International Journal of Management, Social Sciences, Peace and Conflict Studies (IJMSSPCS), Vol.5 No.2 June, 2022; p.g. 87- 97; ISSN: 2682-6135

MANAGERIAL OPPORTUNISM, DIGITAL BANKING AND THE PERFORMANCE OF MICROFINANCE BANKS IN NIGERIA

ANON JONAH EHIABHI
Faculty of Administration and Law
Ahmadu Bello University Distance Learning Center
Ahmadu Bello University Zaria, Nigeria
Email: Jonah.anon@gmail.com
PHONE NUMBER: +2348144799335

Abstract

The performance of microfinance banks (MFBs) in Nigeria is a major economic and political issue that has been the subject of various studies. The relationship between shareholders and managers of MFBs is expected to result in profitability if all norms in the act of funding, monitoring, management, and work environment are met. However, a considerable number of these institutions were forced to collapse. As a result, the government's efforts to employ MFBs to enhance rural people' living standards, alleviate poverty, and provide microcredit to both rural and urban populations failed to provide the desired results. Accounting choices and disclosures in financial reporting can be harmed by opportunistic financial information distortion driven by a manager's desire to fulfil predetermined earnings targets. Accounting measures' reliability and informative value will be degraded if their contracting and controlling responsibilities are breached, because they are utilized to judge a company's underlying economic performance. As a result, in order for the agents to play the dependable, contracting, and regulating roles that the principal expects, the metrics must be done with a high level of trust in them. Agents regularly backslide on this position due to management opportunism, resulting in the system's inability to provide expected revenues with the agent's and professionals' honesty. All traditional banking activities and programs that were previously only available in person at a bank branch have been digitized. By eliminating human mistake and enhancing customer loyalty, digital banking may help microfinance institutions counteract the influence of management opportunism on their success. In the context of digital banking, the impact of management opportunism on the performance of microfinance banks in Nigeria was explored. The results of both fixed and random effects estimations revealed that none of the parameters included to explain the consequences of managerial opportunism on microfinance bank performance in Nigeria are significant, with digital banking as one of the control variables. This suggests that managerial opportunism has no influence on the performance of microfinance banks in Nigeria when it comes to digital banking.

Keywords: Managerial Opportunism, Digital Banking, Performance, Microfinance Banks, Banks.

Introduction

The banking system in Nigeria is modelled after that of the United Kingdom. The system has developed away from commercial banking and toward unit banking after community banks were established in 1991 as part of the government's development drive. Prior to the introduction of Community Banks, the Central Bank of Nigeria (CBN) put in place certain procedures to bring bank services to the doorstep of the rural populace and improve credit delivery in order to improve rural life quality. Examples include the 1977 Rural Banking Scheme, the 1977 Agricultural Credit Guarantee Scheme, the Nigeria Agricultural and Cooperative Bank, and the Nigeria Bank for Commerce and Industries. These institutions were established to assist the rural development initiative. None of these measures, according to the CBN, resulted in a major increase in rural inhabitants' quality of life, leading the development of the Community Bank as a policy focus of the Structural Adjustment Program, which began in 1986. (1986 CBN Monetary Reports), Despite these efforts, Community Banks were unable to achieve its objectives, and regulated Microfinance Banks were established to replace the old Community Banks in 2005, following the formation of the Microfinance policy in Nigeria by the Central Bank of Nigeria. (According to CBN, 2005). This was motivated by the popular perception of microfinance as the last hope for the economically engaged poor. Trust and confidence are two of the most significant elements in the banking industry, as they encourage long-term connections between business owners, managers, and the outside world, resulting in optimal performance (Ekundayo, 1996). Gaining the trust and confidence of the banking public becomes extremely difficult if this guarantee is not offered. This means that bank shareholders, boards of directors, and managers must ensure that their institutions are doing successfully if the banking system's policy thrust toward financial inclusion is to be realized. Despite huge financial guarantees from the government and authorities, microfinance banks (MFBs) have not functioned satisfactorily, according to the CBN (205). As of the end of 2010, 224 MFBs had been liquidated, according to the Nigeria Deposit Insurance Corporation (NDIC). (NDIC, 2010). Another 83 MFB licenses were cancelled in 2014, bringing the total to 882. (2014, NDIC Reports). In addition, 563 MFBs were designated as unhealthy as of the end of 2014. (CBN, 2014). The public's trust in the Nigerian financial system has always been weakened by these situations. The failures were linked to the board of directors' lack of corporate governance, undercapitalization, liquidity, bad lending, and board characteristics (NDIC, CBN Routine reports, 2014).

