The Key Challenges of the Corporate Governance of Firms: Empirical Evidence from Sub-Saharan African Anglophone (SSAA) Countries

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Declaration

The work described in this thesis has not been previously submitted for a degree in this university or any other university and otherwise reference the author's work.

Statement of Copyright.

Abstract

Motivation. In the Sub-Saharan Africa countries there are several factors contributing to the collapse of firms. Most firms have failed due to poor corporate governance practices. The recent collapse of some firms in the financial and non-financial sectors in the Sub-region shows that there are challenges hindering effective corporate governance of firms in the Sub-region. Consequently, this study uses empirical evidence to identify views about the important components of good corporate governance practice for listed firms: institutional characteristics; the board of directors; and the effects of external factors.

Research question. The pertinent research question that this study addresses is the identification of the components that are essential for good corporate governance of firms in the Sub-region. This study tries to prioritise the components.

Methodology. Data were collected by questionnaire administered to stakeholders of corporate governance of listed firms in Ghana, Nigeria and South Africa. Regression is used to estimate the relationship between institutional characteristic, responsibilities of the board of directors and external factors on corporate governance system.

Main findings.

1. Enforcement, disclosure, transparency and regulatory frameworks may be necessary to improve corporate governance practice in all the countries in the Sub-region (SSAA).

2. There is evidence that commitment of board members to disclosure and communication may provide effective corporate governance practice.

3. Board duality (separation of role between chairman and CEO) is likely to hinder corporate governance practices.

4. We found that in all the countries in the Sub-region accounting system plays a major role to promote sound corporate governance practice. However, the political environment, societal and cultural factor, corruption, and economic factors such as macro-economic policies may hinder corporate governance practices.

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Policy recommendations:

This study recommends that corporate governance stakeholders should adopt a whistle blowing method and also that institutional bodies should be more prudent in monitoring of rules and laws with stringent penalties. In addition, there should be adequate information and disclosure on the rights and obligation of the shareholder of firms in the sub-region region. There is need to increase the number and role of independent directors, increase the use of advisory vote by shareholders on executive compensation and facilitation of shareholders activism.

Furthermore, there is a need to have autonomous regulatory bodies and supervisory agencies free from any political/ government interference in the implementation of the Code and Guideline of corporate governance. The regulatory bodies and the supervisory agencies should be manned or be under the leadership of people of goodwill, good character and trust. The Code or Guideline of corporate governance of Sub-Saharan Africa Anglophone countries should take cognisance of and be aligned with socio-cultural environment of the countries in the Sub-region.

Chapter One
Introduction to the Study

1.1 Background of the study

The collapse of high- profile firms such as Enron, Worldcom, Tyco and Xerox and the believe that poor corporate governance contributed to their collapse have generated renewed interest in determining the best practices of corporate governance (Sarbanes-Oxley Act 2002, World Bank 2002, OECD 1999). Moreover, in 1997 the East Asian financial crisis occurred as a result of the lack of corporate governance mechanisms which highlighted the weaknesses of economic institutions (Vaughn and Ryan 2006). The situation in Sub-Saharan Africa is no different; corporate governance has received some attention in recent times, due to poor performance of corporations in the region.

The establishment of the Institute of Directors (IoD) combined with other arrangement such as existing companies' code in individual countries and Securities and Exchange Commission (SEC) in Sub-Saharan Africa countries; provide the basic channels through which corporate issues are addressed. These issues concern board composition structure and mechanism, relationship with stakeholders and shareholders, executive reward compensation, disclosure and transparency, employee and investor protection (Kyereboah-Coleman, 2007).

In the Nigeria context, the progress on the improvement of corporate governance practice has been very slow. Nigeria is one of Africa's most important financial markets for goods and services with an estimated population of one hundred and sixty million. However, the corporate frameworks in the country seem to be weak. The weaknesses in the Nigeria context may include corrupt corporate behaviour such as the recent exposure in Cadbury Nigeria Plc and the management failure to disclose corporate financial information to shareholders (Adegbite and Nakajima, 2011). This was also due to a lack of accountability and bribery scandal involving top management of Halliburton Nigeria (Adegbite and Nakajima, 2011).

Moreover, some Chief Executive Officers (CEO) of companies in Sub-Saharan Africa such as Ghana, Nigeria and South Africa have reported that there are factors contributing to the collapse of corporate governance in the region (Business Times Nigeria, October 2010). These Chief Executive officers (CEOs) found that most firms failed due to poor corporate governance. Recent failure in financial and non- financial sectors in countries such as Nigeria and Ghana show that there may be challenges hindering the effective corporate governance in the Sub-region. The board of some companies are populated by some family members and colleagues who compromise standards for personal benefit and in the interest of their benefactors. There may be an underlying structure that is hindering the development of corporate governance of firms in the Sub-Saharan Africa Anglophone countries. These challenges discourage effective corporate governance practice. If these challenges can be addressed, corporate governance will be enhanced in the region. This development will attract quality foreign trade partners, integrity, and manpower; this will create an acceptable global brand for the firms in Sub-Saharan Africa Anglophone countries (SSAA).

The Economic Commission for Africa (ECA, 2004) revealed that there are major issues and challenges of corporate governance in Sub-Saharan Africa which include the following: weak codes of corporate governance practices which is affecting the performance of firms; The issue of board structure and composition and duality where the chairman is also the CEO of the firm, the issue of disclosure and transparency in decision making and relationship with stakeholders and shareholder. An investigation of the institutional frameworks impacting corporate governance of firm is important to the extent that good corporate governance will bring confidence in minds of existing and potential investors as well as other stakeholders of firm and there will be confidence in the banking industry. It will also have a positive effect on the economy as a whole, by making the economic growth to be stable. The capital markets will be developed and all these are essential for sustained economic growth and development of the countries in the region.

In addition to the issue raised by ECA, according to the World Bank report ROSC (2004,) it was revealed that corporate governance of firms in Nigeria has numerous challenges. The challenges include institutional weakness in regulation, compliance with enforcement and lack of compliance with International Accounting Standards. The World Bank Report ROSC (2005) found that corporate governance in Ghana has a weak institutional foundation and absence of institutional investors, shareholders passivity, and enforcement gap. Furthermore, South Africa is counted among the promoters of good corporate governance in emerging economies (Moyo 2010, Vaughn and Ryan (2006). Moyo (2010) revealed that the compliance result has not been as expected due to numerous challenges such as weak enforcement and prosecution, insufficient board independence, balance of power and insufficient disclosure.

The need for corporate governance for firms cannot be over-emphasised. As a result, Sub-Saharan Africa as a continent needs development finance to raise the living condition of its growing population. The Securities Exchange Commission (SEC, 2006) revealed that a survey conducted by Mckinsey consulting group in 2002, found that eighty-five percent of respondents consider corporate governance in Sub-Saharan Africa to be more important than financial issues in deciding which companies to invest in. Furthermore, the importance of robust corporate governance in developing countries is evident from the fact that several recent studies have suggested that a strong corporate governance system is necessary to encourage inward investment and nourish long-term economic growth (Burton, et.al 20009; Johnson, et.al 2000).

The research question is which components are important for good corporate governance in developing countries (such as Sub-Saharan African Anglophone countries) where detailed corporate governance rules have been introduced. The underlying frameworks and structure are sufficient to suggest that there are challenges in corporate governance of firm in the Sub-region. The first section of this study identifies views about the importance of each component (institutional characteristics) of corporate governance practice.

The regulatory framework, enforcement, disclosure and transparency, shareholders' rights and ownership concentration are institutional characteristic variables that impact the efficient practice of corporate governance of firms. Consequently, It is argued that for any country, successful implementation of economic policy, like corporate governance depends on the efficiency of relevant institutional bodies such as the Central Bank, the Securities Exchange Commission (SEC), Corporate Affairs Commission (CAC), Judiciary or legal and other bodies concerned with the regulatory and enforcement of corporate governance practices. As a result, if rules and regulations, enforcement, disclosure and transparency, shareholders rights and ownership concentration are not well implemented the corporate governance system (such as rules, laws, power, resources and authority of supervisory and enforcement agencies) will be affected. The structure and organisation of legislature and competency of the regulatory and enforcement agencies will also be affected.

There are some numbers of studies on issues of corporate governance in Africa; however authors such as Ayogu (2001) focus on regulation, legalities and governance practices. Okeahalam and Akinbode (2003) expand the study of Ayogu (2001). Another study by Okike

(2007) examined corporate governance the status quo, Rossouw (2005) considered business ethic. Burton et al. (2009) and Okpara (2010) examined the framework of corporate governance. The studies of these authors are not detailed and are narrow in scope. The current study attempts to fill the gap in the literature by using empirical evidence to identify views about the significance of each component (institutional characteristic of corporate governance such as regulatory frame work, enforcement and monitoring, disclosure and transparency, shareholders' rights, ownership concentration).

Corporate governance scandals of firms in various parts of the world are due to financial mismanagement that led to the collapse of some firms and the cause of failure have been traced to the key players in the corporate terrain which are the board of directors. As a result, their role and responsibility have been strengthened by corporate governance reform which resulted from the global corporate failures (Van den Berghe and Leveran 2007). Consequently, in the UK the Cadbury report published in 1992 explained the functions and responsibilities of the board of directors. In developing countries such as South Africa the King Reports II and III published in 1994 and 2010 respectively also addressed the issue of board of directors of firms in South Africa. In addition, in Nigeria the code of best practice of corporate governance was issued in 2003 and 2011 by Securities and Exchange Commission (SEC) and also the code of corporate governance for banking industry was issued by Central Bank of Nigeria (CBN) in 2006. All these codes highlighted the roles and responsibilities of the board of director for non-financial and financial listed firms in Nigeria. Furthermore, the Ghana Securities Exchange Commission issued corporate governance guidelines on best practice in 2009 which focus on the importance of the board of directors for listed firms in Ghana.

From the heart of corporate governance debate, Dennis and McConnell (2003) posit that the boards of directors are internal governance mechanism specifically charged to represent the interest of shareholders, where they hire, fire, and monitor and compensate management. This makes the boards of directors an effective corporate governance mechanism. Cadbury (1999) argues that board of directors serve as a bridge between shareholders who are suppliers of capital and the management who are in charge of running the firms. In addition, Van den Berghe and Leveran (2007) revealed that the board of directors are guardian of shareholders interest. Thus the board of directors are still being opposed for failing to meet their role and responsibilities in firms. Also, OECD, 1999; 2004 explained that board of directors is the main organ responsible for establishing and enforcing the corporate governance mechanism within the firms. Beside this, Weisbach and Hermalin (2003) note that the boards of directors are seen as economic institutions and they satisfy various regulatory requirements. This economic function is determined by the difficulties within their firms.

There are scanty empirical studies on the issue of the board of directors of firms in Sub-Saharan Africa Anglophone countries. This is due to the difficulties of gaining access to boardrooms and directors. However, Mikailu et.al (2005) studied board characteristics and firms' performance in Nigeria. In addition, Ogbechie and Koufopolous (2007) examined the effectiveness of boards in Nigerian Banking industry. The second section of this study therefore seek to fill the gaps in literature by using empirical evidence to show the effect of role and responsibilities of board of directors on corporate governance system.

Moreover, for any country the corporate governance system will consider the effect of the political, economic, socio-cultural, and corruption factors. These embody the political economic, legal institution, social and technology influence and the ethical disposition of listed firms (Amaeshi and Amao, 2009). If a nation has a weak corporate governance system, the management of the firms are bound to be corrupt and there will be cases of insider abuse and financial mismanagement. Consequently, the corporate governance system or environment determines the context for assessing a country firm performance and corporate strategy. The codes of best practice of corporate governance, guidelines of corporate governance practice and the King Report code of corporate governance were established as instruments to safeguard listed firms against corruption, and corporate mismanagement. They were also intended to promote transparency accountability, economic growth and social development (Okeahalam, and Akinboade, 2003). Despite the implementation of these codes, guideline and the Report on corporate governance, many financial and non-financial firms in Sub-Saharan Africa Anglophone countries such as Ghana, Nigeria and South Africa have collapsed as a result of poor corporate governance.

The OECD (2004) ''*explained the importance of regulatory, supervisory and enforcement agencies for effective corporate governance framework, also the organisation stated that corporate governance framework should promote transparency, efficient market and be consistent with rule of law''* In addition, Rossouw, 2005; La Portal, et al. 1998; Johnson, et al. 1999; Klapper, and Love 2004 these authors posited the effect of legal and regulatory frameworks on corporate governance of firms. Also, economic factors have an effect on corporate governance such that the OECD (2004) ‘’*stated that corporate governance is part of the larger economic context in which firms operate such as macro-economic policies and the degree of competition in product market’’* Thus, Coffee (2005) argues that corporate scandals, state of the economy and underlying ownership structure of firms led to the most recent global economic downturn. These factors are associated with accounting scandals fraud and financial irregularities. The author further stated that effective corporate governance can enhance economic growth, and long term investment stability through attraction of local and foreign investors.

The type of political system and government in operation in a country plays a vital role in shaping the society and this can also influence the likelihood of sound corporate governance practices. ECA (2002) explained that institutions of government have the capacity to manage resources efficiently, formulate, implement and enforce sound policies and regulations of corporate governance. Furthermore, corporate governance best practices can only be really achieved in an environment free of internal socio-political, economic and cultural corruption and free of trans-organised financial crimes (Bakre 2011). Burton et al. (2009) revealed that corruption remains endemic in Africa nations and in some cases; this becomes institutionalised as a result of collective behaviours

There are a number of studies on ownership structure, performance and value of firms. However, Denis and Mconnell (2003) found that the effect of ownership structure, firm value and performance are mixed and the results are inconclusive. La Portal, et al (1999) revealed that except in economies with very good shareholder protection, few firms are widely held. The quality of accounting system has influence on corporate governance practice such that OECD (2004), Cadbury (2002) revealed the importance of the accounting framework in promoting disclosure and transparency. It is stated that information should be prepared and disclosed in accordance with a high quality standard of accounting and financial and non-financial disclosure. Consequently, accounting information plays a major role in the effective corporate governance of a firm because it enables relevant parties to monitor the performance of managers and use that information to hold the managers accountable in their firms (Gray, et al 1996).

From the foregoing, the third section of this study provides empirical evidence of views about the important of each external factor (such as economic, cultural and societal, political, corruption, ownership structure and accounting system) affecting the development of corporate governance.

1.2 Issues and motivation of the study.

The issue of corporate governance continues to receive a high level of attention as a result of a series of corporate scandals that occurred in different parts of the world in the early part of this decade such as Adelphia, Enron, World com and XL holiday. Consequently, this has shaken investors' faith in the capital market and the efficiency of corporate governance practices in promoting, transparency and accountability. Since then, governments around the world have undertaken various measures to strengthen their regulatory framework in order to restore investors' confidence and enhance corporate transparency and accountability (Sarbanes-Oxley Act 2002, World bank 2002, OECD 1999).

In developed countries authors such as Cadbury (1992) UK, Morck and Nakamu (1999) Japan, Georgen, et.al (2008) Germany, and Tam (2000) China have carried out various studies on corporate governance. The studies mention above have emphasised the importance of corporate governance but it is still unclear how these findings relate to sub-Saharan Africa. The differentiations may be as a result of corporate attitude, and enforcement of corporate governance policy in Sub-Saharan Africa Anglophone countries. This study used a survey questionnaire with questions based on international corporate governance norms from Okpara (2010), Burton et al. (2009) and literature from corporate governance.

This study therefore used empirical evidence to identify views about the importance of each component of corporate governance practice of listed firms in the sub-region. The research question that this study addresses includes the identification of the components that are important for good corporate governance of listed firms in the sub-region. In addition, an empirical study of roles and responsibilities of the board of directors of firms in Sub-Saharan Africa Anglophone countries is necessary. This is because despite the issue of code of corporate governance practices by regulatory bodies of each country in the region, there have been a scandal among the board of directors such as Cadbury Plc in Nigeria.

Furthermore, in the banking industries in Ghana and Nigeria in recent times, the Bank of Ghana and Central Bank of Nigeria (CBN) sacked some board of directors of banks as a result of gross insider abuse, mismanagement of funds and this led to consolidation, merger and acquisition of these banks (SEC,2011). Thus, the purpose of this paper is to fill this gap as much as possible by identifying the impact of the role and responsibilities of the board of directors on corporate governance system of firms. In particular this paper addresses the research question which asks to what extent the role and responsibilities of firm's boards' directors has affected the corporate governance system in Sub-Saharan Africa Anglophone countries.

Moreover, for any country the corporate governance system will consider the effect of the political, economic, socio-cultural, corruption and ownership structure and accounting system factors. Thus, this study contributes to the body of knowledge on the subject by examining views about the effect of each external factor (such as economic, political, corruption and bribery, societal and culture, ownership structure and accounting system) on the corporate governance practice in sub-Saharan Anglophone countries.

The scope of this study covers listed firms in Ghana, Nigeria and South Africa. These countries are English speaking countries and their selection is based on a regional approach, which gives a wider scope. In addition, these countries have growing and strong economies with large markets. For instance Ghana with the fastest growing economy in the sub-region after the discovery of crude oil, South Africa which is the strongest economy in the sub-region and Nigeria having a huge population and large markets, blessed with abundant natural resources such as crude oil and land fertile for agriculture.

1.3 Summary of the contributions and recommendations of the study

Based on the empirical evidence from this study, the contribution and recommendation for this thesis are divided into three sections.

1.3.1 Contribution to the study on the effects of institutional characteristics of corporate governance practice

The findings from this study make a contribution to the literature that enforcement, disclosure and transparency are likely to improve corporate governance system in all the countries together. In addition, there is a positive significant relationship between the regulatory framework and enforcement of corporate governance in each country such as Ghana and South Africa.

Another contribution of this study is that in Nigerian firms, regulatory framework has a significant negative effect on corporate governance system. This finding seems to be due to a lack of proper implementation of regulatory framework of corporate governance by the institutional bodies such as Securities Exchange Commission (SEC), Central Bank of Nigeria

(CBN) and National Insurance Commission (NAICOM). Moreover, lack of proper implementation may possibly be as a result of corruption among the officials of institutional bodies. Furthermore, there are laws in the books and laws in practice, however in Nigeria there are laws in the book for regulatory framework and enforcement policy of corporate governance but there are no laws in practice to execute those rules and regulation and enforcement of corporate governance practices. The institutional bodies and corporate governance system may look good on papers but when they are compromised with corruption, lack of implementation and incompetence the result is likely weak corporate governance practices among firms in Nigeria.

This study find that in Nigerian and Ghanaian firms larger concentration of ownership and preferential treatment to large shareholders may have influence on rules and laws of corporate governance practices. The implication is that ownership concentration is prevalent in Sub-Saharan African Anglophone firms. As a result, the controlling owner will be unwilling to dilute their ownership, generally known as non-dilution of entrenchment (Claessens et al. 2002). This may affect effective corporate governance system in terms of decision making, control rights and cash flow rights.

In a situation of using firms in Nigeria and Ghana as dummy variables, each country has a negative significant relationship on corporate governance system. However, South African firms that serve as reference category can be regarded as positively significant on corporate governance system. This result suggests that corporate governance practice in Ghanaian and Nigerian firms may be relatively weak when compared with South African firms. This finding supports the World Bank ROSC (2010) group report on firms in Ghana and Nigeria that generally there is a need for improvement of corporate governance practice for those countries. However, the improvements of corporate governance practices in South African firms have been found to be important because of King Report 1994, and King Report of 2002. The primary objective of the Reports is to promote the highest standard of corporate governance in South Africa.

The sub-variables of regulatory and enforcement of corporate governance may be better in Ghanaian than Nigerian firms. In particular, the rules and regulation for formal transparency in board nomination, election process, disclosure and communication these sub-variables have significant positive effect on rules and laws that promote corporate governance in Ghana. Also, enforcement sub-variables such as investigation of apparent compliance with rules and regulation by enforcement agency, investors' protection and mechanisms for investigating the illegal treatment of minority shareholders have a positive impact on rules and laws that promote corporate governance in Ghana.

In Nigerian firms, the degree of investigation on non-compliance with laws or regulations by enforcement agency seem to be very weak to move the corporate governance system forward in terms of rules and laws that promote corporate governance. Also disclosure and transparency in Ghanaian firms in terms of insider trading, equal access to information and merger and acquisition may promote rules and laws on corporate governance. In South African firms the confidentiality and autonomy of auditors may be better to enhance sound corporate governance systems.

The basic shareholders rights are expected in promote effective corporate governance system firms in Ghana than firms in Nigeria. This result is consistent with World Bank ROSC (2010) group report on firms in West Africa Sub-region, that firms in Ghana have better basic shareholder protections. This is likely due to the reason for some foreign investors within West Africa Sub-region moving to Ghana in recent times. In Nigerian firms, the violations of the rights of minority shareholders hinder corporate governance system. There is evidence to show that shareholders are allowed to speak at company meeting only if they are known to agree with boards of directors. Consequently, this may deters corporate governance system in Nigerian firms.

In the first section, this study make the contribution by classifies the result of the estimate into two categories such as regulatory bodies and non regulatory stakeholders of corporate governance. We find that the key difference is that regulatory bodies believe in enforcement of corporate governance practices in promoting sound corporate governance. Thus, based on the evidence from this study the regulatory bodies have most likely failed in the implementation of the regulatory framework which is part of corporate governance codes of best practices issued by Securities Exchange Commission and relevant bodies. This may be due to socio political corruption and lack of competency among the officials from the institutional bodies in charge of corporate governance practices of firms in the countries (SSAA).

Moreover, there is also evidence of convergence for firms in Ghana and Nigeria which are negatively significant with corporate governance system when using Ghana and Nigeria as dummy variables with South Africa as a reference category or base. This finding indicates that Ghanaian and Nigerian firms have weak corporate governance systems when compared with firms in South Africa.

1.3.2 Recommendations on the effects of institutional characteristics of corporate governance practice

Based on the findings which are the perception or opinion of the respondents from the finding of first section on this study, we recommend that there is need for general reform of corporate governance of firms in Nigeria by issue only one corporate governance code of best practices for each industry such as financial or non-financial. This should follow the international standard both in context and the implementation of the codes. The corporate governance code should be reviewed as happened in UK Financial Reporting Council in 2012, and to be tailored towards international corporate governance standard such as Cadbury Report 1992 and King Report (1994, 2002).

The establishment of Financial Reporting Council of Nigeria FRC Act 2011 is significant; under this Act there is section four which provide for a directorate of corporate governance with objectives and function toward effective corporate governance practices of firms. As a result, this Act should be well implemented without any interference from politicians. Also, there should be prudent monitoring of law and stringent penalties with requirements of corporate governance rules, regulatory framework and enforcement policy under this FRC 2011 Act. Therefore, any official of the institutional bodies or any stakeholders found guilty of the offence under this Act should be punished in form of penalty.

In Ghana there is a need for Financial Reporting Council (FRC) in order to have more regulatory and supervisory bodies on corporate governance practices for financial and non-financial firms. The respondents from this study provide comments that the Ghana Companies law of 1963 Act 179 have been found to be outdated. There should be a reform of the Companies Act 179 which must include modern corporate code and law guiding Business Corporation. This must also include norms on international standard for corporate governance practices. Furthermore, the shareholders of firms in Sub-Saharan Africa Anglophone countries need strong shareholders' activism through the establishment of shareholders association with aims and objectives of promoting the interest, welfare, enlightenment, and dissemination of information related to management of firms.

1.3.3 Contribution to the study on the effects of role and responsibilities of the board of directors of firms

As regard the contribution on the effect of role and responsibilities of the board of directors the following are stated below based on the findings from the second section of this of the study.

In all the countries together the commitment of board to transparent in board nomination and election process is likely to improve corporate governance system. However, board duality (separation of role between chairman and CEO) hinder corporate governance practices. This may be due to incompetence and inefficiency of both chairman and CEO. This evidence implies that there may be a separation of role and the responsibility between the Chairman and Chief Executive officer. However, this may be less likely to promote good corporate governance.

Another contribution is that the attention of board members to executive compensation by board members has a negative influence on rules and laws of corporate governance of firms. This finding suggests that when there is absence of executive compensation committee this may give chance for the directors to award themselves compensation; this is not good for the interest of the shareholders. In addition, there are indications that board effectiveness has a positive effect on corporate governance system. This implies that when the board members are effectively committed to their roles and responsibilities this can enhance sound corporate governance practice in firms.

There are indications that commitment of the board to transparency in board nomination and election processes, board disclosure and communication are likely to promote sound corporate governance practice. These two variables have a significant positive effect on rules and laws, power and authority of the regulatory agencies of corporate governance. This result implies that the formal and transparent board nomination and election processes have more influence to promote sound corporate governance in term of rule and law and the power and authority of the regulatory agencies in Sub-Saharan Africa Anglophone countries. In addition, supervising process of disclosure and communication is also more likely to enhance sound corporate governance in term of rule and law, power and authority of the regulatory agencies.

Moreover, within each country we observe that for Ghanaian firms' commitment of the board members to a process of disclosure and communication has a positive effect on rules and laws of corporate governance practice. Also, there is evidence that disclosure and communication positively influence power and authority of corporate governance agencies. This result suggests that board of directors of firms in Ghana are more committed to the process of disclosure and communication and this may likely promote the corporate governance of firms. However, in Ghanaian firms' executive compensation seem to have negative effect on all the sub-variables of corporate governance system. This indicates that executive compensation is not promoting effective corporate governance practice. This may be due to absence of executive compensation committee. As a result, this may give a chance for director to award themselves compensation; this may not be in the interests of the shareholders.

In Nigerian firms, commitment of the board members to the process of disclosure and communication has a negative influence on rules and laws of corporate governance practice. This result suggests lack of commitment of board members on disclosure and communication may hinder rules and laws on corporate governance practice. In addition, board effectiveness to their responsibility is more pronounced within Nigerian firms. This is due to various financial scandals that occurred recently in financial and non-financial firms in Nigeria. This allowed the regulatory and supervisory bodies of corporate governance to strengthen their roles and responsibility so that they can be more effective.

In South African firms' board effectiveness, executive compensation and board duality (separation between the role and responsibility of Chairman) strongly promote sound corporate governance. This result suggests that this may be a result of King II and III Reports that lay more emphasis on the issue of the board of directors' effective role and responsibility, separation of role and responsibility between Chairman and CEO and executive compensation.

1.3.4 Recommendation on the effects of the role and responsibilities of the board of directors of firms.

This study recommend that in the area of corporate strategy, improvement is needed by increasing the number and role of independent directors that will see the development of corporate strategy as a team work among themselves and management. This will enable them to work together to make valuable contributions to corporate strategy development. This recommendation is for all the firms in Sub-Saharan Africa Anglophone countries.

In addition, within each country such as Ghanaian and Nigerian firms the regulatory and supervisory bodies of corporate governance need to lay emphasis on nonbinding advisory vote by shareholders on executive compensation as it happens in the UK. This will allow shareholders to express their opinion on executive compensation. Also, there is need for more competent and efficient person as either Chairmen or Chief Executive Officers of firms in Ghana and Nigeria. The person should ensure that their role and responsibilities will enhance good corporate governance practice.

Furthermore, in all countries together there is need for strengthening of the role and responsibility of firm's board of directors and proper monitoring of the board members by regulatory and supervisory agencies of corporate governance.

The shareholders ability to have control over the boards of directors by using voting power and also there is need for shareholders to hold the board of directors liable for non-performance through shareholders activism. The shareholders can influence corporate behaviour through shareholders activism in order to exercise their rights as the owners of the firms. They should ensure that the board of directors are qualified for their position, have a clear understanding of their role and are not subjected to undue influence. The above recommendations are reflection of the opinion of the respondents from the survey questionnaire.

1.3.5 Contribution to the study on the effects of external factor on corporate governance practice

This study finds that in all the countries in the Sub-region the accounting system plays a major role to promote sound corporate governance practice. This result suggests that it is through the quality of accounting system that shareholders, potential investors and other stakeholders of firms will be able to receive financial information about their firms.

There is evidence from this study that political environment seem to hinders promotion of corporate governance system. This finding is due to politicians and friends of officials of the government in power interfering with the work of regulatory and supervisory bodies of corporate governance. Also, the prolonged military dictatorship across the countries in the region did not help the matter because during the military regimes there were no corporate governance frameworks and no strong institutions to formulate policy. It was during democratic rule that such institutional frameworks and reform on corporate governance was introduced, such as Code of Best practices or guideline on principle and practice of corporate governance in Nigeria and Ghana.

Another contribution of this study is that in Nigerian firms, ownership structure may deter the promotion of corporate governance system. This may be due to a lack of proper procedure in acquiring the shares of firms, and most cases board of directors and senior management are likely the majority stockholders of firms.

In addition, in all the countries particularly in Ghana, societal and cultural factors are unlikely to promote corporate governance system. This result indicates that in the Sub-region corporate governance Code of Best practices needs to take into consideration of socio-cultural environment when formulating corporate governance policy.

Moreover, we estimate the effect of sub-variables of external factors on rules and laws that promote corporate governance in all the selected countries. We find that macro-economic policies can hinder promotion of corporate governance practices. This finding implies that when there is a lack of proper implementation of macro-economic policies it may be a result of poor quality of governance. This indicates that government expenditure seem to be misappropriate, this may be due to corruption, lack of transparency and accountability in the countries. This may lead to an increase in national deficit. Thus an increase in national deficit brings a weak economy such as high inflation rate, high interest rate and high unemployment rate. Consequently, investors may move from equity or capital markets to money markets because the money markets are free but capital markets may be risky.

In Nigerian, growth and development of firms that influence the economy may promote good corporate governance. The policy for development of growth of the firms has been recently implemented through the introduction of various economic reforms by past and present democratic governments in Nigeria.

Beside this, in all the countries studied, particular in South African firms' foreign investment attraction is likely to promote corporate governance through inflow of capital and new corporate strategy. This result suggests that promotion of effective corporate governance attract investors by building more confidence for them in order to invest across the countries in the region.

Furthermore, in all the countries together particularly in Ghana the sub-variables such as national culture that affect procedure in accounting systems, business ethics and socio-political culture may hinder rules and laws that promote corporate governance. These results suggest that the governments in the Sub-region (SSAA) need to take into consideration the socio-cultural and business ethics environment of the Sub-region in the formulation of guideline on corporate governance practice or Code of Best practice on corporate governance of firms.

In addition, corruption of sub-variables has a negative effect on the rules and laws that promote corporate governance as a result of institutionalised corruption in all countries in the Sub-region (SSAA). This finding supports the evidence that in recent time corruption is prevalent across sectors of the economy and in society at large. As a result, the rules and laws can be easily altered or not properly implemented by the enforcement and supervisory agencies of corporate governance.

1.3.6 Recommendation on the effect of external factors on corporate governance practice.

The findings from this study which is reflection from the opinion of the respondents, we recommend that the guidelines and regulation of corporate governance across countries in the Sub-region should be drawn in such a way that they reflect the socio-political and cultural environment.

The regulatory and supervisory respondents believe that reduction in corruption and bribery may promote effective corporate governance. As a result, there is a need to strengthen the anti-corruption agencies to provide more campaign against corruption and allow the legal institution to prosecute corrupt officers and politicians in society. Also, the government and politician should stop interfering with ministries and agencies responsible for monitoring, enforcing corporate governance particularly in Nigeria.

Moreover, the sale of state-owned companies and the appointment of the board of directors should follow due process in order to bring transparency and accountability to the firms. This may promote sound corporate governance practice of firms' particularly in Nigeria.

