



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_31522
Title of the Manuscript:	PREPOTENCY OF NIGERIA SECURITIES AND EXCHANGE COMMISSION CODE OF CORPORATE GOVERNANCE AMONG PUBLIC COMPANIES
Type of the Article	

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This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

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PART 1: Review Comments

	Reviewer's comment	Author's comment <i>(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i>
<u>Compulsory</u> REVISION comments	The objective of this study is to examine which one of the four corporate governance (CG) structures (i.e., Ownership Concentration, Board Size, Separation of the position of Chairman from CEO, and Independent Director) is most important in determining (or equivalently, has most impact on) Nigerian public firm performances (Profit Margin, EPS, ROA, ROE, and Tobin Q). The author(s) calculate and report the Pearson, Spearman, and Kendell's tau correlation coefficient matrixes among the CG and firm performance variables. Based on the correlation coefficients, the author(s) rank the CG variables in order of importance as follows: Ownership Concentration, Board Size, Separation of the position of Chairman from CEO, and Independent Director. Prima facie, examining whether or how CG structure affect firm performance is an interesting topic. However, numerous prior studies have examined the very issue (For example, Core, Holthausen, Larcker, Journal of financial economics, 1999, among others)I fail to appreciate the incremental contribution or the novelty of this paper beyond the previous related studies. The inferences based on the research approach are problematic and therefore could be misleading. Note that Pearson correlation measures the linear correlation between two variables. Further, the Spearman correlation between two variables is equal to the	- Author disagrees with the reviewer's comments on the objective of the study. The research objective of this paper is to examine the superiority in the level of importance of the most common corporate governance indicators in Nigeria. Furthermore, to provide an insight to the importance of these corporate governance indicators which were excluded from the global competitiveness index. Author disagrees with reviewer's example i.e. Core, Holthausen, Larcker, Journal of financial economics, 1999, among others. The author's research is to examine the superiority in the level of importance of the most common corporate governance indicators in Nigeria.



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	Pearson correlation between the rank values of those two variables; while Pearson's correlation assesses linear relationships, Spearman's correlation assesses monotonic relationships (whether linear or not). Finally, Kendall's tau coefficient measure the ordinal association between two measured quantities. Intuitively, the Kendall correlation between two variables will be high when observations have a similar rank. However, none of the above statistics can help answer the research question: which CG variable has the most impact on firm performance since one crucial issue has not been appropriately addressed: firm performance could also be affected by other variables, for example, firm size or firm risk, among others, which have not been controlled for when examining CG-firm performance relation.	
		Author agrees with the reviewer's comment on the need to control intervening variables. Accordingly, author has introduced a model specification with an error term to control such intervening variable.
Minor REVISION comments	None.	
Optional/General comments	None.	