Some executives engage in managerial opportunism, such as earnings management. The idea of agency and the concept of conflict of interest are used to predict that managers will choose to participate in improper action for personal gain. Manipulation of earnings would undermine investor trust and hurt the capital market. Digital Banking is the digitalization of all traditional banking activities and initiatives formerly available to consumers when physically inside a bank office. These activities include money deposits, withdrawals, and transfers. One of the advantages of digital banking is the ability to eliminate management opportunism. This study looks into the effects of managerial opportunism in the setting of digital banking on the performance of microfinance banks in Nigeria. The study looked at microfinance banks in Southwestern Nigeria between 2005 and 2015. The years 2005 to 2015 were chosen because microfinance banks' policy was established in 2005, which also coincided with the expansion of digital banking in Nigeria. The study is broken into five sections. Section one contains the introduction, part two has a review of linked literature and a theoretical framework, and section three contains research methodology. Part four contains data presentation, analysis, and interpretation of results, while section five contains findings, conclusions, and policy recommendations.

Review of Related Literature

In Nigeria, microfinance development can be separated into three periods: the 1980s, early 1990s, and late 1990s. Microfinance was restricted to the microcredit program supported by governments and/or donors with a concentration on the agricultural sector from the 1950s through the 1980s (Glaubitt et al, 2006). The microcredit program's effectiveness during this time period was due to its non-collateralized outreach to the target consumers, disadvantaged households and microenterprises. However, there were a number of flaws with this application (Glaubitt et al, 2006). The flaws of the previous period were gradually rectified beginning in the early 1990s by progressive integration into the mainstream financial sector, which built cost-efficient operations and expanded the customer base for microfinance programs. To put it another way, microfinance programs became microfinance models when they made financial sustainability one of their goals and expanded their clients to include all impoverished people, not only those in the agricultural sector (Glaubitt et al, 2006; Hamada, 2010). Since operating as microfinance models sponsored by governments/donors proved incompatible with the mainstream banking sector, microfinance models have been transitioning into microfinance institutions (MFIs). This has resulted in a huge number of clients and qualifying financial products; also, networks linking MFIs and commercial banks have been established (Glaubitt et al, 2006).

Past Nigerian governments have implemented a variety of publicly funded micro/rural credit initiatives, schemes, and policies aimed at the poor. Rural Banking Program, Sect oral credit allocation, Concessionary interest rate, and Agricultural Credit Guarantee Scheme are among them (ACGS). To improve the provision of finance to the agricultural sector, the government established institutions such as the Nigerian Agricultural and Co-operative Bank Limited (NACB), the National Directorate of Employment (NDE), the Nigerian Agricultural Insurance Corporation (NAIC), the Peoples Bank of Nigeria (PBN), the Family Economic Advancement Program (FEAP), and the Nigerian Agricultural Co-operative and Rural Development Bank Limited (NACRDB). The National Poverty Eradication Program (NAPEP) was established with the goal of providing financial assistance to those who are poor. In addition to micro credit schemes, other policies/measures enacted to stimulate the economy include Operation Feed the Nation (OFN), Green Revolution, Petroleum Trust Fund (PTF), Better Life for Rural Dwellers, and Community Banks (CBs), which were targeted specifically at the poor. Microfinance Banks (MFB) were established in Nigeria in response to the shortcomings and failures of community banks. The Central Bank of Nigeria (CBN) developed three categories of Microfinance Banks for efficiency and effectiveness, as well as to comply with regulations: Unit, State, and National MFBs: a unit Microfinance Bank is only allowed to work in one place. State Microfinance Bank is authorized to operate in one state or the Federal Capital Territory (FCT) and is required to have a minimum paid-up capital of N20 million. It is prohibited from having branches and/or cash centers. It is permitted to open branches within the same state or the FCT, but only with the CBN's prior written consent for each new branch or cash center. The National Microfinance Bank is licensed to operate in multiple states, including the Federal Capital Territory. It must have a minimum paid-up capital of N2 billion and be permitted to open branches in all states of the Federation and the FCT, subject to the CBN's prior written approval for each new branch or cash center. According to CBN reporting on MFBS, a considerable number of MFB licenses have been liquidated for non-performance from 2005 to date. CBN (2011) and in 2014, another 83 MFB licenses were withdrawn out of 900 existent, with 224 MFBs dissolved in 2010. (2015).