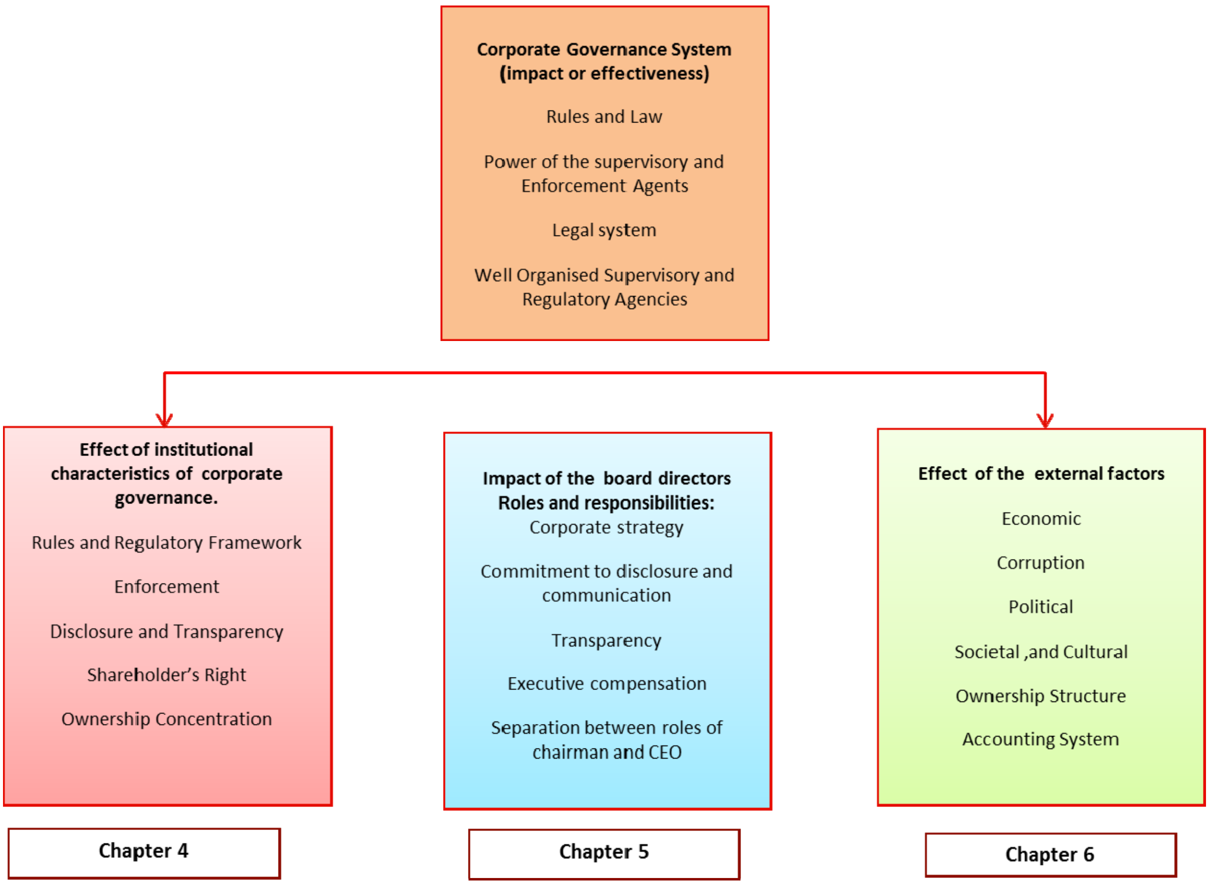
Finally, there is a need for local investors enforce corporate governance by giving them their rights to be able to express their own view and use their voting power. The issue of the board members and senior management having majority stocks in firms; in such situations the regulatory and supervisory agencies of corporate governance should make sure that the minority shareholders rights are not violated.

1.4 Limitation of the study

The above recommendations for each of the chapters (section) are based on the reflection from opinion of the respondents from the survey questionnaire used for this study. Consequently, the limitation of this study is that the opinion of the respondents cannot be probe. In addition, there may be other components or factors that affect corporate governance of listed firms in SSAA countries which this study has not mentioned in the survey questionnaire this may be for further research study.

1.5 Structure of the Thesis :

Figure 1: Shows the structure of the study



The remaining Chapters of this study are organised as follows: Chapter 2 describes the literature review on corporate governance. Chapter three describes the methodology for chapter 4, 5, and 6. Chapter 4 explains the results of the data analysis for the impact of institutional characteristics of corporate governance on corporate governance system. Chapter

5 indicates the results of the data analysis on the effect of role and responsibilities of the board of directors on corporate governance system. Chapter 6 describes the results of the data analysis on the effect of external or environmental factors on corporate governance system. Finally, Chapter 8 provides the conclusions and recommendations based on the results for chapter 4, 5 and 6 of the study.

1.6 The Summary of the study

Motivation of the study

- The emergence of corporate governance debate: corporate scandals across the developed countries. This is due to corporate scandals that occurred across developed countries

- The debate also in Sub-Saharan African Anglophone countries: There are scandals in Cadbury Plc, banks in Nigeria and Ghana.

- The pertinent research question that this study addresses is the identification of the components that are essential for effective corporate governance of firms in the Sub-region

Methodology of the study

- The study used stratified random sampling method to collect data from 12 categories of respondents who are stakeholders of corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries such as Ghana, Nigeria and South Africa

- The instruments used to collect data for this study are from modified version of the Organisation for Economic Co-operation and Development (OECD) corporate governance assessment instrument Okpara (2010), Burton et.al (2009) and corporate governance literatures

The key findings from chapter four: The effect of the institutional characteristics of corporate governance on corporate governance system

- We found that in all the firms in the two countries (Ghana and South Africa) regulatory framework variables of corporate governance have a positive significant effect on the corporate governance system.

- In the Nigerian firms, regulatory framework has a negative effect on corporate governance system.

- This may be due to lack of implementation of regulatory frameworks of corporate governance by the regulatory bodies/agencies in Nigeria.

- In Nigerian firms, the following sub-variables such as non-compliance with law/regulation (Q17) and Shareholders violation (Q25) seem to hinder rules and laws that promote effective corporate governance.

- While in Ghanaian firms preferential treatment of large shareholders (Q30) also deter rules and laws that promote effective corporate governance.

The key finding in chapter five: **The role and responsibilities of firms board of directors**

- Transparency in board nomination and election processes (Q35), commitment of board to disclosure and communication (Q37) may promote effective corporate governance system.

- Board duality (separation of Chairman and CEO) (Q38) seems to inhibit corporate governance system except in South African firms.

- The board of directors are not committed to the rules of executive compensation (Q32) this hinders sound corporate governance practices except in South African firms

The main findings of the study for chapter six: The effect of external factors on corporate governance system:

- Accounting system adopted may affect the corporate governance system

- The political environment seems to hinder sound corporate governance system

- In Ghanaian firms societal and cultural factors may decrease the promotion of effective corporate system

- In Nigerian firm ownership structure may inhibit promotion of good corporate governance

- In South Africa corruption seems to hamper effective corporate governance

Conclusion of the study

- Proper implementation of regulatory framework and enforcement policy on corporate governance practice

- Commitment of the board of directors of firms to transparency and accountability, disclosure and communication

Proper implementation of regulatory framework and enforcement policy on corporate governance practice

- Commitment of the board of directors of firms to transparency and accountability, disclosure and communication

- Adoption of proper accounting system

Recommendations of the study: The following recommendations are based on the opinion or perception of the respondents.

- Adopt a whistle blowing method

- Institutional bodies should be more prudent in monitoring of rules and laws with stringent penalties

- Increase the use of advisory vote by shareholders on executive compensation and facilitation of shareholders activism

- Autonomous regulatory bodies and supervisory agencies

- Ensure competent and effective Chairman and CEO

- The Code or Guideline of corporate governance for listed firms should take cognisance of and be aligned with socio-cultural environment of the countries.

CHAPTER TWO

Literature Review on Corporate Governance of Firms

Summary

The chapter provide a review of literature on corporate governance in the context of globalization and in less developed emerging economies. It highlights the different perceptive and elements with relate theories of corporate governance. The chapter finally examines role and responsibilities of board of directors of firms and external factors affecting corporate governance practice, leading to the formulation of the hypotheses for this study.

2.1 Definition of corporate governance

There is no universally held or single definition of corporate governance and certainly no definition that all countries agree on Mayes et al. (2001). As a result, corporate governance can be defined and practiced in different way globally depending upon the relative power of owners, managers and provider of capital Craig (2005). Generally, corporate governance can be defined as a procedure, customs, laws, policies, and institutions that affect the way a corporation is directed, administered or controlled. It can also be the relationships between stakeholders and the goals that are already laid down for the corporation to follow, in which the principal stakeholders are the following: shareholders, management, and the board of directors. In addition, employees, customers, creditors (banks and bond- holders) are stakeholders. The important objective of corporate governance is to ensure the accountability and transparency of those involved in the policy of organisation through mechanisms that will reduce the incidence of principal- agent problem.

In term of corporate governance mechanism and structure, Keasey and Wright (1993) defined corporate governance as a framework for effective monitoring, regulation and control of companies which allows alternative internal and external mechanisms for achieving the laid down objectives. These mechanisms include those internal to the firm and its organisation, and those external to the firm such as statutory requirement and the operation of the markets. The internal mechanisms are the board composition, managerial ownership, and non-managerial shareholding which involve institutional shareholding. The external mechanisms are the following: statutory audit, the market for corporate control effectiveness in hostile takeovers, and stock market evaluation of corporate performance. However, the advantages of the entire corporate governance framework will be determined by the interaction among these governance mechanisms.

Using the agency theory approach, Shleifer and Vishny (1997) defined corporate governance as a process in which a supplier of finance to firms assure themselves of getting a return on their investment. The authors posited that corporate governance is mainly concerned with principal agency problem between ownership and control. The authors emphasized that corporate governance should be seen as a set of mechanisms through which outside investors protect themselves against expropriation by insiders. In addition, Cadbury (2002) defined corporate governance as the system by which companies are directed and controlled by shareholders. In addition, in terms of attainment of company goals, objectives and performance, OECD (1999) view corporate governance as a set of relationship between the company's management, its board, its shareholders and stakeholders. It also provides the structure through which objectives of the company are set and the means of attaining those objectives, and monitoring performances.

2.2 Corporate governance in Less Developing and emerging economies

This section critically examines corporate governance practices in less developing economies. As a result, these are the studies and findings of various authors. Tsamenyi and Uddin (2008) argue that adoption is becoming a main issue in less developed and emerging economies. Some factors such as Asian financial crisis, the adoption of international donor led reforms, and globalisation of capital market are factors that are moving corporate governance reforms forward in less developed and emerging economies. Adu-Amoah et.al (2008) revealed empirical evidence on corporate governance practices of rural banks in Ghana. The authors posited that corporate governance practices in rural banks are with social and political relations thereby questioning the reason for adoption of western corporate governance model without any adjustment to the system. The purpose of their study is that the design and implementation of corporate governance in these types of firms should consider the local, social cultural and political context. Ndiweni (2008) examines corporate governance in South Africa in social and cultural context. The author found the same evidence from Ghana by Adu-Ahmoah et.al (2008) with corporate governance in South Africa.

In addition, Edward et.al (2008) build up this paper on a number of previous studies of corporate governance in Nigeria such as Oyejide and Soyibo, 2001; Yakasai,2001;

Ahunman, 2002; Okike 2007) As a result the authors examined the effect of ethnicity, gender, and power, and power relationships on corporate practices in Nigeria. The author found that the corporate governance practices in Nigeria are based on developed world. However; there are inadequacies in Nigerian regulatory system and lack of mechanism for implementation and enforcement of corporate regulation in Nigeria.

Furthermore, Akisi (2008) examines the relationship between the inflow of foreign direct investment (FDI) and its determinants in 27 emerging markets between 1997 and 2005, the author focus on the role of accounting standard and corporate governance. The author found that high-quality accounting standard and effective corporate governance may leads to increase in foreign direct investment. As a result of this, the author concludes that emerging markets can attract foreign investment (FDI) through improvement in the quality of financial reporting and corporate governance. Liew (2008) revealed that appropriate corporate governance system will play a significant role in resolving the problems that link with the interlocking and concentrated ownership structure of Malaysian corporations. The author also argues that internal politics and family relations influence the ownership, management and corporate governance of Malaysian corporation. Othman and Zeaghal (2008) claimed that the impact on corporate governance disclosure depend on the emerging market country's legal system. The authors found that common law emerging markets have a higher level of corporate governance disclosure than civil law ones. Also corporate governance disclosure has a positive significant effect on the size of the capital market for emerging market and for common law and civil countries.

Moreover, Soobaroyen and Mahadeo (2008) show the level of compliance with corporate governance code in Mauritius in African developing economy. The author found that a reasonable level of compliance with more visible requirements of the code. However there is no non-compliance particularly in relation to the low number of company boards being chaired by independent directors. In addition, there is non-compliance to uncertainties on the actual operation of board committee, and to the widespread non-disclosure of directors' remuneration. They also found that compliance statements are inconsistent with extent of compliance disclosure in the reports, and this suggests that many of the companies are into selective compliance.

In Uganda, CMA (2006), found that there are difference effort that have been made by various organisation like bank of Uganda, the institute of corporate governance of Uganda, and the Capital Market Authority (CMA) to improve the corporate governance system. The CMA designed the guideline in a minimum standard for sound corporate governance practice by public companies and issuers of corporate debt in Uganda. This development in the regulatory frame work of the CMA is very important at this period as a result of awareness the importance of governance in both emerging and developing economies for improvement of domestic and regional capital market growth. It was based on this, that CMA conducted a survey of compliance level of seven listed companies by using the data from annual report of those companies. The organisation found that there are needs for better clarity when providing for corporate information, and there is need for improvement in degree of reporting and most companies provide generic information.

Furthermore, in the Middle East and North African region Sourial (2007) overviewed the governance model of the corporate sector and securities market of eleven countries in the region out of eighteen countries. The author revealed that recently the region has undergone some reforms and restructuring on legislative, but the main issue is the gap between legislative framework and enforcement. In addition he found that Middle East and North Africa (MEND) market corporate sector is fully with block holder (insider) and they depend on banks for sources of financing. In the region banking sector are having burdened with non-perform loan (NPLs), resulting from over lending couple with conflict of interest, and international fraud and over value of collaterals. Market disciplines with various guideline and tools are yet to developed to extent of improving corporate governance practices and markets are either inefficient or mainly weakly efficient. Moreover, the family business in the region has a foundation, and is the backbone of the regional countries' economies, and it was like that for long period of time. The author recommended that the tradition and cultures should be allowed to choose their acquaintance measure with number of reforms measures that will bring better corporate governance practices. The new innovation might bring resistance to reforms and it may collapse. Finally, the author suggested that the banks should play their role properly, as the main stakeholders as they are far developed in compared with securities market in the region.

In Nigeria, Ahunwan (2002) provided the account of the system of corporate governance in Nigeria and examined the prospect for recent reform and how it will contribute to more governance. The author found that the judiciary system is weak, and the economy is made of underdeveloped market institution, a high level of information asymmetries, deeply rooted with corruption and disregard for rule of law. As a result, the majority of the shareholders expropriated the benefit of control without taking the interest of the minority shareholders into consideration. However, the author revealed that although the reforms have brought some progress, the reform has to address the deeper causes of the problem for example an ineffective legal system, ownership structure and capital market. In addition, the author claimed that ultimately, the successes of corporate governance reforms are associated with broader government reforms of Nigeria state and this will make the country to compete in the global economy.

Furthermore, Rossouw, et al (2002) explained that since the publication of the Cadbury report that defined corporate governance as the system by which companies are directed and controlled. The King's report in South Africa used this definition as a base in formulation of corporate governance system in South Africa. The authors reviewed the corporate governance that currently exists in South Africa by looking at both financial and ethical dimensions of corporate governance. The authors posited that there are indications that corporate governance in South Africa is developing with confusion and the cause of this confusion makes the revision of corporate governance an on-going concern. For South African to participate in the global economy they have to meet the international corporate governance standards; however, they have to do this without separating themselves from the rest of the African continent. The authors found that confusion with South African corporate governance was noticed by the globalization of South Africa companies and their reliance on foreign capital flows. The situation in the country is also complicated as a result of insufficient statutory and legal backing on the broad corporate governance level for the directives that have developed on the narrow corporate governance level.

The authors suggested that the companies have to solve local challenges such as economic empowerment of the black majority in South Africa, how to eliminate the crime such as fraud and money laundering, the reality of Acquired Immune Deficiency Syndrome (AIDS) and how to deal with poverty in the country.

2.3. Literature review on institutional characteristics of corporate governance of firms

The section provides detail of the findings from prior literature which suggested that those institutional characteristic of corporate governance such as (regulatory framework, enforcement, disclosure and transparency, shareholder rights and ownership concentration) can affect corporate governance practices in firms. Below are the outcomes of various academic scholars, and international organisations finding toward the filling the gap in different aspect of the literature in corporate governance of corporations.

2.3.1 The regulatory, legal, and enforcement of corporate governance

The knowledge of the main concept of corporate governance is rule and procedure of transactions that can affect the implementation of corporate governance. This also can include the law, rules and regulation of appointment of auditors, the commitments on the part of government agencies that are responsible for enforcement. It includes issue of listed companies in compliance with corporate governance guidelines, law regarding to the protection of investors which can affect the dividend policy, and shareholders rights especially minority rights. This will not allow majority shareholder to exploit the minority. In addition, procedure of board nomination and election process, rule and regulation related to disclosure and accountability.

The level of legal protection of investors in any country is an important factor in determining the development of the financial market of company in that country. The systematic differences in structure of law and enforcement among various countries in area of historical trend of their laws, level of corruption, and the quality of their enforcement will surely determine the difference in financial development. As a result, these are the findings of authors toward the study of legal protection and enforcement in corporate governance of different countries.

La Port. et.al (1998, 2008) posited that countries which their legal systems have origin in common law are more substantial shareholder protection than civil-law system. Also the authors claimed that greater shareholder protection increase the level of stock market development. In addition, Armour et.al (2009) revealed the same finding that common law system exhibits a higher level of shareholder protection than civil-law system. It may be that common law countries adopted corporate governance code rapidly than civil-law countries. However, the authors found that civil-law system are experience more rapid increase in shareholder protection over the same period. Moreover, the authors found that the legal origin may affect the structure of legal rule; however the level of legal protection is not positively related with financial development, this may due to greater stringency in corporate governance.

La Porta et al. (1998) examined the legal rules covering protection of corporate shareholders and creditors, the origin of the rules and quality of enforcement in 49 countries.

Using empirical analysis the result revealed that common law countries have the strongest, French countries have the weakest, and the German-and Scandinavian-civil- law countries are at the middle. In addition, the authors found that concentration of ownership of shares in largest public companies was negatively related to investor protections, and the same with hypothesis that small, and diversified shareholders are not likely to be recognized in countries that cannot protect their right. Klapper and Love (2004) used current data on corporate governance (CG) ranking in firms across 14 developing markets. Using empirical evidence the authors found that there was variation in firm- level of governance in the sample and the firm-level of governance was lower in those countries that have weak legal systems and firm level of corporate governance should take seriously for countries with weaker legal system. In addition, better corporate governance was correlated with higher operating performance.

Johnson, et al. (1999) empirically used the Asian financial crises to revealed how legal institution affected corporate governance on the depreciation and stock market. The authors found that managerial agency problem can make countries with weak legal system loss the confidence of investor and in a cross-country regression, corporate governance variables enumerate more of the variation in exchange rate and stock market performance during the Asian crises than macroeconomic variables. The author found that the protection of minority shareholder right was one of the main reasons for depreciation and stock market declines during the crises.

La Porta, et al. (2000) examined the level of protection by law on investors, both shareholders and creditors from expropriation by the managers and controlling shareholders of firms. The authors explained the differences in law and how effective in implementation across countries, given the origin of these differences, enumerate their consequences, and examined the strategies of the corporate governance reform. The authors posited that legal approach was more meaningful way to understand corporate governance and its reform than the conventional differentiations between bank-centred and market-centred financial system.

Furthermore, La Porta, et al. (2002) formulated a model of the effects of legal protection of minority shareholders and of cash-flow ownership by controlling shareholder on the valuation of firms. The model was tested empirically using sample of 539 large firms from 27 developed economic countries. The results revealed that, higher valuation of firms in countries with well protection of minority shareholders, and firms with higher cash-flow ownership by controlling shareholders. The finding of this study was consistent with

DeAngelo and DeAngelo (1985). The study also contributed to the theoretical framework on the effects of corporate ownership structure on valuation (Demsetz and Lehn (1985) and Morck, et.al (1988).

Shleifer and Vishny, (1997) examined the corporate governance with special focused to the importance of legal protection of investor, and ownership concentration in corporation around the world. According to the authors, corporate governance deals with agency problem, the separation of management and finance, the question of corporate governance was how to assure the supplier of capital that they get return on their investment. The authors proceed forward, by posited that agency problem gives an opportunity for the managers to run away with suppliers of capital fund or used them on irrelevant project with well documented. In the absent of governance it will be failure, as a result of the above, legal protection of investors rights, was one of important element of corporate governance. The concentration ownership through large shareholders, takeover, and bank financing are general method of control that can help investors to get back their money. Even though large investors can be assist effectively in providing solution to agency problem, but they may be inefficient in redistribution of the wealth from other investor to themselves.

OECD (2004) explained the important of legal regulatory, supervisory, and enforcement agencies so that corporate governance framework will be effective in a firm. The organisation revealed that corporate governance framework should enhance transparency, consistent with rule of law, and there should be division of responsibility for supervisory regulator and enforcement agency in each country in which the firm operate. The organisation further explained that the bodies in charge of setting the principle of corporate governance in each of the country must make sure that there is no conflict between the codes or principle and the existing law of each of the country. In case if there is conflict appropriate legislation will be enacted. Although, when there is no conflict the legislation is required to support some area of corporate governance

OECD (2004) principles also suggest that supervisory, regulatory and enforcement authorities must have the power, integrity, and resources needed to carry out their duties in a professional and objectives miner, however the rulings of these authorities should always be at appropriate time, transparent, and should be explain clearly. In addition, ECA (2002) explained that separating the government’s policy making and regulatory roles through establishing independent regulatory mechanisms and increase the development of regulatory expert can enhance the stability in the regulatory environment. Also Rossouw (2005) posited that lack of an effective legal and regulatory framework hinder good corporate governance, this prevent firms from listing because they are under highly scrutiny and they need to increase their level of disclosure. However, the author further explained that a legal framework is compulsory so that it can offer sufficient incentives for firms to become more transparent

Moreover, La Porta, et al. (2000) examined the level of protection by law on investors, both shareholders and creditors from expropriation by the managers and controlling shareholders of firms. The authors explained the differences in law and how effective in implementation across countries, given the origin of these differences, enumerate their consequences, and examined the strategies of the corporate governance reform. The authors posited that legal approach is more meaningful way to understand corporate governance and its reform than the conventional differentiations between bank-centred and market-centred financial system.

In addition, Arun and Turner (2004) revealed that there is need for appropriate laws to protect investors, increase financial disclosure, and putting fiduciary duties on directors and company executives. Doidge et.al (2007) distinguish between the investor protection by the state and investor protection adopted by firm, the authors claimed that in a countries with weak development, it is very costly to improve investors protection because institutional infrastructure is lacking and sound governance has political cost. The authors revealed that in such countries an opportunity of improving corporate governance is not too much as a result of weak capital market and this indicate such countries have poor investor protection. They explained further that there is evidence of interrelationship between country-level of investor protection and firm-level of governance.

2.3.2 The disclosure and transparency of corporate governance

In recent time as a result of corporate governance scandal, government of both developed and developing countries have adopted a numbers of regulatory changes. As a result, Okpara (2010) revealed that this regulatory change as increase the disclosure requirement and transparency. OECD (2004) explained that corporate governance framework should ensure that timely and accurate disclosure is made on all material matters pertaining to the company. This includes the financial situation, performance, ownership, merger and acquisition and governance of the company.

2.3.3 The Shareholders rights

Okpara (2010) revealed that shareholder rights are not the same from country to country, for example in North America shareholder rights tend to be more developed than other developed countries. As a result there is standard for purchase of common stock. The shareholders rights are documented in corporations' laws and stock markets rule and regulation for any country, then the issues of shareholder rights is important for the protection of investors against poor management of firm. In developing countries the issue of protection of shareholder rights have been have become a serious challenge for implementing effective corporate governance system

OECD (2004) specified the following as the basic shareholder rights this including the right to secure method of ownership registration, convey or transfer share, obtained relevant and material information on the corporation on a timely and regular basis. Then participate and vote in general shareholder meeting, elect and removed members of the board, and share in the profit of the corporation. In addition, shareholders should have the right to participate in, and to be sufficiently informed on decision concerning fundamental corporation changes, for example amendments to status or articles of incorporation, the authorisation of additional share and extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company.

QECD (2004) further explained that capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed, and the exercise of ownership rights by shareholders, including institutional investors, should be facilitated. Furthermore, the organisation revealed that corporate governance should ensure that equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtained effective redress for violation of their rights. The confidence of minority shareholders is enhanced when the legal system provides mechanism for minority shareholders to bring lawsuits when they have a reasonable point to believe that their rights have been violated.

2.3.4 The power of shareholders

Oluyemi (2005) posited that shareholder is presenting a major role in the provision of corporate governance. Moreover, the author asserted that small or diffused shareholders exert corporate governance by directly voting on critical issues such as mergers, liquidation and some fundamental changes in the business strategy. They also indirectly elect the boards of directors to represent their interests and oversee the myriad of managerial decisions. The author further revealed that incentive contracts are common mechanism for aligning the interest of managers with those of shareholders. Then the board of directors may negotiate managerial compensation with believe that it will yield a particular results. In addition, the author argue that large ownership is another mechanism will disallowed the managers from deviating too much from the interest of the owners. Large shareholders have incentives to obtain information and monitoring managers, and they can also elect their representative to the board of director and check managerial control of the board. They can also be more effective in exercising their voting rights than an ownership structure which is dominated by small and uniformed investors. Consequently, large shareholders can be more effective in the negotiation of managerial incentive contract that align owner and manager interests than poorly informed small shareholders whose representative the board of director can be manipulated by the management.

DeAngelo and DeAnglo (1995) revealed that large ownership brings some corporate governance problems, this occur when the large investors exploit business relation with other firm they own which will profit them at the expense of the bank. Moreover, with larger shareholders private benefits of control can be maximised at the expense of smaller shareholders.

OECD (2004) specified the following as the basic shareholder rights this including the right to secure method of ownership registration, convey or transfer share, obtained relevant and material information on the corporation on a timely and regular basis. Then participate and vote in general shareholder meeting, elect and removed members of the board, and share in the profit of the corporation. In addition, shareholders should have the right to participate in, and to be sufficiently informed on decision concerning fundamental corporation changes, for example amendments to status or articles of incorporation, the authorisation of additional share and extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company. Moreover, capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed, and the exercise of ownership rights by shareholders, including institutional investors, should be facilitated (OECD, 2004).

Furthermore, Shleifer and Vishiny (1997) revealed that in more extreme situation large shareholders have outright control of the firm and their management with fifty-one or more per cent ownership. As a result, they address the agency problem in the sense that they have general interest in profit maximization and have enough over the assets of the firm so that their interest are respected. In addition, the authors argue that because large shareholders control by exercise their voting rights, their power based on the degree of legal protection of their votes. Majority ownership only works if the voting mechanism works, and majority ownership dictate the decision of the company and in which they need the enforcement by courts.

Lipton and Lorsch (1992) explained that shareholders should focus their attention on the financial and strategic performance of the company and they should not use the corporate governance system to pursue social and political ends. The authors revealed that such activity only increased the tension between shareholders, managers and directors, diverting the latter two groups from focusing the way they will improve the performance of the company.

Payne, et al. (1996) posited that legally, institutions that are acting as fiduciaries should take the interest of beneficiaries as important. Also fiduciary agents are banks trustees which are not to consider self-interest or interest of the third parties on decision making that affect asset value (shareholder voting). Moreover, management may work to established themselves firmly at the expense of outsider shareholders and may force the institutional investors to vote in support of their proposals. The study provide an empirical analysis whether banks voting system is consistent with beneficiary interest. The results shows that where directors interlock and income-related relationships occurs, bank tend to vote in favour of management anti-takeover proposal. If there are no businesses relationships banks tend to vote against the proposal (Payne, et al. 1996).

OECD (2004) revealed that corporate governance should ensure that equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtained effective redress for violation of their rights. The confidence of minority shareholders is enhanced when the legal system provides mechanism for minority shareholders to bring lawsuits when they have a reasonable point to believe that their rights have been violated. The provision of such enforcement mechanisms is a main responsibility of legislators and regulators.

Furthermore, Shleifer and Vishiny (1997) posited that a substantial minority shareholder has the incentive to obtain information and monitor the management, thereby avoiding the traditional free rider problem. They have enough voting control to put pressure on the management in some situations, or have power to force the management out through a proxy fight or takeover. The authors explained that large minority shareholders are more complicated since they have to make alliance with other investors in order to exercise control. The power of the managers to interfere in this alliance is highly enhanced, and the courts have the power to protect their rights. As a result the large minority shareholding may be relevant only in countries with relatively powerful legal systems, while in countries with weak legal system are more likely to have outrights majority ownership.

In addition, Oluyemi (2005) found that minority shareholders may exert corporate governance directly through their voting rights and indirectly by the board of directors electing them, but there are some factors that can prevent minority shareholder from effectively exerting corporate control. This occurs as a consequence of large information asymmetries between managers and minority shareholders, as managers have enormous direction over the flow of information. The minority shareholders frequently lack the expertise to monitor managers accompanied by each of the shareholder's small stake which can induce a free rider problem. This indicates that each shareholders relies on others to undertake the costly process of monitoring managers, this imply that there is too little to monitoring.

2.3.5 Ownership concentration

Ownership structure means various patterns by which shareholders seem to set up respect to a specific group of firms. The structure of ownership of firm is always used by policy-makers, Academician, and researcher in their various analyses of corporate governance of a country or firms. Shleifer and Vishny (1997) revealed that ownership concentration is link with legal protection and this one of two main element of determinant of corporate governance. There are situation where large shareholders can benefit minority shareholders because of their power and incentive they used to prevent expropriation by managers. As a result, ownership concentration can view as an efficient governance mechanism Okpara, (2010). However, Johnson et.al (2000) claimed that large shareholder can align with managers to expropriate minority shareholder this benefit is known as tunnelling. La porta et.al 1999; 2000 argues that this situation is one of the main agency problems in countries with poor shareholder protection. In addition, Morck et.al (1988) found that controlling shareholders may pursue an objective that will not favour minority shareholders.

Furthermore, Okpara (2010) posited that the relationship between ownership concentration and firm efficiency is a complicated issue. The author found that when ownership of shares is widely dispersed. A higher ownership concentration is likely mitigating the free-rider problem and this will improve firm efficiency. The author further explained that when the fractional ownership of the higher shareholders concentration exceeds a certain threshold, a higher ownership concentration raises the likelihood of tunnelling and reduce firm efficiency. In addition, La Porta et.al (1999) used the data on ownership structures of large companies in the 27 richest economies to investigate the fundamental controlling shareholders of these firms. The empirical analysis of the sample revealed that, except in economies with very good shareholder protection, few of these firms are widely held. The findings do not match Berle and Mean’s view on Modern Corporation. Instead, these firms are controlled by families or the state. The equity control through financial institution is very rare and the controlling shareholders have power over firms in excess of their cash flow rights. This happens through the use of hierarchy and taken part in the management activities.

2.4. Theoretical framework on role and responsibilities of the board of directors

The composition of the board of directors is very important for the board to perform their functions without any control from anybody. The board should include individual with good personal character and ability to perform the board’s duties, integrity, having sense of accountability, record of success, and leadership qualities. In addition, he or she must be expert in the field of finance with experience, and must always think strategically. The directors must show his committed to the organisation by prepared and present for meeting.

Okpara (2010) argues boards’ structures are not uniform across the country, there is diversity of ownership structure around the world, countries such as France, Germany, Netherland, and China their company law required listed firms to adopt a two-tier board (dual board system). However, Mallin (2010) found that most Europeans countries such as, have a unitary board structure, example are UK, Spain and Ireland although majority have option for of a dual structure and some provide employee role in supervisory. In such countries there is supervisory and managerial role in the companies examples are Austria, Denmark, and Germany.

Moreover, Mallin (2010) explained that the Chief Executive Officer (CEO) is responsible for the running of the company’s business activities, while the chairman is responsible for running of the board. The author argues that the two roles should not be combined and carried out by one person because it gives the individual person too much power in the company. The empirical evidence of Brickley et.al (1997) show that separating the chairman of board and CEO will reduce agency cost in firm and improved performance.

Weisbach and Hermalin (2003) asked this question that why there are boards of directors. The authors answer by argues that boards of directors exist as a result of regulation between the country corporate law and Stock Exchange Commission (SEC) requirement. The authors further argue that boards of directors are market solution to firms' design problems and it is an endogenous determines institution that improves the agency problem that is affecting large firms.

OECD (2004) principle of corporate governance explained the responsibilities of the boards which include the following; reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plan. The responsibilities also include setting performance objectives, monitoring implementation, corporate performance; and overseeing major capital expenditure acquisition and divestiture. The organisation also stated that the function of board of director should include; selecting, compensating, monitoring, replacing key executives and overseeing succession planning. This function of the board is aligning key executive officer and board remuneration with the longer term of the company interest of the company and its shareholders. In addition, the board should ensure a formal and transparent board nomination and election process, overseeing the process of disclosure and communications. The board should ensure the integrity of the corporation's accounting and financial reporting standard which include the independent audit system and compliance with law, regulation, and standards. The board play the role of monitoring the effectiveness of company's governance practices and they should able to commit themselves effectively to their responsibility (OECD, 2004).

