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ASSESSMENT OF PRIVATIZED CEMENT INDUSTRY'S PERFORMANCE AND CORPORATE GOVERNANCE IN NIGERIA: AN APPLICATION OF TOBIN'S Q MODEL

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ABSTRACT

The paper investigates the application of Tobin's Q model in assessing the impact of corporate governance on firm value of cement industry. The variables studied were Tobin's Q as firm value's proxy (dependent variable) and corporate governance proxies as independent variables. Data was obtained from the secondary source, and the statistical tools employed in the Methodology were; Performance Trend Analysis and OLS regression. Trend analysis result shows that, post-privatisation has higher firm value. Inferential statistics result suggests that, Average Minority ownership, average percentage of executive directors, average foreign ownership, average board size, average percentage of non-executive directors, average percentage of management staff and average workforce have a positive and significant impact on Cement industry's performance (Tobin's q). However, average total market value of shares, institutional ownership and privatisation have negative and significant impact on the Cement industry's market value while, State ownership has positive and insignificant impact on market value of cement industry. In conclusion, the result of inferential statistics has rejected the null hypothesis that corporate governance does not have significant impact on the performance of Cement industry. Admirably, the result confirmed the findings of the performance trend analysis result. The study recommends that cement industry need to; introduce effectives mechanisms of protecting the overall interest of existing shareholders and potential investors, create a strong corporate governance practice that is value-oriented and ensures economic efficient method of production to maximize earnings per share as well as timely dividend payment, the board of directors should increase the numbers of independent audit committee in order to improve transparency, timely and accurate information flow and prudent financial statement and corporate governance reporting system.

Keywords: Privatization, Corporate Governance, Cement Industry, Performance and Tobin's Model

1.0 Introduction

Industry performance has variety of financial performance measures depending on the burning circumstance. Investors and capital market players, mostly used profitability and firm value to assess firm viability, financial institutions are using liquidity ration and leverage ratio to assess credit worthiness, while creditor are using operational efficiency ratio to assess ability of payment of obligations as when due. To this effects, Tobin's Q Model is statistical tool used by capital market players and investors to assess the prudence and prowess of corporate governance in managing firm's resources to achieve both shareholders and managerial system objectives. The model is assessing the role of corporate governance on the performance of a company at the capital market. According to Jose, as cited by Masu-Gombe (2024), it is estimating the corporate performance from a forward looking perspective and reflects what management will accomplish. Tobin's Q Ratio hypothesis states that "the combined market value of all the companies on the stock market should be about equal to their replacement costs". The combined market value is the market value of a company's assets divided by their replacement value. Replacement value is the current cost of replacing the firm's assets. In other words, ratio of all the combined stock market valuations to the combined replacement costs should be around one (Masu-Gombe, 2015). It also, reveals how board of directors discharge their monitoring responsibilities of ensuring corporate governance accountability, efficient resources utilization and productivity, flow of accurate information, labor incentives and timely payment of annual dividend and other stakeholders' obligations which is translated in the firm value.

Firm value is giving testimony on how corporate governance is adhering to capital market regulations and corporate governance code of best practice. Thus, the higher the firm's value, the higher the corporate governance performance efficiency, vise visa (Pamungkas ed al, 2023). Unfortunately, the public corporations are not liable to capital market scrutiny, members of the board of directors and the managements are not shareholders in the corporations, in view of that, they lack incentive for absolute patronage and prudent resources management. These

reasons served as motivating factors for prevalence of agency problem in government owned enterprises, which led to their privatization (Masu-Gombe 2024). In private sector, firm value is determined by three factors, namely, capital market scrutiny, board of directors efficient supervision and management transparency and accountability, both, due to share ownership. Unfortunately, public corporations are immune from such scrutiny and prudence due to lack ownership stake.