There are various perspectives on what performance is. One perspective is concerned with the record of outcomes achieved, or performance as accomplishments. Another viewpoint is that performance is about completing tasks that are behavioral in nature. Performance, according to Akintonde (2013), is a multi-dimensional concept whose measurement differs depending on whether the measurement goal is to analyze performance results or behavior. According to Nnabuife (2009), performance is defined as individual efforts that result in a specified output that is matched with the expected reward by management. Performance is described as the outputs of work by Armstrong (2004) and Akintonde (2013) because they have the strongest link to the organization's strategic goals, customer happiness, and economic contributions. According to Hornby et al. (2010), performance is defined as the act or process of completing a task, an action that requires a significant amount of effort, or how well or poorly you do something or how well something functions. In Akintonde (2013), Brumbach (1988) takes a broad view of performance. It refers to both actions and outcomes. Performance is transformed from abstraction to action through the performer's actions. Not only are behaviors instruments for results, but they are also outcomes in and of themselves (products of mental and physical effort given to activities) that can be appraised by the outcomes. This concept encompasses both behavior and outcomes, implying that both inputs and outputs must be considered while managing the performance of teams and individuals. That is, management need performance evaluation, assessment, or appraisal in order to plan, control, and make successful economic financial decisions (Adeniyi, 2011).

The presence of opportunistic financial information distortion caused by a manager's drive to meet established earnings targets had a negative impact on accounting choices and disclosures in financial reporting under the agency relationship between principal and agents (Levitt, 1998; Healy et al., 1987; Healy, 1985). The agents are tasked with carrying out responsibilities assigned by the principal for the principal's advantage. When a professional, such as an auditor or a contractor, is hired, the agent must not make a hidden profit or join a third party to the harm of the principal. Because accounting measures are used to gauge a firm's underlying economic performance, violating their contractual and controlling roles will reduce the metrics' reliability and informational value (Watts & Zimmerman, 1990). As a result, the metrics must be done with a high degree of confidence in the agents in order to play the reliable and informative, contractual, and controlling roles needed by the principle. However, because of management opportunism, agents frequently abandon this function, resulting in the system's incapacity to generate expected earnings with the agent's and professionals' honesty. This is a regular occurrence in the management of MFBs. The fraudulent activities of external auditors appointed by agents who would increase their audit fees on firms with higher amounts of free cash flow, resulting in breaches in governance and financial reporting integrity, are a serious threat to the reliability of accounting information in controlling and monitoring management efficacy, value judgment, and safeguarding stakeholder interests (Tsui, 2001). As more corporate scandals involving accounting irregularities emerge, the true and fair concept of accounting information is eroding. Accrual basis accounting allows for adjustments to cash basis accounting for a more accurate representation of a firm's financial position (Whelan & McNamara, 2004). The accrual accounting technique sends a signal to the market in terms of information. If accrual accounting is utilized haphazardly, however, profits measures may become unreliable (DeFond&Jiambalvo, 1994; Watts & Zimmerman, 1978).

