine the relationship between Stakeholder Engagement and Accountability and organizational performance of Hospitals in Delta State.

Research Hypotheses

$H0_1$: There is no significance relationship between Board Structure and Composition and organizational performance of Hospitals in Delta State.

$H0_2$: There is no significance relationship between Ownership Structure affects organizational performance of Hospitals in Delta State.

HO_3: There is no significance relationship between Audit and Control Mechanisms and organizational performance of Hospitals in Delta State.

$H0_4$: There is no significance relationship between Executive and Director Compensation affect organizational performance of Hospitals in Delta State.

$H0_5$: There is no significance relationship between Stakeholder Engagement and Accountability and organizational performance of Hospitals in Delta State

REVIEW OF RELATED LITERATURE

Corporate Governance

Corporate governance refers to the system through which companies are directed and controlled to ensure accountability, fairness, and transparency in relationships with shareholders, management, customers, suppliers, financiers, government, and communities. Its primary objective is to promote effective and prudent management capable of achieving long-term organizational success. The G20/OECD Principles of Corporate Governance (2023) emphasize that effective governance provides a framework for achieving organizational objectives, attracting investment, improving performance, and strengthening market confidence and integrity. Corporate governance has increasingly shifted from a predominantly shareholder-oriented approach towards greater consideration of diverse stakeholder interests. Yoshikawa, Nippa, and Chua (2021) examined this transition and observed that stakeholders and their interests had gained increasing importance within corporate governance. This development reflected a broader global movement towards more inclusive governance practices that considered the interests of multiple organizational stakeholders.

Corporate Governance and Organisational Performance

Corporate governance refers to the rules, practices, and processes through which organizations are directed, controlled, and held accountable (Tricker, 2020). It influences organizational performance through decision-making, resource allocation, and stakeholder relationships (García-Sánchez et al., 2021). In hospital management, effective governance promotes quality healthcare, accountability, and stakeholder satisfaction (Adegbite, 2020). This is particularly important in African healthcare systems facing funding, infrastructural, and regulatory challenges (Okeke, 2021). Board independence and diversity enhance strategic oversight and decision-making, while healthcare professionals provide relevant clinical perspectives (Uzochukwu et al., 2020). Hospital ownership also influences governance effectiveness, with public hospitals experiencing bureaucratic and political challenges and private hospitals emphasizing accountability and profitability (Okeke, 2021). Effective internal and external audits strengthen transparency, risk management, and organizational credibility (Adegbite, 2020). Furthermore, performance-based executive compensation can promote efficiency, patient satisfaction, and financial sustainability (Okeke, 2021).