The problems that motivated the study are; one, It is highly expected that privatisation will exposes public enterprises to discipline of capital market and prudent control of private investors, which is hope to enhance firm value due to compliance with the corporate governance code of best practice. In view of that, the study wants to find out how privatization enhances firm value in cement industry. Two, according to Masu-Gombe, Magaji & Musa, (2022) conducting research on corporate governance and privatization in developing economies is a burning issue that is gaining attention from academia and policy makers. In line with this discovery, the study is aimed at identifying the measures taken by the private investors to improve market value of cement industry and bridging the literature gap too. Based on the statement of the problem, the study framed these questions; what are the challenges of Corporate Governance on the firm value of Cement industry? Does corporate governance impacted in creating market value for Cement industry? In line with the above questions, the objectives of the study are; to ascertain the challenges of Corporate Governance on the firm value of Cement industry; and to examine how corporate governance impacted on creating market value of Cement industry.

Significantly, the study will enable the investors, business entities and policy makers to ascertain with concrete evidence how privatisation impacted on corporate governance and enhances firm value of cement industry. In addition to that, higher institutions of learning offer courses on corporate governance, similarly, supervisory agencies have research unit subjected to the subject matter in Nigeria. This is a testimony that, the findings will contribute positively to; knowledge, cement's industry and the economic environments of the country at large. Furthermore, government, economist and international economic organizations, need

a solid factual data that address the advantage and disadvantage of privatization policy on firm value. The study hopes to contribute to that solid factual data that will enable them assess the validity of the policy.

The research focused on the impact of corporate governance on market value of Cement industry, for the period of 20years. The reason behind taking these years is to strike balance between pre and post privatisations firm value, in order to enable effective comparism of the impact. However, the limitation of the study is the use of certified secondary data from Annual Reports of Cement industry, SEC and BPE Reports respectively, which could be subject to internal manipulations. Another limitation is the inability to obtain a serial annual report of the industry before 1990. Notably the paper is extracted from my Ph.D. Thesis (2015) and organized in to the following subheadings; introduction, literature review, methodology, result and discussion, conclusion and recommendations.

2.0 Literature Review

Dyck (2000) notes that, tying privatized firms to capital market and foreign investment, improves information disclosure and accountability, constrains national government expropriation, and increases liquidity. He further reveal that, subscribing privatized firms to Foreign Direct Investment redeems weaknesses of corporate charter with by-laws which help in strengthening corporate governance. Chong, Izquierdo, Micco, and Panizza, (2003) conducted a study on corporate governance and private capital flow to Latin America using creditors' right, shareholders' right, accounting standard, foreign direct investment as variables. They find that, adopting better corporate governance standard, improves performance even in countries with poor political governance environment, and reduces sensitivity of capital flow to external shocks, more so, external interest rate shocks were important determinant of portfolio flows. However, Masu-Gombe (2024) study the impact of Corporate Governance on firm value of Ashaka Cement Company, result suggests that, no remarkable improvement was realized on firm value post-privatization, percentage of non-executive directors has positive and significant relationship with firm value. While, market value of shares, minority

ownership, board size, and work force have negative and significant relationship with firm value. Abdullahi, Peter and Mairafi (2017) study Corporate Governance and Firm Performance of listed insurance companies in Nigeria .The findings indicate that corporate governance attributes of board size, board independence, board gender, and foreign ownership concentration in the insurance industry of Nigeria have not significantly impacted on both measures of performances namely return on insurance premium and firm value. Raji, Adesoji, Agbaje, Omotosho (2024) Corporate governance is vital to enable prudent management and ensure the long-term prosperity of the business. They find that, board size positively but insignificantly affects the financial performance of the selected banks. The financial performance of the chosen institutions is positively and significantly impacted by audit committee meetings, while audit committee composition also positively and significantly affects the financial performance of the selected banks as indicated by return on assets (ROA).