Idolor (2010) analyzed the primary types of bank fraud that occur often in the banking system in his study Bank Frauds in Nigeria: Underlying Causes, Effects, and Possible Remedies. The point is to connect this to microfinance scams. The responses to rating scale questions were assessed for significance using the "t-test" on a sample of 100 respondents in Benin City, the capital of Edo State, Nigeria. According to the findings, respondents did not consider unofficial borrowing misconduct to be types of bank fraud because it was a common and widespread practice. It also found that staff members were equally involved in planning and implementing fraud, with fraud concealment being last on their priority list. Additionally, greed, dishonesty, and poverty were identified as key individual issues, whereas inadequate personnel, weak internal controls, inadequate training, and poor working conditions were identified as organizational concerns. In Nigeria, these were also some of the reasons for MFB's collapse. Greed, a lack of personal ethics, and poor corporate governance were also cited by respondents as management elements that aid in the spread of fraud in MFBs.

Furthermore, in their article on ethics and professionalism in Nigeria, Ikpefan and Ayeni (2015) found that while many Nigerian banks and bankers are aware of the Code of Ethics and Professionalism in the Banking Industry, not all Nigerian banks have implemented the Code. Unethical behavior was also discovered to be the cause of bank difficulty. The penalties for unethical/unprofessional behavior appear to be inadequate. They advised that the Nigerian Banking Industry encourage better understanding of ethics and the Code of Ethics, as this is the most effective approach of fostering ethical behavior. "The Impact of Microfinance Banks on Economic Growth in Nigeria," by Apere (2016), looked into the impact of microfinance banks on economic growth in Nigeria from 1992 to 2013. This analysis was conducted using quantitative secondary data from the Central Bank of Nigeria (CBN) statistical bulletin (2013). The study's empirical evidence reveals that well-coordinated microfinance bank activities have the potential to influence the entire economy. According to the magnitude and level of significance of the coefficient and p-value, microfinance bank loans and domestic investment significantly and positively affect the growth of Nigeria's economy, and there is a long-run relationship between microfinance bank loans, investment, and economic growth in Nigeria. On "Universal Basis of Bank Failure – The Nigeria Case," Egbo (2012) examined the causes and repercussions of bank failures, as well as the theoretical level and other root causes, as well as the consequences of bank failure and lessons learned from the Nigerian perspective. Balago (2014) uses existing secondary data acquired from a survey of vast theoretical and empirical studies on agency models to generate and convey its arguments in his conceptual overview of agency models of performance evaluation. In conclusion, the study discovered that agency theory provides a cohesive framework for analyzing managerial accounting challenges. The model provides a unique, realistic, and empirically testable perspective on cooperative effort challenges, and can thus be recommended for use when examining agent-principal problems in businesses.

