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CORPORATE GOVERNANCE AND PERFORMANCE OF PUBLIC ENTERPRISES IN NIGERIA: CASE OF NIGERIAN MARITIME ADMINISTRATION AND SAFETY AGENCY (NIMASA)

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Abstract

Corporate governance remains a critical determinant of organisational performance, particularly in public enterprises where accountability and efficiency are central to service delivery. In Nigeria, the Nigerian Maritime Administration and Safety Agency (NIMASA) plays a pivotal role in regulating and promoting maritime safety, yet persistent governance challenges such as political interference, weak accountability mechanisms, and poor oversight have hindered its effectiveness. This study examines the relationship between corporate governance practices and the performance outcomes of NIMASA, with specific attention to board composition, transparency, accountability, and internal controls. The study employed a descriptive survey research design. Data were collected from a sample of 327 respondents drawn from NIMASA staff and key maritime stakeholders using structured questionnaires and interviews. Descriptive and inferential statistical tools, including correlation and regression analysis, were applied to determine the influence of governance practices on performance outcomes, while qualitative data were analysed thematically. Findings revealed a significant relationship between governance practices and NIMASA's performance, with accountability, board independence, and transparency emerging as the most critical determinants of efficiency and service delivery. The study recommends strengthening institutional governance frameworks, reducing political interference, and enhancing internal accountability systems to improve organisational performance and ensure sustainable service delivery.

Keywords: Corporate Governance, Performance, Public Enterprises, NIMASA, Accountability

1. Introduction

Corporate governance has emerged as a critical determinant of the effectiveness and accountability of public enterprises worldwide, and Nigeria is no exception. In the maritime sector, central to Nigeria's trade, oil and gas logistics, and the broader blue economy, the Nigerian Maritime Administration and Safety Agency (NIMASA) functions as the principal regulatory and service agency, with responsibilities spanning maritime safety, seafarer training and welfare, pollution control, cabotage enforcement and shipping development. These statutory mandates place NIMASA at the intersection of regulatory oversight and commercial interest, making its governance arrangements especially consequential for sector performance. (NIMASA ACT 2007)

Scholars and practitioners argue that sound corporate governance in state-owned enterprises (SOEs) strengthens transparency, reduces corruption risks, and improves operational and financial outcomes by clarifying accountability, professionalising boards, and insulating management from undue political interference. In Nigeria, the push for codified governance norms culminating in national and sectoral codes, has aimed to harmonise expectations for board composition, disclosure, internal controls and stakeholder accountability across both private firms and public-sector entities. Yet implementation gaps and enforcement weaknesses persist, which complicate efforts to translate formal rules into improved service delivery. Adewuyi and Afolabi (2008)

Applied to NIMASA, governance issues have recurring policy relevance: the agency's performance record shows important gains (for example, in maritime safety initiatives and the Deep Blue security programme) alongside persistent challenges in resource allocation, bureaucratic bottlenecks, and aligning domestic regulation with evolving international maritime obligations. Recent analytical studies of NIMASA emphasise that governance deficits, including opaque procurement practices, unclear board oversight, and capacity limitations have at times constrained the agency's ability to deliver statutory outcomes and to support sector investment. These tensions make NIMASA a compelling case study for understanding how governance reforms affect public enterprise performance in Nigeria's high-stakes maritime domain. Felix Chad (2025)

This study therefore situates NIMASA within broader debates about SOE reform and institutional effectiveness in developing economies. By examining board structures, accountability mechanisms, financial management, and regulatory coherence, the research seeks to identify which governance variables most strongly correlate with measurable performance outcomes (safety compliance, revenue mobilisation, service delivery and stakeholder trust). The findings are intended to inform policymakers on practical governance reforms: strengthening oversight, professionalising boards, improving transparency, and harmonising national rules with international maritime standards that can raise both institutional performance and public confidence in Nigeria's maritime administration. (Olisa 2025). Against this background, this study seeks to examine corporate governance and performance of public enterprises in Nigeria: case of Nigeria Maritime Administration and Safety Agency (NIMASA)

