

**Corporate Governance, Firm-Specific Factors and Sustainability of Fast-Moving  
Consumer Goods Manufacturing Companies in Nigeria**

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**Being a PhD Thesis Presentation to the Department of Management and Accounting,  
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## Certification

This is to certify that Mustapha Aikins Suleiman with matriculation number LCU/PG/001997 carried out a thesis entitled “Corporate Governance, Firm-specific Factors and Sustainability of Fast-Moving Consumer Goods Manufacturing Companies in Nigeria” in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University Ibadan, Nigeria under my supervision and that this work has not been previously submitted.

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## **Dedication**

This research work is heartily and proudly dedicated to all those who served as an inspiration, starting with my family, supervisor, lecturers, and circle of friends who extended their help amid problems encountered while conducting this study.

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Even though the above-mentioned institutions and persons have assisted in the process of this research work, I alone stand responsible for the errors, if any, found in the work.

## Abstract

The turbulent nature of the environment within which the manufacturing sector operates in Nigeria has led to the closure of several manufacturing companies over the years. Noticeably, to sustain their operations in the face of the dynamic environment, corporate strategies have been inclined towards shrinking firm sizes and moving to a cost-advantaged location outside Nigeria. The development raises the question of what relevance is corporate governance (measured by accountability, agile leadership, and stakeholder management) and firm-specific factors (measured by firm size and operational efficiency) in addressing the issues affecting the sustainability of the fast-moving consumer goods manufacturing companies in Nigeria. Thus, the study examined the effect of corporate governance and firm-specific factors on the sustainability of fast-moving consumer goods manufacturing companies in Nigeria and further interrogated the intervening effects of environmental dynamism on the interaction between corporate governance, firm-specific factors, and sustainability of fast-moving consumer goods manufacturing companies in Nigeria. The study is anchored on the stakeholder theory and dynamic capabilities theory. The population of the study constitutes 5,710 regular staff of 6 selected fast-moving consumer goods manufacturing companies in Nigeria with their head office in Lagos State; the selected companies represent 85% of the consumer goods industry in Nigeria. The study adopted the cross-sectional survey design to study the subset of the population. The Raosoft online sample size calculator for finite population was employed in calculating the sample size of the study at 5% significant level. The research instrument used was an adapted 6-point Likert scale structured questionnaire which was administered by employing the proportionate percentage, stratified random sampling and simple random sampling technique. Out of the 432 questionnaires distributed, 406 were retrieved. 383 of the retrieved questionnaires were deemed usable, indicating a response rate of 88.65%. Data collected were analysed using Partial least-square-structural equation model to examine the three-way direct, mediation, and moderation null hypotheses. The study findings show that: corporate governance exerted a significant effect on sustainability ( $Adj R^2 = 0.710$ ,  $p = 0.000$ ,  $Q^2 = 0.391$ ); firm-specific factors exerted a significant effect on sustainability ( $Adj R^2 = 0.428$ ,  $p = 0.000$ ,  $Q^2 = 0.234$ ); corporate governance and firm-specific factors jointly exerted a positive and significant effect on sustainability ( $Adj R^2 = 0.698$ ,  $p = 0.000$ ,  $Q^2 = 0.188$ ); environmental dynamism exerted a positive and significant moderating effect on the interaction between Corporate Governance and sustainability ( $\beta = 0.386$ ;  $p < 0.006$ ,  $Q^2 = 0.290$ ); environmental dynamism was also found to exert a positive and significant mediating effect on the interaction between firm specific factors and sustainability of the selected fast moving consumer goods manufacturing companies ( $\beta = 0.396$ ,  $t = 2.919$ ,  $p = 0.004$ ). The study recommended that fast-moving consumer goods manufacturing companies should: pay particular attention to improving their level of accountability and focus more on the agility of leadership and stakeholder management strategies; Understand the appropriate configuration of firm-specific factors required to mitigate the negative external threats in the dynamic environment to take advantage of available opportunities; and continuously evaluate the external environment and align performance with set goals in the face of the turbulent business environment to aid their sustainability.

**Keywords:** Sustainability, Environmental dynamism, Firm-Specific-Factors, Manufacturing companies, Dynamic Capability theory, Stakeholder Theory.

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## List of Acronyms

<b>Abbreviation</b>	<b>Meaning</b>
ARDL	Autoregressive Distribution Lag
CAMA	Company and Allied Matters Act
CCS	Carbon Capture and Storage technologies
CEO	Chief Executive Officer
CG	Cooperate Governance
CGMCs	Consumer Goods Manufacturing Companies
CSR	Corporate Social Responsibility
ECOSOC	Economic and Social Council
EIA	Environmental Impact Assessment
ENV	Environmental Performance
EPI	Environmental Performance Index
ET	Environmental Turbulence
FMCGs	Fast Moving Consumer Goods
FSF	Firm-Specific Factors
GCG	Good Corporate Governance
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
IAASB	International Audit Assurance Standard Board
NBS	National Bureau of Statistics
OECD	Organization for Economic Cooperation and Development
PLS-SEM	Partial Least Squares Structural Equation Modelling
PMI	Purchasing Managers' Index
PRISMA	Preferred Reporting Items for Systematic Reviews and Meta-analysis

ROA	Return on Assets
SCA	Sustainable Competitive Advantage
SDGs	Sustainability Development Goals
SMEs	Small Medium Enterprises
SRDR	Systematic Data Repository
TASI	Tadawul All Share Index
TCE	Transaction Cost Economics
UK	United Kingdom
UN	United Nations
USA	United States of America

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