Methodology

The research is based on agency theory. Jensen and Mekling (1976) created agency theory to describe the contractual relationship between corporate entity owners and managers. In the broadest sense, an agency relationship exists whenever one party (the principal) is dependent on the actions of another party (the agent) (Pratt &Zeckhauser, 1985,). The main reason for forming an agency partnership is that the principal requires assistance with a certain assignment. The principal hires the agent because the agent has the necessary skills and talents to do the mission. The principle may lack certain talents and abilities, or he may be less effective than the agent at doing the responsibilities. Mr. Petersen (1993). The principle and the agent are regarded as self-serving actors. Furthermore, some agency theorists assume principals and agents to be utility maximizers, while others do not (explicitly) assume this. The utility maximization assumption is particularly significant for mathematically oriented principal-agent researchers since it enables for mathematical modeling and prediction of circumstances that would otherwise be impossible. Sample Size, Population, and Sampling Technique As of December 2015, the study covered 300 microfinance banks (300) out of 332 MFBs scattered throughout six states in southern Nigeria (CBN,2015). Lagos, Ogun, Osun, Ondo, Ekiti, and Oyo states are among those affected. Also presented were the three categories of MFBs: national, state, and unit. Lagos is the only state in the south west with 5 National MFBs out of Nigeria's total of 6, with the remaining 1 in the south south. Lagos also has 30 state MFBs and 266 out of 293 unit MFBs licensed for operation (CBN, 2015). As a result, the study encompassed the majority of MFBs in the South West, starting with Lagos. The study is an ex post facto investigation into the link between the variables under question. Between 2005 and 2015, a cross sectional design was utilized to investigate the association between Principal/Agents and MFB performance in South Western Nigeria. The Proportional Stratified Sampling approach was used to establish the sample size for the investigation. Because samples had to be taken from each type of MFB, this was chosen (Unit, State and National). "Proportional Stratified sampling technique produces excellent results if the dispersion in the various strata is of nearly equal magnitude," writes Hassan T (1995). Furthermore, Hansen, Morris, and colleagues (1953) proposed that "the basic notion in stratified sampling is that already existing knowledge of the population is used to split it into groups so that elements within each group are more alike than elements in the population as a whole." A total of 300 MFBs were studied out of a total of 332. ThirKettle (1976) said that "a reasonable large number of items were on average indicative of the features of the large group (or population)." Before the selection was analyzed in this study, the Questionnaire was stratified into the sorts of MFBs. In Lagos State, 138 units were proportionally sampled from 24 states and 5 national MFBs; in Ogun State, 44 units were proportionally sampled from 1 state. In Oyo State, 41 units were proportionally sampled from 6 states, whereas in Osun State, 24 units were proportionally sampled from 2 states. Ten units were proportionally sampled in Ondo State, while six units were proportionally sampled in Ekiti State. Each Chief Executive Officer, top-level management, middle-level manager, head of operations, or director of the bank was given a questionnaire to complete. The officer was supposed to be able to speak for other agents.

Table 1: Extracts from the CBN Report on MFBs in Nigeria's South-West (December 2022)..

States	No. of MFBS	Nat.	State	Unit	Total group sampled			
					NATL.	State	Unit	Total Sampled
LAGOS	173	-	24	143	5	24	138	
OGUN	50	-	1	49	-	1	44	
OYO	54	-	6	48	-	6	41	
OSUN	31	-	2	29	-	2	24	
ONDO	14	-	-	14	-	-	10	
EKITI	10	-	-	10	-	-	6	
TOTAL	332	5	33	293	5	33	263	300

Source: Author's computation (2022)

Research Technique

The questionnaire was administered by the researcher. As mentioned earlier, the questionnaire survey mainly answers research questions related to Principal-agent relationship. However, this research used not only questionnaire but secondary data to measure the variables of Principal-agent relationship mechanisms, as well as the MFBs' performance variables. Any information that could not be gotten from primary data was gotten through secondary data. To achieve the objective the study this is an examination of the influence of digital banking within the environment of managerial opportunism on the performance of microfinance banks in Nigeria. The study employed both parametric and non-parametric technique. The parametric strategies assisted the study to generalize the outcome of the research through the sample parameter. The non-parametric method included simple percentage, ratios and averages while the parametric statistics used the multiple regression analysis for the purpose of generalizing the result obtained from 300 MFBs used for the study. The first ten (10) questions were based on demographic information to extract personal information about each bank's respondent. The remaining one hundred questions are based on the four (4) objectives of the research. The relationship among the shareholders, directors, management employees, government policies and environment as captured in the questionnaires were to be used for the analysis. The shareholders developed mechanism used to control the activities and decision of the management in order to maximize the long term firm's value. The MFBs banks were classified according to the bank minimum paid-up capital requirements (i.e. N20 million, N100million and N2 billion for Unit, State and National MFBanks' respectively).Therefore, the sample size was made up of MFBs' shareholders, stratified into three strata (that is, Unit, State and National Banks) that were considered very crucial in the study; The questionnaires were distributed based on the board size of the banks to ensure fair representation; The sample size of 300 was used from 332 MFBs in the south western state as reported by CBN as at the end of December 2015.