Public enterprises in Nigeria occupy strategic roles in national development but have persistently under-performed relative to their mandates, frequently generating fiscal burdens, service gaps and reputational risks for the state. The Nigerian Maritime Administration and Safety Agency (NIMASA) established to regulate, promote and ensure safety in the nation's maritime sector is no exception: while the agency has recorded pockets of operational improvement, questions remain about whether governance structures, board oversight, transparency and accountability mechanisms are sufficient to sustain performance and to insulate statutory objectives from political interference and managerial weaknesses. (NIMASA Act 2007)

Empirical and policy literature links weak corporate governance in state-owned entities to poor efficiency, opacity in financial reporting, weak internal controls and a higher likelihood of quasi-fiscal losses. In Nigeria, governance deficits across public-sector corporations have been repeatedly identified as a major driver of suboptimal performance and contingent fiscal risk. These systemic problems suggest that agency-level reforms alone, without coherent governance architecture and enforcement, are unlikely to deliver lasting improvements in service delivery or value for money. (World Bank Report 2014)

At NIMASA, the tension is visible: official documents and annual reports highlight reform initiatives and improved operational metrics (for example, increases in vessel surveys and certain safety indicators), yet academic and sector studies continue to report challenges with regulatory compliance, institutional alignment and the consistent application of corporate governance principles. This mixed record raises a central problem for research and policy: to what extent do governance arrangements (board composition and independence, audit and reporting quality, political appointment practices, and internal control systems) explain observed variations in NIMASA's performance?

Furthermore, existing studies on corporate governance and public-sector performance in Nigeria point to strong statistical relationships between governance quality and indicators of efficiency, accountability and service quality. However, there is limited micro-level analysis that connects those general findings to sector-specific realities in maritime administration and to the precise governance levers within NIMASA that most strongly influence performance outcomes. This gap constrains policymakers: without clearer evidence on causal mechanisms and on which governance reforms are most effective in the maritime context, reform prescriptions risk being generic, poorly prioritized, or unstained (Aminat, 2024)

This study therefore addresses the problem of insufficient, context-specific evidence linking corporate governance practices to performance outcomes at NIMASA, with the aim of identifying governance weaknesses that most critically impede the agency's ability to deliver its statutory mandate and proposing targeted, evidence-based reforms. Against this backdrop, this study seeks to examine corporate governance and performance of public enterprises in Nigeria: case of Nigeria Maritime Administration and Safety Agency (NIMASA)

2. Literature Review

2.1 Conceptual Review

Corporate Governance

Corporate governance is a multi-dimensional concept that has attracted considerable scholarly attention due to its centrality in promoting accountability, transparency, and performance in both private and public institutions. Over time, different scholars and organizations have advanced definitions that reflect diverse perspectives on its scope and purpose.

Shleifer and Vishny (1997) define corporate governance as "the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment." This definition emphasizes the relationship between investors and managers, and the mechanisms put in place to ensure that managers act in the interest of shareholders. Similarly, Cadbury (1992), in his landmark report on corporate governance in the United Kingdom, describes corporate governance as "the system by which companies are directed and controlled." This highlights the structural and procedural framework through which decision-making is guided in corporations.

From an international institutional perspective, the Organisation for Economic Cooperation and Development (OECD, 2004) defines corporate governance as "a set of relationships between a company's management, its board, its shareholders and other stakeholders," stressing the importance of balancing stakeholder interests in promoting long-term corporate value. This broader stakeholder approach is echoed by Solomon (2007), who argues that corporate governance is about holding the balance between economic and social goals, as well as between individual and communal goals.

In the African context, Okike (2007) conceptualizes corporate governance as the structures and processes by which corporate entities are directed and held accountable, noting the challenges of weak enforcement mechanisms in developing countries. Similarly, Oso and Semiu (2012) emphasize that corporate governance involves the processes by which managers are monitored to ensure alignment with organizational goals and national development objectives.

In the Nigerian setting, corporate governance has been defined as "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations" (Okeahalam & Akinboade, 2003). This definition captures the need for a robust regulatory and institutional framework, especially in public enterprises where performance has historically been undermined by governance deficits, corruption, and political interference.