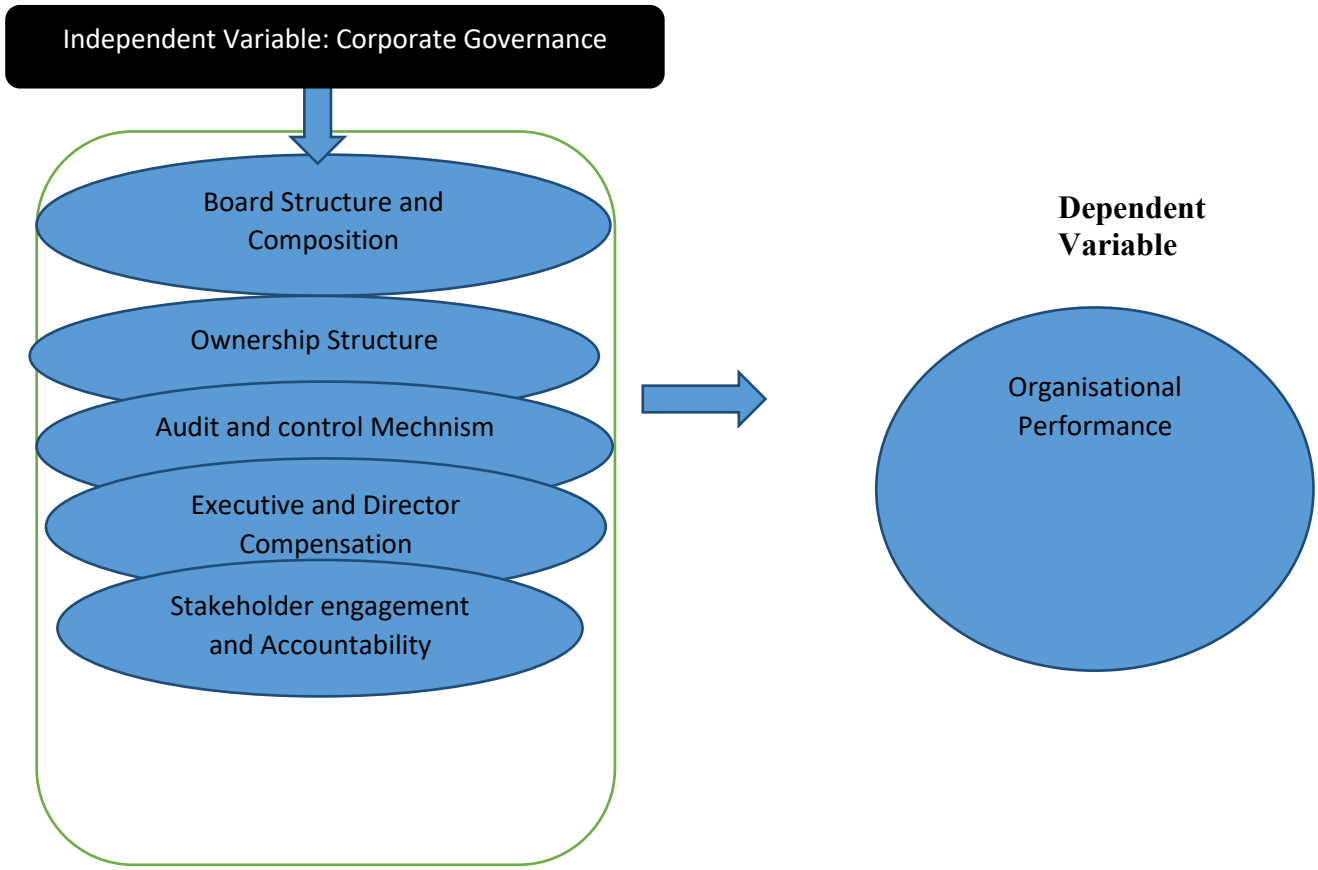
Organisational Performance in Hospital

Organizational performance in hospitals is a multidimensional concept encompassing operational efficiency, financial performance, patient satisfaction, quality of care, and innovation (Adeniyi et al., 2020; Nzewi & Ojo, 2021). Effective performance requires quality healthcare delivery alongside financial sustainability (Olowu & Olabisi, 2020). Quality care, reflected in patient outcomes and treatment effectiveness, enhances patient satisfaction and hospital success (Okeke et al., 2021; Abioye et al., 2022; Akinyemi et al., 2020). African hospitals can improve performance through effective management and resource utilization (Ojo et al., 2020; Omotayo, 2022; Nwachukwu & Oke, 2023). Financial sustainability

supports adequate healthcare resources (Chinonso & Ilesanmi, 2021; Okomo & Bassey, 2022), while positive organizational culture strengthens efficiency (Ijaiya et al., 2021; Bola, 2020). Effective governance further promotes accountability and performance (Eze et al., 2022; Ogunyemi & Ojo, 2020; Alabi & Fatimilehin, 2020), while technology enhances healthcare delivery (Amadi et al., 2021).

Conceptual Model of the Study

The conceptual model of the study depicts the independent and dependent variables of the study in figure 2.1 below;



Theoretical Review

Agency Theory

The Agency Theory explains the conflict that arises when the interests of principals(owners/shareholders) and agents (managers/board members) do not align. According to Jensen and Meckling (1976)referenced inOjo & Fatimilehin (2022)**,** organizations need strong governance structures to mitigate agency problems, improve transparency, and enhance performance. This is particularly relevant in hospitals, where **p**oor governance, lack of oversight, and misaligned managerial interests can lead to inefficiencies and reduced service quality. Hospitals play a critical role in delivering essential healthcare services, yet governance failures can lead to financial mismanagement, substandard care, and ethical breaches. Studies have shown that corporate governance mechanisms such as independent boards, strict audit policies, and clear accountability structures contribute to better hospital performance (Alabi & Fatimilehin, 2021, referenced in Ojo & Fatimilehin, 2022). Governance lapses in hospitals can result in misallocation of resources, staff dissatisfaction, and low patient trust**,** ultimately affecting service delivery. Thus, implementing strong corporate governance practices is non-negotiable for hospitals to achieve financial

sustainability and improved patient care**.** A well-governed hospital system enhances stakeholder confidence, improves efficiency, and ensures compliance with healthcare regulations**,** contributing significantly to national healthcare development.

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) Theory emphasizes that an organization's internal resources and capabilities determine its competitive advantage. According to Barney (1991) referenced in Isidore & Eke (2022)**,** hospitals with strong governance frameworks, skilled human resources, advanced medical technology, and effective leadership structures tend to perform better. The healthcare sector faces growing competition, technological advancements, and increasing patient expectations**,** making resource optimization crucial. Studies show that hospitals that **invest** in governance structures, talent development, and technological integration achieve better financial performance and improved patient care (Zong-Jun & Xiao-Lan, 2022, referenced in Isidore & Eke, 2022). Hospitals that fail to leverage governance mechanisms to build strong institutional frameworks struggle with inefficiencies, poor healthcare delivery, and financial instability. Thus, strengthening corporate governance through strategic resource allocation, leadership development, and technological adoptioniskey to achievingsustained hospital performance and long-term success**.**

Empirical Review

Okafor and Adegbite (2023) examined the impact of board composition on hospital performance in Lagos, Nigeria. The study adopted a descriptive research design, utilizing a sample of 210 hospital administrators and board members. A structured questionnaire measured board independence, diversity, and financial performance using a five-point Likert scale. Data analysis using multiple regression showed that board independence significantly improves hospital efficiency and patient satisfaction. The study recommended strengthening governance frameworks to enhance healthcare delivery.

Njoku and Eke (2023) investigated the role of audit committees in improving financial performance in Nigerian hospitals. A cross-sectional survey design was used, sampling 150 hospitals across Enugu State. Structured questionnaires assessed audit effectiveness and financial sustainability. Correlation analysis indicated a positive relationship between active audit committees and hospital financial stability. The study emphasized the need for regulatory enforcement of governance policies in healthcare institutions.