The composition of the board of directors is very important for the board to perform their functions without any control from anybody. The board should include individual with good personal character and ability to perform the board's duties, integrity, having sense of accountability, record of success, and leadership qualities. In addition, he or she must be expert in the field of finance with experience, and must always think strategically. The directors must show his committed to the organisation by prepared and present for meeting.
Most of the empirical studies on effect of board composition on firm performance are given difference result, contrary to expectation.

Furthermore, Heracleous (2001) argues that the accepted ''Best Practices'' on corporate governance has generally failed to find convincing link between these practices and organisation performance. Using empirical analysis, the result shows that the relationship between two best Practices CEO/chair duality and insider and outsider composition and organisation performance to be insignificant. He proposes four possibilities and implication for each of the possibilities for this relationship that is mutually exclusive. Firstly, the possibility that best practices in corporate governance's index is not a determinant to organisation performance and the implication is that corporate governance best practice needs to be seriously reorganised without any doubt. Secondly, that operational performance of theoretical concept has low face validity and there is need for higher face validity of operation by behavioural observation and interview of the directors**.** Thirdly, the studies are not wide to aiming to show board characteristics to organisational performance and not to take note of systemic factor and there is need for research models and paradigms that can explain the systemic and multi-directional influences. Lastly, that difference type of organisation performance need difference practice in corporate governance and this indicate that a contingency idea needs to be incorporated in the study of governance.

Bhagat and Black (2002) noticed that on the board of directors of American Public companies, independent directors are more numerous, and many financial analysts and institutional investors are confident that a monitoring board composed of independence directors is an important structure of good corporate governance. The authors used empirical evidence to disprove the believed by using the first large sample, to determine the degree of board independence (Proxies by fraction of the board of independence directors minus the fraction of inside directors on a company's board) correlate with different measures of long-term performance of large American firms. The authors found that low-profitability firms increased the independence of their board of directors, but there was no evidence that this method succeeded, firms with a more independent board did not perform better than other firms. The author results support the method of the firm to test the board structure that rejecting the conventional monitoring of board.

Moreover, Prasanna (2006) investigate whether the board independence has any influence in maximizing value. The author revealed that the empirical analysis did not produce evidence to show that there was relationship between independence board and value maximization. The author suggested that other related controlling variables such as shareholding pattern, market presence, and industry growth should be include in the study. However, the corporate governance reforms changing from non-executive director to independent which shows that over the past five years corporate board have change drastically. Currently most of the boards of companies have the highest number of non-executive directors. The institutional body in-charge of regulating is monitoring seriously to make sure that there are present of non-executive directors on the board of company.

In addition, Raheja (2005) models the interaction of firm insiders and outsiders on a corporate board and discussed the question of board's ideal size and composition. In the model the results shows, that the board duties was for monitoring and making CEO succession decision. The insider directors are better informed on the quality of the firm investment projects, although outsiders can use CEO succession to encourage insiders to show their superior knowledge and assist the board in implementation of higher value projects. The optimal board structure was determined by trade-off between maximizing the ability of outsiders not to accept inferior projects and the optimal board size and composition are function of director's and the firm's features. Finally, the author developed testable implication for cross-sectional variation in the optimal board structure across firms.

In case of the board size, there is clear indication of negative relationship appears to occur between board size and firm performance. Yermack (1996) conducted an empirical study to show the relationship between board size and firm value in a sample of 452 large US firms. The author found an inverse relationship between board size and firm value, that largest fraction of lost value occurs as board increases from small to medium size. The financial ratio, which are profitability, and operating efficiency decreases as the board size increases and provide stronger CEO performance incentives from compensation and risk of dismissal. The results robust to different control variables for company size, industry membership, and insider stock ownership growth opportunities, and alternate corporate governance structure. Tanna, et al. (2008) empirical revealed that board size has a link with efficiency. The authors show evidence on the effect of board size and composition on the efficiency of UK banks, although the impact was no rousted across various samples and specifications.

Furthermore, Jensen (1993) argues that when boards are small in size this can help to improve performance and when board member are more than seven or eight people they are less to function effectively and are easier to control by CEO. This due to the coordination and process problem overwhelm the advantages gained from having more number of people on board. The author explained that firms with larger boards' size cost of remuneration, sitting allowance, and other expenses are higher than firms with fewer board sizes. In addition, Lipton and Lorsch (1992) claimed that a smaller board size will make directors to know each other, in other to deliberate on issues more effectively with directors making contribution and reaching a true agreement from the deliberation.

Moreover, Andres, and Vallelado, (2008) in their presentation of a paper on role of the board of directors in corporate governance in banking with a large sample of international commercial banks to test the hypothesis of dual role of directors. The empirical study revealed an inverse relationship between bank performance, and board size, and also between the proportion of non-executive directors and performance. This indicated that bank board composition and size are related to director's ability to monitor and advice management, therefore, larger independent boards might prove more efficient in monitoring and rendering more valuable advice.

2.4.1 Power separation between board chairperson and CEO

Several of the studies that examined the separation of board chairperson and CEO argue on the basis that agency problem is higher when the same officer holds both positions because there will be too much power vested in one person and conflict of interest (Mallin, 2010). Bhagat and Bolton (2008) examined empirically the relationships among corporate governance, performance, corporate capital structure and ownership structure. The result shows that CEO-Chairman separation was significantly correlated with operating performance. Baliga and Moyer (1996) investigate the relationship between the CEO duality and firm performance, it consider the pronouncement effect in duality structure, accounting measure of corporate performance. The empirical analysis of data shows that market was indifferent to changes in duality status of firms, there was little evidence of operating performance changes around duality status, and there is weak evidence that duality status affect long-term performance when other factors that can impact the performance have been control.

2.4.2 Board corporate strategy

This involves the level of participation of board members in commitment to decision making that can affect the long term performance of firms, the strategic decision which is based on long term trust and the direction of the firm (Ogbechie et.al 2009). The authors relate the board characteristics such as board size, outsider and inside board of director and CEO duality in relation to board involve in strategic decision making. As a result, the authors found that boards have to be more effective in strategy process. OECD (2004) explained that board should be involved in reviewing and guiding corporate strategy such as major plan of action, risk policy, setting performance objective, and annual budget with business plan. Others include monitoring implementation, corporate performance, overseeing major capital expenditure and acquisition and divestitures.

2.4.3 Executive compensation

In the heart of corporate governance debate the issue of executive compensation have attracted much attention worldwide (Okike 2007). OECD (2004) explained that the board should have sufficient numbers of non-executive directors capable of exercising independent judgement on key responsibility such as payment of executive compensation. Therefore, board members of firm have a responsibility to pay attention to issues of executive compensation. Consequently, Shah et al, (2009) revealed in academic debate the determinant of Chief Executive Officer (CEO) compensation is mainly on economic factor globally, this may likely be due to various market demands, work place diversity, heterogeneity in firms' level and the growth opportunities of the firms. Thus the authors found that the size of firms, firm performance, market risk, power, tenure, CEO ownership and firm growth have being used to determine the executive compensation.

2.5.Theoretical framework on the effects of external factors on corporate governance of firms

The section of this study provides detail of the theories from prior literature which suggest that those factors mentioned below can affect corporate governance practices in firms. These theories will explain the way these factors can influence corporate governance. This includes the following.

2.5.1 The Economic factors

Burton et.al (2009) explains that macro-economic policies affect the ways in which organisations are managed. Therefore, economic factors such as the level of poverty, inflation, unfavourable foreign exchange rate and increasing cost of doing (high interest rate) are challenges to corporate governance structure. Also the attraction of local and foreign investors will depend on the type of business environment and corporate governance practice in the region and this can affect the growth and development of the firms. The authors further explain that economic and financial developments have more influence on a nation's corporate governance than firm characteristics. In addition, corporate governance has positive effect on growth opportunities and need for external financing. Also country peculiarities affect the costs that firm incur and this has benefit for adopting good corporate governance practices. However, the authors argues that in a country with poor financing and economic development there is less access to external funding and thus it is possible that large shareholders will extract private benefit more readily as there is less monitoring by outsiders.

Against this background, it shows that economic factor may influence corporate governance practices. OECD (2004) the organisation principle explained that the economic situation in a country may have a role to play in effective governance. As a result the organisation believes that corporate governance is only part of the larger economic context in which a firm operate such as macroeconomic policies and degree of competition in product and factor markets. Coffee (2005) revealed that corporate scandals with state of economy, the kind of ownership structure, accounting scandal, financial irregularities such as earnings manipulation all these are linked with the recent economic downturn. Consequently, the author argues that the activities of the stock market, and economic policies put in place by government is affecting firm performance negatively and affect their competitiveness. As a result, the author found that sound corporate governance practice can enhance economic success, attraction of local and foreign investors and long term stability of the economic. Also this improves market discipline, transparency, accountability, and country reputation. However, Kapuma, (2001), Mensah (2001) argue that in most developing countries many listed companies are subsidiaries of foreign, multinationals and that minority of shares are allocated to local investors. As a result, the public investors' cannot use their voting power to enforce corporate governance, and lack of effective corporate control due to limited trade able shares.

Moreover, Doidge et.al (2007) claimed that economic and financial developments have more impact on a country's corporate governance practices than firm characteristics. The authors revealed that corporate governance is positively significant with growth opportunities and availability of external finance. Also factor of the country affect the cost that firm incur and the gain obtained from practicing sound corporate governance. Burton et.al (2009) explained that in a country with poor financial and economic development there is less access to external funding, therefore it is possible for large shareholders to extract private benefit more readily due to less monitoring by outsiders. In addition, Mueller (2006) argues that several studies have revealed adverse effects of Asian financial crisis are more severe in countries with weak corporate governance institutions. Based on this finding the author found that in countries with poor shareholder protection and investment performance it will be difficult for firms in again higher sum of money in equity market. This will have adverse long-term effect on growth prospect on such countries. The author argues that weak corporate governance institutions in developed may result to wasteful over-investment and weak corporate governance institutions in developing countries may result to under investment. This suggest that the best development strategy for emerging market country is to create a condition that will produce a higher equity market, and the best step is to this direction is to install strong corporate governance institutions that will enhance higher equity market.

In addition, financial intermediation is affecting the corporate governance practices in developing economies. As a result Okeahalam and Akinboade (2003) reveal that banks play a predominant role in financial intermediation of firms in developing countries, as a result they maintain a good relationship with other firms in order to protect them and bring profit to the business environment. The authors further explained that this will bring a cordial relationship between the borrower and lender. In some countries firms own and control major local banks by creating a conglomerates business with the organisation and this will be easier to finance the whole companies.

Furthermore, there are challenges emanating from privatisation of state-owned companies which is affect the corporate governance practices of firm. Consequently, Estrin (2002), Okeahalam and Akinboade (2003) posited that one of the reasons for privatisation of firms is to improve managerial incentives and raise corporate efficiency. However, in most developing countries there are conflict and problems associated with corporate governance before or privatisation of state-owned companies. The authors revealed that there is lack of independence in the valuation of the assets; most sales of the companies are for their friends and lack of transparency in the appointment of the board of the companies. This enhances corporate governance problem in the privatisation of companies in developing country.

2.5.2 The societal and cultural factors

Burton et.al (2009) argues that the individual nature of each developing country can affect corporate governance practices, such that a situation where there is pressure from individual families and clan for financial support may encourage corruption and bribery. The head of a family makes decisions for a family-owned business without following the corporate governance guideline. Such decisions include issues of employment, board members, attitude towards women and tribalism. All these issues can bring in incompetent or unqualified person to control the management of firms. In some cases the position you hold will influence your decision at management level in a firm family, extended family and clan may likely influence your decision on issues related to employment. Therefore this will also attract unqualified person to hold a position in a firm.

Furthermore, Bhaumik and Gregoriou (2010) examined the literature on issues such as why family firms are found in various business organisations. The authors focused on the mechanisms by which family retain control over firms and the incentives for the families in control to expropriate other stakeholders by way of tunnelling. In addition, the authors found evidence on issue of earning management in family firms.

In addition, Burton et.al (2009) further explained that protection of employee and payment of decent living wages can influence the level of corruption in a firm, and behaviour of board members if they focused more on financial reward than other issues may affect the board's oversights function. As a result, all these issues may likely influence the practice of corporate governance. (Aguilera and Jackson 2003, Filatotchev et.al 2005, Adu-Ahmoah et.al 2009,) argues that as a result of corporate mismanagement and failure, there is need for a new policy initiative where corporate governance guideline should be drawn in a way that better serve the individual nature of each country. This is because of differences in the socio-political and cultural environment of each country. Burton et.al (2009) argues that cultural and social framework is important in the context of ethical environment in which the modern firms operate. They revealed that culture and social factors significantly impacted on corporate governance of developing countries. Vintiadis (2004) found that conflicts of interest, unsound ethic and greed are among causes of major corporate failures.

Haniffa and Cooke (2002) claim that cultural factors are important because the traditions of a nation are instilled in its people and this might help to explain why things are as they are. The authors found that family members sitting on the board of firms may influence on disclosure practices; therefore this can affect the corporate governance of firms. In addition, Dawson (2004) posits that confidence in firms and capital market can be a pillar on the actions, values and beliefs of those in the management of the corporation. The ethical framework within which a firm operate such as values held by culture, society, internal corporate practices and moral value held by employee may also affect the confidence in firms and capital market.

Moreover, Gray and Adams (1996) argues that prior research has shown that there are different patterns of accounting and the development of national systems of corporate financial reporting is related to environmental factors. The author formulated a framework for analysis of the impact of culture on the development of accounting system. He identified that value dimensions at the accounting subculture level that is professionalism, uniformity, conservatism and secrecy and these have link to cultural value dimension at society level. The author formulated hypotheses to test the relationship between culture and accounting system in the context of systems authority and enforcement characteristic, and measurement and disclosure. Against this background, the author suggests that the influences of any change factors need to be taking into account as a result of existences of external influences arising from colonization, war, foreign investment, activities of multinational companies and large international accounting firms. Based on the above, this shows that culture influences corporate governance through the guardians or gateway of accounting system that is operating in each country. In addition, Stolowy et.al (2005) found that cultural values have more impact than legal origin in explaining divergence from international accounting standards (IAS), this indicate that culture influences corporate governance because there are a lot of issues of corporate governance in international accounting (IAS).

Besides this, Haniffa and Cooke (2002) argue that the proportion of family members in the board composition of a firm may influence disclosure practices, the authors believe that in a firm where families have substantial equity holding there is no separation between those who own and those who manage capital. Moreover Ahikari and Tondkar (1992) revealed that capital owners do not have to rely on public disclosure to monitor their investment since they have more access to internal information as a result the demand for public disclosure and reporting will be very low. This is evidence to show that family is an important factor that can influence corporate governance of a firm.

2.5.3 The Corruption and bribery factor

Socio-political corruption can influence corporate governance practice among parties or players of corporate governance. This parties include; the regulatory bodies, the Chief Executives Officers, (CEO) the board of directors, management, shareholders, auditors and other stakeholders. The level of corruption is cut across the responsibility, duties or task been given to each of them in their capacity. Burton et.al (2009) claimed that the improvement of corporate governance can reduce the level of corruption and this may influence confidence of domestic and foreign investors. The authors argue further that corruption and bribery can affect the enforcement of corporate governance through regulatory officers and the judiciary. Furthermore, an issue of business ethic involves the procedure of privatisation of state-owned enterprises with the aim to improve managerial incentive and raise corporate efficiency. The procedure for this privatisation will influence the valuation of state assets, the stock market, the way and manner those in authority carry out the exercise will affect the corporate governance in term of ownership and control. Moreover, Rossouw (2005) revealed that ethical concepts concern transparency, accountability, responsibility, the function of board and their composition, reporting, disclosure and respect for the rights of all stakeholders of firms. The author further explained that business ethics consider an integral and essential part of sound corporate governance based on the analysis of various national codes of corporate governance.

The various scholars involved in corporate governance such as the report of Second African Consultant Forum on Corporate Governance, (2003), suggest that corporate governance best practices must consider other stakeholders interest. While Stermberg, (2004) argues that corporate governance should ideally concern between individual and community goals. Cadbury committee, (1992), explained transparency in decision making. (Filatotchev and Boyd, (2009) argues that corporate governance should involve managing risk, engaging stakeholders and making accountability real. However, Bakare, (2011) argues that all these issues mentioned above concerning corporate governance best practices can only be really achieved in an environment free of internal socio-political, economic and cultural corruption and free of trans-organised financial crimes

Furthermore, Burton et.al (2009) reveals that corruption remains endemic in developing African nations and in some cases; this becomes institutionalised as a result of collective behaviours. In addition Okike (2004) posits that corruption is through the wealth and economic well-being of a nation with fast growing economies can easily be prone to corruption. In addition, lack of adequate internal control system in a firm may led to corruption among employee in organisations. However, the author further argues that when there is economic hardship people easily sell their conscience. Against this background, this indicate that corruption, and bribery can easily influence the corporate governance practices

2.5.4 The political factors

Burton et.al (2009) claimed that a nation's political environment affects the practice of corporate governance in terms of fiscal and monetary policies, security and stability and type of political leadership (democratic or autocratic) in power. This will affect government interferences with work of regulatory and supervisory bodies, appointment of chairman of corporation and incentive for company executives. Government ministries are responsible for monitoring and enforcement of corporate governance principles and this can be influenced by politicians or the type of leadership in that country. In addition, ECA (2002) explained that good economic governance exist in economies that institutions of government are capable to manage resources efficiently, formulate, implement and enforce sound policies and regulation. They can be monitored and held accountable if there is respect for rules and norms of economic interaction. Also economic activity is unimpeded by corruption and other activities that are inconsistent with public trust. The organisation further explained that the main elements toward an environment for good economic governance are transparency, accountability, and enabling environment for private sector, growth and development, and institutional development and effectiveness.

Furthermore, Burton et.al (2009), Chryssides and Kaler, (1996) argue that the business sector operate in accordance with laws, rules regulations, and policies that are in place as a result of political decision by the government in power. As a result the authors' beliefs that effective development of fiscal and monetary policies, the laws governing commercial interaction, and sound enforcement will provide a stable framework for business activities. Moreover, La Portal et al (1998) found that a well organised legislative branch, passing and monitoring appropriate law, with sound regulatory and supervisory agencies in place, then providing example of well practices at higher level. All these will definitely promote good corporate governance. Based on above mentioned point, it is clear that political climate can influence the practice of corporate governance.

Ahunwan (2002) revealed that the problem associated with ownership in developing countries is that government may likely influence the ownership structure especially in a multinational corporation or firm wholly or partial -owned by government. In such situation there will be partisan politics and this will affect the ownership structure. The author further explained that several year of military rule and high level of corruption have negatively affect the management of public and private corporation in some developing countries. Especially in the appointment to the board, senior management position and even lower officer all are based on political connection, instead using efficiency and professional qualification for the appointment. All these will surely have adverse effects on corporate governance practice.

2.5.5 Ownership structure factors

It is rarely difficult to separate ownership and control within any firms, thus the controllers always have some degree of ownership of the equity of the firms they control, also in some cases owners by virtue of the size of their equity position they have some effective control over the firms they own (Denis and McConnel, 2003). As a result, the authors believe that ownership structure which is the identities of a firm's equity holders and the sizes of their position is a vital element of corporate governance of firms (Denis and McConnel, 2003). Consequently, most of the finding of studies on ownership structure of firms by academicians and researchers in a country is used by policy-makers of corporate governance. Shleifer and Vishny (1997) reveal that ownership concentration is linked with legal protection and this is one of two main element of determinant of corporate governance.

There are situations where large shareholders can benefit minority shareholders because of their power and incentive used to prevent expropriation by managers. As a result, ownership concentration can be seen as an efficient governance mechanism Okpara, (2010). However, Johnson et.al (2000) claimed that large shareholders can align with managers to expropriate minority shareholders this benefit is known as tunnelling. La portal et.al 1999; 2000 argues that this situation is one of the main agency problems in countries with poor shareholder protection. In addition, Okpara (2010) posited that the relationship between ownership concentration and firm efficiency is a complicated issue. The author found that when ownership of shares is widely dispersed, a higher ownership concentration may likely mitigate the free-rider problem and this will improve firm efficiency. The author further explained that when the fractional ownership of the higher shareholders concentration exceeds a certain threshold, a higher ownership concentration raises the likelihood of tunnelling and reduce firm efficiency.

La Portal, et.al (1999) used the data on ownership structures of large companies in the 27 richest economies to investigate the fundamental controlling shareholders of these firms. The empirical analysis of the sample provides the evidence that, except in economies with very good shareholder protection, few of these firms are widely held. The findings do not match Berle and Mean's view on Modern Corporation. Instead, these firms are controlled by families or the state. The equity control through financial institution is very rare and the controlling shareholders have power over firms in excess of their cash flow rights. This happens through the use of hierarchy and taking part in the management activities.

2.5.6 The accounting system

The level of financial reporting is one of the important elements for effective corporate governance system. The accountants and auditors are primary providers of information to shareholders and potential investors. As a result, the board of directors should expect that management prepares the financial information in compliance with statutory and ethical obligation and based on auditors' competence (SEC, 2010). There may be conflict of interest which places the financial reporting in doubt to client pressure to please the management. Such example is the collapse of Enron due to misleading of financing reporting. Moreover, the Accounting professional in each of the countries can play a significant role in effectiveness and enforcement of corporate governance practices by making use of International Financial Reporting Standards (IFRS) (SEC, 2010). The appointment of independent auditor should follow the normal procedure so that there will be no interference from the management (SEC, 2011). Therefore all this issues mentioned above can affect transparency, disclosure, and risk management which are part of corporate governance principles. Having said this, OECD (2004) principles explain the importance of accounting framework in promoting disclosure and transparency by stating that information should be prepared and disclosed in accordance with high quality standards of accounting, financial and nonfinancial disclosure. Consequently, Gray and Adams (1996) revealed that accounting information may play a key role in enhancing a sound corporate governance of a firm; this will enable relevant parties to monitor the performance of managers and uses the information to hold the managers accountable.

Moreover, Cadbury report (1992) explained the importance of financial reporting system by stating that a basic weakness in the current system of financial reporting is the possibility of different accounting treatment being applied to essentially the same facts, with the consequence that different results or financial positions could be reported each apparently complying with the overriding requirement to show a true and fair view. The report further highlighted that regardless financial reporting of how far the market can understand the implication of alternative accounting treatments or see through presentation design to show a company's figure in most flattering light. In addition, the report also revealed that there are advantages to investors, analysts, others accounting users and ultimately to the company itself in financial reporting rules which limit the scope for uncertainty and manipulation.

Monks and Minow (2004) revealed that annual audits carry out by independent, competent and qualified auditors as it being recommended by the OECD principles, that it should provide an external and objective assurance to the management board and shareholders about financial situation and performance of the firm. Whittington (1993), Okike (2007) the authors claimed that financial reporting is one of the important elements in corporate governance; as a result some of the corporate failure is likely due to inadequate financial reporting. The authors argue that lack of authors' independence; corrupt environment on auditors in discharging their responsibilities will surely affect the financial reporting of firms.

Furthermore, Burton et.al (2009) argue that the accounting standards that are used in recording, and presenting the transactions of a company are tools to transfer financial information to the users of the financial statements issue by the companies. This will enable the company's management to be accountable to the stakeholders. This argument is consistent with Jones and Wolnizer (2003), who claim that the use of consistent accounting principles by various companies will enables users assess the performance of the companies using uniform standard. Also this will enable the users to evacuate the performance of management in area of governance of the firms and their level of accountability to shareholders. Consequently Bushman and Smith, (2001) posits that the body that is responsible for setting up the nation's accounting standard should make sure they encourage the reporting of a true and fair view of the transactions. In addition, the body should make sure that these standards are applied uniformly across the firms in same way the standards have been set by the body. Moreover, DeAngelo, (1988); Bushman and Smith, (2001) revealed that the quality of the standards and the implementation of the standards may have effect on the confidence of the users of the information.

2.6 Corporate governance practices in Sub-Saharan Africa Anglophone countries, institutions economy and political environment

This section reviews the historical background of corporate governance and emerging issues in the development and practice of corporate governance. The section examines the role of government on corporate governance of listed firms, regulatory and enforcement, and institutional bodies of corporate governance in Ghana, Nigeria and South Africa. Other issues are examine this include board structure, and role and responsibilities of board of directors and external factors that affect corporate governance such as politics, corruption, economic, and ownership structure of firms. Table below provide the differences and similarities between three countries used as case of study.

Table 2.1: Summary of the corporate governance institutions, politics, and economy in Sub-Saharan Africa Anglophone Countries.

Characteristic	Ghana	Nigeria	South Africa
Role of the government	Legislation is based on Companies code Act 1963 Act 179 There are no major reforms of corporate governance. There is Guideline of corporate governance practice	Legislation is based on Companies Allied Matter Act (CAMAD) 1990 There are major reforms of corporate governance such Code of corporate governance by SEC in 2003, CBN 2004 for banks SEC 2011, and establishment of Financial Reporting Council (FRC) There is Code of corporate governance best practices	Legislation is based on Companies Act 1973 There are major reforms such as King Report I, II, and III Code of corporate governance. There is Reform of JSE and Insider Trading Act 1998.
Institutional bodies/Agencies	Securities Exchange Commission (SEC), Bank of Ghana, Ghana Stock Exchange (GSE), Registrar General Department (GRD), Private Enterprises Foundation)	Securities Exchange Commission (SEC), Nigeria Stock Exchange (NSE), Corporate Affair Commission (CAC), Central Bank of Nigeria (CBN), National Insurance Commission (NAICOM), Financial Reporting Council (FRC)	Johannesburg Stock Exchange (JSE), Financial Services Board (FSB), South Africa Reserve Bank
Role of professional bodies	Institute of Directors (IoD), Ghana Institute of Chartered Accountants (GIA), Africa Capital Market Forum	Institute of Directors IoD), Association of Corporate Governance, Institute of Chartered Accountants of Nigeria (ICAN), Association of Shareholder of Nigeria (ASN)	Institute of Directors (IoD), South Africa Institute of Chartered Accountants (SAIC), South Africa Institute of Chartered Secretaries
Code or Guideline of Corporate governance on regulatory framework	The same as it explain in Corporate governance Guideline issued by SEC	The same as it explain in Code of best practices issued by SEC	The same as it explain in King I. II and III Report Code of corporate governance
Enforcement of Corporate governance	The same with other countries	The same with other countries	The same the same with other countries
Ownership structure	Ownership is concentrated	Ownership is concentrated	Ownership is concentrated
Number of Listed firms in Stock Exchange	Few firms (about 32) in number are listed because controlling owner of unlisted firms do not want to lose control	Many firms (206)	Many firms (620)

Code or guideline on board structure, management and role of the board of directors	The same with other countries	The same with other countries	The same with other countries
Code or Guideline of corporate governance on role of auditors and audit committees	The same with other countries	The same with other countries	The same with other countries
Code or Guideline on corporate governance on remuneration of the directors	The same with other countries	The same with other countries	The same with other countries
Institutional Investors	No	There are institutional investors	There are strong institutional investors
Shareholders association	No	Yes	Yes, but not active
Politics, government and corruption	Previously military rules, for the past two decade stable democratic government There is corruption	Previously military rule, for the past one decade stable democratic rule There is corruption	Previously apartheid for the past two decades stable democratic ruler There is corruption
Economy, markets and investments	Fastest growing economy, recently discover oil, capital market not strong	Largest market because of population, abundant natural resources such as oil and agriculture	Strongest economy and capital market in the sub-region, depend on mining industry

Sources: GSEC, 2009, 2010, SEC, 2010 & 2011, and JSE

2.6.1 Summary of corporate governance practices, institutions, politics and economy in Sub-Saharan Africa Anglophone countries

In terms of board structure, Ghana, Nigeria and South Africa are using a unitary type of board structure. South Africa board structure is in King I, II and III Reports that contain the Code of corporate governance. In Ghana and Nigeria the structure of the board is the same and the legislation and code guiding the board is the same but in Nigeria there are codes of best practice of corporate governance while in Ghana there are guidelines for practices of corporate governance. The two documents are issued by the Securities Exchange Commission (SEC); it has the same content and role and responsibility of the board of directors. The companies' law and legal system are the same because Ghana, Nigeria and South Africa originated their common law in British common law.

Furthermore, corruption is common in developing countries and as a result, Sub-Saharan Africa Anglophone countries such as Ghana, Nigeria and South Africa cannot be excluded from corruption. Moyo (2010) revealed that one of the contributing factors to poor corporate governance of firms in South Africa is corruption because this South Africa is ranked low by Transparency International. Also Roussouw et.al (2002) argue that for South African corporate governance to meet the international standard there is need for the government to deal with their local challenges such as financial crime, fraud within the private and public sector, and money laundering.

In Ghana Mensah et.al (2003) documented that the Ghana Centre for Democracy and Development and the World Bank found that corruption is prevalent in both the private and public sector in Ghana. In addition, in Nigeria Bakare (2011) posited that socio-political corruption has been an obstacle to economic development in Nigeria because corruption is being institutionalised and Nigeria is ranked high in the global corruption index. Based on the evidence from the above, it shows that corruption is common in Sub-Saharan Africa Anglophone countries.

Table 2.2: Presents foreign direct investment for Ghana Nigeria and South Africa

Years	**Ghana**	**Nigeria**	**South Africa**
	Billion US$	Billion US$	Billion US$
2002	0.06	1.87	1.88
2003	0.14	2.01	0.23
2004	0.14	1.87	-0.60
2005	0.14	4.97	5.61
2006	0.64	4.53	-6.11
2007	1.38	5.16	2.75
2008	2.71	7.15	11.76
2009	2.37	7.03	4.02
2010	2.53	5.13	1.39
2011	3.19	8.03	6.22

Source: World Bank

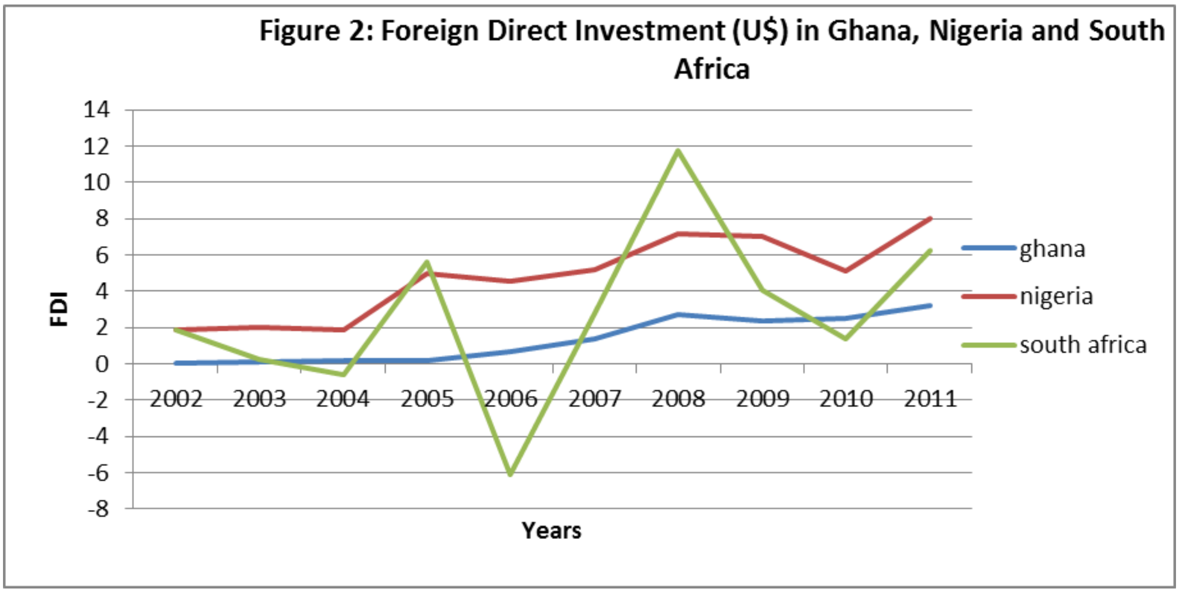


Table 2.2 Illustrate the net foreign direct investment in Ghana, Nigeria and South Africa. There are evidence in Ghana and Nigeria that FDI increases from 2002 to 2010. This result

implies that as Foreign Direct Investment (FDI) is increase this is necessary to have an impact on domestic investment in Ghana and Nigeria. This result suggests that corruption, government/politician influence and weak corporate governance system hinder the promotion of increase in foreign direct investment to promote higher level of domestic investment.

In South Africa, we observer that FDI there are negative value for FDI (Billion US$-0.60) in 2004 and (Billion US$-6.11) in 2006. This indicates that there is more outflow of FDI in South Africa than the inflow, this suggest that South Africa invests in other countries than Nigeria and Ghana. Table 2.1 support the evidence that the economy of South Africa is stronger than Ghana and Nigeria economy.