The setting of roles is to ensure MFBs live above board in other to fulfill the purpose for which it was created. The model for the estimation of the effects of managerial opportunism on the performance of MFBs' given digital banking is expressed in equation 1 below:

MFB =f (FCF, LEV, ROA, BSZE, ESOS) (1)

Where:

LEV = Financial Leverage

ROA = Profit before Tax
BSZE = Bank size to improve on
FCF = Digital Banking
ESOS = Expected gain by the managers
Equation (1) can be explicitly written as:
MFB = $\beta 0 + \beta 1LEV + \beta 2ROA + \beta 3BSZE + \beta 4FCF + \beta 5ESOS + \varepsilon$

Empirical Analysis

In order to present accurate characteristics of the variables examined, the descriptive statistics are presented below. The minimum values, maximum values, mean and standard deviation of the variables are reported in the Table 2. Also, the results of correlation matrix are presented in Table 3. These show that the problem of multicollinearity is nonexistent among the variables examined. The results of the effects of managerial opportunism within the environment of digital banking on the performance of microfinance banks in Nigeria are presented in Table 4. To ensure robustness of the estimates, both fixed and random effects estimation are explored. The results reveal that none of the variables included to explain the effects of managerial opportunism within the environment of digital banking on microfinance banks performance in Nigeria is significant. This implies that the study could not detect the presence of managerial opportunism in Nigeria microfinance banks, given digital banking. This indicates that the sharp practices of managers are greatly curbed. The insignificance of the parameters estimated as presented in Table 4 signifies that given digital banking practice, managerial opportunism has no significant effect on the performance of microfinance banks in Nigeria.

Table 1: Descriptive Statistics

	ROA	FCF	ESOS	LEV	BSZE
Mean	-0.0325	76.8517	23.3377	0.4167	236.8354
Median	0.0046	63.2500	11.5700	0.3969	149.2500
Maximum	1.7636	2559.9800	368.0000	1.8570	1351.6300
Minimum	-8.2508	0.0000	-107.1200	0.0088	15.4500
Std. Dev.	0.4491	123.3598	41.2187	0.2208	226.7521
Observations	510	510	510	510	510

Source: Author's calculations

Table 2: Correlation Matrix

	ROA	FCF	ESOS	LEV	BSZE
ROA	1.0000				
FCF	0.0213	1.0000			
ESOS	0.0039	-0.0311	1.0000		
LEV	0.0001	-0.2136	0.1432	1.0000	
BSZE	0.0460	-0.0237	0.3936	-0.0765	1.0000

Source: Author's calculations

Table 3: The effects of managerial opportunism on microfinance banks performance

Dependent Variable: PROF (ROA, Return on Asset)				
	Fixed Effects		Random Effects	
Variable	Coefficient	Prob	Coefficient	Prob
C	-0.1158	0.4585	-0.0708	0.1908
FCF	0.0000	0.9968	0.0001	0.5912
ESOS	0.0006	0.6218	-0.0002	0.7067
LEV	0.0405	0.8605	0.0250	0.7933
BSZE	0.0002	0.6151	0.0001	0.2656
R-squared	0.3754		0.0030	
F-statistic	0.9518		0.3772	
Prob(F-statistic)	0.6454		0.8250	
Durbin-Watson stat	3.5503		2.2210	

Source: Author's calculations

Conclusion and Recommendations

The major goal of this research is to look into the consequences of managerial opportunism on microfinance bank performance in the age of digital banking. Given digital banking, the results show that management opportunism has no substantial impact on microfinance institutions. Earnings management reflects management's opportunistic behavior; while this circumstance still exists, it has little impact on microfinance banks' profitability. Regulatory organizations, particularly the NDIC, should consider modifying the criteria and screening procedure for microfinance banks in Nigeria, in keeping with the Nigerian government's goal of using them to channel loans to rural populations and the agricultural industry. Furthermore, taking into account the characteristics and conclusions of this study would raise awareness, provide recommendations to boards, and boost public confidence in microfinance banks all at the same time. Limitations that could alter the underlying variables, on the other hand, could result in inconsequential outcomes. In order to boost microfinance bank activities in Nigeria, the government should encourage wider usage of digital banking.