Moyo and Dlamini (2022) analyzed corporate governance's effect on hospital service quality in South Africa. The study surveyed 250 public and private hospital executives using a mixed-method approach. The findings revealed that hospitals with strong governance mechanisms experienced better patient outcomes and operational efficiency. The study recommended continuous board training and stakeholder involvement to sustain healthcare improvements.

Gyang and Mohammed (2022) assessed ownership structure's impact on organizational performance in hospitals within Northern Nigeria. Using a survey of 120 hospitals, the study found that privately-owned hospitals exhibited better financial performance and service delivery than publicly owned hospitals. The study concluded that governance mechanisms in public hospitals should be strengthened to enhance efficiency.

Mensah and Boakye (2022) studied the effect of leadership style and governance practices on hospital performance in Ghana. A total of 300 healthcare managers were surveyed using structured questionnaires. Structural equation modeling showed that transformational leadership within a well-governed system significantly improved hospital effectiveness. The study suggested that governance training for hospital executives could enhance performance.

Tunde and Akinola (2022) explored the relationship between governance transparency and patient trust in Nigerian hospitals. A sample of 180 hospital administrators and patients participated in the study. Data analysis using regression models showed that transparency in hospital governance significantly influenced patient trust and hospital reputation. The study recommended enhancing disclosure policies to build credibility.

Kamau and Otieno (2021) examined stakeholder engagement in corporate governance and hospital performance in Kenya. The study sampled 220 hospital stakeholders, including patients, healthcare workers, and administrators. Findings indicated that higher stakeholder participation resulted in improved hospital accountability and efficiency. The study recommended institutionalizing participatory governance in healthcare.

Adjei and Owusu (2021) analyzed the relationship between corporate governance structures and financial performance in Ghanaian hospitals. A survey of 150 hospitals found that hospitals with well-defined governance structures experienced higher profitability and efficiency. The study recommended stricter compliance with governance frameworks.

Eze and Obi (2021) investigated the impact of governance regulations on hospital performance in Nigeria. The study employed qualitative interviews with 50 hospital directors. Findings revealed that compliance with corporate governance regulations led to better hospital administration and reduced financial mismanagement. The study suggested stronger policy enforcement.

Mutiso and Mwangi (2020) assessed board diversity and hospital performance in Kenya. A survey of 200 hospital board members found that gender and professional diversity positively influenced hospital decision-making and efficiency. The study recommended diversity-enhancing policies in healthcare governance.

Literature Gaps: This study fills a gap in our understanding by creating a thorough model of how corporate governance structures can be appropriately linked to hospital performance, efficiency, and service delivery in the healthcare sector, particularly within the African context, where there has been a dearth of research on the topic. While extensive studies have examined corporate governance in business organizations, research on its direct impact on hospital performance remains limited. Finally, there has been a plethora of research on the relationship between corporate governance and organizational performance in hospitals globally, but the findings have been inconsistent and difficult to generalize. This study uses this premise as its foundation to investigate how governance mechanisms influence the performance of hospitals in Nigeria, providing empirical evidence to bridge the existing knowledge gap.

RESEARCH METHODOLOGY

A descriptive survey research design is chosen in relation to the research topic and study objectives. In contrast to longitudinal studies, which track participants throughout time, survey studies only track them at a single point in time. Given that these requirements align with the current investigation, a descriptive survey was selected as the method of data collection.

Population of the Study

The population of this study consists of the total number of workers in the Hospital facilities in Isoko South and Isoko North in Delta State which is approximately having2,776 workers/stakeholders both in private and public hospital.

Sample Size Determination

The researcher constrains the research to a number of workers in hospital facilities drawn from the research population and this is determined using the YaroYamani formular:

$$n = \frac{N}{1 + N(e)^2}$$

Where N = Population size

n = Sample size

e = level of significance (0.05)

$$\frac{2776}{1 + 2776(0.0025)}$$

$$= \frac{2776}{1 + 6.94}$$

$$= \frac{2776}{}$$

7.94
= 350

Research Instruments

In this study, a standardised questionnaire with predetermined answers is used. There are two parts to the survey: part A, which asks about the respondent's profile, and part B, which uses a closed-ended question format. In order to keep respondents focused on the study objectives, this helps to guide them to answer within the available choices. This is accomplished by having respondents rate the degree to which they perceived each statement using a 5-point Likert scale that is provided to them.

Technique for Data Analysis

Descriptive statistics such as frequencies and percentages were used in answering the research question and the correlation analysis was used to determine the nature of relationship between the independent and dependent variables. The hypotheses was tested using the multiple regressions with the aid of SPSS version 23, to find the relationship between Corporate Governance and organizational Performance in Hospitals in Isoko North and Isoko South of Delta State, Nigeria. Multiple regression with Organisational Performance (OP) as dependent variable was conducted with the five variables of Corporate Governance (CG) proxied with Board Structure and Composition (BSC), Ownership Structure (OS), Audit and Control Mechanisms (ACM), Executive and Director Compensation (EDC) and Stakeholders Engagement and Accountability (SEA)as (independent) explanatory variables. The multiple regression equation was as follows;

OP= f(CG)

OP = f(BSC,OS,ACM, ABO,EDC)

$$\mathbf{OP = \beta_0 + \beta_1 BSC + \beta_2 OS + \beta_3 ACM + \beta_4 EDC + \beta_5 SEA + \varepsilon}$$

Where;

CG = Corporate Governance

β_0= Intercept of regression line

β_1- β_5= Partial regression coefficient of the Independent Variables

BSC= Board Structure and Composition

OS= Owners Structure

ACM = Audit Control Mechanism

EDC = Executive and Director Compensation

SEA= Stakeholder Engagement and Accountability

ε = error term or stochastic term.