2.7 Formulation of hypotheses

In order to fill the gap in the literature the following hypotheses are formulated so that the evidence provides in this study shows the impact of institutional characteristic of corporate governance on corporate governance system. The institutional characteristics of corporate governance such as regulatory framework, enforcement, disclosure and transparency shareholders' rights and ownership concentration these are the ingredients or real inputs to guild the efficient practice of corporate governance system. The corporate governance system include adequate and effective law that can promote corporate governance, institutional bodies that have the power, resources and authority to enforced compliance with laws regulations that guide on corporate governance. The hypothesis on institutional characteristics of corporate governance stated that;

There is a relationship between regulatory framework, enforcement, disclosure and transparency, shareholder rights, level of ownership concentration and corporate governance system. In addition the hypothesis on role and responsibilities of the board of directors of firms indicate that there is a relationship between role and responsibilities of the board of directors and corporate governance system.

Based on the literature on external factor affecting corporate governance of firms the following hypotheses are also formulated. There is a relation between external factor such as economic, societal and cultural, corruption and bribery, political environment, ownership structure, accounting system and corporate governance system of firms.

Conclusion

This chapter has presented a comprehensive overview of literature review of corporate governance corporate governance institutions, board structure, economy, and political environment in Ghana, Nigeria and South Africa. The chapter covers the key institutions of corporate governance, board structure and management of listed firms, economic and political environment of those countries which are also used as case studies. The aim of the chapter is to describe the differences and similarities of institutional framework of corporate governance, economic, and political environment in those countries. The next chapter (Three) will discuss the methodological approach, descriptive statistics, and correlation analysis on institutional characteristics of corporate governance, role and responsibilities of board of directors and external factor on corporate governance practices.

Chapter Three

Methodology and Descriptive Statistics of the study

Summary:

The previous chapter (Two) examined the institutions of corporate governance, board structure and management of listed firms, economic and political environment of Ghana, Nigeria and South Africa. Consequently, this leads to the methodology and descriptive statistics for this study. Therefore Chapter three discusses the methodological approach to identifying the important components of corporate governance practice. These components include regulatory framework, enforcement, disclosure and transparency, shareholder rights and ownership concentrations. Others include the roles and responsibilities of board of directors and external factors affecting corporate governance. The first section in this chapter describes the data instrument and source of the instrument. The second section explains the pilot study. The third section focuses on the data collected by survey questionnaire to the stakeholders of corporate governance of listed firms in Ghana, Nigeria and South Africa. The next section illustrates the definition of variables and sub-variables of corporate governance, description of OLS estimate (empirical model) used in the analysis of the data, and formulation of the hypothesis. Finally the last section (for each of the components of corporate governance) describes the descriptive statistics for the variables and sub-variables of corporate governance components for listed firms in Ghana, Nigeria and South Africa.

3.1 Methodology on Institutional Characteristic of Corporate Governance of Firms

This section describes the data instrument and source of the instrument, and explains the pilot study. Also focuses on the data collected by a survey questionnaire from the stakeholders of corporate governance of listed firms in Ghana, Nigeria and South Africa.

3.1.1 The source of data instrument

The instruments used to collect the data for this study was a survey questionnaire derived firstly, from Organisation for Economic Co-operation and Development principles of corporate governance the 2004 OECD which been assessment instrument for Okpara (2010), also from Burton et.al (2009). Secondly, from various corporate governance literatures, and in order to make sure that the data instrument is not subjective. This study modified the data assessment instrument so that it is tailored toward codes of best practices of corporate governance in Nigeria and guidelines of corporate governance practice in Ghana. Also, the King I, II, III Report of corporate governance in South Africa was considered in the data instrument. As a result, the institutional frameworks for corporate governance for Ghana, Nigeria and South Africa are all formulated from OECD principles of corporate governance. The above countries received their independence from Britain and the companies' laws are derived from British common law. Consequently, the rules, laws and legal systems for each of these countries are considered in the data assessment instrument.

The reason for using questionnaire is that there is lack of information on corporate governance variables in developing region such as Africa. The finding of this study may reveal the reality of the situation in those countries selected (Ghana, Nigeria and South Africa). The limitation of using questionnaire method is that the finding from the respondents is an opinion about what is happening on the issues of corporate governance of firms in Sub-Saharan Africa Anglophone countries. Also the respondents may not be questioned or probed. In addition, there is a level of researcher imposition, this implies that when developing the data instrument (survey questionnaire), we may be making our own assumption as to what is important and not important. Thus the researcher may be missing something that is of important.

The OECD (2004) explained the importance of legal and regulatory framework of corporate governance. As a result ''*the organisation argues that the following are framework guiding the corporate governance principle. This include that the stakeholders of corporate governance should ensure the basis for an effective corporate governance framework. This implies that corporate governance framework should promote transparent and efficient market. Also corporate governance should be consistent with rule of law and clearly articulated the division of responsibilities among different supervisory, regulatory and enforcement authorities'' (OECD, 2004 Page 17).*

In addition, the OECD (2004) principles of corporate governance examined the rights of shareholders and key ownership. ''*It stated that the corporate governance framework should protect and facilitate that exercise of shareholders rights. It also explained the equitable treatment of all shareholders such as minority and foreign shareholders and all shareholders have the opportunity to obtained effective redress for violating their rights. (OECD, 2004 Page 18-22).*

Moreover, *OECD (2004) principle of corporate governance explained the issue of disclosure and transparency. The organisation revealed that corporate governance framework should ensure that there is timely and accurate disclosure on all material matter regards to firms such as financial position, firms performance, ownership structure, insider trading, and autonomy of the auditor, merger and acquisition and the governance of the firms''(OECD, 2004 Page 22-23).*

3.1.2 Description of Survey Instrument

The instrument used to collect data for this study is through a survey questionnaire consisting of 30 statements (items) which are divided into various sections. The Section A comprises the background of the respondents which consists of seven questions, Section B comprises of 4 items which measuring effective corporate governance, Section C consists of 5 items which proxies for regulatory framework of corporate governance, Section D is make up of 3 items which measure enforcement of corporate governance, Section E comprises of 4 items that measure transparency and disclosure of firms, Section F consists of 4 items that proxies for shareholders' rights and Section G is indicates for ownership concentration, consists of 3 items.

The Table below show the detail of each section with description of each statement or item of the survey questionnaire.

Table 3.1 Show the section, type and description of each statement or item of the survey questionnaire for corporate governance of firm

Section	Type of statement or item	Description of the statement or item
A	Characteristic of the respondents in the survey questionnaire	Gender, Occupation, years of experience in occupation, Formal education, Location, Level of knowledge of respondent on corporate governance of listed firm, Type of firm
B	Level of effectiveness of corporate governance system	Rules and Laws that can promote good practice of corporate governance. Power, resources and authority to implement, enforced corporate governance in compliance with law, regulation and guideline on corporate governance practice. A good legal system in a country helps to promote corporate governance. A well-organised legislature and sound regulatory and supervisory agencies in place promote corporate governance.
C	Regulatory framework of corporate governance	These are rules and regulation that deal with following;

		stock markets, appointment and removal of auditors, transparency of board nomination and election process, disclosure and communication, independent status of board members
D	Enforcement and implementation of corporate governance	This section deal with enforcement and implementation on issue such as compliance with rules and regulation. The level of legal protection of investors and creditor from fraud by managers and controlling shareholders The level of appropriate mechanisms for investigating the illegal or inappropriate treatment of minority shareholders.
E	Transparency and disclosure of corporate governance	This section concern with law, rule and regulation on insider trading. Equal access of information to shareholders. Confidentiality in autonomy and independency of auditors. Transparency in merger and acquisition
F	Shareholders rights'	Under this section rule and regulation concerning shareholders such as basic shareholders rights are protected. Whether minority rights of shareholders are violated. Rights of minority shareholders to expression their view at general meeting. Whether shareholder can only allowed to speak in a meeting Only if they are agree with the directors.
G	Ownership concentration	Whether the firm in a country variety of ownership concentration. Whether there is large concentration of ownership (few shareholders having majority of shares) in a firms. Whether preferential treatment is often given to shareholders

These statements or items above (items) are based on a likert scale of five-point (1=strongly disagree to 5= strongly agreed.). The reason for using this scale is to measure intensity of feeling about the area in question. The justification of choice five likert scales is based on Bryman (2008) who posited that five likert scales is important because it enables the respondents to express their level of agreement with the statement in the question effectively.

In addition, de Vacus (2002) explains that the five point likert scale format provides five response alternatives which give more flexibility and also provides a measure of intensity, extremity and direction. To allow all the items or variables to be in one direction the negatively worded item are re-worded such that if is equal= 1 it is now 5, 2 now 4, 3 is still 3, 4 now 2 and 5 is 1. The items or statements in these sections are not in the same direction because there is need for the respondents to think very well before they tick the option in the survey questionnaire and this will not allow them thick those questions in one way. This happened under regulatory framework in section C, shareholders rights in section F and section G which consist items for the role and responsibility of firm's boards of directors in the survey questionnaire.

3.1.3 Pilot study

Generally in a quantitative research study such as survey questionnaire, prior to the time of using this survey questionnaire to collect the data there is a need to conduct a pilot study. In addition, Saunders et.al (2009) revealed that prior to using a questionnaire to collect data, it should be piloted tested. Firstly, the purpose of the pilot test is to refine the questionnaire so that respondents will have no problem in answering the questions. Secondly, to ensure that there is no problems in recording the data and to obtain some assessment of the questions' validity and reliability of the data that will be collected so that the research question will be answered. Through pilot study validity and reliability can be measured in order to make sure that the survey questionnaire actually represents the reality what the study are to measure. In making sure the scale of the study is reliable we checked the reliability of the scale by checking the internal consistency through Cronbach's alpha coefficient and the result indicated 0.80 Cronbach's alpha coefficient. Ideally, Pallant (2010) explained that Cronbach's alpha coefficient of a scale should be above 0.7

Thirdly, there is need for pilot study because it is a form of trial run for the survey questionnaire so that we can determine whether the questionnaire will be successful after collection from the respondents. Besides this, during the pilot study we used Bell (2010) suggestion that in order to indentify the time of completion of the survey questionnaire. This also includes the clarity of the instructions for the survey questionnaire (if there are any questions that are unclear or ambiguous). In addition, to identify the question that are not easy to answer by respondents, the lay out and how attractive the questionnaire to the respondents.

At the end of the pilot study alteration were made to the question including adjustment to layout. The survey questionnaire works best with standardised questions that one can be confident with and interpret in the same way by all the respondents. As a result, the survey questionnaire tends to be used for descriptive or explanatory research such as opinion on issues in organisation and organisational practices.

Against this background, a pilot study was carried out for the stakeholders of corporate governance who are repsented according to the category of their occupation and organisation in the below Table.

Table 3.2 Describe the characteristics of the respondents in the pilot study

Stakeholders of corporate occupation	N	Name of the organisation or company
Academician	3	Brunel University London UK
	1	Queen Mary University London UK
	1	Bournemouth University UK
	1	Cranfield School of Management UK
Individual shareholders	2	First group Transport station Uxbridge, Middlesex London UK
	1	HSBC Bank Uxbridge, Middlesex London UK
Company employee	2	HSBC Bank Uxbridge, Middlesex London UK
	1	Lloyds Banking group Uxbridge London
	1	Barclays Bank Uxbridge Middlesex, London
	1	Abbey Bank Uxbridge Middlesex, London
	1	Royal Bank of Scotland Middlesex, London
	1	First group Transport station Uxbridge, London UK
	2	Tesco Supermarket West Drayton Middlesex UK
	1	Tesco Supermarket West Drayton Middlesex UK
	1	Mark and Spencer Uxbridge, London UK
	1	Adecco Group Uxbridge Middlesex UK
Accountant /Auditor	1	Apex Accountancy Chartered Certified Accountant and Taxation Practitioner West Drayton Middlesex
Legal	1	IBB Solicitor Capital Court Windsor street Uxbridge Middlesex London
Students	2	PhD student, Business School Brunel University London UK
	2	PhD student, Economic and Finance Dept. Brunel University London UK

The purpose is to examine the important components on corporate governance system of firms such as regulatory framework, enforcement, disclosure and transparency, shareholders rights and ownership concentration (institutional characteristics). Others also include the effect of role and responsibility of board and impact of external factors such as economic, politics, societal and culture, corruption, ownership structure and accounting system.

At the end of the pilot study we are able to adjust to those errors such as spelling of words and sentences. Also, ensure that the lay out and the quality of the paper used for the survey questionnaire are more colourful and attractive to the respondents. There was no difficulty in answering the questions, and the validity and reliability of the data collected was tested. After the pilot study some academic scholars assisted in assessing the survey questionnaire and gave useful suggestions so that the data instrument can meet the doctorate (PhD) quality standard. Their names, universities and suggestions are indicated in the Table below.

Table 3.3 show the characteristic of the Academic scholars for useful suggestion in the design of the survey questionnaire

Name	Position	University	Suggestion
Dr Kenneth Amaeshi	Reader in strategy and international business	University of Edinburg Business School	Suggested that I should reduce the length of words of the survey questionnaire I need to give the survey questionnaire to those who have the knowledge of corporate governance
Dr Bruce Burton	Reader in Finance	University of Dundee Business School, Dept. of Accounting and Finance	Assisted in rewording the sentence to meet professional standard Suggested the ideal of whether the respondent will like to have a copy of the result after the study (either Yes or NO) With the e-mail and addresses of respondent Give the suggestion that there should be a comment on the issue of corporate governance at the end of the questionnaire
Dr Dimitrios Koufopoulos	Senior Lecturer	Brunel University Business School London	Suggested for the structure and format of questionnaire so that it can be more attractive
Dr Timothy Milewa	Lecturer and Research fellow in Sociology	Brunel university School of Social Science Dept. of Sociology and Communication	Support in given note material on how to design a survey questionnaire Assisted in rewording

			the sentence to meet professional standard

3.1.4 Data Sources

A survey questionnaire was administered through a stratified random sampling to respondents which comprise the following; legislators, regulators, academician, individual investors, institutional investors, accountants/auditors, executive directors, non-executive directors, company executives (CEO) company employees, judiciary/legal and other such as students.

In Ghana out of 200 survey questionnaire administered to the respondents, 150 were received this indicates 75 percent response rate. In Ghana, there are thirty-four listed firms on the Ghana Stock Exchange (GSE). As a result, the respondents from this study are from more than twenty listed firms which include banking, mining, food and beverages, breweries, conglomerates, insurance, chemical and paints, textiles, agriculture, and petroleum (marketing). When I was in Ghana apart from visiting some listed firms, regulatory agencies offices l also visited secretariat of the Institute of Director (IoD) in Accra and they assisted me in filling the survey questionnaire.

In the case of Nigeria, 400 survey questionnaires was administered to the categories of respondents and 320 was received, representing 80 percent response rate. In Nigeria, there are 206 listed companies on Nigeria stock Exchange (NSE). The respondents from this study are up to 100 listed firms. I was able to attend 20 Annual General Meeting (AGM) of listed firms; including an AGM of shareholders in Lagos and Abuja. This gave me the opportunity to distribute the survey questionnaire.

Moreover, during fifty years anniversary of Nigerian Securities Exchange Commission (SEC Project 50), l was present throughout the event activities and this gave me an opportunity to meet some board of directors, senior managers and Chief Executives of some listed firms who also filled the questionnaire. When I was in Lagos for this research survey, apart from normal distribution of the questionnaire to the firms, I also visited the secretariat of the Society for Corporate Governance in Nigeria. This society comprises chairman, board of directors, academicians, professionals and government officials; also some members of this society are members of Institute of Directors (IoD) in Nigeria. They all participated in filling of the survey questionnaire. Consequently, among the respondents are employees of the listed firms in Nigeria, with at least one respondent is from each of the sector such as banking, agriculture, airline, breweries, building material, chemical and paints conglomerate, construction, food and beverages, healthcare, hotels, industrial/domestic product, insurance, textiles, and petroleum (marketing). This also applied to each shareholder; some of them have shares in about ten or fifteen different listed companies. Generally, in Ghana and Nigeria, in order to improve the response rate the survey questionnaire was delivered by hand to individuals in their offices and then received back at an appointed date.

In South Africa 100 survey questionnaire were administered to the respondents and 71 was received back, this representing 71 percent response rate. The survey questionnaires were sent and received back by e-mail. But some was send and received back through postage. In addition, the South Africa embassy in Nigeria assisted in sending and receiving some of the survey questionnaires. The respondents for South Africa covered investors, academician, legal/judiciary, accountants/auditors, board of directors and company employees for some of the financial and non-financial listed firms; also some of the regulatory and supervisory agencies.

The data instrument for this study (survey questionnaire) was administered to firms in South Africa. The firms are in the banking industry, the mining industry such as diamond and platinum industry and other manufacturing companies. The researcher make sure that each one of the survey questionnaire reached the top mining industries and financial sectors because the South Africa economy is based on mining, finance house and financial sectors.

3.1.5 The Sample of the study

The study uses a stratified random sampling method to collect the data from twelve categories of respondents who are stakeholders of corporate governance in in the SSAA region. The instruments used are from modified version of the Organisation for Economic Co-operation and Development (OECD, 2004) Okpara (2010), Burton et.al (2009) and corporate governance literatures. The data consist of 541 returned out of 700 survey questionnaire administered to the respondents, this give a response rate of 77.29 percent. Out of the total of 541 respondents 150 respondents were from Ghana, 320 from Nigeria, and 71 respondents from South Africa.

This study extends its coverage to listed firms in Anglophone countries in Sub-Saharan Africa such as Nigeria, Ghana, and South Africa. These countries are English speaking countries. Their selection is based on regional approach, this gives a wider scope. In addition, these countries have strong economy with large markets. For instance Ghana with the fastest growing economy in the sub-region after the discovery of crude oil, South Africa which is the strongest economy in the sub-region and Nigeria a having huge population and large markets, blessed with abundant natural resources such crude oil and land fertile for agriculture.

The regulation, control and governance of corporations of these countries are largely contained within provision of company legislations which have their root from British colonial laws. Based on this, Ghanaian, Nigerian and South African legal systems and corporate governance mirror the United Kingdom pattern (Okike, 2007). Therefore, it is necessary for this study to review the development of corporate governance structures of listed firms for each of these countries in order to highlight different reforms, issues and factors hindering corporate governance of firms in Ghana, Nigeria and South Africa. The corporate governance rules and laws have influence the companies' law of each country. Thus, the three countries derived their companies' laws from British companies' law and the Code or guideline of corporate governance of each of the country is similar.

Moreover, another justification for the choice of Ghanaian, Nigerian and South African firms is that there are several reforms of corporate governance that occurred in these three countries. These include the King Reports I, II and III in South Africa published in 1994, 2002 and 2010 respectively. In addition, in Nigeria the code of best practice of corporate governance was issued in 2003 and 2011 by Securities and Exchange Commission (SEC) and also the code of corporate governance for banking industry was issued by Central Bank of Nigeria (CBN) in 2006. Also the Ghana Securities Exchange Commission issued corporate governance guidelines on best practice in 2009. Despite the issuance of code of corporate governance practices by regulatory bodies in each of the three countries there have been corporate failure due to poor corporate governance. The corporate failure includes Cadbury Plc in Nigeria, majority of the banks in Ghana and Nigeria.

In addition, South Africa has undergone several corporate governance reforms (King Report I, II and III); despite this South Africa Corporate governance has not met the standard of developed countries such as the UK and the USA. Against this background, this study reveals the challenges facing corporate governance practices in Ghana, Nigeria and South Africa by identify the components that are essential for good corporate governance of firms and tries to prioritise the components.

3.1.6 The differences between Sub-Saharan Africa Anglophone countries (SSAA) and other Africa countries.

The North Africa countries such as Egypt and Morocco are different from Anglophone countries because their cultures are predominantly Islamic. Consequently, sharia law has little influence on corporate governance practices (Nganga et.al 2003). Thus, the government of Egypt in recent years has been trying to upgrade the legal structures and corporate governance practices to world standard. In Morocco the framework for commercial law was obtained from French commercial law. As a result of government interest in issue of corporate governance there was some changes in their law so that it can meet the global corporate governance standard (Nganga et.al 2003). In addition, in Tunisia their Law is based on French Napoleonic Code Tunisia has sound legal institutions, the country was ranked first on the quality of its legal system in the World Economic Forum's Africa Competiveness Report (Nganga et.al 2003).

Moreover, majority of Africa countries (Western, central and Northern part) are French speaking, consequently the framework for their companies law originated from French companies law which influenced the corporate governance practices in those countries. However, the Sub-Saharan Africa Anglophone countries are English speaking countries, their companies laws originated from British companies' laws.

The Table below provides the number of listed firms in Sub-Saharan Africa Anglophone countries

Table 3.4 Illustrate the number of listed firms in Sub-Saharan Africa Anglophone countries

Country	No of listed firms
Botswana	35
Gambia	6
Ghana	34
Kenya	60
Liberia	-
Malawi	15
Mozambique	2
Nigeria	206
Namibia	34

Sierra Lone	6
South Africa	620
Tanzania	15
Ugandan	17
Zambia	16
Zimbabwe	35

Source: Each country stock exchange website

3.2: Justification for each items or statements in the Survey Questionnaire

Section A: Questions 1-7 are related to your background.

The following are the justification for asking each of the questionnaires from the respondents**.**

Q1. Gender: This is to classify the respondents whether they are male or female

Q2. Occupation: This is the different categories of respondents that questionnaire will be administered to, and the information from them is collected and process as data, for analysis of result of the study. They include the following:

Legislators: They passes laws and acts in order to make sure there is framework that will promote transparent and efficient market and this will be consistent with the rule of law and acts

Regulators: They have supervisory, regulatory and enforcement power with integrity and resources to fulfil their duties in a professional and objective manners. Regulators are also involved in the implementation of principles, guidelines and code of conduct of corporate governance practices of firms in each country. In Nigeria, regulatory institutions are Securities Exchange Commission (SEC), Central Bank of Nigeria (CBN), Corporate Affairs Commission (CAC) and Nigerian Deposit Insurance Corporation (NDIC). In case of Ghana there is Ghana Securities Exchange, and Central Bank of Ghana and in South Africa regulatory body such as South Africa Securities Exchange Commission.

Academician: These are authors, researchers, lecturers and teachers who have knowledge and ideal on issue of corporate governance

Individual Investors: The individual investors have fiduciary duties to play in a firm and they need to fulfil them by voting and expecting return from their investment in such firm. In addition, they assist in checking the mechanism on the activities of directors and their powers so that chances of mismanagement are reduced.

Institutional Investors: These are large investors such as pension fund, mutual fund, hedge fund, and exchange-trade fund, others investors group such as insurance companies, bank, brokers, and other financial institutions. The rise of the individual investors has increased professional diligence which has improved regulation of the stock market (but not necessarily in the interest of the small investor or of the naïve institutions of which they are many). According to the principle of corporate governance OECD (2004) which stated that corporate governance framework should ensure the equitable treatment of all shareholders including minority, and foreign shareholders. In addition, all shareholders should have the opportunity to obtain effective redress for violation of their rights. Mallin (2010) revealed that institutional investors have potential to exert significant influence on companies with a clear implication for corporate governance, especially in term of the corporate governance standards and issues concerning enforcement. Moreover, institutional investors' dialogue with companies based on their mutual understanding objectives, evaluation of companies arrangement and they have a responsibility to consider use of their vote.

Accountants/Auditors: Accountants are the primary providers of information to capital market participant, they provide financial information in compliance with statutory and ethical obligation and they rely on auditor competence. OECD (2004) principle of corporate governance practice stated that an annual audit should be conducted by an independent, competent and qualified auditor. This will provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company.

Executive Directors: Executive directors are full time employee of the company, they design, and implement strategic plan for the organization. They are responsible for day to day operation of the company including managing committee, staff and developing business plan in collaboration with the board to future plan of the organization. Mallin (2010) explained that the chairman is responsible for the running of the board, make sure the board meet frequently.

Non-Executive Directors: A non-executive director or outside director is a member of the board of directors of a company who does not form part of executive management team. They should be independent and capable of exercising independent judgment in board decision making. Mallin (2010) explained that according to combined code 2008 senior independent director should be available to shareholders if there are issues which the chairman, chief executive or finance director have failed to resolve. Cadbury (2002) stated that non-executive director should bring independent judgment on issues such as strategy, performance, resources, key appointment and standard of conduct.

Company Executive (CEO): This includes the chairman, Chief Executive officer (CEO) and head of departments. Cadbury report (1992) explained that they are primarily responsible for working of the board, for it balance of membership subject to board and shareholders' approval. The chairman also ensure that all relevant issues are on agenda and ensure that all directors, executive directors and non-executive are enabled and encouraged to play their full part in its activities. They also ensure that their boards are in full control of the company affairs and inform the shareholders about the activities of the company. The Chief Executive officer is responsible to running of the company, carry out strategic plan and policies as established by the board of director. In addition, other head of department control the day to day activities of their department and report to the chief executive officers.

Company employee: They are part of the stakeholders of a firm, and they are parties to corporate governance whether direct or indirect to the effective performance of the organization. They receive salaries, wages, benefits and reputation from the firms. OECD (2004) principle of corporate governance revealed that individual employee and their representative bodies should be able to freely communicate their concerns about illegal or unethical practices to the board and their right should not be compromised for doing this. The corporate governance framework recognizes the interest of the company employee and their contribution to the long-term success of the company. In addition, companies provide information on key issue relevant to employee such as management employee relations.

Judiciary/legal: The Judiciary or legal is the system of court that interprets and applies the law in the name of the nation and they provide resolution for dispute. OECD (2004) stated that the legal and regulatory requirements that affect corporate governance practices in a jurisdiction should be consistent with rule of law, transparent and enforcement.

Other: This is the public excluding those categories mentioned above, they are potential investors; they will like to know the strengths of the companies so that they can take part in the capital market. They are customers; they will like to know what is going on in the management of companies, marketing of the product, social, environmental and ethical aspect of corporate behaviour.

Q3. Year of experience in your position: It will indicate the level of experience, knowledge on the position of the respondents and this will allow them to give reliable information in the filling of the questionnaires.

Q4. Formal Education: This is to indicate the level of academic so that the respondents can understand the questions very well and also to classify the respondents.

Q5. Your location: This is to indicate the name of the country in which the respondents are residing in order to fill the questionnaire and this necessary so as to classify the sample.

Q6. How do you rate your knowledge on corporate governance of firms in your country: This necessary so that the researchers will be able to know the ability of the respondents on issue of corporate governance and also for classification.

Q7. Type of firm: This is for classification of the sample firm for the purpose of the results of the study.

Section B: Statements 8-11 relate to your views on effectiveness of corporate governance practice.

OECD (2004) ''*explained that to ensure an effective corporate governance framework, there must be effective legal, regulatory and institution upon which all markets participants will rely on in order to establish their private contractual relations*'' Against this background the following questions below are asked.

Q8. There are adequate and effective rules and laws that promote the practice of good corporate governance of firms in my country of operation.

The Justification of asking above question is that the knowledge of the main concept of corporate governance such as rule procedure of transaction, can affect the implementation of corporate governance. This also can include the laws, rules and regulation of appointment of auditors, the commitments on the part of government agencies that are responsible for enforcement. It includes issue of listed companies in compliance with corporate governance guidelines, law regarding to the protection of investors which can affect the dividend policy, and shareholders rights especially minority rights. This will not allow majority shareholder to exploit the minority. In addition, procedure of board nomination and election process, rule and regulation related to disclosure and accountability.

Q9. The supervisory, regulatory and enforcement agencies have the power, resources and authority to enforce compliance with laws and regulations on guidelines of corporate governance for firm in your country.

This question is being asked because according to OECD (2004) principles suggest that ‘’*supervisory, regulatory and enforcement authorities must have the power, integrity, and resources needed to carry out their duties in a professional and objectives manner, however the rulings of these authorities should always be at appropriate time, transparent, and should be explained clearly. The Justification for asking questions on legal, regulatory and supervisory is based on the legal, supervisory and enforcement framework according to the following; OECD (2004) explained the importance of legal regulatory, supervisory, and enforcement agencies so that the issue of corporate governance framework will be effective in a firm. The organization revealed that corporate governance framework should enhance transparency, consistent with rule of law, and there should be division of responsibility for supervisory regulator and enforcement agency in each country in which the firm operate. The organization further explained that the bodies in charge of setting the principle of corporate governance in each of the country must make sure that there is no conflict between the codes or principle and the existing law of each of the country. In case if there is conflict appropriate legislation will be enacted. Although, when there is no conflict the legislation is required to support some area of corporate governance*’’

In addition, ECA (2002) explained that separating the government’s policy making and regulatory roles through establishing independent regulatory mechanisms and increase the development of regulatory expert can enhance the stability in the regulatory environment.

Q10. A good legal system in my country of operation helps to improve the corporate governance of firms.

The question above is asked as a result of La Portal, et al. (2000) who explained that the differences in law and how effective in implementation across countries, given the origin of these differences, enumerate their consequences, and examined the strategies of the corporate governance reform. The authors posited that legal approach is more meaningful way to understand corporate governance and its reform. In addition, La Portal et al. (2000) argues that the legal system is a fundamental important corporate governance mechanism. The author further explained that the extent to which those laws are enforced are the most basic determinant of the ways in which corporate finance and corporate governance will be developed in that country.

Q11. A well-organized legislature and sound regulatory and supervisory agencies in place promote good corporate governance.

The question from the above is being asked as a result of the study of La portal et al (1998) found that a well organized legislative branch, passing and monitoring appropriate law, with sound regulatory and supervisory agencies in place, then providing example of well practices at higher level. All these will definitely promote good corporate governance.

Section C: Statements 12-16 relate to your views on regulatory framework of corporate governance practice in your country.

OECD (2004) explained that to ensure an effective corporate governance framework, there must be effective legal, regulatory and institution upon which all markets participants will rely on in order to establish their private contractual relations. The organization further explained that the regulatory framework will include the following elements such as legislation, regulation, voluntary commitments and this must follow the historical and tradition of each country. However, Rossouw (2005) posited that lack of an effective legal and regulatory framework hinders good corporate governance; this prevents firms from listing because they are under highly scrutiny and they need to increase their level of disclosure. However, the author further explained that a legal framework is compulsory so that it can offer sufficient incentives for firms to become more transparent

Q12. Stock markets listing rules and corporate codes of conduct for firm are abused and often ignored.

The justification for asking above question is that OECD (2004) principle of corporate governance stated that all shares should carry the same rights; all investors should be able to obtain information about the rights attached to all series and classes of shares before they are purchases

Q13. The Rules and regulation for appointing and removal of auditors are frequently violated.

OECD (2004) principle of corporate governance states that external auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of audit. The organization explained that external auditors are recommended by an independent audit committee of the board or an equivalent body and the external auditors are appointed either by that committee or body by the shareholders' meeting.

Q14. Rules and regulations for a formal and transparent board nomination and election process of firms are often ignored

OECD (2004) specified the following as the basic shareholder rights this including the right to secure method of ownership registration, convey or transfer share, obtained relevant and material information on the corporation on a timely and regular basis. Then participate and vote in general shareholder meeting, elect and removed members of the board, and share in the profit of the corporation. In addition, shareholders should have the right to participate, and to be sufficiently informed on decision concerning fundamental corporation changes, for example amendments to status or articles of incorporation. This also includes the authorization of additional share and extraordinary transactions, also the transfer of all or substantially all assets that in effect result in the sale of the company.

Q15. Rules and regulation for disclosure and communication are not often followed

The principle of OECD (2004) explained that the function and responsibilities of the board with respect to disclosure and communication need to be clearly established by the board. As a result, in some companies there are now an investment officer who report directly to the board on process of disclosure and communication.

Q16. Rules and regulations regarding the independent status of board members are often violated.

The purpose of this question is based on OECD principles (2004) which stated that the corporate governance framework should ensure the strategic guideline of the company, the effective monitoring of the management by the board, and the board's accountability to the company and shareholders. The organization also stated that the boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgment to task where there is potential of conflict of interest, such as nomination of board members and key executives. Wagner, et al. (1998) used two studies to empirically examine the common belief that corporate boards are likely to have positive effects on organization performance when outside directors are included. The study shows that, on average the greater presence of outsider is relate to higher performance. Bhagat and

Black (2002) noticed that on the board of directors of American Public companies, independent directors are more numerous, and many financial analysts and institutional investors are confident that a monitoring board composed of independent directors is an important structure of good corporate governance.

Section D: Statements 17-19 relate to your views on enforcement of corporate governance practice.

The World Bank's report (2003) corporate governance revealed that most developing and emerging economies have failed to enforce laws, and regulation regarding to corporate governance. As a result in recent times there are various reforms on corporate governance in developing and emerging economies countries. The questions below are being asked as to find out the level of enforcement of law, rules and regulation of corporate governance in those countries.

Q17. There is sufficient investigation of apparent non-compliance with laws/regulations.

