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# Corporate Governance Breach: An Overview of the Owner-Manager Agency Problem in the Nigerian Banking Industry

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Chapter

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## Abstract

The effects of a breakdown in the principal/agent relationship in the Nigerian financial services industry, especially in the banking sector, cannot be overemphasized. The required alert is due to the fact that this type of industry requires that there must be trust between the principal and the agent who is making decisions on behalf of the principal's financial investment in the business environment. This paper analyses the agency problem that surfaced in the Nigerian banking sector, following the recapitalization exercise that took place in the industry in 2006. The study found that, to a large extent, the breakdown in the corporate governance code was a major cause of the crisis. The paper also examines the various ways the regulatory agencies responded to the problem and the measures that are being instituted to forestall a reoccurrence.

## Keywords

Corporate Governance Information Asymmetry Chief Executive Officer Agency Theory Agency Problem

*These keywords were added by machine and not by the authors. This process is experimental and the keywords may be updated as the learning algorithm improves.*

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