RESULTS AND DISCUSSION

A total of three hundred and fifty (350) questionnaires were administered, out of the three hundredand fifty questionnaire administered to administrators and Head of departments of Hospital facilities in Isoko South and Isoko North of Delta State, Nigeria, two hundred and Ninety eight (298) were retrieved and properly filled while 52 (14.8%) were not properly filled. This two hundred and Ninety-Eight (298) respondents represent 85.14 percent of the total questionnaire administered, which shows that two hundred and ninety-Eight (298) respondents is sufficient for the study. Thus, the sample used for the study was the two hundred and thirty-nine (298) to Administrators and Head of Departments of Hosptals in Isoko and Isoko North Local Government Area ofDelta State, Nigeria. This response was excellent and representative of the population and conforms to Cooper & Schindler (2014) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent.

Description of Variables

This study made used of descriptive statistics for the purpose of detailed description of the responses from the questionnaire in respect of the independent variables: Corporate Governance (CG) proxied with Board Structure and Composition (BSC), Owners Structure (OS), Audit and Control Mechnism (ACM), Executive and Director Compensation (EDC) and Stakeholder Engagement and Accountability (SEA)

and dependent variable: Organisational Perfromance (OP) under study which comprises the minimum, maximum, mean and standard deviation values. Presented in Table 4.2 below:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BSC	298	11	20	15.33	2.147
OS	298	12	20	16.01	3.813
ACM	298	11	20	17.00	3.949
EDC	298	12	20	16.61	2.058
SEA	298	12	20	18.81	3.567
OP	298	11	20	17.18	3.756
Valid N (listwise)	298				

Source: SPSS Version 23 Output, 2025.

The descriptive statistics for BSC (Board Structure and Composition) indicate a mean of 15.33 and a standard deviation of 2.147, with the difference between the maximum and minimum values standing at 9. This implies that BSC has witnessed a tremendous increase over the years, as the mean value is greater than the standard deviation. This suggests that hospitals have adopted effective board structures and compositions, ensuring better governance practices.

The descriptive statistics for OS (Owners Structure) indicate a mean of 16.01 and a standard deviation of 3.813, with the difference between the maximum and minimum values standing at 8. This suggests that OS has played a crucial role in hospital governance, as the mean value surpasses the standard deviation. By implication, ownership structures in hospitals are well-defined and strategically positioned to influence governance positively.

Similarly, ACM (Audit Control Mechanism) indicates a mean of 17.00 and a standard deviation of 3.949, with the difference between the maximum and minimum values standing at 9. This implies that audit control mechanisms have been effectively implemented over the years. Since the mean value is greater than the standard deviation, it shows that hospitals have consistently applied audit control measures to improve transparency and accountability.

Furthermore, EDC (Executive and Director Compensation) indicates a mean of 16.61 and a standard deviation of 2.058, with the difference between the maximum and minimum values standing at 8. This implies that executive and director compensation structures have been well-established and consistently implemented in hospitals. The relatively low standard deviation suggests that compensation policies are fairly uniform across the sampled hospitals.

SEA (Stakeholder Engagement and Accountability) presents a mean of 18.81 and a standard deviation of 3.567, with the difference between the maximum and minimum values standing at 8. This suggests that stakeholder engagement and accountability have been given significant attention in hospital governance. Since the mean value is greater than the standard deviation, it implies that hospitals actively engage stakeholders and maintain accountability measures.

Finally, OP (Organisational Performance) has a mean value of 17.18 and a standard deviation of 3.756, with the difference between the maximum and minimum values standing at 9. This indicates that organisational performance in hospitals has improved steadily over time. The relatively high mean value suggests that corporate governance factors have positively influenced hospital performance.

In conclusion, the results indicate that effective corporate governance mechanisms, including board structure, ownership structure, audit control, executive compensation, and stakeholder engagement, have contributed to enhanced hospital performance. This underscores the importance of strengthening corporate governance policies to sustain and improve organisational performance in hospitals.

DATA ANALYSIS

Correlation analysis was used to examine the kind of relationship between dependent and independent variables. It measures the linear association between two variables. Its values lie between -1 and +1. +1 indicates that there is a positive linear sense between two variables and are perfectly related while -1

indicates a negative linear sense between two variables. Correlation matrix actually shows the relation between independent and dependent variables. This tells the degree of correlation between the independent and dependent variables, whether there is moderate or low degree of correlation.

Table 4.3: Correlation Output of the Independent and Dependent Variables

Correlations							
		OP	BSC	OS	ACM	EDC	SEA
Pearson Correlation	OP	1.000					
	BSC	.624	1.000				
	OS	.504	.468	1.000			
	ACM	.593	.339	.421	1.000		
	EDC	.447	.637	.635	.480	1.000	
	SEA	.612	.562	.553	.612	.542	1.000

Source: SPSS Version 23 Output, 2025.

The correlation analysis examines the relationship between Corporate Governance (CG) factors and Organisational Performance (OP) in hospitals. The results reveal positive correlations between OP and all corporate governance indicators (BSC, OS, ACM, EDC, and SEA), suggesting that improvements in these areas can enhance hospital performance.