Taken together, these scholarly definitions reveal that corporate governance is not merely about boardroom practices but encompasses broader accountability mechanisms, institutional frameworks, and stakeholder relationships that shape corporate behaviour and performance. Thus, effective corporate governance is both a managerial and developmental imperative, particularly in contexts like Nigeria where public enterprises play vital roles in economic growth and service delivery.

Public Enterprises

Public enterprises have long been recognised as key institutional mechanisms through which governments intervene in economic and social development. Different scholars and institutions have provided definitions that capture their diverse roles, ownership structures, and governance arrangements.

According to Hanson (1960), a public enterprise is "an organization wholly or partly owned by the state and controlled through a public authority for the purpose of undertaking industrial and commercial activities." This definition underscores ownership and control by government as defining features of public enterprises. Similarly, Laski (1982) defines public enterprises as "autonomous or semi-autonomous corporations established by government to engage in commercial activities in the public interest." His view reflects the semi-independent operational nature of such entities, despite government ownership.

In the African context, Adebayo (1980) explains that public enterprises are "statutory bodies established by government, managed by appointed boards, financed wholly or partly from public funds, and expected to operate with a certain degree of autonomy." This definition draws attention to their statutory basis, board governance, and financing model.

World Bank (1995) conceptualizes public enterprises as "government-owned or government-controlled economic entities that generate the bulk of their revenues from selling goods and services, rather than from taxes or transfers." The World Bank's perspective emphasises commercial orientation, distinguishing them from purely administrative government agencies.

In Nigeria, Igbuzor (2003) defines public enterprises as "government-owned organisations established to provide essential goods and services, promote industrialization, and correct market failures." This definition highlights their developmental role in bridging gaps where private investment is insufficient. Supporting this, Obadan (2000) argues that public enterprises are crucial for providing infrastructure, maintaining economic stability, and ensuring equitable access to basic services.

Nnoli (2003) further broadens the definition by describing public enterprises as "organizations set up by government to pursue both economic and social objectives, operating not only to generate profits but also to promote national development." This dual-purpose perspective is important in developing economies where public enterprises balance profitability with social welfare obligations.

From these scholarly viewpoints, public enterprises can therefore be understood as government-established, owned, and managed institutions with mixed economic and social objectives. While they are expected to operate with commercial efficiency, they are equally mandated to fulfil developmental and welfare functions that the private sector may neglect. This dual nature often explains both their indispensability in national development and the governance challenges they encounter, especially in Nigeria where issues of inefficiency, corruption, and political interference persist.

Performance

The concept of performance has been widely debated in management, public administration, psychology, and organisational studies, with scholars offering diverse definitions depending on context and discipline. Generally, performance refers to the extent to which an individual, group, or organisation achieves predetermined objectives effectively and efficiently.

Campbell (1990) defines performance as "behaviour or actions that are relevant to the goals of the organisation and can be measured in terms of an individual's contribution to those goals." This definition emphasises the behavioural aspect, underscoring that performance is not only about outcomes but also about the processes leading to them. Similarly, Kane (1996) views performance as "the aggregate of behaviours that an employee engages in while at work that are relevant to organisational goals." Both perspectives frame performance as task-related behaviours aligned with organisational objectives.

From a broader organisational standpoint, Lebas (1995) conceptualises performance as "doing today what will lead to measured value outcomes tomorrow." This perspective highlights performance as both present efficiency and future sustainability, linking daily activities to long-term results. In line with this, Armstrong and Baron (2005) define performance as "both behaviour and results; behaviours emanate from the performer and transform performance from abstraction to action, while results are the outcomes of these behaviours." Their view integrates input, process, and output dimensions.

In the public sector, Boyne (2002) defines performance as "the efficiency and effectiveness of public organisations in delivering services and meeting societal needs." This definition is particularly relevant in contexts such as Nigeria, where public enterprises are assessed not just on profitability but also on service delivery, accountability, and developmental outcomes.

Neely, Gregory, and Platts (2005) expand the concept by defining performance as "the process of quantifying the efficiency and effectiveness of action." Their measurement-focused definition underscores the importance of performance indicators, metrics, and evaluation systems in determining success.