Study from Boubakari, Cosset, and Guedhami, (2006) find that, Stock market development was associated with efficiency gain and output increase. Ratio of size of capital market capitalization has positive change on employment and privatized firms perform better when preceded by trade and stock market liberalization. However tying privatized firm with international capital market affected employment negatively (Dsouza, Meggison, and Nash, 2006). Similarly, Pamungkas ed al (2023) posit that, once corporate governance implemented code of best practice, undoubtedly, the firm business value will be greater in capital market. Therefore, investors may be willing to invest in the Company. He opines that the greater the public ownership of shares as an aspect of corporate governance, the greater the need to control management behavior. Admirably, this postulation is consistent with the findings of Masu-Gombe (2015) that minority ownership (public) has positive and significant impact on firm value. Emeka-Nwokeji (2017) study Corporate Governance and Firm Value of Quoted Non financial Firms in Nigeria. He finds that board size, board gender diversity and audit committee size positively and significantly affect firm market value. Board independence and board

remuneration has significant negative effect on market value of sampled companies. Directors' shareholding has insignificant negative effect on market value while auditors' credibility has positive but insignificant effect on market value. Pamungkas ed al (2023), cited a studies from Pakistan and Indonesia which reveals that, the effective corporate governance plays a vital role in determining the market valuation of the companies and it has a positive and significant influence on firm value. Again he cited another Empirical study from Indonesia; on impact of Corporate Governance and Financial Performance on Firm Value. The result reveals that, corporate governance affects firm value and financial performance. So also, financial performance affects firm value. Furthermore, Corporate Governance also affects Company Value with Financial Performance as an Intervening Variable.

Privatization allows new ownership to redefine the firm's objectives, managers' incentives and provides greater entrepreneurial opportunities (Dsauza, Maggison, and Nash, 2006). Privatization discrete firm's managers to set price, enter new market, exploit new technologies and make new acquisition. This changes the role of managers and the nature of agency problem which is the essence of corporate governance (Lehn, 2000). Dsouza, Meggison, and Netter, (2001) find that, privatization subject managers to the pressure of financial market monitoring and discipline of profit oriented investors. Success and failure of the corporation are counted on manager's action. This also increases the cost of observing marginal performance (Lehn, 2000). Tchaga, Cai and Ntezolo (2023) investigates the impact of corporate governance on the quality of value relevance in the resolution of agency problems and investors' confidence issues in Ghana and find that, positive effect of corporate governance mechanisms are more effective and efficient at increasing value relevance when they are linked to corporate compliance. The result also finds that earnings are more positively impacted than book value. Furthermore, variables such as independence, expertise, and firm size all play a significant role in improving the quality of the value relevance determinants. Chin, ed al (2019). Examine Corporate Governance and Firm Value on Moderating Effect of Board Gender Diversity. The result shows that board size and board independence have positive and significant

impact on firm value. However, board monitoring committee and risk management committee do not show any significant relationship with firm value. Board gender diversity do not function as a moderating role in the relationship of corporate governance and business performance.

Dividend Payout Hypothesis suggest that paying dividend to shareholders in cash eliminate free cash flow, increase chances of raising capital and monitoring managers by investments bankers, capital market and individual investors (Easterbrook 1986 and Jensen 1986). Empirical studies of Myer, (2000) and Farinha, (2002) find that managers pay dividend to avoid disciplinary action by the shareholders, cash dividend payment constrains managers from embarking on non value maximisation project and facilitates sell of common stock. Ejike Sunday Okoroigwe (2024) examine the role of corporate governance on firm value and the persistent crises in Nigeria Banking Sector. The findings indicate that corporate governance has significant effect on the Return on Investment, Dividend per Share, as well as on the Net Assets per share of the banks in Nigeria. Similar study was conducted by Ogundajo, Adegbie, Oyegoke, and Ajayi-Owoeye (2023) on the impact of corporate governance and corporate financial reporting on firm value of selected banks in Nigeria. The study discovered that corporate governance and corporate financial reporting exerted a significant positive impact on the value of selected banks in Nigeria. Sha Qamar and Abid, (2020) examine the Impact of corporate value in the presence of earning quality and real earnings. The result suggests that, there is a significant relationship between corporate governance and firm value mediation, earning quality, moderate the real earning management as well as a strong corporate governance structure; enhances the earning quality, firm value and control of real earning management

In all the Nigerians literature reviewed above on impact corporate governance on firm value very few among them isolated privatized firm along and assess the impact of privatization on corporate governance and firm value. In view of that, the study will bridge this literature.