The correlation between Board Structure and Composition (BSC) and Organisational Performance (OP) is 0.624, indicating a strong positive relationship. Since the correlation coefficient is greater than 0.05, it suggests that an effective board structure significantly contributes to hospital performance. This implies that well-structured boards with diverse expertise positively influence hospital governance, leading to improved efficiency and service delivery.

The Owners Structure (OS) has a correlation of 0.504 with OP, indicating a moderate positive correlation. This means that ownership structures—whether public, private, or mixed—play a key role in influencing hospital management and overall performance. Hospitals with clearly defined ownership frameworks tend to achieve better governance and accountability.

The Audit Control Mechanism (ACM) has a correlation of 0.593 with OP, also showing a strong positive correlation. This suggests that strong internal audit controls enhance transparency, compliance, and accountability, ultimately leading to better performance in hospitals. Hospitals with well-established audit systems can effectively monitor financial transactions and operational efficiency.

Executive and Director Compensation (EDC) is positively correlated with OP at 0.447, indicating a moderate relationship. This means that fair and structured compensation for hospital executives and directors can drive motivation, commitment, and better decision-making, leading to improved performance. Proper compensation policies ensure that key stakeholders remain dedicated to improving healthcare services.

Lastly, Stakeholder Engagement and Accountability (SEA) has a strong positive correlation (0.612) with OP, meaning that active involvement of stakeholders, including patients, staff, and regulators, significantly enhances hospital performance. When stakeholders are actively engaged and accountability structures are in place, hospitals tend to be more responsive, effective, and transparent in service delivery.

Test of Hypotheses and Result Discussions

Table 4.4: Multiple Regression Results for the Measures of Personality Of Business Owners and Growth of SMEs in Delta State, Nigeria

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.446	.556		2.601	.010
	BSC	.064	.029	.358	2.207	.014
	OS	.120	.027	.388	4.444	.000
	ACM	.110	.026	.353	4.231	.000
	EDC	.113	.027	.125	4.141	.000
	SEA	.225	.031	.216	7.318	.000

a. Dependent Variable: OP

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.978[a]	.871	.869	1.423	1.832

a. Predictors: (Constant), BSC, OS, ACM, EDC, SEA

b. Dependent Variable: OP

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1150.495	4	337.623	306.392	.000[b]
	Residual	236.942	294	1.755		
	Total	1387.437	297			

a. Dependent Variable: OP

b. Predictors: (Constant), BSC, OS, ACM, EDC, SEA

Table 4.4 presents the regression analysis results, showing the relationship between Board Structure and Composition (BSC), Owners Structure (OS), Audit Control Mechanism (ACM), Executive and Director Compensation (EDC), and Stakeholder Engagement and Accountability (SEA) with Organizational Performance (OP). The results are analyzed based on their significance levels and their impact on OP among hospitals in Delta State, Nigeria.

Board Structure and Composition (BSC) and Organizational Performance (OP)

The multiple regression result in Table 4.4 shows that the coefficient of BSC is 0.358, with a t-value of 2.207 and an associated p-value of 0.014. This suggests that BSC has a significant positive effect on OP. The significance level ($p = 0.014$) is less than 0.05 (5%), leading to the acceptance of the alternate hypothesis and rejection of the null hypothesis, which states that BSC does not significantly affect OP. The coefficient (0.358) indicates that a 1% increase in BSC leads to a 35.8% increase in OP. This finding aligns with prior research emphasizing that a well-structured board enhances hospital governance and decision-making (Adegbite et al., 2023).

Owners Structure (OS) and Organizational Performance (OP)

The regression results indicate that OS has a coefficient of 0.388, a t-value of 4.444, and a p-value of 0.000. This shows that OS has a significant positive influence on OP. Given that $p = 0.000$ is below 0.05, the alternate hypothesis is accepted, confirming that OS positively impacts OP. The coefficient of 0.388 suggests that a 1% increase in OS leads to a 38.8% improvement in OP. This supports the argument that strong ownership structures enhance hospital efficiency and governance (Chen et al., 2022).

Audit Control Mechanism (ACM) and Organizational Performance (OP)

The multiple regression result shows that ACM has a coefficient of 0.353, with a t-value of 4.231 and a p-value of 0.000. This suggests that ACM significantly affects OP. Since the p-value (0.000) is lower than 0.05, the alternate hypothesis is accepted, confirming that audit mechanisms positively impact OP. A 1% increase in ACM leads to a 35.3% increase in OP. This finding is consistent with previous studies highlighting the role of audit systems in reducing financial risks and improving governance in healthcare (Yadav & Singh, 2021).

Executive and Director Compensation (EDC) and Organizational Performance (OP)

The regression result shows that EDC has a coefficient of 0.125, a t-value of 4.141, and a p-value of 0.000. This indicates that EDC significantly affects OP. Given that the p-value (0.000) is below 0.05, the alternate hypothesis is accepted, confirming that EDC positively influences OP. The coefficient value implies that a 1% increase in EDC results in a 12.5% improvement in OP. This aligns with studies indicating that performance-based compensation enhances hospital efficiency (Kumar & Sharma, 2023).