References

Acha I. A. (2012), International Journal of Finance and Accounting p-ISSN: 2168-4812 e-ISSN: 2168-4820 2012; 1(5): 106-111 doi: 10.5923/j.ijfa.20120105.04

Arrow, K. (1985). The Economics of Agency. Principals and Agents: The Structure of Business. Boston: Harvard Business School Press, 37-51

Ferri.,Fabrizio., Maber., David. 2009. „Say on pay vote and CEO compensation: Evidence from the UK"

Asika, N (1991): Research Methodology in the Behavioural Sciences, Longman Nigeria, Lagos. Assessment and Evaluation in Higher Education 19 (2), 99-108.

Athanasoglou, P.P., Brissimis, S.N. and Delis, M.D. (2005) "Bank-Specific, Industry-Specific and Macroeconomic Determinants of Bank Profitability"Bank of Greece Working Paper, No. 25.

Bakerman, H. G., & Gomez-Mejia, L. R. 1988. Managerial compensation and firm performance: A general research framework. Academy of Management Journal, 41: 135-145.

Banard Chester I(1972) The Functions of the Executive, Cited in Richard H. Hall, Organizations: Structure& Process. Eaglewood Cliffs, New Jersey: Prentice Hall, Inc., 1972.

Barnett, R. (1992). Improving Higher Education. Total Quality Care. Buckingham: SRHE & Open University Press.

Bello, Abdullahi, (2005), " Bank Consolidation and =N= 25 billion Recapitalization Another Perspective", www.unionbanking.com extracted on 23rd August, 2010.

Bergen, M., Dutta, S. &Walker, O.C. Jr. (1992). Agency Relationships in Marketing:A Review of the Implications and Applications of Agency and Related Theories.

Bohren, O. (1998). The Agent's Ethics in the Principal-Agent Model. Journal of Business Ethics 17, 745-755.

Braun, D. (1993). Who Governs Intermediary Agencies? Principal-Agent Relations in Research Policy-Making. Journal of Public Policy 13 (2), 135- 162. Brehm, J. and Gates, S. (1997). Working, Shirking and Sabotage. Bureaucratic Response to a Democratic Public. (Paperbacked). AnnArbor: The University of Michigan Press.

Broadbent, J., Dietrich, M. & Laughlin, R. (1996). The Development of Principal Agent, Contracting and Accountability Relationships in the Public Sector: Conceptual and Cultural Problems. Critical Perspectives on Accounting 7 (3), 259-284.

Brown Johnson, N. &Droege, S. (2004). Reflections on the generalisation of agency theory: Cross-cultural

Cave, M., Hanney, S., Henkel, M. &Kogan, M. (1997). The Use of Performance Indicators in Higher Education. The Challenge of the Quality Movement. Higher Education Policy Series 34. (3rd ed.). London: Jessica Kingsley Publishers

Central Bank of Nigeria (1986). Report on Monetary policy and guideline on Financing credit rural banking

Charreaux, G. (2002). Positive agency theory: place and contribution. In Brousseau E. &Glachant, J-M. (eds.) The Economics of Contracts. Theories and Applications. Cambridge: Cambridge University Press Chicago, IL.

Chipunza, Crispen, Samuel, O. Michael, and Mariri, Tendai,. (2011), Leadership style, employee motivation and commitment: Empirical evidence from a consolidated retail bank operating in a depressed economy, African journal of business management Vol 5(20), pp. 8,337-8,346

Cambridge surveys of economic literature. Cambridge University Press.

Eisenhardt, K. (1989). Agency theory: An assessment and review. Academy of Management Review 14 (1), 57-74.