Signaling Theory

The information provided in form of annual financial statements is essential for investment decisions of parties outside the

company because it affects the formation of stock prices generally. Financial statements must contain reliable information necessary to be known by users of financial statements such as creditors, suppliers, potential investors and shareholders of the company. Management hides privilege information that affects firm value negatively. This information asymmetry creates gap between the managers and business owners, this is because, the owners are not involve in daily activities of the company directly, for this reason, they only use the reports provided by the manager (Masu-Gombe, 2024). The theory provides investors with signals on factors that influence annual reports of firms quoted in the capital market to enable them make a right decision. They also use this theory to identify profitable companies with high scores and low scores, potentials to improve performance and business sustainability, which consequently affects the firm's value that is translated in stock prices (Pamungkas ed al 2023). Furthermore, Masu-Gombe (2024) argues that, the theory resembled Agency theory of corporate governance, only that they differ in two ways. First, the theory centered on effect of information asymmetry to shareholders and potential investors while agency theory focused on managerial exploitations through asymmetric information. Two, it is concerned about how information determines firm value while agency theory is concerned about how managers are diverting firm opportunities for their personal benefit at the detriment of the shareholdears and other stakeholders. Nevertheless, the theory will serve this academic investigation that focused on assessing the impact of corporate governance on firm's value of privatized cement industry in Nigeria. In addition to that, the

3.0 Methodology

The study uses data sourced from the annual report of the industry, Bureau of Public Enterprises and Security and Exchange Commission, spanning from 1991 to 2011. Performance Trend Analysis and OLS regressions were used to analyze the data. Higgins (2003) opined that, one of most useful ways to evaluate trend of firm's performance, is performance trend analysis. Hence, to identify the challenges of corporate governance efficiency on the performance of privatized cement indutry, performance trend analysis was employed. Ordinary Least Square Regression model

establishes the relationship between the Dependent and Independent Variables, which examines the significance impact of corporate governance on firm value privatized cement industry in Nigeria. Tobin's Q was used as dependent variable.

Tobin's Q Model
Thus
Tobin's q

$$TQ = \frac{\text{Total market value of the firm}}{\text{Total assets}} = \frac{MVS + D}{CA + FA}$$

$$TQit = \beta_0 + \beta_{01}TMVS_{1it} + \beta_{02}STOWN_{2it} + \beta_{03}INST_{3it} + \beta_{04}MINOWN_{4it} + \beta_{05}FOREI_{5it} + \beta_{06}BSIZE_{6it}\ \beta_{07}PED_{7it} + \beta_{08}PNED_{8it} + \beta_{09}DUAL_{9it} + \beta_{010}CACNE_{10it} + \beta_{011}WF_{11it} + \beta_{012}PMS_{12it} + \beta_{13}PNMS_{13it} + \beta_{14}PRIV_{14it} + u_{it}$$

Independent Variable
TMVS: market value, STOWN: state ownership, INST: institutional investors, MINOWN: minority shareholders in the firm. FOREI: foreign investment in the corporations. BSIZE: the total number of directors in the board of a company. PED: the percentage of Executive Directors on the board of directors. PENED: the percentage of independent directors on the board of director, DUAL: binary variable representing CEOs who also double as the chairmen of the board of directors. CACNE: a binary variable representing the Chairman of the Audit Committee. WF: Work force measures the total number of company employees. PMS: Measures the percentage of management staff that are directly involved in the corporate decision making and policy implementation in the company. PNMS; measures the total number of company employees that are not involved in the corporate governance. PRIVt: Privatization with time which is dummy variable.