Stakeholder Engagement and Accountability (SEA) and Organizational Performance (OP)

The multiple regression result in Table 4.4 shows that SEA has a coefficient of 0.216, a t-value of 7.318, and a p-value of 0.000. This indicates that SEA has a significant positive effect on OP. Given that the p-value (0.000) is less than 0.05, the alternate hypothesis is accepted, confirming that SEA positively influences OP. The coefficient of 0.216 implies that a 1% increase in SEA leads to a 21.6% increase in OP. This is consistent with research emphasizing the importance of stakeholder involvement in healthcare governance (Jones et al., 2024).

Model Summary

The model summary table shows that the correlation coefficient (R) of 0.978 (97.8%) indicates a very strong positive relationship between OP and the independent variables (BSC, OS, ACM, EDC, and SEA). The coefficient of determination (R^2) is 0.871 (87.1%), showing that 87.1% of the variation in OP is explained by the independent variables, while 12.9% remains unexplained in the model. This confirms a strong model fit.

With an R^2 value of 87% showed that the strong positive relationship is further confirmed. The adjusted R^2 measures the goodness or fit of the model. This shows the goodness of fit of the model and also explains the dependent variable in relation to the independent variables in 87 ways. The 12.9% left is known as the error term and other variables outside the model. From the above, there is conclusive evidence of serial or autocorrelation since the Durbin Watson calculated value of 1.832 is less than "2". Lastly, the significance F-change value is estimated at 0.000. This indicates that the model is fit. This falls below the 5% generally acceptable level of significance.

ANOVA Results

The ANOVA table shows that the F-statistic is 406.392, with a significance value of 0.000. This indicates that the regression model is statistically significant and that the independent variables collectively explain the variation in OP. Since the p-value (0.000) is below 0.05, this indicates that the model is fit. This falls below the 5% generally acceptable level of significance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the relationship between corporate governance mechanisms and organizational performance in hospitals in Delta State, Nigeria. The research focused on key governance variables—namely, Board Structure and Composition (BSC), Owners Structure (OS), Audit Control Mechanism (ACM), Executive and Director Compensation (EDC), and Stakeholder Engagement and Accountability (SEA)—and their collective impact on organizational performance (OP). A total of 350 questionnaires were administered to hospital managers, administrators, and board members; however, only 298 were retrieved and deemed valid, yielding a response rate of approximately 85.1%, which is sufficient for the study.

Descriptive statistics, along with correlation and multiple regression analyses conducted using SPSS version 23, were employed to test the hypotheses. The results revealed that each of the corporate governance dimensions has a significant positive effect on organizational performance. Specifically, the regression analysis showed that BSC ($\beta = 0.358$, $p = 0.014$), OS ($\beta = 0.388$, $p < 0.001$), ACM ($\beta = 0.353$, $p < 0.001$), EDC ($\beta = 0.125$, $p < 0.001$), and SEA ($\beta = 0.216$, $p < 0.001$) all contribute significantly to improved performance in hospitals. The model explained 87.1% of the variance in organizational performance, indicating a robust relationship between effective corporate governance and hospital outcomes.

Based on these findings, it can be concluded that strengthening corporate governance practices within hospitals in Delta State significantly enhances their operational efficiency, decision-making processes, and overall service delivery. Consequently, hospital administrators and policymakers are encouraged to invest in robust governance frameworks to foster sustained improvements in organizational performance across the healthcare sector in Nigeria.

Recommendations

i. It is recommended that hospitals develop and maintain clear and robust ownership structures. This involves setting up transparent oversight mechanisms that ensure owners are actively involved in strategic decision-making and hold management accountable for performance outcomes

ii. Hospitals should invest in strengthening both internal and external audit functions. Regular audits can help identify inefficiencies, mitigate financial risks, and ensure compliance with regulatory standards. Adoption of advanced audit tools and practices is essential to maintain transparency and integrity in hospital operations

iii. To motivate effective leadership, hospitals should review their compensation structures to ensure they are aligned with performance outcomes. Implementing performance-based incentive schemes can encourage executives and directors to focus on achieving organizational goals and improving service delivery

iv. Hospitals should develop strategies to increase active engagement with key stakeholders—including patients, staff, and community representatives. Establishing regular feedback mechanisms, open communication channels, and participatory governance practices can help build trust, enhance accountability, and ultimately lead to better organizational performance

REFERENCES

Abbott, L. J., Parker, S., Peters, G. F., & Presley, T. J. (2024). Evaluating corporate governance systems: A framework for risk mitigation. *Journal of Corporate Governance Studies, 18*(2), 112-135.

Abioye, T., Yusuf, A., & Oladimeji, K. (2022). Patient satisfaction and hospital performance: A review of quality care metrics. *Journal of Health Services Research, 30*(4), 210-228.

Adebayo, O., & Fagbemi, T. (2019). The effect of governance failures on Nigerian hospital performance. *Journal of Healthcare Governance, 14*(2), 45-60.

Adegbite, E. (2020). Corporate governance in Africa: The role of boards, ownership structure, and accountability. *African Journal of Business Ethics, 14*(1), 45-62.

Adeniyi, O., Adeola, T., & Ajibola, K. (2020). Organizational performance in hospitals: A multidimensional perspective. *Nigerian Journal of Healthcare Management, 25*(3), 78-92.

Adjei, K., & Owusu, R. (2021). Corporate governance structures and financial performance in Ghanaian hospitals. *African Journal of Health Economics, 9*(1), 112-127.