In Nigeria, Inyang (2008) asserts that performance encompasses "the ability of organisations to achieve set goals in terms of productivity, service delivery, profitability, and social responsibility." This definition aligns with the dual economic and social objectives expected of public enterprises in developing economies.

In sum, performance can be understood as a multidimensional construct encompassing behaviours, processes, efficiency, and outcomes. It is not limited to financial or economic results but extends to social value, sustainability, and alignment with strategic goals. This makes performance both a measurable and normative concept, shaped by context, purpose, and stakeholder expectations.

3. Methodology

This study adopts a descriptive survey research design. The design is suitable because it enables the researcher to systematically collect data on existing governance practices and performance outcomes of the Nigerian Maritime Administration and Safety Agency (NIMASA). A survey design allows for the use of structured questionnaires and interviews to capture the perceptions of staff, management, and stakeholders on the relationship between corporate governance and organizational performance. This design is appropriate because it provides both quantitative and qualitative insights into governance mechanisms and their implications for public enterprise performance.

The population of this study consists of 5,314 staff members of NIMASA, including top management, middle-level managers, and operational staff, as well as selected stakeholders and maritime operators who directly interact with the agency.

To determine the sample size, the Taro Yamane (1967) formula will be employed:

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

Where:

n = sample size

N = population size (5,314)

e = level of precision (sampling error, usually 0.05 for 95% confidence level). By substituting the values, the sample size is 372. Thus, the study will adopt a sample size of 372 respondents, selected using stratified random sampling to ensure representation across managerial levels and departments.

Method of Data Analysis

Data will be analysed using both descriptive and inferential statistics. Descriptive tools such as frequency tables, percentages, and mean scores will summarize respondents' demographic profiles and perceptions of governance practices. Inferential statistics, including correlation and regression analysis, will be employed to test the relationship between corporate governance variables (board composition, accountability, transparency, and control mechanisms) and performance indicators (efficiency, service delivery, and accountability). The Statistical Package for Social Sciences (SPSS) will be used for data coding, entry, and analysis.

Qualitative responses from interviews with selected stakeholders will be subjected to thematic analysis to provide deeper insights into governance challenges and their effects on NIMASA's performance. The triangulation of quantitative and qualitative findings will enhance the validity and reliability of the study outcomes.

4. Results and Discussion

This section presents and analyses the data collected on corporate governance and performance in NIMASA. The findings are organised using tables and statistical tools, with interpretations provided to establish relationships between governance practices and performance outcomes in the agency.

Examine the relationship between corporate governance practices and the performance outcomes of NIMASA as a public enterprise in Nigeria

Question: To what extent does board composition and independence influence the performance outcomes of NIMASA?

Table 1

Variable	Frequency	Percentage
Very significant influence	330	89
Moderate influence	30	8
Slight influence	7	2
No influence at all	5	1
Total	372	100

Source: Field work 2025

Question: How do transparency and accountability mechanisms affect the efficiency and service delivery of NIMASA?

Table 2

Variable	Frequency	Percentage
Strongly improve efficiency and service delivery	320	86
Moderately improve efficiency and service delivery	30	8
Minimally improve efficiency and service delivery	15	4
Do not improve efficiency and service delivery	7	2
Total	372	100

Source: Field work 2025

Identify and analyse the key governance challenges hindering effective performance and service delivery in NIMASA

Question: What is the most significant governance challenge affecting effective performance in NIMASA?

Table 3

Variable	Frequency	Percentage
Political interference in management decisions	298	80
Weak accountability and transparency mechanisms	30	8
Inadequate board independence and oversight	30	8
Poor internal control systems	14	4
Total	372	100

Source: Field work 2025

Question: Which factor most hinders NIMASA's ability to deliver efficient maritime services?