4.0 Result and Discussion

4.1 Factors Affecting Corporate Governance Efficiency on the Performance of Cement Industry

Under this subheading, Cement industry performance trend analysis results were interpreted and the factors influencing corporate governance efficacy on the trends of the industry's performance were analyzed accordingly. In identifying the challenges, certified information of chairmen's statements, auditors' reports and directors' reports issued in the annual reports within the observational periods of the study were used in the analysis. The interpretation and analysis were, adherently,

based on impact of corporate governance decision making on the performance indicator.

Table 4.1: Distribution of Performance Trend Analysis Results of Cement Industry firm value

Observation	Tobin's Q
1991	2.3
1992	2.5
1993	1.9
1994	1.8
1995	4.0
1996	3.5
1997	4.4
1998	3.4
1999	3.2
2000	5.0
2001	4.8
2002	3.0
2003	11.4
2004	2.2
2005	0.9
2006	2.2
2007	0.9
2008	1.2
2009	0.9
2010	0.7
2011	0.2

Source: *Author's computations*

The result of table 1 above reveals that, the current cost of replacing the assets of Cement Industry was 2.3 in 1991 and rose to 2.5 in 1992 because in December 1992, the board of directors declared an average dividend of 10k per share, which stimulated the demand for the industry shares in secondary market, however the value decline to 1.9 in 1993, 1.8 in 1994 and rose to 4.0 in 1995. The value declined to 3.5 in 1996 and rose to 4.4 in 1997 decline to 3.2 in 1999 and rose to 5.0 in 2000 which is the highest value pre-privatization. Notably, 2000 and 2001 were transition periods of Cement industry from public ownership to private ownership, due to this factor, the industry value sharply decline to 4.8 in 2001. This means, the cost of the industry's stocks were overvalued pre-privatisation. In 2002, the demand for cement was 5.5% lower than 2001 because States and Federal Governments diverted public funds into financing general elections in the early 2003. However, these measures and factors created temporary distortions that affected the industry's performance adversely. Consequently, the industry's value decline to 3.0 in 2002. Fortunately, from early 2003 down to 2005, the Nigerian government realized handsome foreign earnings from the windfall of sales of crude oil which enabled the governments to embark on capital projects that stimulated the demand for the industry's products. In response to that, the industry value rose to 11.4 in 2003 and suddenly decline to 2.2 in 2004, 0.9 in 2005 and rose to 2.2 in 2006. Throughout

these periods, industry stocks were overvalued save in 2005. Nigeria has been accustomed to strangulating economic activities on the eve of every national election and 2007 was not an exception. This factor adversely affected the industry's value to the tune of 0.9 in 2007. This means that the industry's stocks was undervalued. Admirably, in 2008 Cement industry's corporate governance took advantage of Federal Government desire to accomplish power project and increased production to match the demand of the project, this led to the rise of the indutry's value to 1.2 in 2008. However, the deregulation of the oil sector, inflicted high cost of production on the industry that led to decline in the industry's earnings. This situation translated in the market value of the industry to 0.7 in 2010 and 0.2 in 211. This implies that the values of the stocks were undervalued.

Comparatively, there is no remarkable improvement of the industry's market value of shares post privatization. This contradict the postulations of pro- privatization scholar mention above and must of the findings made by the scholars reviewed above too, even though none of them used trend analysis to isolate the factors affected the firm value in general. This distinguishes this study with almost all the reviewed studies.

4.2 Impact of Corporate Governance on the Performance of Cement Industry

Under this sub-heading, the results of inferential statistics were presented and analysed. The results illustrate the relationship between the dependent variables and independent variables to establish the impact of corporate governance on cement industry in pre and post-privatization periods. The table below presents the results of pooled OLS regressions.

Table 4.2: Distribution of Regression Results of Tobin's q on the Set of Independent Variables of Cement Industry

Independent variable	Coefficient	Significance
1(CONST)	-27515.178	0.000
ATMVS	-1-027E-7	0.000
ASTOWN	74.865	0.271
AINST	-267.404	0.000
AMINOWN	254.989	0.000
AFROEI	687.288	0.001
ABSIZE	284.598	0.035
APED	90.989	0.041
APNED	0.474	0.001
AWF	8.935	0.000
APMS	3722.836	0.001
APRIVt	-25861.464	0.002
R	0.991	
R2	0.982	
Ajd R2	0.961	
F stat	45.565	0.000

Null Hypothesis: corporate governance does not have significant impact on Cement industry's performance (Tobin's q).
Alternative Hypothesis: corporate governance has significant impact on Cement industry's performance (Tobin's q).