The reason for this question is as a result of OECD (2004) principle which stated that the legal and regulatory requirement that affect corporate governance practices in a jurisdiction should be consistent with rule of law, transparent and enforcement.

Q18.There is appropriate legal protection of investors, shareholders and creditors from fraud perpetrated by managers and controlling shareholders within firms.

The above question is based on the issue that, level of legal protection of investors in any country is an important factor in determining the development of the financial market of company in that country. The systematic differences in structure of law and enforcement among various countries in area of historical trend of their laws, level of corruption, and the quality of their enforcement will surely determine the difference in financial development. Arun and Turner (2004) revealed that there is need for appropriate laws to protect investors, increase financial disclosure, and putting fiduciary duties on directors and company executives. In addition, Doidge et.al (2007) distinguish between the investor protection by the state and investor protection adopted by firm, the authors claimed that in a countries with weak development, it is very costly to improve investors protection because institutional infrastructure is lacking and sound governance has political cost.

Q19. There are appropriate mechanisms for investigating the illegal or inappropriate treatment of minority shareholders within firms.

The justification for this question is that OECD principle (2004) explained that corporate governance should ensure that equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtained effective redress for violation of their rights. The confidence of minority shareholders is enhanced when the legal system provides mechanism for minority shareholders to bring lawsuits when they have a reasonable point to believe that their rights have been violated. The provision of such enforcement mechanisms is a main responsibility of legislators and regulators.

Section E: Statements 20-23 relate to your views on transparency and disclosure of corporate governance practice.

In recent time as a result of corporate governance scandal, government of both developed and developing countries have adopted a numbers of regulatory changes. As a result, Okpara (2010) revealed that this regulatory change as increase the disclosure requirement and transparency. Against this background the following question are asked.

Q20. Generally, in firms in your country, insider trading laws, rules and regulations are followed

OECD (2004) revealed that insider trading takes place when there is manipulation of the capital markets and this should be prohibited by securities regulation, company law or criminal law in most developed countries. The organization explains that not all jurisdictions prohibit such practices and enforcement is not vigorous. This affect the principle of equitable treatment of shareholders and this can have effect on corporate governance practice.

Q21. There is equal access to information for all shareholders of firms

Based on the OECD (2004) corporate governance principle which stated that corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, and performance, ownership, and governance of the company. Gray et.al (1996) revealed that accounting information may play a key role in enhancing a sound corporate governance of a firm; this will enable relevant parties to monitor the performance of managers and uses the information to hold the managers accountable.

Q22. There is confident in the autonomy and independence of auditors for firms within my country

This question is formulated from OECD (2004) corporate governance principle which stated that an annual audit should be conducted by an independent, competent and qualified auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.

Q23. There are transparency in mergers and acquisitions of firms in your country

This question is being formulated according to OECD (2004) Principle of corporate governance; the organization explained that investors have the basic rights to be informed about the ownership structure of the enterprises and vis-à-vis the rights of other owners. The rights of such information should also include information about the structure of a group of companies and intra-group relationship, objectives, structure and nature of the group. This also includes major shareholders, direct and indirect control, controlling the company through special voting rights, and shareholders agreement.

Section F: Statements 24-27 relate to your view on shareholders' rights of your firm in your country.

OECD (2004) specified the following as the basic shareholder rights including the right to secure method of ownership registration, convey or transfer share, obtained relevant and material information on the corporation on a timely and regular basis. Then participate and vote in general shareholder meeting, elect and removed members of the board, and share in the profit of the corporation. In addition, shareholders should have the right to participate in, and to be sufficiently informed on decision concerning fundamental corporation changes, for example amendments to status or articles of incorporation, the authorization of additional share and extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company. Moreover, capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed, and the exercise of ownership rights by shareholders, including institutional investors, should be facilitated. Furthermore, the organization revealed that corporate governance should ensure that equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights. The confidence of minority shareholders is enhanced when the legal system provides mechanism for minority shareholders to bring lawsuits when they have a reasonable point to believe that their rights have been violated.

Q24.The basic shareholders rights in your firm are not protected.

The level of legal protection of investors in any country is an important factor in determining the development of the financial market of company in that country. Okpara (2010) posited that issue of shareholder rights is important for the protection of investors against poor management of firm. In developing countries the protections of shareholder rights have been have become a serious challenge for implementing effective corporate governance system. La portal, et al. (1998) examined the legal rules covering protection of corporate shareholders and creditors, the origin of the rules and quality of enforcement in 49 countries. Using empirical analysis the result revealed that common law countries have the strongest, French countries have the weakest, and the German-and Scandinavian-civil- law countries are at the middle. The authors found that concentration of ownership of shares in largest public companies was negatively related to investor protections, and the same with hypothesis that small, and diversified shareholders are not likely to be recognized in countries that cannot protect their right.

Q25.Minority shareholder rights of your firm are often violated.

OECD (2004) principle of corporate governance explained that all shareholders should have the opportunity to obtain effective redress for violation of their rights. The confidence of minority shareholders is enhanced when the legal system provides mechanism for minority shareholders to bring lawsuits when they have a reasonable point to believe that their rights have been violated.

Q26.Minority shareholders are often not allowed to express their view at general meetings of firms in your country.

OECD (2004) Principle of corporate governance stated that shareholders should participate and vote in general shareholder meeting, elect and remove members of the board, and share in the profit of the corporation. In addition, shareholders should have the right to participate in, and to be sufficiently informed on decision concerning fundamental corporation changes, for example amendments to status or articles of incorporation, the authorization of additional share and extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company.

Q27.Shareholders is allowed to speak at company meeting only if they are known to side with the board of directors.

OECD (2004) principle of corporate governance asserted that shareholders have rights to participate in general meeting and this is a fundamental right for shareholder without interference from any officers from the company. Holderness (2003) revealed that equity ownership by insiders can align insiders' interest with those of other shareholders; hence this can lead to better decisions or higher value. However, lager ownership by insiders' will likely result to higher degree of management control and this may entrench the managers.

Section G: Statements 28- 30 relate to your view on ownership concentration

Ownership structure means various patterns by which shareholders seem to set up respect to a specific group of firms. The structure of ownership of firm is always used by policy-makers, Academician, and researcher in their various analyses of corporate governance of a country or firms. Denis and McConnell (2003) posited that ownership structure of firm is a potentially important element and one of the primary interest in internal mechanism of corporate governance, this because it is the identities of equity holders and the sizes of their position in the firms. As a result the following questions below are asked.

Q28. The firms in your country have different composition of ownership

OECD (2004) principle of corporate governance explained that there should be equitable treatment of all shareholders including minority, local and foreign shareholders. The organization stated all investors should have information about rights attached to all series and classes of share before purchase. In addition the organization explained that if there are any changes in voting rights it should be subject to approval by those classes of share which are negatively affected.

La portal, et.al (1999) used the data on ownership structures of large companies in the 27 richest economies to investigate the fundamental controlling shareholders of these firms. The empirical analysis of the sample revealed that, except in economies with very good shareholder protection, few of these firms are widely held. The findings do not match Berle and Mean's view on Modern Corporation. Instead, these firms are controlled by families or the state. The equity control through financial institution is very rare and the controlling shareholders have power over firms in excess of their cash flow rights. This happens through the use of hierarchy and taken part in the management activities.

Q29. There is large concentration of ownership (few shareholders having majority of shares) in firms in your country

Denis and McConnell (2003) found that there is evidence that concentration of ownership structures are more typical ownership structure around the world than relatively diffuse structure in large publicly traded US and the UK firms. This finding by the authors shows the differences across the countries with respect to the degree of ownership concentration and the identification of the block holders. Moreover, Faccio and Lang (2002) revealed that in Western European countries the listed firms are generally widely held and this common in the UK and Ireland and family-owned firms are common in Continental Europe. Blass et.al (1998) found that there is ownership concentration in Israel with bank and affiliated institutional investors as the real non-insiders holders. In China Xu and Wang found concentrate ownership in Chinese firms, this split between the government institution and local individuals. Valadares and Leal (2000) noticed that there is high level ownership concentration in Brazil and majority of block holders are corporations and individual.

In addition, Shleifer and Vishny (1997) revealed that ownership concentration is linked with legal protection and this one of two main element of determinant of corporate governance. There are situation where large shareholders can benefit minority shareholders because of their power and incentive they used to prevent expropriation by managers. As a result, ownership concentration can view as an efficient governance mechanism Okpara, (2010).

However, Johnson et.al (2000) claimed that large shareholder can align with managers to expropriate minority shareholder this benefit is known as tunnelling. La portal et.al 1999; 2000 argues that this situation is one of the main agency problems in countries with poor shareholder protection. In addition, Morck et.al (2000) found that controlling shareholders may pursue an objective that will not favour minority shareholders. Okpara, (2010) posited that the relationship between ownership concentration and firm efficiency is a complicated issue. The author found that when ownership of shares is widely dispersed. A higher ownership concentration is likely mitigating the free-rider problem and this will improve firm efficiency. The author further explained that when the fractional ownership of the higher shareholders concentration exceeds a certain threshold, a higher ownership concentration raises the likelihood of tunnelling and reduce firm efficiency.

Q30. Preferential treatment is often given to large shareholders of firms in your country

OECD (2004) principle of corporate governance explained that there should be equitable treatment of all shareholders including minority, local and foreign shareholders. The organization stated all investors should have information about rights attached to all series and classes of share before purchase. In addition the organization explained that if there are any changes in voting rights it should be subject to approval by those classes of share which are negatively affected. Johnson et.al (2000) claimed that large shareholder can align with managers to expropriate minority shareholder this benefit is known as tunnelling. La portal et.al 1999; 2000 argues that this situation is one of the main agency problems in countries with poor shareholder protection. In addition, Morck et.al (2000) found that controlling shareholders may pursue an objective that will not favour minority shareholders.

Section H: Statements 31-38 relate to your view regarding role and responsibility of board of directors.

The composition of the board of directors is very important for the board to perform their functions without any control from anybody. The board should include individual with good personal character and ability to perform the board's duties, integrity, having sense of accountability, record of success, and leadership qualities. In addition, he or she must be expert in the field of finance with experience, and must always think strategically. The directors must show this commitment to the organization by preparing for and being present at meeting.

Q31. Board members are not fully committed to reviewing and guiding corporate strategy in your firm.

OECD (2004) principle of corporate governance explained the responsibilities of the boards which include the following; reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plan. The responsibilities also include setting performance objectives, monitoring implementation, corporate performance; and overseeing major capital expenditure acquisition and divestiture.

Q32. Board members of companies in your country do not pay adequate attention to executive compensation in your firm.

Denis and McConnell (2003) argue that one of the main task assigns to the board of director is that of determining the structure and level of compensation of the top executive of firm. There are authors such as Murphy (1999), Core et.al (2003) they survey the level of executive compensation in the US and the authors found that compensation issue is very important aspect of corporate governance and it is the degree to which executive compensation aligns top executive interest with those of their shareholders example of this is the sensitivity of executive pay to performance. In addition, OECD (2004) stated that the function of board of director should include; selecting, compensating, monitoring, replacing key executives and overseeing succession planning. This function of the board is aligning key executive officer and board remuneration with the longer term of the company interest of the company and its shareholders.

Q33. Board members of companies in your country are not effectively committed to their responsibility in your firm

OECD (2004) explained that the board should play the role of monitoring the effectiveness of company's governance practices and they should able to commit themselves effectively to their responsibility. Furthermore, Denis and McConnell (2003) asserted the one the internal mechanism of corporate governance that is of primary interest is board of directors. The authors explain further that in the US the board members exist mainly to hire, fire, monitor, and compensate management and maximizing shareholder value.

Q34. The board members often demonstrated a lack of concern as to integrity of companies' financial reporting system of firm in your country.

OECD (2004) stated that the board should ensure the integrity of the corporation's accounting and financial reporting standard which include the independent audit system and compliance with law, regulation, and standards.

Q35. Board members show lack of concern in ensuring a formal and transparent board nomination and election process in your firm.

OECD (2004) principle revealed that shareholders have a role to play in the nomination and election of the board members the organization belief that the board should ensure nomination and election process are respected. In addition, the board has to identify potential members for the board with knowledge, competencies, skill so that it can add value to the company.

Q36. In your firm of country operation, board members do not show concern about proper monitoring and enforcement of laws, rules and regulations of corporate governance practices.

OECD (2004) revealed that monitoring and enforcement of law by board include continuous review of the internal structure of company so that there is there proper accountability for management in all department of the organization. As a result of this, a number of countries have recommended self- assessment by board of their performance and reviews of individual board members and the CEO/Chairman.

Q37. Board members do not adequately supervise the process of disclosure and communication in your firm.

The principle of OECD (2004) explained that the function and responsibilities of the board with respect to disclosure and communication need to be clearly established by the board. As a result, some companies there are now an investment officer who report directly to the board on process of disclosure and communication.

Q38. There is separation between the roles of the chairman and Chief Executive officer of firms in your country.

Okpara (2010) argues that boards' structures are not uniform across the countries, there is diversity of ownership structure around the world, countries such as France, Germany, Netherland, and China their company law required listed firms to adopt a two-tier board (dual board system). However, Mallin (2010) found that most Europeans countries such as, have a unitary board structure, example are UK, Spain and Ireland although majority have option for of a dual structure and some provide employee role in supervisory. In such countries there is supervisory and managerial role in the companies examples are Austria, Denmark, and Germany. Moreover, the author further explained that the Chief Executive Officer (CEO) is responsible for the running of the company's business activities, while the chairman is responsible for running of the board. The author argues that the two roles should not be combined and carried out by one person because it gives the individual person too much power in the company. The empirical evidence of Brickley, and Jarrel, et.al (1997) show that separating the chairman of board and CEO will reduce agency cost in firm and improved performance.

Section C: Questions 39-48 relate to your views on economic factor with regard to corporate governance practices.

The justification for the following questions under the economic factors that affect the corporate governance is based on economic framework of OECD (2004) principles which stated that the economic conditions existing in a given country may have a role to play in effective governance. The organization further stated that corporate governance is only part of the larger economic context in which a firm operates such as macroeconomic policies and degree of competition in product and factor markets.

Q39. Good corporate governance practice within firms is important to attracting domestic investment in a nation.

This question is ask based on Burton et.al (2009) the authors explained that macro-economic policies affect the ways in which organizations are managed. Therefore economic factors such as the level of poverty, inflation, ability and knowledge of the manager of company can affect company during financial crisis so that they will not mislead the shareholders. The attraction of local and foreign investors will depend on the type of business environment and corporate governance practice in the region and this can affect the growth and development of the firms.

Q40. Good corporate governance practice of firms is important in attracting foreign investment for a country

The justification for this question is on Coffee (2005) who revealed those corporate scandals with state of economy, the kind of ownership structure, accounting scandal, and financial irregularities such as earnings manipulation all these are linked with recent economic downturn. Consequently, the author argues that the activities of the stock market, and economic policies put in place by government is affecting firm performance negatively and affect their competitiveness. As a result, the author found that sound corporate governance practice can enhance economic success, attraction of local and foreign investors and long term stability of the economic.

Q41. Corporate governance influences the growth and development of firms and this, in turn influences the economy of a nation.

The reason for this question is based on the study of Coffee (2005) who revealed that corporate scandals with state of economy, the kind of ownership structure, accounting scandal, financial irregularities such as earnings manipulation all these are link with recent economic downturn. Consequently, the author argues that the activities of the stock market, and economic policies put in place by government is affecting firm performance negatively and affect their competitiveness. As a result, the author found that sound corporate governance practice can enhance economic success.

Q42. Shareholder protection can affect the level of equity markets.

This question is based on the study of Mueller (2006) who argues that several studies have revealed adverse effects of Asian financial crisis, this are more severe in countries with weak corporate governance institutions. Based on this finding the author found that countries with poor shareholders protection and investment performance this, will be difficult for firm in such countries to gain higher sum of money in equity market. This will definitely have adverse long-term effect on growth prospect on such countries. The author also found that weak corporate governance institutions in developed countries may result to wasteful over-investment and weak corporate governance institutions in developing countries may result to under investment. This suggests that the best development strategy for emerging market country is to create a condition that will produce a higher equity market and the best step to this direction is to install strong corporate governance institutions that will enhance higher equity market.

Q43. Macro-economic policies influence the way firms are managed in such way as to influence the relationship between firms and shareholders.

The above question is based on OECD principle (2004) which stated that the organization economic situation in a country may have a role to play in effective governance. As a result the organization believe that corporate governance is only part of the larger economic context in which a firm operates such as macroeconomic policies and degree of competition in product and factor markets.

Q44. Banks play a predominant role in financial intermediation of firms in your country.

Okeahalam and Akinboade (2003) argue that the relationship between financial developments stimulates economic growth and therefore financial development enhanced efficiency in allocation of resources and this stimulates the growth process. The authors further explained that financial system decrease liquidity risk and facilitate the management of risk and savers and investors. Bencivenga and Smith (1991) claimed that saving into long term assets that are more productive than short-term assets. In addition, the financial system facilitates portfolio diversification for investors this will allow more choice to them and allocate resource in more productive activities. Financial system also found out information about investment project more effectively at a lower cost than investors because of economies of scale, Consequently total cost of investment will be lower and this will enhanced economic growth (King and Levine 1993).

Okeahalam and Akinboade (2003) explained that financial intermediation have effect on corporate governance practices in Africa economies. As a result bank play a predominant role in financial intermediation of firms in some developing countries, but in Africa the financial system is weak. The author argues that bank needs to maintain a good relationship with firm in order to protect them and bring profit to the business environment. The authors further explained that this will bring a cordial relationship between the borrower and lenders. In some countries firms own and control major local banks by creating a form of conglomerates business with the organization and this will be easier to finance the whole companies.

Q45. Firms in your country own and control major local banks by creating a form of conglomerate business organization.

Okeahalam and Akinboade (2003) argue that in some countries firm own and control major local bank by creating a form of holding or conglomerate business organization, this will bring a cordial relationship between the borrower and lenders. In such countries this will be easier to finance the whole companies, which is a form of financial intermediation and this will improved the corporate governance practice.

Q46. There are conflict and problem associated with corporate governance before or after privatization of state-owned companies in your country.

There are challenges emanating from privatization of state-owned companies which is affecting the corporate governance practices of firm. Consequently, Estrin (2002), Okeahalam and Akinboade (2003) posited that one of the reasons for privatization of firms is to improve managerial incentives and raised corporate efficiency. However, in most developing countries there are conflict and problems associated with corporate governance before or privatization of state-owned companies. The authors revealed that there is lack of independence in the valuation of the assets; most sales of the companies are for relative or friends of the politician that is power. There is lack of transparency in the appointment of the board of the companies; this will result to poor corporate governance practice in the privatized companies.

Q47. There is no transparency in the sales of state-owned companies and appointment of the board of director in your country.

There are challenges emanating from privatization of state-owned companies which is affecting the corporate governance practices of firm. Consequently, Estrin (2002), Okeahalam and Akinboade (2003) posited that one of the reasons for privatization of firms is to improve managerial incentives and raised corporate efficiency. However, in most developing countries there are conflict and problems associated with corporate governance before or privatization of state-owned companies. The authors revealed that there is lack of independence in the valuation of the assets; most sales of the companies are for relative or friends of the politician that is power. There is lack of transparency in the appointment of the board of the companies; this will result to poor corporate governance practice in the privatized companies.

Moreover, Megginson et.al, (1994), Boubakari and Cosset (1998) found that privatized firm experience increase in profitability, efficiency and increase in work force. However, Dewenter and Malatesta (2001) revealed that state-owned firms are less profitable, and labour intensity than privatized firm. In addition, the authors claimed that higher profit did not directly relate to privatization, and increased in profit is observed immediately prior to privatization. Denis and McComell (2003) posited that government decide to privatized firms, but the future prospect of firms is to improve performance, therefore good corporate governance practices will improved performance.

Q48. The local investors are unable to use voting power to enforce corporate governance and there is no effective corporate control.

OECD (2004) principle of corporate governance explained that there should be equitable treatment of all shareholders including minority, local and foreign shareholders. The organization stated that all investors should have information about rights attached to all series and classes of share before purchase. In addition the organization explained that if there are any changes in voting rights it should be subject to approval by those classes of share which are negatively affected. In addition, Kapuma, (2001), Mensah (2001) argue that in most developing countries, many listed companies are subsidiaries of foreign, multinational and minority of shares for the local investors. As a result, the public investors' cannot uses their voting power to enforce corporate governance, and lack of effective corporate control due to limited trade able shares.

Section J: Statements 49-52 relate to your views on societal and cultural factors upon corporate governance practices.

OECD (2004) principles explained that the procedure for business rule and regulation, ethics, corporate awareness of the environment and societal interest will have influence on reputation and long term success of a firm. In addition, Burton et.al (2009) revealed that cultural and social framework may play a role in context of the environment that modern firms carried out their operational activities. The authors further explained that cultural and social factor may likely affect the practice of corporate governance in developing countries, for instance pressure from families and clan for financial support. Family making decision for family-owned business or family dominated business without expecting to be question about the decision. Moreover once you are in good position in a firm, it is cultural you must employ your family whether the person qualified or not. All these will surely affect the corporate governance practices of a firm.

Q49. Corporate governance practices within firms should consider the interests of Stakeholders, individual and community goals.

The above question is based on the finding of Dawson (2004) who posited that confidence in firms and capital market can be a pillar on the actions, values and beliefs of those in the management of the corporation. The ethical framework within which a firm operates such as values held by culture, society, internal corporate practices and moral value held by employee may also affect the confidence in firms and capital market.

Q50. Corporate governance guidelines and regulations should be drawn in such a way that they reflect the socio-political and cultural environment of each nation.

The question is based on argument of the following authors; Aguilera and Jackson 2003, Filatotchev et.al 2005, Adu-Ahmoah et.al 2009, argues that as a result of corporate mismanagement and failures, there is need for a new policy initiative where corporate governance guideline should be drawn in a way that better serve the individual nature of each country. This is because of differences in the socio-political and cultural environment of each country. Burton et.al (2009) argues that cultural and social framework is important in the context of ethical environment in which the modern firms operate. The authors revealed that culture and social factors significantly impacted on corporate governance of developing countries.

Q51. National culture affects enforcement procedures in accounting systems and these influences corporate governance practice of firms in your country.

Moreover, Gray, (1988) argues that prior research has shown that there are different patterns of accounting and the development of national system of corporate financial reporting is related to environmental factors. The author formulated a framework for analysis the impact of culture on the development of accounting system, He identified that value dimensions at the accounting subculture level that is professionalism, uniformity, conservatism and secrecy and these have link to cultural value dimension at society level .The author formulated hypotheses to test the relationship between culture and accounting system in the context of systems authority and enforcement characteristic, and measurement and disclosure. Against this background, the author suggests that the influences of any change factors need to be taking to account as a result of existences of external influences arising from colonization, war, foreign investment, activities of multinational companies and large international accounting firm. Based on the above, this show that culture have influence on corporate governance through the guardians or gateway of accounting system that is operating in each of the country.

Q52. The business ethics and values that characterize a society will influence the level of confidence in the integrity and probity of firms and capital markets.

The question is based on the argument of Dawson (2004) who posited that confidence in firms and capital market can be a pillar on the actions, values and beliefs of those in the management of the corporation. The ethical framework within which a firm operates such as values held by culture, society, internal corporate practices and moral value held by employee may also affect the confidence in firms and capital market.

Section k:	Statements 53-58 relate to your views on the influence of corruption and bribery on corporate governance practices.

The overall question under corruption and bribery is based on Okike (2004) who posited that corruption is known through the wealth and economic well-being of a nation with fast growing economy can easily be prone to corruption and lack of adequate internal control system in firms because all employee in various organization can be bribed. However the author further argues that when there is economic hardship people can easily sell their conscience. Burton et.al (2009) revealed that there is always pressure from families and clan for financial support for people working in a firm and this can lead to corruption and bribery. Against this background, this indicates that corruption, and bribery can easily influence the corporate governance practices.

Q53. Reduction in corruption and bribery will help to improve corporate governance practices of firms.

Socio-political corruption can influence corporate governance practice among parties to corporate governance. This parties include; the regulatory bodies, the Chief Executives Officers, (CEO) the board of directors, management, shareholders, auditors and other stakeholders. The level of corruption is cut across the responsibility, duties or task been given to each of them in their capacity. Therefore if there is improvement of corporate governance practices the level of corruption that cut across all level in firm will surely have positive effect on corruption.

Q54. Levels of corruption in a country influence the ability of regulatory authorities to enforce compliance with corporate governance principles and accountability within firms.

Burton et.al (2009) claimed level of corruption can influence corporate governance and this may influence confidence of domestic and foreign investors. The authors argue further that corruption and bribery can affect the enforcement of corporate governance through regulatory officers and judiciary.

Q55. Protection of employees and the payment of living wages will influence the level of corruption in a firm.

The African Consultant Forum on Corporate Governance, (2003), suggests that corporate governance best practices must consider other stakeholders interest. Okike (2004) argues that when there is economic hardship people can easily sell their conscience and take bribe. As a result this will have effect on corporate governance practices of a firm. Burton et.al (2009) revealed that there is always pressure from families and clan for financial support for people working in a firm and this can lead to corruption and bribery.

Q56. Conflicts of interest, unsound ethics and greed influence the corporate governance practices of a firm.

The reason for this question is based on the study of Rossouw (2005) revealed that ethical concepts are concern with transparency, accountability, responsibility, the function of board and their composition, reporting, disclosure and respect for the rights of all stakeholders of firms. The author further explained that business ethics are considered an integral and essential part of sound corporate governance based on the analysis of various national codes of corporate governance.

Q57. Economic hardship will influence levels of corruption among employees to the extent that corporate governance practices are undermined within firms.

The justification for this question is from the finding of Okike (2004) who posited that corruption is known through the wealth and economic well-being of a nation with fast growing economy can easily be prone to corruption.

Q58. Lack of internal control system will influence levels of corruption among employees to the extent that corporate governance practices are undermined within firms.

Okike (2004) also argues that when there is lack of adequate internal control system in a firm, employee in such may be bribed. However the author further argues that when there is economic hardship people can easily sell their conscience.

Section L: Statements 59-63 relate to your views on how a country's political environment may influence corporate governance practices within firms.

The ECA (2002) explained that good economic governance exist in economies that institutions of government are capable to manage resources efficiently, formulate, implement and enforce sound policies and regulation. They can be monitored and held accountable in which there is respect for rules and norms of economic interaction. Also economic activity is unimpeded by corruption and other activities that are inconsistent with public trust. The organization further explained that the main elements toward an environment for good corporate governance are transparency, accountability, and enabling environment for private sector, growth and development, and institutional development and effectiveness.

Q59. The government exerts substantial influence over the ownership of companies in my country of operation

The question from the above is based on the finding of Ahunwan (2002) who reveal that the problem associated with ownership in developing countries is that government may likely influence the ownership structure especially in a multinational corporation or firm wholly or partial -owned by government. In such situation there will be partisan politics and this will affect the ownership structure

Q60. The political environment, by influencing fiscal and monetary policies, has a substantial impact on corporate governance practices.

From the study of the following authors, the above question is formulated; Burton et.al 2009, Chryssides and Kaler, 1996 argue that the business sector operate in accordance with laws, rules regulations, and policies that are in place as a result of political decision by the government in power. As a result the authors' beliefs that effective development of fiscal and monetary policies, the laws governing commercial interaction, and sound enforcement will provide a stable framework for business activities.

Q61. Prolonged period of military or civilian rule in a country will influence the corporate governance practices of firms.

The Justification of the question is from Ahunwan (2002) who explained that several year of military rule and high level of corruption have negatively affected the management of public and Private Corporation in some developing countries. This happen in the appointment to the board, senior management position and even lower officer all are based on political connection, instead of using efficiency and professional qualification for the appointment. All these will surely have adverse effect on the corporate governance practice of the firms.

Q62. The government interferes with the work of regulatory and supervisory bodies with regard to appointments or incentives for company executive within firms.

The reason for the above question is based on the finding of Ahunwan (2002) who argues that several year of military rule and high level of corruption have negatively affected the management of public and private companies in some developing countries. Especially in the appointment to the board, senior management position and even lower officer all are based on political connection, instead of using efficiency and professional qualification for the appointment. All these will surely have adverse effect on the corporate governance practice of the firms.

Q63. Politicians exert undue influence over the ministries and agencies responsible for monitoring and enforcement corporate governance guidelines and regulations within firms.

The reason for this question is from Burton et.al (2009) who claimed that nation's political environments affect the practice of corporate governance in term of fiscal and monetary policies, security and stability and type of political leadership whether democratic or military dictatorship in power. This will affect government interferences with work of regulatory and supervisory bodies, appointment of chairman of corporation and incentive for company executive. The government ministries are responsible for monitoring and enforcement of corporate governance principles and this can be influenced by politician or the type of leadership in that country.

Section M: Statements 64- 68 relate to your view on ownership structure in your firm.

Diane and McConnell (2003) found that among the corporate governance mechanism, ownership structure have been studied mostly in the US and the rest of the world .The authors revealed that the ownership structure is more significantly concentrated in non-US countries than it is in US, it is also matter more in non-US countries than does in US, especially in firm performance and value. As a result the following question is being asked.

Q64. The Board members and senior management are majority stock holders of company in your country

Holderness (2003) revealed that equity ownership by insiders can align insiders' interest with those of other shareholders; hence this can lead to better decisions or higher value. However, lager ownership by insiders' will likely result to higher degree of management control and this may entrench the managers. In the UK, Short and Keasey (1999) found that effect of managerial beginning to dominate at twelve percentage of ownership but at a higher level of ownership managers become entrenched. However, Morch et.al (1988) claimed that entrenchment and domination start at five percent managerial ownership.

Q65. Foreign nationals are the majority shareholders of the company in your country.

OECD (2004) principle of corporate governance explained that there should be equitable treatment of all shareholders including minority, local and foreign shareholders. The organization stated all investors should have information about rights attached to all series and classes of share before purchase. In addition the organization explained that if there are any changes in voting rights it should be subject to approval by those classes of share which are negatively affected. However, Kapuma, (2001), Mensah (2001) argue that most developing countries such as many listed companies are subsidiaries of foreign, multinational and minority of shares for the local investors. As a result, the public investors' cannot uses their voting power to enforced corporate governance, and lack of effective corporate control due to limited trade able shares. Makhija and Spiro (2000), Hingorani and Makhija (1997) found that share prices are positively correlated with foreign ownership, while the latter authors posited that insider and foreign ownership mitigate agency problem through incentives that align the interest of the managers and investors. In addition, Cosset and Guedhami (2001) claimed that in developing countries profitability and efficiency gain of firms are link with the presence of foreign owner.

Q66. The government holds the majority of stock in company in your country.

Ahunwan (2002) revealed that the problem associated with ownership in developing countries is that government may likely influence the ownership structure especially in a multinational corporation or firm wholly or partial-owned by government. In such situation there will be partisan politics and this will affect the ownership structure. Boubbakri and Cosset (1998) found that when government relinquished voting control over firms there will be increase in performance of the firms, this finding is consistent with Megginson and Netter (2001) that revealed that ownership of a firm by government is linked with poor performance of that firm, because there will be significant change in board structure which can easily affect the performance of the firm.

Q67. Family members hold majority stocks in company in your country.

The above question is based on the study of Burton et.al (2009) which they explained that the head of a family makes decision for family-owned business without following the corporate governance guideline. Such decisions include issue of employment, board members, attitude toward women, tribalism. All these issues can bring in incompetent person or unqualified person to control the management of the firms. In some cases the position you holds will influence your decision at management level in a firm family, extended family and clan may likely influence your decision on issue related to employments. Therefore this will also attract unqualified person to hold a position in a firm

Q68. Where a single family dominates the management of a firm, this will be reflected in corporate governance practice of firm.

Haniffa and Cooke (2002) claimed that family members sitting on the board of firms may influence on disclosure practices; therefore this can affect the corporate governance of firms. Furthermore, the authors' belief that cultural factor is important because the traditions of a nation are instilled in its people and this might help to explain why situation are like that. The authors found that family members sitting on the board of firms may influence on disclosure practices; therefore this can affect the corporate governance of firms. Moreover , Ahikari and Tondkar (1992) revealed that capital owner do not have to rely on public disclosure to monitor their investment since they have more access to internal information as a result the demand for public disclosure and reporting will be very low. This evidence shows that family is an important factor that can influence corporate governance of firm.

Section N: Statements 69-71 relate to your views on how accounting systems influence the corporate governance of firm within countries.

The level of financial reporting is a crucial element for corporate governance system to function effectively. The accountants and auditors are primary providers of information to shareholders and potential investors. As a result, the directors of the corporation should expect that management prepares the financial information in compliance with statutory and ethical obligation and rely on auditors' competence. There may be conflict of interest which places the financial reporting in doubt to client pressure to please the management. Such example is the collapse of Enron due to misleading of financing reporting. Moreover, the Accounting professional in each of the countries can play a significant role in effectiveness and enforcement of corporate governance practices by making use of International Financial Reporting Standards (IFRS). The appointment of independent auditor should follow the normal procedure so that there will be no interference from the management. Therefore all this issues mentioned above can affect the transparency, disclosure, and risk management which is part of corporate governance principle.