Godfrey, J., Hodgson, A., Holmes, S., &Tarca, A. (2006). Accounting Theory (6th ed). Australia: John Wiley.

Gomez-Mejia, L.R. &Balkin, D.B. (1992). Determinants of Faculty Pay: An Agency Theory Perspective. Academy of Management Journal 35 (5), 921- 955.

Gornitzka, Å.,Stensaker, B., Smeby, J-C. & de Boer, H. (2004). Contract Arrangements in the Nordic Countries. – Solving the Efficiency/ Effectiveness Dilemma? Higher Education in Europe 29 (1), 87-101.

Gul., F., &Tsui, J. (2001). Free cash flow, debt monitoring and audit pricing: Further evidence on the role of director equity ownership. Auditing: A journal of Practice& Theory, 20(2), 71-84. http://dx.doi.org/10.2308/aud.2001.20.2.71

Healy, P., Kang, S., & Palepu, K. (1987). The effect of accounting procedure changes on CE Oiis cash salary and bonus compensation. Journal of Accounting and Ecnomics,9(January), 7-34. http://dx.doi.org/10.1016/0165-4101(87)90015-2

Hendry, J. (2005). Beyond Self-Interest: Agency Theory and the Board in a Satisfying World. British Journal of Management 16 (1), S55-S63.

Hesterly, W. S., Liebeskind, J. & Zenger, T. R. (1990).Organizational Economics: An Impending Revolution in Organization Theory? Academy of Management Review 15 (3), 402-420.

Hirtle, Beverly, (2007). "The impact of network size on bank branch performance," Journal of Banking & Finance, Elsevier, vol. 31(12), pages 3782-3805, December.

Hlupeko D and Matanda E, (2015), "The Downfall Of The Micro Lending Businesses in Zimbabwe: Causes And Remedies" International Review Of Research In Emerging Markets and The Global Economy (Irrem)

Kim, P. K., &Rasiah, D. (2010). Relationship between corporate governance and bank performance in Malaysia during the pre and post Asian financial crisis. European Journal of Economics, Finance and Administrative Sciences, 11(2), p. 25.

Kirby, S. L. & Davis, M. A.(1998).A Study of Escalating Commitment in Principal- Agent Relationships: Effects of Monitoring and Personal Responsibility. Journal of Applied Psychology 83 (2), 206-217.

Kivistö, J.A. (2005). Agency Theory as a Theoretical Framework for Describing Government-University Relationships – Strengths and Weaknesses of the Theory.

Paper presented at the Annual Conference of the Association for the Study of Higher Education (ASHE). November 16 – 20, 2005, Philadelphia, PA.

Koehn, M., Santomero, A. 1980. Regulation of bank capital and portfolio risk. Journal of Finance 35, 1235-1244.

Koelble, T.A. (1996). Economic Theories of Organization and the Politics of Institutional Design in Political Parties. Party Politics 2 (2), 251-263.

Koontz, H, O' Donnel, N C and Weihrich, H (1980). Management, International students Edition, Aukland: McgrawHill International Book Company,

Kutum (2015) Predicting the Financial Distress of Non-Banking Companies Listed on the Palestine Exchange (PEX) Research Journal of Finance and Accounting www.iiste.orgISSN 2222-1697 (Paper) ISSN 2222-2847 (Online) Vol.6, No.10, 2015 79

Laffin, M. (1997). Understanding Minister-Bureaucrat Relations: Applying Multi- Theoretic Approaches in Public Management. Australian Journal of Public Administration 56 (1), 45-58.

Lambert, R.A.(2001).Contracting theory and accounting. Journal of Accounting and Economics 32 (1-3),3-87.

Lane, J.E. (2005). Agency Problems with Complex Principals. State Oversight of Higher Education: A Theoretical Review of Agency Problems with Complex Principals. Paper presented at the Annual Conference of the Association for the Study of Higher Education (ASHE). November 16 – 20, 2005, Philadelphia, PA.