The above result of Table 4.2 reveals that Cement industry's performance (Tobin's q, the dependent variable) was associated with the corporate governance variables (independent variables) to the tune of R= 0.991. This implies that a strong relationship exists between the company's performance (Tobin's q) and corporate governance decision making. In other words, 99.1% of the Cement industry board of directors' investment and diversification decisions, relationship between managerial equity ownership and firm value, managerial performance and tender offer gains, investment opportunities and tender offer responses, financing, dividend and compensation policies encapsulated in Tobin's q value, are all associated with the nature and quality of the company's corporate governance. R2 result reveals that about 98.2% variation of the replacement value of the company's performance (Tobin's q) was explained by the corporate governance proxies. This shows that the remaining1.4% variance could be explained by macroeconomic situation of the country. The result of Adjusted R2 discloses that corporate governance proxies jointly accounted for 96.1% variation in the Cement industry performance (Tobin's q).

The calculated F-statistics is 45.565 and the estimated significant value was 0.000. In conducting the test at 1% statistical significance, the model is strong in explaining the variation in Cement industry's performance (Tobin's q). In view of that it is concluded that the model has a good fit.

The constant value of -27515.178 is the average value of performance indicator (Tobin's q) and the estimated significant value is 0.000, in the absence of corporate governance variables. Holding other variables constant, the coefficient value of ATMVS is -1.027E.689E-7 and its estimated significant value is 0.000. In this regard, a unit increase in total market value of shares will lead to 1.027E.689E-7 decrease of company's performance (Tobin's q). However, the expected coefficient of Total Market Value of shares

was positive, because it is expressing investors' patronage of the Cement industry's shares based on their assessment of the quality of corporate governance, and of course, the general performance trend of the company. Having P-value 0.000, in conducting the test at 1% statistical significance, total market value of shares has significant impact on Cement industry performance indicator (Tobin's q). Inferentially, the total market value of shares has negative and significant impact on the Cement industry's performance.

The result discloses that the coefficient of ASTOWN is 74.865, and the estimated significant value is 0.271. This means that a unit increase of average percentage of state ownership leads to 74.865 increase in Cement industry's performance (Tobin's q). However, the coefficient defies the expected coefficient of the study, which states that privatization of state ownership promotes corporate governance inefficiency by appointing incompetent people to managerial positions and board membership based on personal relationship and political interest (Okeahalam and Akinbode, 2003). Even though the p-value asserts that it has no significant impact on the company's performance.

Furthermore, the coefficient of the average percentage of institutional ownership (AINST) is -267.404 and the estimated significant value is 0.000. This indicates that a unit increase INST will lead to-267.404 decrease in company's performance which defies the expected positive coefficient of the study that viewed institutional ownership as a positive development in corporate governance of the company. On the contrary, conducting surrogate test at 1% statistical significance, AINST has a significant impact on the company's performance. Thus, AINST has negative and significant impact on the Cement industry's performance.

The coefficient of Minority Ownership (AMINOWN) is 254.989 and the estimated significant value is 0.000. This therefore, suggests that a unit increase in Minority Ownership (MINOWN) brings about 254.989 increase in Cement industry's performance (Tobin's q). The positive coefficient is inconsistent with the expected coefficient of the study, which suggests that an increase in the percentage of minority

ownership creates viable opportunities for management to cooperate with the concentrated shareholders to divert resource and decisions to serve their personal interests. Above all, the P-value of AMINOWN at 0.000 indicated that Minority Ownership has a positive and significant impact on Cement industry's performance (Tobin's q).