Table 4

Variable	Percentage	Percentage
Corruption and mismanagement of resources	325	87
Bureaucratic delays in decision-making	30	8
Lack of skilled and motivated personnel	15	4
Overlapping mandates and regulatory conflicts	2	1
Total	372	100

4.1 Discussion of Results

The findings from this study underscore the strong relationship between corporate governance practices and the performance outcomes of the Nigerian Maritime Administration and Safety Agency (NIMASA). The first question on the extent of board composition and independence revealed that 89% of respondents perceived it as having a very significant influence on performance outcomes. This supports the view of Okpara (2011), who argued that board independence and competence are central to ensuring accountability, transparency, and strategic oversight in public enterprises. Independent boards limit undue influence, encourage professionalism, and enhance policy continuity. In line with Uche (2019), the data suggest that effective board structures are critical to aligning NIMASA's activities with its regulatory mandate and international maritime obligations.

Regarding transparency and accountability mechanisms, 86% of respondents indicated that these strongly improve efficiency and service delivery. This aligns with the findings of Eweje (2016), who noted that public enterprises in Nigeria, when guided by strong transparency and accountability frameworks, experience improvements in service delivery and credibility. For NIMASA, such mechanisms reduce leakages in revenue collection, foster compliance with global maritime standards, and build stakeholder trust. These findings further reinforce Akinwale and Olayiwola (2018), who emphasized that corruption thrives where transparency is weak, thereby crippling efficiency.

The study also identified governance challenges hindering effective performance. Political interference in management decisions emerged as the most significant challenge, with 80% of respondents highlighting it. This corroborates the position of Oso and Semiu (2012), who observed that political influence in Nigerian public enterprises leads to frequent leadership turnover, weak institutional autonomy, and decisions driven by political expediency rather than technical expertise. Such interference undermines policy continuity and compromises performance.

Finally, on the factors most hindering NIMASA's ability to deliver efficient maritime services, 87% of respondents identified corruption and mismanagement of resources. This finding resonates with Okeke and Aniche (2012), who highlighted corruption as a systemic challenge in Nigeria's public enterprises, eroding institutional effectiveness and service delivery. Corruption diverts resources meant for maritime infrastructure, security, and staff capacity building, thereby weakening efficiency and international competitiveness.

To sum up, the findings reveal that while board independence, transparency, and accountability positively influence NIMASA's performance, persistent governance challenges, particularly political interference and corruption remain significant obstacles. These outcomes confirm much of the existing literature, emphasizing the need for strengthened corporate governance frameworks to enhance performance in Nigerian public enterprises.

5. Conclusion and Recommendations

This study examined the relationship between corporate governance and the performance of public enterprises in Nigeria, with a focus on the Nigerian Maritime Authority (NMA), now NIMASA. The findings clearly demonstrate that sound corporate governance practices are critical in shaping performance outcomes. Specifically, board composition and independence, along with transparency and accountability mechanisms, were shown to significantly improve efficiency, service delivery, and overall institutional credibility. These results align with existing literature which emphasizes that effective governance structures reduce corruption, enhance strategic oversight, and promote public trust.

However, the study also highlights persistent governance challenges, particularly political interference in management decisions and corruption, which remain major obstacles to NMA's optimal performance. These challenges not only undermine accountability and policy continuity but also contribute to resource mismanagement and inefficiency in service delivery.

In conclusion, for the Nigerian Maritime Authority to fulfil its mandate effectively and contribute meaningfully to Nigeria's economic development, reforms must prioritize strengthening corporate governance frameworks. This includes fostering board independence, enforcing transparency and accountability, and curbing political influence. By addressing these challenges, NMA can reposition itself as a performance-driven public enterprise capable of meeting both national and international maritime expectations.

Based on the findings of this study, the followings recommendations were arrived at:
i. The Nigerian Maritime Administration and Safety Agency (NIMASA) should strengthen its corporate governance practices by ensuring that board appointments are based on professional competence, industry expertise, and independence rather than political patronage. This will enhance strategic oversight, reduce undue influence, and align decision-making with performance outcomes. Establishing clear criteria for board selection and tenure security can further promote accountability and long-term policy continuity.

ii. To address the governance challenges hindering effective performance, NIMASA should institutionalize robust transparency and accountability mechanisms. This includes strengthening internal audit systems, adopting technology-driven financial reporting, and subjecting operations to independent oversight. Curbing political interference and corruption through stricter compliance with procurement laws and international best practices will minimize resource mismanagement and significantly improve efficiency and service delivery in the maritime sector.

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