Q69. Firms prepare financial information that accord with statutory and ethical obligations in my country.

The justification of this question is based from the following; OECD (2004) principles explained the importance of accounting framework in promoting disclosure and transparency by stating that information should be prepared and disclosed in accordance with high quality standards of accounting, financial and nonfinancial disclosure. Consequently, Gray et.al (1996) revealed that accounting information may play a key role in enhancing a sound corporate governance of a firm; this will enable relevant parties to monitor the performance of managers and uses the information to hold the managers accountable. Monks and Minow (2004) revealed that annual audits carry out by independent, competent and qualified auditors as it being recommended by the OECD principles, that it should provide an external and objective assurance to the management board and shareholders about financial situation and performance of the firm.

Q70. The Institute of Chartered Accountants (or what I regard as its national equivalent) is effective in enforcing good accounting and financial reporting practices in my country of operation.

The above question is derived from Burton et.al (2009) the authors argues that the accounting standards that are used in recording, and presenting the transactions of a company are tools to transfer financial information to the users of the financial statements issue by the companies. This will enable the company's management to be accountable to the stakeholders. This argument is consistent with Jones and Wolnizer (2003), who claimed that the use of consistent accounting principles by various companies will, enables users to assess the performance of the companies using uniform standard. Also this will enable the users to evacuate the performance of management in area of governance of the firms and their level of accountability to shareholders.

Q71. The Accounting Standards Board (or what I regard as its national equivalent) issues standards that are in line with international accounting standards.

This question is based on Bushman and Smith, (2001) they posited that bodies that are responsible for setting up the nation's accounting standard should make sure they encourage the reporting of a true and fair view of the transactions. In addition, the body should make sure that these standards are applied uniformly across the firms in same way the standard have being set by the bodies. Moreover, DeAngelo, 1988; Bushman and Smith, 2001 revealed that the quality of the standards and the implementation of the standards may have effect on the confidence of the users of the information.

Section O: Statements 72 deal with any further comments

Q72. Any further comments on issue of corporate governance of firms in your country

The Justification for asking above question is to allow the respondents to contribute their own view on issue of corporate governance. This may improve the rate of response and to make the exercise to be interesting so that it will not be only the person that administers the questionnaires that is in control of the study

Table 3.5 Illustrate reliability statistics test for the data instrument of the study

Section	Main Variable	Cronbach's Alpha Coefficient	No of item
B	Corporate governance system	0.87	5
C	Regulatory framework	0.86	5
D	Enforcement	0.72	3
E	Disclosure and transparency	0.80	4
F	Shareholder rights	0.90	4
G	Ownership concentration	0.73	3
H	Board of directors responsibilities	0.84	8
I	Economics factor	0.78	10
J	Social and cultural factor	0.74	4
K	Corruption and bribery	0.77	6
L	Political environment	0.73	5
M	Ownership structure	0.78	5
N	Accounting system	0.75	3

Table 3.5 above provides the reliability statistics test for each section of the survey questionnaire (section b to N). The purpose of this test is to check that each scales is reliable with particular sample. The Cronbach's alpha coefficient is one of the indicators to measure internal consistency which is the value for reliability test. Pallant (2010) explained that when Cronbach's alpha coefficient value is above 0.7, this indicate that the scale is reliable with the sample or have a reliable internal consistency. In making sure the scale of the study is reliable we checked the reliability of the scale by checking the internal consistency through Cronbach's alpha coefficient and the result indicated 0.78 Cronbach's alpha coefficient. Consequently, the result from the above Table indicate that the five liker-scale used for this study is reliable with the sample and the internal consistency is accurate for the study.

The table below shows the characteristic of the respondent for the survey questionnaire on challenges of corporate governance practices of firms in Sub-Saharan African Anglophone countries.

Table 3.6	**Characteristics of survey respondents on Corporate governance practices of firms for each country in Sub-Saharan Africa Anglophone countries**							
	Total		**Ghana**		**Nigeria**		**South Africa**	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Characteristics								
Gender								
Male	363	67.1	87	58	222	69.4	40	56
Female	178	32.9	63	42	98	30.6	31	44
Total	541	100	150	100	320	100	71	100
Occupation								
Legislator	17	3.1	5	3.3	11	3.4	1	1.4
Regulator	125	23.1	38	25.3	77	24.1	10	14.1
Academician	28	5.2	10	6.7	13	4.1	5	7.
Individual investor	89	16.5	28	18.7	52	16.3	9	12.7
Institutional investor	13	2.4	-	-	9	2.8	4	5.6
Accountant/Auditor	40	7.4	10	6.7	23	7.2	7	9.9
Executive director	27	5.	5	3.3	16	5	6	8.5
Non-executive director	33	6.1	5	3.3	25	7.8	3	4.2
Company executive (CEO)	44	8.1	9	6.	29	9.1	6	8.5
Company employee	88	16.3	25	16.7	49	15.3	14	19.7
Judiciary/legal	26	4.8	10	6.7	10	3.1	6	8.5
Other (Student)	11	2	5	3.3	6	1.9	-	-
	541	100	150	100	320	100	71	100
Number of year in occupation								
1-10	263	48.6	90	60	146	45.6	27	38
11-20	204	37.7	54	36	120	37.5	30	42.3
21-30	65	12	5	3.3	48	15	12	16.9
30 above	9	1.7	1	0.7	6	1.9	2	2.8
	541	100	150	100	320	100	71	100
Formal Education								
Diploma/Certificate	27	5	9	6	11	3.4	7	9.9
Professional certificate//Other	99	18.3	23	15.3	62	19.4	14	19.7
Bachelor Degree	171	31.6	39	26	113	35.3	19	26.8
Master Degree	209	38.6	68	45.3	112	35.0	29	40.8
Doctoral Degree	35	6.5	11	7.3	22	6.9	2	2.8
	541	100	150	100	320	100	71	100
Location								
Ghana	150	27.8						
Nigeria	320	59.1						
South Africa	71	13.1						
	541	100						
Knowledge on corporate governance								

Low	1	0.2	1	0.7	-	-		-
Medium	82	15.1	23	15.3	50	15.6	9	12.7
High	458	84.7	126	84	270	84.4	62	87.3
	541	100	150	100	320	100	71	100
Type of Firm								
Financial	247	45.7	70	46.7	146	45.6	31	43.7
Non-Financial	219	40.4	59	39.3	124	38.8	36	50.7
Both Financial and Non Financial	75	13.9	21	14	50	15.6	4	5.6
	541	100	150	100	320	100	71	100

Table 3.6 describes the characteristics of respondents which include the level of knowledge of respondents on corporate governance. The purpose is to determine the level of understanding of the respondents on the issue of corporate governance of firms in their country. The above Table indicates that above 80 per cent of the respondents in each of the country shows that they have high knowledge on corporate governance. Firstly, the data instrument (survey questionnaire) was administered to 12 categories of reputable professionals. These include legislators, regulators of corporate governance, academician, individual investors and institutional investors. Others are non-executive directors, company executive (CEO and Chairman), Judiciary/legal practitioners' and finance, economic, business accounting and management students who are mainly masters and PhD students.

Secondly, the number of years in their occupation also matter to determine the level of their knowledge on issue of corporate governance in their firms. Table 3.6 indicate that those who have spent within 10years in their firms are above 40 per cent of the sample and those who spent above 10 years are 30 per cent of the sample.

Thirdly, the formal education of the respondents is important in order to determine the level of knowledge of the respondents on corporate governance issue. The above Table illustrate that 31.6 per cent of the respondents have Bachelor degree and 38.6 have Master degree.

Against this background, the evidence from the above based on occupation, numbers of year of experience in their profession and degree they acquired indicate that the respondents knowledge on corporate governance practice are high and they are reputable people as it shown in the Table 3.6 However, the limitation is that the individual knowledge of the respondents on issue of corporate governance in their firms is based on their opinion or perception. As a result, the level of knowledge of the respondents on issue of corporate governance in their firms cannot be easily questioned by the researcher. Nevertheless, the respondents are reputable people with integrity in their various carriers and profession.

The type of firms is determined based on occupation of the stakeholders of corporate governance. For instance financial firms provided financial services such as depository institution for example banks, contractual institution such as insurance companies and pension fund and investment institutions which include brokerage firms and investment banks. The respondents under financial firms are among 12 categories of respondents from the above classification.

The non-financial firms are firms that do not deal with financial or investment related goods and services. This includes those respondents who are involved with the following firms; manufacturing, telecommunication, agriculture, airline, hotel and petroleum marketing.

The study classified the sample into financial and non-financial firms because of the investors who have shares in both financial firms and non-financial firms. In addition, because of regulatory bodies of corporate governance of firms such Securities Exchange Commission who is the regulator for both financial and non-financial of listed firms in each country.

3.3 Definition of the variables for institutional characteristics of corporate governance

Each of these 30 statements (items) is divided into section showing in the Tables below:

Table 3.7.1: Definition of the variables for section B: Corporate governance system

Section	Variable	Statements
B	Rules and Laws (Rules_cs) (Q8)	There are adequate laws and rules that promote the practice of good corporate governance of firms in my country.
	Agencies power (Q9) (Agencies_cs)	The supervisory, regulatory and enforcement agencies have power, resources and authority to enforce compliance with laws and regulations and guideline on corporate governance
	Legal system (Q10) (Legal_cs)	A good legal system in my country of operation helps to improve the corporate governance of firm
	Agencies-org	A well organised legislature and sound regulatory and supervisory

	(Q11) (Organise_Cs)	agencies in place promote good corporate governance
	Total corporate governance system (Total_cs)	This addition of all variables for corporate governance system of firms under section B of the survey questionnaire.

3.3.1 The dependent variables

Where corporate governance system (Total_cg) is the addition of Rules and legal system (Rules_cs), Agencies power of corporate governance (Agencies_cs), Legal system (Legal_cs) and well orgainsed agencies (organised_cs). These dependent variables is illustrate above in Table 4.4.1

Therefore the Total corporate governance system proxy as dependence variables can be expressed as:

Total_cs = Rules_cs + Agencie_cs + Legal_cs+ Organise_Cs

Table 3.7.2: Definition of the variables for section C: regulatory framework of corporate governance

Section	Variables	Statements
C		
	Stock markets (Stk_Mkt) (Q12)	Sock markets listing rules and codes of conduct for firms are often abused or ignored.
	Auditors Appointment (Q13) (Appt_Aud)	The rules and regulations for appointing and removal of auditors are frequently violated
	Board nomination (Q14) (Bod_Nom)	Rules and regulations for a formal and transparency board nomination and election process of firms are often ignored
	Disclosure (Q15) (Dis_Com)	Rules and regulations for disclosure and communication are not often followed
	Independent board (Q16) (Statu_Bod)	Rules and regulations regarding the required independent status of board members are often violated
	Total regulatory	This comprises the addition of all the variables under regulatory

	framework (Trfw)	framework in section C of the survey questionnaire

Table 3.7.3 Definition of the variables for section D: Enforcement of corporate governance

Section	Variables	Statements
D		
	Non-compliance (Non_Compl) (Q17)	There is sufficient investigation of apparent non-compliance with laws/regulations by the enforcement agency
	Investor protection (Q18) (Invtr_Protc)	There is appropriate legal protection of investors and creditors from fraud perpetrated by managers and controlling shareholders within firms
	Minority shareholders (Q19) (Mino_Trt)	There are appropriate mechanisms for investigating the illegal or inappropriate treatment of minority shareholders within firms.
	Total enforcement (Tenfm_D)	This is the addition of all variables under enforcement of corporate governance under section D of the survey questionnaire.

Table 3.7.4: Definition of the variables for section E: Disclosure and transparency

Section	Variables	Statements
E		
	Insider trading (Q20) (Insder_Trad)	Generally in firms in your country, insider trading laws, rules and regulations are followed
	Information access (Q21) (Equl_AcInfm)	There are equal access to information for all shareholders in your firm
	Auditor (Q22) independent (Confd_Audtr)	There are confidence in the autonomy and independence of auditors for firms within your country.
	Merger Acquisition (Trsp_MA) (Q23)	There are transparency of mergers and acquisitions of firms in your country
	Total disclosure and transparency (Tdis_E)	This variable comprises addition of all variables under disclosure and transparency of firms in section E of the survey questionnaire

Table 3.7.5: Definition of the variables for section F: Shareholders' rights

Section	Variables	Statements
F		
	Shareholders rights (Q24) (Shd_Prot)	The basic shareholder rights in your firm are not protected
	shareholder violation (Q25) (Mino_Violt)	Minority shareholder rights of your firm are often violated
	Shareholders meeting (Q26) (Mino_Meet)	Minority shareholders are often not allowed to express their view at general meeting of firms in your country.
	Shareholders alignment (Q27) (Shd_Allg)	Shareholders are allowed to speak at company meetings only if they are known to agree with the board of directors.
	Total shareholders' rights (Tdis_F)	This is addition of all sub variables under shareholders' rights in section F of the survey questionnaire.

Table 3.7.6: Definition of the variables for section G: Ownership concentration of firms.

Section	Variables	Statements
G		
	Composition of ownership (Q28) (Own_Comp)	The firms in your country have a variety of composition of ownership
	Large concentration (Q29) (Larg_Con)	There is large concentration of ownership (few shareholders having majority of shares) in firms in your country.
	Preferential treatment (Q30) (Pref_Treat)	Preferential treatment is often given to large shareholders of firms in your country.
	Total ownership concentration (Towc_G)	This consists addition of variables under ownership concentration of firms which is section G of the survey questionnaire

3.3.2 The Independent variables

The independent variables are the addition of all the sub-variables in each section from C to G as it illustrated from Table 4.4.2 to 4.4.6 this includes the following below:

Trfw_(Q12-16) is denoted as the Total variable for regulatory framework which is the addition of statements (12 to 16 sub-variables) under the regulatory framework in section C of the survey questionnaire.

Tenfm_ (Q17-19) is proxy as Total enforcement variable which is the addition of statements (17 to 19 sub-variables) under enforcement of corporate governance in section D of the survey questionnaire.

Tdis_(Q20-23) indicated as the Total disclosure variable, this is the addition of all variables from statements (20 to 23 sub-variables) which is under section E of the survey questionnaire.

Tshrt_(Q24-27) is denoted as Total shareholders' right variable which is the addition of all the sub-variables from statements (24 to 27) under section F of the survey questionnaire.

Towc_(Q28-30) is represented as Total ownership concentration variables and is the addition of all sub-variables from statements (28 to 30) under section G of the survey questionnaire.

Other control variables which is the country dummies indicating if the respondents are from Ghana (**G**), Nigeria (**N**) and the reference category being South Africa. In addition, if the respondents are regulators. Finally, μ_i is the random error term which is independently and identically distributed.

3.3.3 The model for the analysis of institutional characteristics on corporate governance system

This equation (1) below examines the contribution which each aspect of corporate governance (Such as regulatory framework, enforcement, disclosure and transparency, shareholders rights and level of ownership concentration) makes to the corporate governance system.

Thus for i-th respondent total corporate governance system of firm (Total_Q8-11) can be determined as follows:

1. **Total_(Q8-11) = β_0 +β_1(Trfw_Q12-16) + β_2 (Tenfm_Q17-19) + β_3(Tdis_Q20-23) + β_4(Tshrt_Q24-27) + β_5(Towc_Q28-30) +β_6(G) + β_7(N) + μ_i**

This equations (2-6) below examines the contribution of each sub-variable under (regulatory framework, enforcement, disclosure and transparency, shareholder rights and ownership concentration) makes to the rules and laws of corporate governance practice.

Thus for i-th respondent rules and law guiding corporate governance of firm (Rules_Q8) can be determined as follows for sub-variables under regulatory framework, enforcement, disclosure and transparency, shareholders rights and ownership concentration as it is indicated from the equation 2-6 below:

1. Rules_Q8= β_0 + β_1(Stk_Mkt12) + β_2(Dis_Com15) + β_3(Ind_Bod16) β_4(G) + β_5(N) + $\mu_{i\,=\text{Regulatory framework}}$

2. Rules_Q8= β_0 + β_1(Non_compl17) + β_2(Invtr_Prot18) + β_3(Mino_Shdt19) β_4(G) + β_5(N) + $\mu_{i\,=\text{Enforcement}}$

3. Rules_Q8= β_0 + β_1(Insd_Trad20) + β_2(Inform_Accf21) + β_3(Aud_Indpend22) + β_4(MA_23)+ β_5(G) + β_6(N) + $\mu_{i\,=\text{Dis}}$

4. Rule_Q8= β_0 + β_1(Shd_rigt24) + β_2(Shd_Violt25) + β_3(Shd_Allg27) +β_4(G) + β_5(N) + $\mu_{i\,=\text{Shd. Rights}}$

5. Rules_Q8= β_0 + β_1(Larg_Con29) + β_2(Pref_Treat30) + β_3(G) + β_4(N) + $\mu_{i\,=\text{Ownership Concentration}}$

3.4 The descriptive statistics on institutional characteristics of corporate governance variables

This section presents the descriptive statistics (mean, and T-test) for corporate governance variables based on average per question for each section (group) in the survey questionnaire. The Table below illustrate the result of the descriptive statistics.

Table 3.8: Showing descriptive statistic of corporate governance variables based on average per question for each group in the survey questionnaire

Firms in Sub-Saharan Africa Anglophone region				
Variables	**Code**	**Mean**	**T-test**	**N**
Regulatory framework	Trfw_(Q12-16)	2.53*	-10.51	541
Enforcement	Tenfm_(Q17-19)	2.64*	-10.60	541
Disclosure and Transparency	Tdis_(Q20-23)	2.48*	-12.47	541
Shareholder rights	Tshrt_(Q24-27)	3.34*	6.54	541
Ownership concentration	Towc_Q28-30)	4.28*	49.62	541
Corporate governance system	TCg_(Q8-11)	3.57*	21.04	541
Ghanaian firms				
Regulatory framework	Trfw_C	3.02	0.37	150
Enforcement	Tenfm_D	2.06*	11.75	150
Disclosure and Transparency	Tdis_E	2.54*	-6.26	150
Shareholder rights	Tshrt_F	3.17*	2.74	150
Ownership concentration	Towc_G	4.25*	22.85	150
Corporate governance system	TCg_styB	3.18*	4.50	150
Nigerian firms				
Regulatory framework	Trfw_C	1.99*	-24.42	320
Enforcement	Tenfm_D	2.22*	-15.00	320
Disclosure and Transparency	Tdis_E	2.15*	-19.44	320
Shareholder rights	Tshrt_F	2.40*	-19.88	320
Ownership concentration	Towc_G	4.23*	41.51	320
Corporate governance system	TCg_styB	3.47*	17.16	320

South African firms				
Regulatory framework	Trfw_C	3.90*	11.32	71
Enforcement	Tenfm_D	3.52*	-9.74	71
Disclosure and Transparency	Tdis_E	3.85*	10.09	71
Shareholder rights	Tshrt_F	3.39*	8.22	71
Ownership concentration	Towc_G	4.25*	15.26	71
Corporate governance system	TCg_styB	4.55*	32.65	71

Note: This table reports the summary descriptive statistic for the variables of the study. The dependent variable is indicated as total corporate governance system which is represented by Total_cg is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are regulatory framework is shown as total regulatory framework indicated by Trfw_C which is the addition of all items or variables under section C of the survey questionnaire, enforcement is illustrated as total enforcement represented as Tenfm_D which is the addition of all the items or variable under section D of the survey questionnaire, transparency and disclosure is shown as total disclosure and transparency is indicated as Tdis_E which is the addition of all items or variable within section E of the survey questionnaire, Total shareholder rights represented as Tshrt_F is the addition of all items under shareholders rights in section F, and ownership concentration shown as Towc_G is the total items or variable under section G of the survey questionnaire.
** T-Test Indicate that the response is significantly different from 3 (Undecided) at 5% level of significance (1.96). SD is shown as standard deviation for each variable based on average per question for each group in the survey questionnaire*
**T-Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n)*

3.4.1 Results of the descriptive statistic of institutional characteristic of corporate governance variables in Sub-Saharan Africa Anglophone countries

Table 3.8 shows the results of descriptive statistic on each country; there is evidence that South Africa firms have the highest mean value of corporate governance system (TCg_(Q8-11) has a mean value of 4.55 with with highest T-test value. This implies that the respondents agreed that there is effective corporate governance system of firm in South Africa. This also suggests that this may likely be as a result of the reforms that took place in South Africa on issue of corporate governance such as the King Reports (1994, 2002) which followed the international standard such as Cadbury report of UK and OECD guideline on corporate governance practices.

Nigeria firms have the lowest mean value for regulatory framework (Trfw_Q12-16) of 1.99 with highest T-test value. This result indicates that the respondents agreed that the rules and regulations for regulatory frameworks are not followed. This implies that although there is code of best practices of corporate governance that is issued by regulatory agencies such as Central Bank of Nigeria (CBN), National Insurance Commission (NICOM), Nigeria Securities Exchange Commission (SEC) and Corporate Affairs Commission (CAC). However, there is lack of implementation of the rules and regulation, the institutional bodies that are established to regulate the firms on corporate governance practice lack competence, and officers responsible for implementation may be corrupt. In Ghanaian firms, the regulatory framework (Tfrw_Q12-16) mean value is 2.97; this is lower than that of South African firms. This result suggest that the regulatory framework of Ghana firms is not as strong as South Africa because there is no major reform on regulatory framework of corporate governance in Ghana in compared with South Africa.

In Nigeria firms' enforcement have lower mean value of 2.22 and that of Ghana firms is 2.06. This implies that respondents disagreed that there is enforcement of corporate governance in firms for these two countries. This may likely be as result of lack of implementations of rules and regulations, weak legal system, corruption, and the institutional bodies to enforced corporate governance are not competent to carry out enforcement of corporate governance. However, in Ghana and Nigeria firms the mean value of disclosure and transparency are 2.54, and 2.15 respectively, this indicates a lower value which mean the respondents disagreed that there is disclosure and transparency in their firm. This may due to non-compliance and lack of implementation of code of best practices of corporate governance.

Moreover, in Nigeria firms the shareholders' rights is the lowest with a mean value of 2.40. The lowest mean value of shareholders rights in Nigeria firm indicate that on average respondents agreed that there no basic shareholders protection in Nigeria. This result is consistent with recent report of ROSC World Bank on shareholders rights which rated Nigeria low; while that of Ghana firm basic shareholder right may be better.

In Nigeria, shareholders have no voice in decision taking within firms this happen as a result of impediment for shareholders to influence decision of the firms. In addition, the descriptive statistic shows that the mean value of ownership concentration for each country such as Ghana firms is 4.25, Nigeria firms 4.23, and South Africa firms, 4.28 This implies that the respondents agreed that there is ownership concentration of firms in all these countries in Sub-Saharan African. This suggests that when there is large concentrated ownership the controlling owner will be unwilling to dilute their ownership, generally known as non-dilution of entrenchment. This may likely have effect on corporate governance practices in term of ownership structure and decision taking in a firm especially if it is family-ownership, alliance with their cronies, friends and associate.

Table 3.8.1 Provides the descriptive statistic on corporate governance system of firms in Sub-Saharan Africa Anglophone (SSAA) countries

Variables	Countries	N	Mean	T-stat.
Rules and Laws (Q8)	Ghana	150	2.17*	-9.16
	Nigeria	320	1.70*	-36.34
	South Africa	71	4.46*	21.21
	Sub-region (SSAA	541	2.33*	-13.32
Agencies Power (Q9)	Ghana	150	2.14*	-9.66
	Nigeria	320	3.51*	8.52
	South Africa	71	4.46*	21.21
	Sub-region (SSAA	541	3.26*	4.76
Legal system (Q10)	Ghana	150	4.14*	20.53
	Nigeria	320	4.25*	27.61
	South Africa	71	4.62*	27.86
	Sub-region(SSAA)	541	4.27*	39.39
Agencies- org (Q11)	Ghana	150	4.25*	19.63
	Nigeria	320	4.42*	36.81
	South Africa	71	4.66*	27.43
	Sub-region (SSAA)	541	4.41*	46.85

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).*
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/$\sqrt{n}$).

The findings from the above Table indicate that adequate and effective rules and laws that promote corporate governance of firms in Ghana are weak, as a result of low mean value of 1.70 and high T-test of -36.34. The respondents disagreed that there are adequate and effective rules and laws that promote corporate governance practice. This evidence may be due to outdated Company law of 1963, Act 179 which many Ghanaian and even World Bank ROSC (2005) have found it outdated and there is need of reform. Also, the power, resources and authority to enforce compliance with law and regulation and guideline of corporate governance by supervisory, regulatory and enforcement agencies have a mean value of 2.14 and the respondents disagreed with the statement. Although, presently there is no Code of best practices of corporate governance in Ghana, there is a guideline for corporate governance practices but respondents believe that there is the need for a code of corporate governance practice.

The results indicate that adequate and effective law to promote corporate governance of firms in Nigeria have a mean 1.70. This suggests that for firms in Nigeria there is Code of corporate governance practices and Companied Allied Matter Decree (CAMAD) 1990.

However, there is a lack of proper implementation of CAMAD and Code of best corporate governance of firms. The respondents believe that rules and laws are not promoting sound corporate governance practice.

South African firms show the highest value of mean compared with Ghana and Nigeria. This result may be as a result of the past reforms carried out by South African government on corporate governance practices of firms such as the King Reports of corporate governance (1994, 2002). This Reports followed the international guidelines on corporate governance (norms) such as Cadbury report of UK and OECD guideline on corporate governance practices.

Table 3.8.2 presents the descriptive statistic on regulatory frameworks of corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-stat.
Stock market (Q12)	Ghana Nigeria South Africa Sub-region SSAA)	150 320 71 541	2.83* 3.90* 2.11* 3.36*	-1.58 15.78 -8.93 6.54
Auditor appointment (Q13)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	2.34* 3.85* 2.14* 3.20*	-6.68 14.34 -7.25 3.47
Board nomination (Q14)	Ghana Nigeria South Africa Sub-region(SSAA)	150 320 71 541	3.79* 4.07* 2.07* 3.19*	-8.06 19.9 -8.43 3.30
Disclosure (Q15)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	3.90* 4.21* 2.10* 3.72*	8.82 23.53 -8.82 13.62
Independent board (Q16)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	2.04* 4.03* 2.23* 3.87*	12.92 21.18 -7.10 16.68

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

From the above Table, the result indicates that in Nigerian firms the T-test and the mean value for all the sub-variables under regulatory framework is very high. This finding suggests that there may be weak regulatory framework in Nigerian firms which is likely the lack of proper implementation for code of best practice on corporate governance. In Ghana and South African firms the mean values are not too high as compared to Nigerian firms.

Table 3.8.3 Illustrates the descriptive statistic on enforcement of corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-stat.
Non-compliance (Q17)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	1.95* 2.25* 2.21* 3.05	-12.73 -12.90 5.94 0.88
Investor protection (Q18)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	2.19* 2.23* 4.14* 2.41*	-8.49 12.75 12.98 -11.34
Minority shareholder (Q19)	Ghana Nigeria South Africa Sub-region(SSAA)	150 320 71 541	2.05* 2.20* 4.11* 2.47*	-10.48 -13.01 10.39 -9.78

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

There is evidence from the above Table that respondents disagreed with statements or items of the survey questionnaire on enforcement of corporate governance of firms in Ghanaian and Nigerian firms. This provides very low mean value as compared to South African firms except sub-variable non-compliance (Q17). This suggests that it is likely that enforcement of corporate governance is weak in Ghanaian and Nigerian firms. However, in South African firms the respondents agree that there are adequate investors' protection and mechanisms for investigating the illegal treatment of minority shareholders within firms. This finding implies that although there are reforms of corporate governance in South Africa such as King Report 1, 2 and 3.The issue of sufficient investigation of non-compliance with laws/regulations by enforcement agency need to be address urgently.

Table 3.8.4 Indicates the descriptive statistic on disclosure and transparency of corporate governance for firms in Sub-Saharan Africa Anglophone (SSAA) countries..

Variables	Countries	N	Mean	T-stat.
Insider Trading(Q20)	Ghana	150	2.11*	-8.26
	Nigeria	320	2.07*	-17.51
	South Africa	71	4.17*	13.69
	Sub-region (SSAA)	541	2.35*	-11.10
Information Access (Q21)	Ghana	150	2.13*	-9.27
	Nigeria	320	2.08*	-17.88
	South Africa	71	3.38*	2.67
	Sub-region (SSAA	541	2.27*	-15.16
Auditor Independence (Q22)	Ghana	150	3.73*	6.77
	Nigeria	320	2.34*	-11.35
	South Africa	71	3.92*	8.34
	Sub-region(SSAA)	541	2.93	1.23
Merger and Acquisition (Q23)	Ghana	150	2.17*	-8.33
	Nigeria	320	2.12*	-15.14
	South Africa	71	3.90*	8.82
	Sub-region (SSAA)	541	236*	-12.20

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96). Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

The finding from the above Table show that the mean value for sub-variables on disclosure and transparency in Ghana and Nigeria is low However, in South African firms the mean value is higher. This implies that the respondents believe that disclosure and transparency in Ghanaian and Nigerian firms are not really sound as compared to South African firms. This may be as a result of lack of implementation of disclosure and transparency in the code of corporate governance best practices for Ghanaian and Nigerian firms.

Table 3.8.5 Showing descriptive statistic on shareholder rights of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-stat.
Shareholder rights (Q24)	Ghana	150	2.79	-1.68
	Nigeria	320	4.18*	20.49
	South Africa	71	1.89*	13.55
	Sub-region (SSAA)	541	3.48*	7.70
Shareholder violation (Q25)	Ghana	150	2.73*	-2.30
	Nigeria	320	4.13*	21.28
	South Africa	71	2.52*	-3.68
	Sub-region (SSAA	541	3.51*	8.72
Shareholder meeting (Q26)	Ghana	150	2.53*	4.17
	Nigeria	320	3.71*	11.24
	South Africa	71	2.20*	-6.74
	Sub-region(SSAA)	541	3.17*	2.93
Shareholder alignment (Q27)	Ghana	150	2.73*	-2.36
	Nigeria	320	3.66*	10.45
	South Africa	71	2.14*	-7.79
	Sub-region (SSAA)	541	3.17*	2.97

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

Table 3.8.5 indicate that in Nigerian firms all the sub-variables under shareholders rights have high of T-test and mean value. However, in Ghanaian and South African firms the T-test and mean value are lower. This indicates that the respondents agree that there is lack of proper implementation of shareholder rights in Nigerian firms.

Table 3.8.6 Present the descriptive statistic on ownership concentration of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-stat.
Ownership Composition (Q28)	Ghana	150	4.35*	24.31
	Nigeria	320	4.20*	32.52
	South Africa	71	4.39*	15.02
	Sub-region (SSAA)	541	4.37*	47.56
Large Concentration (Q29)	Ghana	150	4.21*	17.64
	Nigeria	320	4.31*	29.29
	South Africa	71	4.21*	10.73
	Sub-region (SSAA	541	4.28*	36.31
Preferential Treatment (Q30)	Ghana	150	4.17*	13.65
	Nigeria	320	4.20*	28.62
	South Africa	71	4.15*	9.89

	Sub-region(SSAA)	541	4.18*	31.55

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

In Table 3.8.6 there is indication that all the variables under ownership concentration have a higher T-test for Ghanaian and Nigerian firms. While that of South Africa T-test is a bit lower. Generally, in each country the mean value is high. This result implies that for firms in Ghana, Nigeria and South Africa, there are a variety composition of ownership, preferential treatment of large shareholders and concentration of ownership.

3.5 Results of the correlation analysis of the institutional characteristics of corporate governance of firms

We present the correlation analysis of corporate governance variables of firms when for all the observation for the countries, and at country level for each country such as Ghana, Nigeria and South Africa.

Table 3.9.1 Correlation analysis on variables of institutional characteristic of corporate governance of firms in SSAA region.

Variables	Code	corp gov. systm. (1).	Regulatory Framework (2)	Enforcement (3)	Disc. & Trpy (4)	Shd. Rght (5)	Ownership Concentration (6)
1 Corporate gov. Sytm	TCg(Q8-11)	1					
2.Regulatory framework	Trfw(Q12-16)	0.24**	1				
3.Enforcement	Tenfm(Q17-19)	0.46**	0.19**	1			
4.Disclosure and Transp.	Tdis(Q20-23)	0.38**	0.68**	0.44**	1		
5.Shareholders' rights	Tshrt(Q24-27)	0.14*	0.63**	0.20**	0.56**	1	
6. Ownership concentration	Towc(Q28-30)	-0.02	-0.27**	-0.26**	-0.34**	-0.32**	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.5.1 Results of correlation analysis on institutional characteristic of corporate governance of firms in Sub-Saharan African Anglophone region.