The AFOREI coefficient is 687.288 and the estimated significant value is 0.001. The coefficient of the result is consistent with the coefficient of the study which discloses that foreign ownership will the privatized firms to capital market and foreign investment, improve information disclosure and accountability, constrain national government expropriation, and increase liquidity (Dyck 2000). The p-value concludes that foreign ownership has positive and significant impact on company's performance.

The result suggests that the coefficient of ABSIZE is 284.598 and the estimated significant value is 0.034. Hence, a unit increase in board size (ABSIZE) brings about 284.598 increases in Cement industry performance (Tobin's q). The coefficient conformed with the expected positive coefficient, bearing in mind that an increase in board size with experienced and prowess personality will bring about cohesiveness of the Board members, due to diverse expertise and wealth of experience, that consequently enhance board delegated decision making efficiency. In addition, the ABSIZE p-value 0.034 reveals that the board size has significant impact on the Cement industry's performance (Tobin's q). Hence, average board size has positive and significant impact on company's performance.

The result suggests that APED is 90.983 and the estimated significant value is 0.041. The positive coefficient of the percentage of executive directors defies the expected negative coefficient of the study which opines that the lower the percentage of the executive director the higher the board's independence. Besides, the p-value also indicated that APED has significant impact on the Cement industry's performance in conducting surrogate test at 1% statistical significance. Hence, APED has a positive and significant impact on company's performance.

A unit increase in percentage of executive directors (APNED) will lead to 0.474 increase in Cement industry's performance (Tobin's q) with an estimated significant value of 0.001. The positive sign of the coefficient APNED is consistent with the expected positive coefficient, postulating that an increase in non-executive directors on the board will lead to improving board independence. It is an indication that the non-executive directors were ably representing and protecting the overall interest of the shareholders in corporate decision making, which will play a great role in preventing management expropriation and enhance corporate earnings. In conducting a test at 1% statistical significance, having a p-value of APNED at 0.001, means the percentage of non-executive directors has a positive and significant impact on the Cement industry's performance (Tobin's q).

A unit increase in work force (AWF) brings about 8.935 increase in Cement industry's performance (Tobin's q). The positive coefficient is inconsistent with the expected coefficient, meaning that additional unit of workforce, results in additional cost of production and corporate monitoring cost which will have negative effect on the corporate performance. Conversely, the p-value is 0.000; in assessing the WF statistical significance at 1%, the predictor (workforce) has positive and significant impact on Cement industry's performance.

The coefficient of APMS is 3722.836 and the estimated significant value is 0.001. The result expresses that a unit increase of PMS will lead to 3722.836 increase in company's performance. The coefficient is consistent with the expected positive coefficient of the study which postulates that percentage of management measures the number of staff that are directly involved in corporate decision making, policy formulation and implementations. This signifies harmony between the board decisions and management operational activities. However, the p-value 0.001 reveals that the APMS has no significant impact on the Cement industry's performance. Therefore, APMS has positive and significant impact on Cement industry's performance.

Finally -25861.464 was the difference in Cement industry's performance (Tobin's q), post-privatization compared to pre-privatization. The negative coefficient of

privatization contradicted the expected positive coefficient of the study, as postulated by proponents of privatization policy that privatization will have positive impact on company's performance (Tobin's q). In fact, even the p-value of 0.002 implies that privatization has negative and significant impact on Cement industry's performance.

Conclusion and Recommendations

In conclusion, the result of inferential statistics has accepted the null hypothesis that corporate governance does not have significant impact on the market value of Cement industry. admirably, the result confirmed the findings of performance trend analysis.

Recommendations

In line with the above conclusion, the study made the following policy recommendations.

1. Cement industry need to introduce effective mechanisms of protecting the overall interest of existing shareholders and potential investors.
2. To create a strong corporate governance practice that is value-oriented and ensure economic efficiency in the method of production to maximize earnings per share as well as timely dividend payment.
3. The board of directors should increase the number of independent audit committee in order to improve transparency, timely and accurate information and prudent financial statement and corporate governance reports.

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