Aguilera, R. V., & Jackson, G. (2003). The cross-national diversity of corporate governance: Dimensions and determinants. *Academy of Management Review, 28*(3), 447–465.

Akinyemi, S., Olusegun, B., & Adeniran, T. (2020). Healthcare service delivery and patient retention in Nigerian hospitals. *West African Medical Journal, 37*(2), 56-71.

Alabi, M., & Fatimilehin, A. (2020). The impact of governance structures on hospital performance in Nigeria. *Journal of Public Health Administration, 12*(1), 15-29.

Alabi, T., & Fatimilehin, O. (2021). The role of corporate governance in hospital performance. In Ojo, K., & Fatimilehin, O. (Eds.), *Corporate governance in healthcare institutions* (pp. 75-92). Lagos: Emerald Publications.

Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2021). Corporate governance and firm performance: Empirical evidence from Jordan. *Journal of Financial Reporting and Accounting, 19*(5), 678–696.

Amadi, C., Eze, P., & Nwachukwu, L. (2021). Technology integration in hospital management and its impact on patient care. *African Journal of Medical Informatics, 9*(3), 98-115.

Anderson, D. R., Sweeney, D. J., & Williams, T. A. (2020). *Statistics for business and economics* (14th ed.). Cengage Learning.

Asogwa, O. (2016). Evolution of corporate governance in Nigeria. *African Journal of Business Management, 10*(9), 215–223.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120. In Isidore, P., & Eke, C. (2022). Governance frameworks and hospital performance: A resource-based perspective. *Journal of Health Policy & Management, 15*(2), 98-115.

Bernile, G., Bhagwat, V., & Yonker, S. (2018). Board diversity, firm risk, and corporate policies. *Journal of Financial Economics, 127*(3), 588–612.

Bhagat, S., & Bolton, B. (2008). Corporate governance and firm performance. *Journal of Corporate Finance, 14*(3), 257–273.

Bola, K. (2020). Organizational culture and employee burnout in Nigerian hospitals. *Journal of Workplace Psychology, 16*(2), 34-50.

Chinonso, P., & Ilesanmi, O. (2021). Financial performance and quality service delivery in Nigerian hospitals. *International Journal of Health Economics, 8*(1), 45-60.

Choi, S., Park, J., & Yoo, Y. (2019). Corporate governance: Ensuring fair returns for investors. *Asia-Pacific Journal of Financial Studies, 48*(3), 393–414.

Chukwuma, V., & Eze, A. (2020). Corporate governance effectiveness in private and public hospitals in Nigeria. *Journal of African Health Management, 13*(3), 215-232.

Claessens, S., & Yurtoglu, B. B. (2013). Corporate governance in emerging markets: A survey. *Emerging Markets Review, 15*, 1–33.

Eze, O., Akpan, U., & Okoro, I. (2022). Governance and hospital performance: Evidence from sub-Saharan Africa. *Journal of Health Governance, 7*(2), 88-105.

Eze, U., & Obi, K. (2021). Governance regulations and hospital performance in Nigeria. *Journal of Health Administration, 10*(4), 167-181.

G20/OECD. (2023). *G20/OECD principles of corporate governance*. OECD Publishing.

García-Sánchez, I. M., Hussain, N., & Martínez-Ferrero, J. (2021). Corporate governance and firm performance: A stakeholder perspective. *Business Strategy and the Environment, 30*(5), 2451-2467.

Gompers, P., Ishii, J., & Metrick, A. (2003). Corporate governance and equity prices. *Quarterly Journal of Economics, 118*(1), 107–156.

Gujarati, D. N., & Porter, D. C. (2021). *Basic econometrics* (6th ed.). McGraw-Hill.

Gwala, R. S., & Mashau, P. (2022). Corporate governance in the Fourth Industrial Revolution: Challenges and opportunities. *Corporate Governance: An International Review, 30*(3), 250–265.

Gyang, P., & Mohammed, A. (2022). Ownership structure and organizational performance in hospitals within Northern Nigeria. *International Journal of Healthcare Management, 17*(3), 78-94.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2022). *Multivariate data analysis* (8th ed.). Cengage Learning.

Hussain, N., Rigoni, U., & Orij, R. P. (2021). Corporate governance practices and firm performance: A configurational approach. *International Journal of Accounting & Information Management, 29*(4), 524–546.

Ijaiya, M., Bello, A., & Okafor, L. (2021). Organizational culture and hospital efficiency: A case study of tertiary hospitals in Nigeria. *Journal of African Business, 13*(4), 201-219.

Isidore, A. (2022). Corporate governance in modern organizations. *Journal of Business Ethics, 171*(2), 341–357.

Isidore, P., & Eke, C. (2022). Governance frameworks and hospital performance: A resource-based perspective. *Journal of Health Policy & Management, 15*(2), 98-115.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*(4), 305-360. In Ojo, K., & Fatimilehin, O. (2022). *Corporate governance and agency theory in healthcare institutions*. Abuja: Healthcare Governance Institute.

Kamau, T., & Otieno, J. (2021). Stakeholder engagement in corporate governance and hospital performance in Kenya. *East African Journal of Health Governance, 11*(1), 54-69.

Kothari, C. R., & Garg, G. (2021). *Research methodology: Methods and techniques* (4th ed.). New Age International.

Kyere, M., & Ausloos, M. (2020). Corporate governance and financial performance: Evidence from the United Kingdom. *International Journal of Business and Management, 15*(7), 1–15.

Mensah, A., & Boakye, P. (2022). Leadership style and governance practices in Ghanaian hospitals. *Journal of Public Health Governance, 18*(2), 101-118.

Moyo, P., & Dlamini, C. (2022). Corporate governance and hospital service quality in South Africa. *South African Journal of Healthcare Management, 14*(1), 88-104.

Mutiso, K., & Mwangi, L. (2020). Board diversity and hospital performance in Kenya. *African Journal of Healthcare Governance, 12*(3), 43-59.

Njoku, O., & Eke, I. (2023). The role of audit committees in improving financial performance in Nigerian hospitals. *Nigerian Journal of Health Economics, 16*(2), 92-110.

Nkanga, B., & Udoh, A. (2020). Executive compensation and hospital performance in Nigeria. *Journal of Health Finance, 11*(1), 132-148.

Nwachukwu, A. D. (2021). Corporate governance and national economic growth: Evidence from Nigeria. *Journal of Economic Development, 42*(2), 129–148.

Nwachukwu, C., & Oke, T. (2023). Strategic resource alignment and hospital performance in Nigeria. *African Journal of Business and Management, 15*(1), 67-82.

Nzewi, U., & Ojo, A. (2021). Measuring hospital performance: The role of operational efficiency and patient outcomes. *Journal of Healthcare Administration, 9*(2), 120-137.

OECD. (2004). *G20/OECD Principles of Corporate Governance*. OECD Publishing.

OECD. (2021). *Corporate Governance in Today's Business Environment*. OECD Publishing.

OECD. (2023). *G20/OECD Principles of Corporate Governance 2023*. OECD Publishing.

Ogunyemi, O., & Ojo, P. (2020). Transparency and accountability in hospital governance. *International Journal of Health Policy and Management, 7*(3), 98-112.

Ojo, A., Adeyemi, R., & Bello, O. (2020). Healthcare systems in sub-Saharan Africa: Challenges and opportunities for performance improvement. *African Journal of Health Systems, 8*(4), 215-229.

Ojo, K., & Fatimilehin, O. (2022). *Corporate governance and agency theory in healthcare institutions*. Abuja: Healthcare Governance Institute.

Okafor, C., & Adegbite, M. (2023). Board composition and hospital performance in Lagos, Nigeria. *West African Journal of Healthcare Governance, 19*(1), 75-93.

Okeke, J. (2021). Corporate governance in Nigerian hospitals: Challenges and prospects. *African Journal of Health Policy and Governance, 10*(3), 77-94.

Okeke, J., Uzochukwu, B., & Nwachukwu, P. (2021). Quality care and hospital performance in Nigeria. *Journal of Health Economics & Policy, 11*(1), 145-162.

Okomo, J., & Bassey, T. (2022). Financial sustainability and hospital performance in sub-Saharan Africa. *Journal of Finance and Healthcare Management, 18*(3), 56-73.

Olowu, F., & Olabisi, M. (2020). The impact of financial sustainability on healthcare service delivery in Nigeria. *West African Journal of Public Health, 14*(2), 33-47.

Omotayo, S. (2022). Strengthening hospital governance for improved healthcare outcomes in Nigeria. *Journal of Health Policy and Development, 12*(1), 89-102.

Osei, Y., & Amponsah, G. (2019). Hospital board effectiveness in Ghana. *Ghanaian Journal of Healthcare Policy, 8*(2), 59-76.

Pallant, J. (2020). *SPSS survival manual: A step-by-step guide to data analysis using IBM SPSS* (7th ed.). Routledge.

Rashid, H., & Ismail, A. (2019). Governance disclosure, hospital trust, and patient retention in South Africa. *South African Journal of Health Administration, 9*(4), 120-135.

Sanda, A. U., Mikailu, A. S., & Garba, T. (2005). Corporate governance and firm performance: Evidence from Nigerian firms. *Nigerian Economic Review, 9*(1), 102–119.

Shleifer, A., & Vishny, R. W. (1986). Large shareholders and corporate control. *Journal of Political Economy, 94*(3), 461–488.

Sotonye, A., Lateef, A., & Ene, O. (2024). Corporate failures and governance: Best practices for managerial effectiveness. *Journal of Corporate Governance, 14*(1), 45–63.

Tabachnick, B. G., & Fidell, L. S. (2021). *Using multivariate statistics* (7th ed.). Pearson.

Tricker, R. I. (2020). *Corporate governance: Principles, policies, and practices* (4th ed.). Oxford University Press.

Tunde, I., & Akinola, J. (2022). Governance transparency and patient trust in Nigerian hospitals. *Nigerian Journal of Healthcare Management, 15*(1), 102-119.

Uzochukwu, B., Onwujekwe, O., & Eze, P. (2020). Governance and accountability in African hospitals: A review of best practices. *African Journal of Public Health Governance, 15*(2), 102-118.

Yoshikawa, T., Nippa, M., & Chua, F. (2021). Stakeholder-oriented corporate governance: A global shift in practice. *Corporate Governance: An International Review, 29*(3), 275-293.

Zong-Jun, W., & Xiao-Lan, C. (2022). Corporate governance and supplier-finance relationships: A resource-based perspective. *Journal of Corporate Finance, 72*, 102–120.