This study provides empirical evidences using correlation analysis to show the effect of challenges of corporate governance on corporate governance system of firms in Sub-Saharan Africa Anglophone region.

Table 3.9.1 provides Pearson correlation coefficient result shows that regulatory framework has a significant positive correlation of 0.24 with corporate governance system. This result supports the hypothesis that stated that there is a relationship between regulatory framework and corporate governance system.

In addition, enforcement has positive significant correlation of 0.46 and disclosure and transparency has positive significant correlation of 0.38 with corporate governance system. This result is consistent with hypothesis that there is a relationship between enforcement, disclosure and transparency and corporate governance system, shareholders' rights have a positive significant correlation of 0.14 with corporate governance system. This also supports the hypothesis that there is a relationship between shareholders rights and corporate governance system.

Table 3.9.2 Correlation analysis on variables of institutional characteristic of corporate governance in Ghanaian firms.

Variables	Code	corp gov. systm. (1)	Regulatory Framework (2)	Enforcement (3)	Disc. & Trpy (4)	Shd. Rght (5)	Ownsh Con. (6)
1 Corporate gov. Sytm	TCg(Q8-11)	1					
2.Regulatory framework	Trfw(Q12-16)	0.52**	1				
3.Enforcement	Tenfm(Q17-19)	0.64**	0.50**	1			
4.Disclosure and Transp.	Tdis(Q20-23)	0.54**	0.53**	059**	1		
5.Shareholders' rights	Tshrt(Q24-27)	0.23**	0.23**	0.34**	0.26**	1	
6. Ownership concentration	Towc(Q28-30)	-0.42**	-0.41**	-0.65**	-0.52**	-0.22**	1

Note: **Correlation is significant at the 0.01 level

3.5.2 Results of correlation analysis on institutional characteristic of corporate governance of firms in Ghana.

In Table 3.9.2 illustrates the significant correlation of firm at each country, in Ghana firms there is evidence that regulatory framework has a positive significant correlation of 0.52, shareholders rights 0.23, enforcement has a positive significant correlation of 0.64 and disclosure also has positive significant correlation of 0.54 with corporate governance system. However, ownership concentration has a negative significant correlation of -0.42 with corporate governance system. These results are consistent with the hypothesis of the study respectively.

Table 3.9.3: Correlation analysis on variables of institutional characteristic of corporate governance in Nigeria firms.

Variables	Code	corp.gov. systm(1)	Regulatory Framework (2)	Enforcement (3)	Disc. & Trpy (4)	Shd. Rght (5)	Ownsh Con. (6)
1 Corporate gov. Sytm	TCg(Q8-11)	1					
2.Regulatory framework	Trfw(Q12-16)	-0.16**	1				
3.Enforcement	Tenfm(Q17-19)	-0.09	0.44**	1			
4.Disclosure and Transp.	Tdis(Q20-23)	-0.07	0.56**	0.58**	1		
5.Shareholders' rights	Tshrt(Q24-27)	-0.14*	0.53**	0.45**	0.58**	1	
6. Ownership concentration	Towc(Q28-30)	0.18**	-0.30**	-0.33**	-0.35**	-0.42**	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.5.3 Results of correlation analysis on institutional characteristics of corporate governance of firms in Nigeria.

Table 3.9.3 provides the significant correlation of firm for firms in Nigeria and there is evidence that regulatory framework has a negative significant correlation of -0.16, and shareholders rights have a negative significant correlation of -0.14, with corporate governance system.

In addition, ownership concentration has a positive significant correlation of 0.18 with corporate governance system. However, in Nigeria firms, the regulatory framework has a negative significant correlation of -0.16, while enforcement is not significant. This result implies that regulatory framework of Nigeria corporate governance is weak and this may likely be due to weak legal system that can promote sound regulatory framework and enforcement policy. In addition, lack of implementation of listing rules and corporate codes conduct for firms is also common in Nigeria.

The institutional bodies such as Central Bank of Nigeria (CBN), National Insurance Commission (NICOM), Nigeria Securities Exchange Commission (SEC) and Corporate Affairs Commission (CAC) that are established to implement the regulatory framework and enforcement of corporate governance practices may be incompetent, and officers responsible to carried out their duties may be corrupt. As a result of the above, this will not promote sound corporate governance practices of firms in Nigeria.

Table 3.9.4: Correlation analysis on variables of institutional characteristic of corporate governance in South Africa firms.

Variables	Code	corp.gov. systm (1)	Regulatory Framework (2)	Enforcement (3)	Disc. & Trp (4)	Shd. Rght (5)	Ownsh Con. (6)
1 Corporate gov. Sytm	TCg(Q8-11)	1					
2.Regulatory framework	Trfw(Q12-16)	0.33**	1				
3.Enforcement	Tenfm(Q17-19)	0.30*	0.10	1			
4.Disclosure and Transp.	Tdis(Q20-23)	0.21	0.53**	0.24*	1		
5.Shareholders' rights	Tshrt(Q24-27)	0.02	0.20**	0.13	0.36**	1	
6. Ownership concentration	Towc(Q28-30)	0.15	-0.19	0.05	-0.21	-0.23	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.5.4 Results of correlation analysis on institutional characteristic of corporate governance of firms in South Africa.

In Table 3.9.4 shows the correlation analysis of corporate governance structures for firms in South Africa. The result indicates that regulatory framework has a positive significant correlation of 0.33, and enforcement with positive significant correlation of 0.30.

This suggests that in South Africa have better functioning legal system and better implementation of regulatory and enforcement policy of corporate governance. In conclusion the finding of this study suggest that at each country, firms in Ghana, Nigeria and South Africa, regulatory framework and enforcement of corporate governance practices is a vital mechanism for effective's corporate governance practices. Other mechanisms such as disclosure and transparency, shareholders rights and ownership concentration will improve once there are sound regulatory and enforcement implementation policy for such country.

3.6 Methodology on the effect of the role and responsibility of board of director on corporate governance system

This section provides the definition of variables, sub-variables methodology of the effect of the role and responsibility of a firm's board of directors of listed firms. This is assessed through survey questionnaire based on international corporate governance norms (OECD), and Okpara (2010). The categories of respondents for this study include the following; legislators, regulators, academician, individual investors, institutional investors, accountants/auditors, executive directors, non-executive directors, company executives (CEO) company employees, Judiciary/legal and other such as students.

3.7 The Variables.

This section comprises of eight statements or items that measure the role and responsibility of board of directors of firms. As illustrated in Table below:

Table 3.10. Definition of the variables for section H: Role and responsibility of firm's boards of directors

Section	Variables	Statements
H	corporate strategy (Corp_strgy) (Q31)	Board members are not fully committed to reviewing and guiding corporate strategy
	executive compensation (Q32) (Bod_Exec)	Board members in your companies do not pay attention to executive compensation
	Board effectiveness (Q33) (Bod_Eff)	Board members in your companies are not effectively committed to their responsibility
	Financial reporting (Q34) (Bod_Frepte)	The board members often demonstrate lack of a lack of concern as to the integrity of companies financial reporting system
H	Board transparency (Q35) (Bod_Trpy)	Board members show lack of concern in ensuring a formal and transparent board nomination and election process
	Enforcement rules (Q36) (Bod_Mer)	Board members do not show concern about proper monitoring and enforcement of laws, rules and regulation of corporate governance practices
H	Disclosure (Q37) Bod_disc	Board members do not adequately surprise the process of disclosure and communication
	Board duality (Q38)	

	Bod_duality	There are separation between the roles of the Chairman and Chief Executive Officer (CEO)

3.7.1 The dependent variable

The corporate governance system (**Total_cs)** is the addition of statements (from 8 to 11) under section B of the survey questionnaire. This items or statements under this section are proxies as independent variables are rules and legal systems (Rules_cs), agencies power (Agecy_Pow), Legal system (Leg_Syt) and well organised Agencies (Well_Agecy). These dependent sub-variables are shown in Table…

Therefore the Total corporate governance system proxy as dependence variables can be expressed as:

Total_(Q8-11) = Rules_Q8 + Agencie_Q9 + Legal_Q10+ Organise_Q11

3.7.2 The Independent variables

The Independent variables comprise of eight statements under section H that measure the role and responsibility of board of directors such as the level of commitment to corporate strategy (Corp_strgyQ31), adequate attention to executive compensation (Bod_ExecQ32), and effective committed to their responsibility (Bod_EffQ33). This is illustrated in Table…..

In addition, independent variables also represented as Level of ensuring of a formal and transparent board nomination and election process (Bod_TrpyQ34). This is shown in Table…

Others independent variables are level of concern about enforcement of corporate governance policies (Bod_MerQ35), supervision of process of disclosure and communication (Bod_DiscQ37) and separation of roles and responsibilities of Chairman and Chief Executive Officer (CEO) (Bod_dulity38). As it indicated in the above Table….

3.8. The model for the analysis of role and responsibility of firm's board of directors and corporate governance system

The equation below examines the contribution of role and responsibilities of the board of directors make to the corporate governance system.

Thus for it respondent total corporate governance system of firm (Total_cs) can be determined as follows:

$$\textbf{Total\_(Q8-11)} = \beta_0 + \beta_1(\text{corp\_strgy31}) + \beta_2(\text{Exec\_comp32}) + \beta_3(\text{Bod\_Eff33}) + \beta_4(\text{Bod\_Frept34}) + \beta_5(\text{Bod\_Trpy35})$$

$$+ \beta_6(\text{Bod\_enfm36}) + B_7(\text{Bod\_Disc37}) + \beta_8(\text{Bod\_Duality38}) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Where the corporate governance system is the dependent variable and it is measured by the addition of items or statements from (8 to 11) under section B of the survey questionnaire. Also are countries, regulatory agencies dummies indicating if the respondent is located in Ghana, Nigeria (the reference category being South Africa), in addition, if the respondent is regulator. Finally, μ_i is the random error term, which is independently and identically distributed.

3.8.1 The model for the analysis of role and responsibility of firm's board of directors and rules and laws of corporate governance

The equation below examines the contribution of role and responsibilities of the board of directors make to the rules and laws corporate governance practice.

Thus for i-th respondent rules and laws of corporate governance of firm (Rules_cs) can be determined as follows:

$$\textbf{Rules\_Q8} = = \beta_0 + \beta_1(\text{corp\_strgy31}) + \beta_2(\text{Exec\_comp32}) + \beta_3(\text{Bod\_Eff33}) + \beta_4(\text{Bod\_Frept34}) + \beta_5(\text{Bod\_Trpy35})$$

$$+ \beta_{6(}\text{Bod\_enfm36}) + B_7(\text{Bod\_Disc37}) + \beta_8(\text{Bod\_Duality38}) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Where the rules and laws of corporate governance is the dependent variable and it is measured by the statements 8 under Section B of the survey questionnaire.

Also are countries, regulatory agencies dummies indicating if the respondent is located in Ghana, Nigeria (the reference category being South Africa), in addition, if respondent is regulator. Finally, μ_i is the random error term, which is independently and identically distributed.

3.8.2 The model for the analysis of role and responsibility of firm's board of directors and power and authority of the regulatory agencies of corporate governance.

The equation below examines the contribution of role and responsibilities of the board of directors make to the power and authority of the regulatory agencies of corporate governance.

Thus for i-th respondent power and authority of regulatory and supervisory agencies of corporate governance of firm (Agencies_cs) can be determined as follows:

$$\textbf{Agencies\_Q9} = = \beta_0 + \beta_1(\text{corp\_strgy31}) + \beta_2(\text{Exec\_comp32}) + \beta_3(\text{Bod\_Eff33}) + \beta_4(\text{Bod\_Frept34}) + \beta_5(\text{Bod\_Trpy35})$$

$$+ \beta_{6(}\text{Bod\_enfm36}) + B_7(\text{Bod\_Disc37}) + \beta_8(\text{Bod\_Duality38}) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Where the power and authority of regulatory and supervisory agencies of corporate governance is the dependent variable and it is measured by the statements 9 under section B of the survey questionnaire. There are countries, regulatory agencies dummies indicating if the respondent is located in Ghana, Nigeria (the reference category being South Africa), in addition, if the respondent is regulator. Finally, μ_i is the random error term, which is independently and identically distributed.

3.9 Results of the descriptive statistics on role and responsibilities of firm's boards of directors.

This section shows the descriptive and frequency distribution for items or statements related to the role and responsibility of firm's board of directors.

The Tables below illustrates the findings of the descriptive statistics and frequency distribution.

Table 3.11. showing the descriptive statistic on role and responsibility of firm's boards of directors in Sub-Saharan Africa Anglophone countries

Variables	Countries	N	Mean	T-stat.
Corporate Strategy (Q31)	Ghana	150	2.33*	-6.46
	Nigeria	320	4.13*	26.25
	South Africa	71	2.01*	-10.83
	Sub-region(SSAA)	541	3.04	0.69
Executive Compensation (Q32)	Ghana	150	1.85*	-17.39
	Nigeria	320	1.82*	-31.51
	South Africa	71	1.72*	-13.48
	Sub-region(SSAA)	541	1.90*	-30.46
Board Effectiveness (Q33)	Ghana	150	3.02	0.81
	Nigeria	320	3.45*	6.60
	South Africa	71	2.03*	11.68
	Sub-region(SSAA)	541	3.15*	2.68
Financial Reporting (Q34)	Ghana	150	3.34*	2.85
	Nigeria	320	3.84*	13.79
	South Africa	71	2.17*	-9.20
	Sub-region(SSAA)	541	3.48*	8.59
Board Transparency (Q35)	Ghana	150	3.70*	6.54
	Nigeria	320	3.92*	15.82
	South Africa	71	2.06*	11.48
	Sub-region(SSAA)	541	3.62*	11.63
Enforcement Rules (Q36)	Ghana	150	2.84	-1.43
	Nigeria	320	3.64*	9.38
	South Africa	71	2.01*	-9.81
	Sub-region(SSAA)	541	3.21*	3.62
Board disclosure (Q37)	Ghana	150	3.97*	9.48
	Nigeria	320	4.08*	18.76
	South Africa	71	2.52*	-3.89
	Sub-region(SSAA)	541	3.84*	16.01

Board duality (Q38)	Ghana Nigeria South Africa Sub-region(SSAA)	150 320 71 541	4.49* 4.48* 4.53* 4.50*	26.07 35.30 19.83 48.86

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of Significant (1.96). SD is shown as standard deviation for each of the statement in the survey questionnaire- T-Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

In Table 3.11 there is evidence that for Nigerian firms the corporate strategy variable has a higher T-test value and mean value. This indicates that the respondents believe that board members are not fully committed to reviewing and guiding corporate strategy. However, in Ghanaian and South African firms the T-test and mean value are lower. This implies that the respondents indicate that there is more commitment for board members on corporate strategy in Ghanaian and South African firms.

In South African firms' issues of financial reporting (Q36), enforcement of rules (Q36), and board disclosure (Q37) has a lower mean value. This indicates that the respondents agree that the board members are committed to issues of financial reporting, enforcement of rules on corporate governance and disclosure in their firms.

3.10 Results of correlation analysis on the role and responsibility of firm's boards of directors

In this section, we provide the correlation analysis on role and responsibility of firm's board of directors and corporate governance system in term of rules and laws.

The correlation analysis shows the strength and direction of the linear relationship between the variables. Thus, the Tables below illustrate the finding of the correlation analysis of the variables on role and responsibility of firm's directors' base on the Sub-Saharan Africa Anglophone region and for each country level.

Table 3.12.1: Correlation analysis on role and responsibility of firm's boards of directors in Sub-Saharan Africa Anglophone region

Variables	Rules &Laws (1)	Corpo. Strategy (2)	Executive Compen (3)	Board Effective (4)	Board Financial report (5)	Board Trspy (6)	Enfment rules (7)	Board Disc. (8)	Board Dual (9)
1.Rules &Laws (Q8)	1								
2.Corporate strategy (Q31)	0.28**	1							
3.Executive) compensation (Q32)	-0.59	0.13**	1						
4.Board effectiveness (Q33)	0.32**	0.53**	0.01	1					
5.Financial report (Q34)	0.36**	0.54**	0.03	0.56**	1				
6.Board transparency (Q35)	0.49**	0.45**	-0.06	0.54**	0.65**	1			
7. Enforcement rules (Q36)	0.33**	0.66**	0.23	0.66**	0.69**	0.53**	1		
8.Board disclosure (Q37)	0.45**	0.42**	-0.05	0.52**	0.65**	0.76**	0.56**	1	
9.Board duality (Q38)	-0.14	0.12**	-0.20**	0.21**	0.23**	0.27**	0.18**	0.30**	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.10.1 Results of correlation analysis on role and responsibility of firm's boards of directors in Sub-Saharan Africa Anglophone region

Table 3.12.1 column 1 shows that there is a positive significant correlation of 0.28 between corporate strategy and rules and laws that promote corporate governance of firms.

This result implies that the role and responsibility of boards of directors in term of committed to guiding and reviewing corporate strategy of firms have a direct effect on rules and law that promote corporate governance practice of firms in Sub-Saharan African Anglophone region. This result is consistent with other variables such as board effectiveness, board financial reporting system, board transparency, board enforcement of corporate governance policy, and commitment of board to disclosure and communication.

Table 3.12.2: Correlation analysis on role and responsibility of firm's boards of directors in Ghanaian firms

Variables	Rules &Laws (1)	Corpo. Strategy (2)	Executive Compen (3)	Board Effective (4)	Board Financial report (5)	Board Trspy (6)	Enfment rules (7)	Board Disc. (8)	Board Dual (9)
1.Rules &Laws (Q8)	1								
2.Corporate strategy (Q31)	0.08	1							
3.Executive) compensation (Q32)	-0.33**	0.22**	1						
4.Board effectiveness (Q33)	0.24**	0.30**	0.01	1					
5.Financial report (Q34)	0.31**	0.35**	0.03	0.39**	1				
6.Board transparency (Q35)	0.55**	0.14	-0.23**	0.44**	0.42**	1			
7. Enforcement rules (Q36)	0.20*	0.52**	-0.02	0.51**	0.67**	0.26**	1		
8.Board disclosure (Q37)	0.61**	0.11	-0.18*	0.42**	0.45**	0.73**	0.34**	1	
9.Board duality (Q38)	0.43**	0.29	-0.32**	0.24**	0.27**	0.39**	0.21*	0.35**	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.10.2 Results of the correlation analysis on role and responsibility of firm's boards of directors in Ghana

At each country level Table 4.14.2 column 1 indicates that in Ghanaian firms,' executive compensation have negative significant correlations of -0.33 with corporate governance system in terms of rules and laws that promote corporate governance of firms in Ghana.

However, other variables for firm's role and responsibility of boards of directors such as board effectiveness, level of commitment of board to financially reporting system, board transparency and board enforcement of corporate governance have significant positive correlation with corporate governance system in terms of rules and laws that promote corporate governance of firms in Ghana. Also, board disclosure and board duality (separation between role and responsibility of Chairman and CEO) has significant positive correlation with corporate governance system in terms of rules and laws that promote corporate governance of firms in Ghana.

This result suggests that the level of commitment of board members to executive compensation in Ghanaian firms does not have a direct relationship with rules and laws that promote corporate governance. This may likely be due to directors being only after the payment of their own compensation but issues of rules and laws of corporate governance are not of interest to them.

Table 3.12.3: Correlation analysis on role and responsibility of firm's boards of directors in Nigeria

Variables	Rules &Laws (1)	Corpo. Strategy (2)	Executive Compen (3)	Board Effective (4)	Board Financial report (5)	Board Trspy (6)	Enfment rules (7)	Board Disc. (8)	Board Dual (9)
1.Rules &Laws (Q8)	1								
2.Corporate strategy (Q31)	0.02	1							
3.Executive) compensation (Q32)	0.09	-0.08	1						
4.Board effectiveness (Q33)	0.09	0.17**	-0.55	1					
5.Financial report (Q34)	-0.02	0.11*	-0.20	0.53**	1				
6.Board transparency (Q35)	-0.07	0.13*	-0.10	0.48**	0.69**	1			
7. Enforcement rules (Q36)	0.02	0.20**	-0.07	0.67**	0.60**	0.54**	1		
8.Board disclosure (Q37)	-0.12*	0.09	-0.08	0.47**	0.68**	0.73**	0.61**	1	
9.Board duality (Q38)	-0.13*	0.10	-0.10	0.29**	0.34**	0.37**	0.29**	0.45**	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.10.3 Results of the correlation analysis on role and responsibility of firm's boards of directors in Nigeria

Table 3.10.3 column 1 illustrates that for firms in Nigeria the role and responsibility of board of directors such as level of commitment to boards disclosure and communication and board duality (separation between role and responsibility of Chairman and CEO) have a negative significant correlation of -0.12 and -0.13 respectively with corporate governance system in terms of rules and laws that promote corporate governance of firm in Nigeria.

This result indicates that the level of supervision of board members to the process of disclosure and communication with firms in Nigeria is not having a direct effect on rules and laws that promote corporate governance practice. This may likely be due to the fact that the board members are less commitment to the supervision role and responsibility of disclosure and communication within their firms in Nigeria. Also, in Nigerian firms, although there may be separation between the role and responsibility of chairman and CEO (board duality) based on the finding in the above. However, the separation of power between roles of chairman and

CEO (board duality) may not be well implemented in order in order to promote rules and laws of corporate governance practices.

Table 3.12.4 Correlation analysis on role and responsibility of firm's boards of directors in South Africa

Variables	Rules &Laws (1)	Corpo. Strategy (2)	Executive Compen (3)	Board Effective (4)	Board Financial report (5)	Board Trspy (6)	Enfment rules (7)	Board Disc. (8)	Board Dual (9)
1.Rules &Laws (Q8)	1								
2.Corporate strategy (Q31)	0.11	1							
3.Executive) compensation (Q32)	-0.13	0.59**	1						
4.Board effectiveness (Q33)	-0.11	0.48**	0.38**	1					
5.Financial report (Q34)	0.12	0.54**	0.34**	0.53**	1				
6.Board transparency (Q35)	0.17	0.40**	0.26*	0.38**	0.42**	1			
7. Enforcement rules (Q36)	0.30*	0.50**	0.17	0.43**	0.57**	0.55**	1		
8.Board disclosure (Q37)	0.15	0.44**	0.32**	0.32**	0.62**	0.33**	0.39**	1	
9.Board duality (Q38)	0.20	-0.30*	-0.39**	-0.29*	-0.30*	-0.23	-0.40**	-0.25*	1

Note: **Correlation is significant at the 0.01 level
*Correlation is significant at the 0.05 level

3.10.4 Results of the correlation analysis on role and responsibility of firm's boards of directors in South Africa

Table 3.10.4 column 1 provides evidence that the level of monitoring and enforcement of corporate governance practices (board enforcement) has a significant positive correlation of 0.30 with rules and laws that promote corporate governance system of firms in South Africa.

This finding suggests that board members of firms in South Africa show more commitments on monitoring and enforcements of corporate governance practices and as a result, this have had a significant effect on promotion of laws and rules on corporate governance of firms in South Africa.

3.11 Methodology on the effect of external factors on corporate governance system

This section describes the methodology, descriptive statistics and correlation analysis of the effect external factor underpinning corporate governance of listed firms using survey questionnaire as a sources of data. Moreover, the categories of respondents for this study include following; legislators, regulators, academician, individual investors, institutional investor, accountant/auditors, executive director, non-executive director, company executive (CEO) company employee, judiciary/legal and others such as students.

3.12 Definition of the Variables in each Section

The instrument used to collect data for this study is through a survey questionnaire consists of 37 statements (sub-variables) which are divided into various sections, as it shows in the Tables below.

Table 3.13.1 Indicate the section, variables and statements under the Economic factor in Section I of the survey questionnaire for corporate governance

Section	Variables	Statements
I	Domestic investment (Dinvt_Q39)	Good corporate governance practice within firms is important to attracting domestic investment in a nation.
	Foreign investment (Finvt_Q40)	Good corporate governance practice of firms is important in attracting foreign investment for a country
	Growth (Growth_Q41)	Corporate governance influences the growth and development of firms and this, in turn influences the economy of a nation.
	equity of market (Equity_Q42)	Shareholder protection can affect the level of equity markets.
	Macro-economic policies (Macro_Q43)	Macro-economic policies influence the way firms are managed in such way as to influence the relationship between firms and shareholders
	Financial intermediation (Banks_Q44)	Banks play a predominant role in financial intermediation of firms in your country.
I	Firms Control (Firms_Q45)	Firms in your country own and control major local banks by creating a form of conglomerate business organization
	Privatization (Privatization_Q46)	There are conflict and problem associated with corporate governance before or after privatization of state-owned companies in your country.

	Transparency (Transparency_Q47)	There is no transparency in the sales of state-owned companies and appointment of the board of director in your country
	Local investor (Control_Q48)	The local investors are unable to use voting power to enforce corporate governance and there is no effective corporate control.
	Total Economic factor (Teco_Q39-48)	denote the variable for Economic factor effect on corporate governance practice and it addition of all statements under section I.

Table 3.13.2 showing the section, variables and statements under the societal and culture in Section J of the survey questionnaire

Section	Variables	Statements
J	Stakeholders Interest (Stakeholders_Q49)	Corporate governance within firms should consider the interest of all shareholders (employee, customers) individual and community goal
	Socio-political environment (Sociopol_Q50)	Corporate governance guidelines and regulation should be drawn in a such a way that they reflect the socio-political and cultural environment of each nation
	National culture (Culture_Q51)	National culture affects enforcement procedure in accounting systems and these influences corporate governance practice of a firm in a country
	Business ethic (Ethic_Q52)	The business ethics and value that characterize a society will influence the level of confidence in the integrity and probity of firm and capital market
	Total Societal and Cultural Factor (Tscf_Q49-52)	denote the variable for societal and cultural factor, it is the addition of statements under section J

Table 3.13.3 Illustrate the section, variables and statements under the corruption and bribery in Section K of the survey questionnaire for corporate governance of firms.

Section	Variables	Statements
	Reduction corruption (Reduction_Q53)	Reduction in corruption and bribery will help to improve corporate governance practice
	Regulatory authorities (Level_Q54)	Level of corruption influence the ability of the regulatory authorities to enforce compliance within corporate governance principles and accountability within firms
	Job security (Wages_Q55)	Job security and payment of satisfactory living wages will

k		influence the level of corruption
	Conflict Interest (Interest_Q56)	Conflict of interest, unsound ethics and greed influence the corporate governance practice of a firm
	Economic hardship (Econmic_Q57)	Economic hardship will influence the level of corruption among employees to the extent that corporate governance practice are undermine
	Internal control (Internal_Q58)	Lack of internal control system will influence level of corruption among employee to the extent that corporate governance practices are undermined with firms.
	Total Corruption (Tcorpt_Q53-58)	Proxy as the variable for influence of corruption and bribery on corporate governance practice, it is the addition of all the statements under section K

Table 3.13.4 indicate the section, variables and statements under the political environment in Section L of the survey questionnaire.

Section	Variables	Statements
L	Government Ownership (Ownership_Q59)	The government exerts substantial influence over the ownership of companies in my country of operation
	Monetary Policies (Econ_Q60)	The political environment, by influencing fiscal and monetary policies has a substantial impact on corporate governance practices.
	Type of government (Type_Q61)	Prolonged period of military or civilian rule in a country will influence the corporate governance practice of firms
	Government influence (Interferes_Q62)	The government interferes with the work of regulatory and supervisory bodies with regard to appointments or incentives for company executive within firms
	Politician influences (Politician_Q63)	Politician exert undue influence over the ministries and agencies responsible for monitoring and enforcement of corporate governance guidelines and regulation within firms
	Total political environment (Tpol_Q59-63)	This indicates political environment factor variable and it covers the addition of statements under Section L

Table 3.13.5 Showing the section, variables and statements under the ownership structure in Section M of the survey questionnaire

Section	Variables	Statement
M	Board members (Board_Q64)	Board members and senior management are generally majority stock holders of companies in your country
	Foreign nationals (Foreign_Q65)	Foreign national are generally majority of shareholders of companies in your country
	Government majority (Govt_Q66)	The government holds majority of stock in companies in your country
	Family majority (Family_Q67)	Family members generally hold the majority of stocks in companies in your country
	Single family dominate the management (Single_68)	Where a single family dominate the management of a firm, this will be reflected in corporate governance practice of firm
	Total ownership structure (Town_Q64-68)	This is proxy as the variable for ownership structure effects upon corporate governance; it is the addition of all the statements (sub-variables) under section M of the survey questionnaire.

Table 3.13.6 illustrate the section, variables and statements under the Accounting system in Section N of the survey questionnaire for corporate governance of firms

Section	Variables	Statements
N	Financial information (Information_Q69)	Firms prepared financial information that accord with statutory and ethical obligation in my country
	Enforcement of rules on accounting (Profession_Q70)	The Institute of Chartered Accountant or equivalent (professional body of accountants) play a role in enforcing good accounting and financial reporting practices in my country
	Accounting Standards (Standard_Q71)	The Accounting standards Board (national equivalent) issues standards that are in line with international accounting standards
	Total Accounting system (Tacct_Q69-71)	Represents variable for the influence of accounting system on corporate governance, it is the addition of statements (sub-variables) under section N of the survey questionnaire.

3.12.1 The dependent variables

The equation below is the corporate governance system (**Total_cs)** which is the addition of statements or items (sub-variables) under section B of the survey questionnaire.

Total_cs = Rules_cs (Q8) + Agencie_cs (Q9) + Legal_cs(Q10)+ Organise_Cs (Q11)

3.12.2 The Independent variables

These include the following below:

Teco_(Q39-48) this is proxy as the variable for economic factor which influences corporate governance practice and it covers statements or items (sub-variables) 39-48 under Section I of the survey questionnaire.

Tscf_(Q49-52) denote the variable for societal and cultural factor effect on corporate governance practice and it covers statements or items (sub-variables) 49-52 under Section J of the survey questionnaire.

Tcorpt_(Q53-58) indicate the variable that influence corruption and bribery on corporate governance practice, this covers statements or items under (sub-variables) 53-58 of Section K of the survey questionnaire.

Tpol_(Q59-63) illustrate political environment factor variable that impacts on corporate governance practice, and covers statements or items under (sub-variables) 59-63 of Section L of the survey questionnaire.

Town_(Q64-68) is proxy as the variable for ownership structure effects upon corporate governance and covers statements or items under Section M (sub-variables) 64-68 of the survey questionnaire.

Tacct_(Q69-71) represents variable for the influence of accounting system on corporate governance, it covers statements or items under Section N (sub-variables) 69-71 of the survey questionnaire.

3.13. Model for the analysis of effect of external factors on the corporate governance system

The equation below examines the contribution that each external factor makes to the corporate governance system.

Thus for i-th respondent total corporate governance system of firm (**Total_Q8-11**) can be determined as follows:

$$\textbf{Total\_(Q8-11)} = \beta_0 + \beta_1(\textbf{Tec\_Q39-48}) + \beta_2(\textbf{Tsc\_Q49-52}) + \beta_3(\textbf{Tcorpt\_Q53-58}) + \beta_4(\textbf{Tpol\_ Q59-63}) + \beta_5(\textbf{Town\_ Q64-68}) + \beta_6(\textbf{Tacct\_Q69-71}) + \beta_7(G_R) + \beta_8(N_R) + \mu_i$$

The dependent variable is proxy as corporate governance system (Total_Q8-11) with independent variables indicated as economic factor (Tec_Q39-48), societal and cultural factor (TSc_Q49-52), Corruption and bribery (Tcorrpt_Q53-58), political environment (Tpol_Q59-63), ownership structure (Town_Q64-68) and accounting system (Tacct_Q69-71). Other control variables G_R and N_R include dummies indicating if the firms are located in Ghana and

Nigeria with respondents are regulator bodies or non-regulatory stakeholders of corporate governance (the reference category being South Africa firms). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.1 Model for the analysis of economic factors on the rules and laws guiding corporate governance practice

This equation below examines the contribution of the economic factor makes to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\textbf{Rules\_Q8} = \beta_0 + \beta_1(\textbf{Dinvt\_Q39}) + \beta_2(\textbf{Finvt\_Q40}) + \beta_3(\textbf{Growth\_Q41}) + \beta_4(\textbf{Equity\_Q42}) + \beta_5\,(\textbf{Macro\_Q43} + \beta_6(\textbf{Banks\_Q44}) + \beta_7\,(\textbf{Firms\_Q45}) + \beta_8\,(\textbf{Privatization\_Q46}) + \beta_9\,(\textbf{Transparency\_Q47}) + \beta_{10}\,(\textbf{Control\_Q48}) + \beta_{11}(\textbf{G}) + \beta_{12}(\textbf{N}) + \mu_i$$

Where dependent variable is indicated as rules and laws guiding corporate governance (Rules_Q8)and independent variables are Domestic investment (Dinvt_Q39) foreign investment (Finvt_Q40), growth (Growth_Q41), equity (Equity_Q42), macro-economic (Macro_Q43), financial intermediation (Banks_Q44), firms control (Firms_Q45), privatisation (privitization_Q46), transparency (Transparency_Q47), and local investor control (control_Q48). Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.2 Model for the analysis of influence of societal and cultural factor on the rules and laws guiding corporate governance practice

This equation below examines the contribution of societal and cultural factors make to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\textbf{Rules\_Q8} = \beta_0 + \beta_1(\textbf{stakeholders\_Q49}) + \beta_2(\textbf{Sociopol\_Q50}) + \beta_3(\textbf{Culture\_Q51}) + \beta_4(\textbf{Ethics\_Q52}) + \beta_5(\textbf{G}) + \beta_6(\textbf{N}) + \mu_i$$

The dependent variable is shown as rules and laws guiding the promotion of corporate governance practice (Rules_Q8) and independent variables are stakeholder interest (Stakeholders_Q49), socio-political and cultural environment (Socipol_Q50), national culture on enforcement of accounting procedure (Culture_Q51), and business ethic (Ethics_Q52).

Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.3 Model for the analysis of influence of corruption and bribery on the rules and laws guiding corporate governance practice

This equation below examines the contribution of corruption and bribery factor makes to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\text{Rules\_Q8} = \beta_0 + \beta_1(\text{Reduction\_Q53}) + \beta_2(\text{Level\_Q54}) + \beta_3(\text{Wages\_Q55}) + \beta_4(\text{Interest\_Q56}) + \beta_5(\text{Economic\_Q57}) + \beta_6(\text{Control\_Q58}) + \beta_5(G) + \beta_6(N) + \mu_i$$

The dependent variable is rules and laws guiding the promotion of corporate governance practice (Rules_Q8) independent variables are reduction in corruption (Reduction_Q53), regulatory authority (Level_Q54), Job security (Wages_Q55), conflict Interest (interest_Q56), economic hardship (Economic_Q57), and Internal control (Control_Q58). Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.4 Model for the analysis of political environment effect on the rules and laws guiding corporate governance practice.

This equation below examines the contribution of political environment makes to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\text{Rules\_Q8} = \beta_0 + \beta_1(\text{Ownership\_Q59}) + \beta_2(\text{Environment\_Q60}) + \beta_3(\text{Type\_Q61}) + \beta_4(\text{Interferes\_Q62}) + \beta_5(\text{Politician\_Q63}) + \beta_5(G) + \beta_6(N) + \mu_i$$

The dependent variable is shown as rules and laws guiding the promotion of corporate governance practice (Rules_Q8) and independent variables includes government influence (Ownership_Q59), political influences with fiscal and monetary policies (Environment_Q60), type of government (Type_Q61), government interferences on regulatory bodies (Interferes_Q62) and politician influences on regulatory agencies (Politician_Q63) Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.5 Model for the analysis of effect of ownership structure on the rules and laws guiding corporate governance practice.

This equation below examines the contribution of ownership structure makes to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\textbf{Rules\_Q8} = \beta_0 + \beta_1(\textbf{Board\_Q64}) + \beta_2(\textbf{Foreign\_Q65}) + \beta_3(\textbf{Govt\_Q66}) + \beta_4(\textbf{Famly\_Q67}) + \beta_5\,(\textbf{Single\_Q68}) + \beta_5(\textbf{G}) + \beta_6(\textbf{N}) + \mu_i$$

The dependent variable is proxy for rules and laws guiding the promotion of corporate governance practice (Rules_Q8) and independent variables consist of board members and senior management as major stockholders (Board_Q64), foreign nationals are majority of stockholders (Foreign_Q65_), governments are majority of stockholders (Govt_Q66), family is majority of stockholders (Family_Q67), and single family dominant the management (Single-Q68). Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

3.13.6 Model for the analysis accounting system on the rules and laws guiding corporate governance practice.

This equation below examines the contribution of accounting system makes to the rules and laws of corporate governance practice.

Thus for i-th respondent on rules and law guiding corporate governance of firm (Rules_cg) can be determined as follows:

$$\textbf{Rules\_Q8} = \beta_0 + \beta_1(\textbf{Information\_Q69}) + \beta_2(\textbf{Profession\_Q70} + \beta_3(\textbf{Standard\_Q71} + \beta_5(\textbf{G}) + \beta_6(\textbf{N}) + \mu_i$$

The dependent variable is indicated as rules and laws guiding the promotion of corporate governance practice (Rules_Q8) and independent variables are proxy for financial information are prepared according to statutory and ethical obligations (Information_Q69), enforcement of rules accounting and financial reporting by professional accounting body (Profession_Q70) and accounting standard board issues standard in line with international accounting standard (Standard_Q71). Other control variables G and N include dummies indicating if the respondents are located in Ghana and Nigeria (the reference category being South Africa). Finally, μ_i is the random error term, which is independently and identically distributed.

Table 3.14: Showing descriptive statistic of external factors variables effects on corporate governance of firms based on average per question for each group in the survey questionnaire

SSAA firms				
Variables	**Code**	**Mean**	**T-test**	**N**
Economic	Tecon_(Q39-48)	4.11*	62.97	541
Societal and Cultural	Tscf_(Q49-52)	4.42*	67.40	541
Corruption and bribery	Tcorpt_(Q53-58)	4.54*	79.60	541
Political environment	Tpol_(Q59-63)	4.12*	37.75	541
Ownership structure	Tows_(Q64-68)	2.62*	-18.81	541
Accounting System	Tacct_(Q69-71)	4.18/*	49.90	541
Corporate governance system	TCg_(Q8-Q11)	3.57*	21.04	541
Ghanaian Firms				
Economic	Tecon_(Q39-48)	4.11*	28.32	150
Societal and Cultural	Tscf_(Q49-52)	4.30*	27.93	150
Corruption and bribery	Tcorpt_(Q53-58)	4.45*	32.29	150
Political environment	Tpol_(Q59-63)	4.21*	21..48	150
Ownership structure	Tows_(Q64-68)	2.32	-16.66	150
Accounting System	Tacct_(Q69-71)	4.18*	27.27	150
Corporate governance system	TCg_(Q8-Q11)	3.18*	4.50	150
Nigerian Firms				
Economic	Tecon_(Q39-48)	4.11*	53.67	320
Societal and Cultural	Tscf_(Q49-52)	4.45*	58.14	320
Corruption and bribery	Tcorpt_(Q53-58)	4.56*	68.04	320
Political environment	Tpol_(Q59-63)	4.16*	30.97	320
Ownership structure	Tows_(Q64-68)	2.78*	-9.84	320
Accounting System	Tacct_(Q69-71)	4.12*	34.54	320
Corporate governance system	TCg_(Q8-Q11)	3.47*	17.16	320
South African Firms				
Economic	Tecon_(Q39-48)	4.08*	22.20	71
Societal and Cultural	Tscf_(Q49-52)	4.52*	25.62	71
Corruption and bribery	Tcorpt_(Q53-58)	4.63*	36.14	71
Political environment	Tpol_(Q59-63)	3.74*	9.74	71
Ownership structure	Tows_(Q64-68)	2.46*	-13.00	71
Accounting System	Tacct_(Q69-71)	4.46*	30.00	71
Corporate governance system	TCg_(Q8-Q11)	4.55*	32.65	71

Note: This table reports the summary descriptive statistic for the variables of the study. The dependent variable is indicated as total corporate governance system which is represented by TCg_(Q8-Q11) is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are external factors such as economic is shown as total economic factors indicated by Tecon_(Q39-48) which is the addition of all items or variables under section I of the survey questionnaire, total societal and cultural is illustrated as Tscf_(Q49-52) which is the addition of all the items or variable under section J of the survey questionnaire, corruption and bribery is shown as total corruption and bribery is indicated as Tcorpt_(Q53-58) which is the addition of all items or variable within section K of the survey questionnaire, Total political environment represented as Tpol_(Q59-63) is the addition of all items under environment in section K, ownership structure total is shown as Tows_(Q64-68) is the total items or variable under section M of the survey questionnaire and accounting system total indicated as Tacct_(Q69-71) is the addition of all items or statements under accounting system in section N of the survey questionnaire.

**T-Test value is Indicate that the response is significantly different from 3 (undecided) at 5% level of significance (1.96). T-Test equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n)*

3.14 Results of the descriptive statistic of external factors variables on corporate governance of firms in Sub-Saharan Africa Anglophone countries

We provide the summary of the descriptive statistics for external factors that influence corporate governance of firms as it shown in the above Table. There is evidence that the T-test and mean value for the ownership structure variable is negative and it is very low for each of the country. This suggests that board members, government, foreign national and family are not the majority of stock holders in Ghana, Nigeria and South Africa firms.

The above Table also indicate that the corporate governace system in South Africa have the highest T-test and mean value as compared with Ghana and Nigeria. This finding implies that corporate governance system in South African firms is better than Ghanaian and Nigerian firms.

Table: 3.14.1: Showing the descriptive statistics of sub-variable of economic factor on corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-test
Domestic Investment (Q39)	Ghana	150	4.53*	29.28
	Nigeria	320	4.68*	55.65
	South Africa	71	4.63*	24.90
	Sub-region (SSAA)	541	4.64*	66.92
Foreign Investment (Q40)	Ghana	150	4.49*	26.07
	Nigeria	320	4.67*	58.87
	South Africa	71	4.65*	28.96
	Sub-region(SSAA)	541	4.62*	66.11
Growth (Q41)	Ghana	150	4.51*	26.80
	Nigeria	320	4.61*	54.34
	South Africa	71	4.65*	24.83
	Sub-region (SSAA)	541	4.59*	63.76
Equity Market (Q42)	Ghana	150	4.47*	25.36
	Nigeria	320	4.46*	38.41
	South Africa	71	4.54*	22.37
	Sub-region (SSAA)	541	4.48*	51.03
Macro –Economic Policy (Q43)	Ghana	150	4.44*	23.83
	Nigeria	320	4.41*	36.55
	South Africa	71	4.58*	19.87
	Sub-region(SSAA	541	4.44*	47.85
Financial Intermediation (Q44)	Ghana	150	4.32*	17.20
	Nigeria	320	3.37*	4.83
	South Africa	71	4.42*	17.86
	Sub-region(SSAA)	541	3.77*	13.99

Firms Control (Q45)	Ghana Nigeria South Africa Sub-region(SSAA	150 320 71 541	2.08* 1.96* 3.80* 2.24*	-10.34 -18.79 6.13 -14.73
Privatization (Q46)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.02* 4.29* 3.44* 4.21*	15.52 30.26 3.01 -14.73
Transparency (Q47)	Ghana Nigeria South Africa Sub-region(SSAA)	150 320 71 541	4.02* 4.28* 3.05 4.06*	12.37 27.59 0.40 28.63
Local investor (Q48)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.19* 4.37* 3.04 4.14*	14.43 28.17 0.28 23.94

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).*
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).

Table 3.14.1 provides the summary of descriptive statistics. There is indication that firm in Ghanaian and Nigerian, firms control (Q45) (firms own and control major local banks by creating a form of conglomerate business organisation) have a higher T-test and lower mean value. This finding suggests that in Nigerian and Ghanaian firms the respondents show that firms are not owned and controlled by major local banks by creating a form of conglomerate business organisation. Thus, in South African the respondents agree that firms owned and controlled by major local banks by creating a form of conglomerate business organisation.

Table: 3.14.2: describes the descriptive statistics of societal and culture factor on corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-test
Stakeholder Interest (Q49)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.41* 4.60* 4.61* 4.55*	24.32 56.12 22.61 61.11
Socio-Political Environment (Q50)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.35* 4.55* 4.54* 4.50*	22.24 41.38 17.76 51.31
National Culture (Q51)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.05* 4.15* 4.35* 4.15*	13.40 22.61 14.04 29.39
Business Ethic (Q52)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.38* 4.51* 4.58* 4.48*	24.14 51.60 20.48 58.35

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96). Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

Table 3.14.4 Reports the descriptive statistics of societal and culture factor on corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-test
Reduction corruption (Q53)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	4.59* 4.75* 4.68* 4.72*	30.43 62.97 22.47 74.09
Regulatory authority (Q54)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.39* 4.64* 4.68* 4.58*	23.32 54.00 28.31 61.25
Job security (Q55)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.15* 4.15* 4.31* 4.17*	16.57 20.57 12.40 28.65
Conflict interest (Q56)	Ghana Nigeria South Africa	150 320 71	4.49* 4.58* 4.70*	25.00 49.59 26.53

	Sub-region (SSAA	541	4.57*	59.86
Economic hardship (Q57)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.49* 4.56* 4.68* 4.56*	25.35 46.51 22.47 58.52
Internal control (Q58)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.60* 4.66* 4.77* 4.66*	31.10 57.11 35.51 70.20

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).*
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n)..

The descriptive statistics result from the above Table show that each sub-variable (item or statement) for corruption and bribery have a mean value of above 4.00 with positive high T-test value. This result implies that respondents total agree that corruption and bribery hinders the development of corporate governance of firms in across the countries in Sub-Saharan Africa Anglophone region.

Table 3.14.4: Showing the descriptive statistics of political environment on corporate governance of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-test
Government Ownership (Q59)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	3.91* 3.77* 3.34* 3.75*	9.86 11.82 2.36 15.24
Monetary Policies (Q60)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.39* 4.35* 4.49* 4.39*	21.83 38.01 25.11 48.63
Government Type (Q61)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.41* 4.37* 4.46* 4.38*	25.40 31.42 20.17 43.38
Government Influence (Q62)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.05* 3.98* 2.92 3.86*	12.49 17.18 -0.55 18.02
Political Influence (Q63)	Ghana Nigeria South Africa	150 320 71	4.27* 4.31* 3.46*	3.64 28.58 3.05

	Sub-region (SSAA	541	4.20*	29.09

*T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

Table 3.14.4 presents the summary of the descriptive statistics on sub-variables on political environment. The result indicates that in South Africa government influence (Q62) has a lower T-test value which is insignificant on the mean value. This finding suggests that the issue of government interferences with the regulatory agencies with regard to appointment of directors in South African firms is not so important to have effect on corporate governance practice. However, this has a negative effect in Ghana and Nigeria because the T-test and mean value are higher in those two countries.

Table 3.12.5: Illustrates the descriptive statistics for ownership structure of firms in Sub-Saharan Africa Anglophone (SSAA) countries.

Variables	Countries	N	Mean	T-test
Board member (Q64)	Ghana Nigeria South Africa Sub-region (SSAA)	150 320 71 541	2.12* 4.09* 2.56* 3.34*	-10.36 20.74 -3.71 5.94
Foreign National (Q65)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	1.69* 1.85* 2.06* 1.84*	-19.33 -30.70 -8.61 -35.04
Government Majority (Q66)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	1.79* 1.79* 1.70* 1.79*	-20.02 -33.70 -22.36 -15.94
Family Majority (Q67)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	1.96* 2.07* 1.77* 2.00*	-13.84 -19.57 -14.81 -27.05
Single Family (Q68)	Ghana Nigeria South Africa Sub-region (SSAA	150 320 71 541	4.06* 4.11* 4.23* 4.11*	14.75 24.82 17.57 32.27

*T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).*

The Table show that in Ghanaian and South African firms' board members (Q64) have a higher T-test and lower mean value. This finding implies that the respondents disagree that board members and senior management are majority stockholder of firms in Ghana and South Africa. In Nigerian firms there is evidence of higher T-test and mean value, this suggest that in Nigerian firms the respondent claim that board members are the majority stockholders of firms.

Table 3.14.6: Reports the descriptive statistics of accounting system on corporate governance of firms in Sub-Saharan Africa Anglophone countries.

Variables	Countries	N	Mean	T-test
Financial Information (Q69)	Ghana	150	3.97*	15.43
	Nigeria	320	3.90*	18.09
	South Africa	71	4.31*	21.07
	Sub-region (SSAA)	541	3.98*	27.46
Professional bodies (Q70)	Ghana	150	4.27*	25.50
	Nigeria	320	4.23*	29.34
	South Africa	71	4.49*	23.69
	Sub-region (SSAA	541	4.27*	42.19
Accounting Standard (Q71)	Ghana	150	4.29*	22.57
	Nigeria	320	4.23*	30.99
	South Africa	71	4.59*	26.80
	Sub-region (SSAA	541	4.29*	43.80

**T-test indicates that the response is significantly different from 3 (undecided) at 5% level of significance (1.96).*
Test value is equal to mean value minus 3 over standard deviation divide by square root of the number (μ-3/SD/√n).

The above Table reports that all the sub-variables under accounting system show higher value of mean and T-test in all the selected countries. This result suggests that financial information, professional bodies and accounting standard are modifier for effective corporate governance of firms in all the selected countries in the Sub-region.

3.15 Results of correlation Analysis on influence of external factors on corporate governance of firm in Sub-Saharan Africa Anglophone countries.

In this section the Tables below presents the correlation analysis on influence of external factors on corporate governance of firm.

Table 3.15.1: Showing the correlation analysis on influence of external factors on corporate governance of firm in Sub-Saharan African Anglophone countries.

Variables	Corp.gov (1)	Economic (2)	Societal & Cultural (3)	Corruption & bribery (4)	Political Environment (5)	Ownership Structure (6)	Accounting System (7)
1.Corp.gov	1						
2.Economic	-0.03	1					
3.Societal & cultural	0.08	0.44**	1				
4.Corruption & bribery	0.11*	0.46**	0.51**	1			
5.Political environment	-0.20**	0.42**	0.31**	0.22**	1		
6.ownership structure	0.01	-0.11**	-0.06	-0.05	- 0.06	1	
7.Accounting system	0.28**	0.19**	0.25**	0.24**	0.10*	-0.03	1

*Correlation is significant at the 0.05 level
**Correlation is significant at the 0.01 level

3.15.1 Results of correlation analysis on influence of external factors on corporate governance of firm in Sub-Saharan African Anglophone (SSAA) region.

Table 3.15.1 reports on the correlation results of external factors effect on corporate governance of firms in SSAA region. There is evidence that corruption and bribery have a positive significant correlation coefficient of 0.11 with corporate governance system. This result suggests that corruption and bribery may likely influence the promotion of sound corporate governance practice. The political environment has a negative significant correlation coefficient of -0.20 with corporate governance system, this finding show that the political environment in the SSAA region hinders the development of sound corporate governance. In addition, accounting system has significant positive relationship with correlation coefficient of 0.28 on corporate governance system. This result indicates that adequate preparation of financial information that accords with ethical, professional accounting bodies and accounting standard board plays vital roles in promoting sound corporate governance of firms in the SSAA region.

Table 3.15.2: presents the correlation analysis on influence of external factors on corporate governance in Ghanaian firms.

Variables	Corp.gov (1)	Economic (2)	Societal & Cultural (3)	Corruption & bribery (4)	Political Environment (5)	Ownership Structure (6)	Accounting System (7)
1.Corp.gov	1						
2.Economic	-0.31**	1					
3.Societal & cultural	-0.25**	0.57**	1				
4.Corruption & bribery	-0.13	0.57**	0.60**	1			
5.Political environment	-0.43**	0.57**	0.37**	0.35**	1		
6.ownership structure	0.37**	-0.35**	-0.31**	-0.26**	-0.31**	1	
7.Accounting system	0.12	0.15	0.35**	0.36**	0.07	0.01	1

**Correlation is significant at the 0.01 level

3.15.2: Results of the correlation analysis on influence of external factors on corporate governance in Ghanaian firms

Table 3.15.2 show the correlation analysis outcome on influence of external factors on corporate governance system in Ghanaian firms. The results indicate that economic factor has a negative significant correlation with corporate governance system with a coefficient of -0.31. This finding implies that the implementation of Ghanaian economic policies is deterring the promotion of a sound corporate governance of firms in Ghana; this may be due to lack of proper implementation of the economic policies. In addition, societal and cultural factor is negatively significant correlated with corporate governance system with coefficient of -0.25. This result suggest that societal and cultural factors hinder the promotion of sound corporate governance of firms in Ghana, thus regulatory and supervisory bodies of corporate governance Ghana needs to consider the issue of societal and cultural factors in the formulation and implementation of corporate governance policy in Ghana.

Moreover, in Table 3.15.2 political environment factor has a negative significant correlation with corporate governance system with a coefficient of 0.43. This finding indicates that the Ghanaian political environment have a setback on the promotion of sound corporate governance. This may likely be due to prolonged military rules and political interferences on the regulatory and supervisory agencies in Ghana. In addition, ownership structure of firm in Ghana plays a vital role in enhancing sound corporate governance. Table 3.15.2 indicate that ownership structure has a significant positive relationship with corporate governance with correlation coefficient of 0.37.

Table 3.15.3: Reports the correlation analysis on influence of external factors on corporate governance in Nigerian firms.

Variables	Corp.gov (1)	Economic (2)	Societal & Cultural (3)	Corruption & bribery (4)	Political Environment (5)	Ownership Structure (6)	Accounting System (7)
1.Corp.gov	1						
2.Economic	0.15**	1					
3.Societal & cultural	0.12*	0.44**	1				
4.Corruption & bribery	0.07	0.44**	0.42**	1			
5.Political environment	0.11	0.34**	0.43**	0.24**	1		
6.ownership structure	0.22**	0.52	0.12	0.03	0.03	1	
7.Accounting system	0.24**	0.24**	0.19**	0.17**	0.20**	0.23	1

*Correlation is significant at the 0.05 level
**Correlation is significant at the 0.01 level

3.15.3 Results of the correlation analysis on influence of external factors on corporate governance in Nigerian firms

In Table 3.15.3 there is indication that economic factor has a positive significant correlation with corporate governance system with a coefficient of 0.15, also societal and cultural factor is significantly correlated with corporate governance system with coefficient of 0.12. This result implies that economic, societal and cultural factor may likely influence the promotion of sound corporate governance practice in Nigerian firms. In addition, ownership structure has a positive significant correlation with corporate governance system with coefficient of 0.22. This finding indicates that the kind of ownership structure of Nigerian firms may likely have effect on promotion of sound corporate governance in Nigerian firms. The accounting system is positively correlated with corporate governance with coefficient of 0.24. This results show that adequate preparation of financial information that accord with ethical, professional accounting bodies and accounting standard board plays vital roles in promoting sound corporate governance in Nigerian firms.

Table 3.15.4: Describes the correlation analysis on influence of external factors on corporate governance in South African firms.

Variables	Corp.gov (1)	Economic (2)	Societal & Cultural (3)	Corruption & bribery (4)	Political Environment (5)	Ownership Structure (6)	Accounting System (7)
1.Corp.gov	1						
2.Economic	0.23	1					
3.Societal & cultural	0.25*	0.14	1				
4.Corruption & bribery	0.42**	0.20	0.41**	1			
5.Political environment	-0.11	0.37**	-0.14	-0.03	1		
6.ownership structure	-0.11	-0.15	-0.08	0.03	0.09	1	
7.Accounting system	0.48**	0.11	0.18	0.20	0.02	0.07	1

*Correlation is significant at the 0.05 level
**Correlation is significant at the 0.01 level

3.15.4 Results of correlation analysis on influence of external factors on corporate governance in South African firms.

Table 3.13.4 summarises the result of correlation analysis on influence of external factors on corporate governance of firms in South Africa. We notice that societal and cultural factor has a significant positive correlation with corporate governance system. This result suggests that societal and cultural situation of South African may likely have impact in the promotion of sound corporate governance of firms in South Africa. Beside this, corruption and bribery is significantly correlated with corporate governance and this indicates that corruption may likely hinder the enhancement of good corporate governance of firms in South Africa.

Moreover, accounting system has a coefficient of 0.48; it significant has positive relationship with corporate governance system thus, it implies that adequate accounting system of firms plays vital roles in promoting sound corporate governance of firms in South Africa.

Conclusion

This chapter provided the methodology and descriptive statistics and correlation analysis by adopting a pilot study prior to collection of data by administering a survey questionnaire.

To identify components that is important for corporate governance practice of listed firms and effect of such components on corporate governance practice. The next chapter therefore, presents the results of the regression analysis on institutional characteristic of corporate governance such as regulatory framework, enforcement, disclosure and transparency, shareholder rights and ownership concentrations.

Chapter Four

Results of the data analysis on effect of institutional characteristics of corporate governance and corporate governance system

This Chapter examines key challenges of corporate governance of listed firms, exploring empirical evidence from listed firms. The key objectives include identification and examine the effect of the important components of corporate governance such as regulatory framework, enforcement, transparency and disclosure, and level of concentration.

The Table below describes the sections, statements and variables on institutional characteristics of corporate governance as it indicate in the survey questionnaire.

Table 4: Show the statements and variables institutional characteristics of corporate governance practices

Sections	Statements	Variables
B: Effective corporate governance system	**Q8.**There are adequate and effective rules and laws that promote corporate governance of firms in my country	Rules and laws
	Q9. The supervisory, regulatory and enforcement agencies have the power, resources and authority to enforce compliance with laws and regulations and guidelines on corporate governance in my country of operation	Agencies power
	Q10. A good legal system in my country of operation helps to improve the corporate governance of firms	Legal system
	Q11.A well organised legislature and sound regulatory and supervisory agencies in place promote corporate governance	Agencies organ
C: Regulatory framework of corporate governance	**Q12**.Stock markets listing rules and corporate code of conduct for firms are often abused or ignored	Stock market
	Q13. The rules and regulation for appointing and removal of auditors are frequently violated	Auditor appointment
	Q14. Rules and regulations for a formal and transparent board nomination and election process of firms are often ignored.	Board nomination
	Q15. Rules and regulation for disclosure and communication are not followed	Disclosure
	Q16.Rules and regulations regarding the required independent status of board members are often violated	Independent board
D: Enforcement of corporate governance practices	**Q17.** There is sufficient investigation of apparent non-compliance with laws/regulations by enforcement agency.	Non-compliance
	Q18. There is appropriate legal protection of investors and creditors from fraud perpetrated by managers and controlling shareholders within firms.	Investor protection
	Q19.There are appropriate mechanism for investigating the illegal or inappropriate treatment of minority shareholders within firms	Minority shareholder
E:Transparency and disclosure of corporate governance	**Q20**.Generally in the firm your country, insider trading laws, rules, and regulations are followed	Insider trading
	Q21.There is equal access to information for all shareholders in firm	Information access

	Q22.There is confidence in the autonomy and independence of auditors for firms within your country	Auditor Independence
	Q23.There are transparency in mergers and acquisition of firms in your country	Merger & Acquisition
F: Shareholder rights		
	Q24.The basic shareholders rights in your firm are not protected	Shareholders' rights
	Q25.Minority shareholders rights of your firm are often violated	Shareholder violation
	Q26.Minority shareholders are often not allowed to express their view at general meeting of firm in your country	Shareholder meeting
	Q27. Shareholders are not allowed to speak at company meeting only if they are known to agree with the board of directors.	Shareholder alignment

Section	**Statements**	**Variables**
G: Ownership concentration	**Q28**.The firms in your country have a variety of composition of ownership	Ownership composition
	Q29. There is large concentration of ownership (few shareholders having majority of shares) in firms in your country	Large concentration
	Q30. Preferential treatment is often given to large shareholders of firms in your country	Preferential treatment

4.1 Results of the effect of institutional characteristics of corporate governance and the corporate system.

This section provides empirical evidences on institutional characteristics of corporate governance and corporate governance system. Below are the model estimate and the Table showing results of the data analysis.

Table 4.1: Showing OLS estimate of corporate governance system on institutional characteristics of corporate governance

Dependent variable: Total effective corporate governance system

$$Total\_cg = \beta_0 + \beta_1(Trfw\_C) + \beta_2(Tenfm\_D) + \beta_3(Tdis\_E) + \beta_4(Tshrt\_F) + \beta_5(Towc\_G) + \beta_6(RG) + \beta_7(RN) + \mu_i$$

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	6.18** 0.93 (6.64)	15..08** 1.12 (13.43)	7.72** 1.45 (5.31)	12.87** 1.35 (9.54)	10.56** 2.41 (4.38)
Regulatory framework	0.05* 0.03 (1.87)	-0.02 0.03 (-0.07)	0.14** 0.04 (3.01)	-0.07* 0.03 (-1.10)	0.15** 0.06 (2.56)
Enforcement	0.42** 0.04 (9.56)	0.16** 0.05 (3.52)	0.31** 0.07 (4.71)	-0.12 0.05 (-0.31)	0.32* 0.14 (2.32)
Disclosure & transparency	0.15** 0.04 (4.53)	0.07* 0.03 (2.05)	0.06 0.05 (1.18)	0.06 0.05 (1.22)	0.01 0.08 (0.18)
Shareholders' rights	-0.04 0.03 (-1.59)	-0.02 0.02 (-0.83)	-0.01 0.04 (-0.16)	-0.05 0.07 (-0.82)	-0.05 0.11 (-0.41)
Ownership concentration	0.24** 0.06 (4.25)	0.05 0.05 (1.03)	0.03 0.08 (0.43)	0.14* 0.08 (1.90)	0.14 0.09 (1.65)
Regulators		0.57** 0.19 (3.00)			
Ghana		-4.34** 0.35 (-12.78)			
Nigeria		-3.36** 0.34 (-9.89)			
R-square	0.29	0.45	0.46	0.05	0.22
F-statistic	44.59	62.54	29.62	3.19	3.68
No of observation	541	541	150	320	71

The dependent variable is indicated as total effective corporate governance system which is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are regulatory framework is shown as total regulatory framework which is the addition of all items or variables under section C of the survey questionnaire, enforcement is illustrated as total enforcement which is the addition of all the items or variable under section D of the survey questionnaire, transparency and disclosure is shown as total disclosure and transparency which is the addition of all items or variable within section E of the survey questionnaire, Total shareholders' rights is the addition of all items under shareholders rights in section F, and ownership concentration is the total items or variable under section G of the survey questionnaire.

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

The Key findings from the above Table 4.1 are based on the opinion of the respondents this include the following;

1. Enforcement of corporate governance has a positive effect (0.16) on the corporate governance system.

2. Disclosure and transparency of corporate governance practice has a positive impact (0.07) on the corporate governance system.

3. Respondents from regulatory bodies believe that corporate governance system is better than respondents from non-regulatory stakeholders.

4. South African firms have a better corporate governance system than Ghanaian and Nigerian firms.

5. The regulatory framework plays a vital role to improve corporate governance system in Ghanaian firm

7. The regulatory framework hinders effective corporate governance system in Nigerian firms.

8. Higher concentration of ownership structure seems to affect corporate governance system.

10. There is evidence that the R-square for Nigeria is low, the reason may be due to other factors that may affects corporate governance system which are not mentioned in this study.

11. The regulatory framework of corporate governance has a positive relationship effect (0.15) on the corporate governance system.

In conclusion from the above results, there is evidence that enforcement, disclosure, transparency and regulatory framework of corporate governance are important to bring sound corporate governance practices.

Table 4.1 columns 2 illustrate the regression result for all the countries together; there is evidence of positive significant relationship between enforcement and corporate governance system with coefficient of 0.16. Also, disclosure and transparency has a positive significant coefficient of 0.07 relationships with corporate governance system.

Moreover, we find that firms in Ghana and Nigeria are negatively significant relation with corporate governance system. However, firms in South Africa that is used as a reference category have a positive significant relation with corporate governance system. This finding suggests that South African firms seem to have better corporate governance system than firms in Ghana and Nigeria. This may be due to the past reforms carried out by South Africa government on corporate governance practices of firms such as the King Reports of corporate governance (1994, 2002 and 2010). The Reports followed the corporate governance international standard such as Cadbury report of UK and OECD guideline on corporate governance practices.

Furthermore, Table 4.1 columns 3, and 5 illustrate the OLS estimate at country level for firms in Ghana, and South Africa, as evidence in each country. We find that regulatory framework and enforcement have a positive significant relation with corporate governance.

In Column 4 for Nigerian firms the result shows that regulatory framework has negative significant relation with corporate governance system. This result implies that Nigerian corporate governance may have a weak regulatory framework that can promote sound corporate governance. In addition, this finding reveals that in Nigeria there may be a lack of enforcement of corporate governance. Also in Nigerian firms ownership is concentrated as a result of lack of enforcement of corporate governance.

In Table 4.1 Column 4 in Nigeria, there is evidence of low value of R-square. The reason for this value there may be other factors that can affect corporate governance system which are not mention in this study.

4.2 Effect of institutional characteristics on rules and laws of corporate governance

This section reports the empirical evidences on effect of institutional characteristics on rules and laws that promote corporate governance practices of firms for all the countries together. Below are the models estimate and the results of data analysis on Table 4.2.

The Model estimate on regulatory framework of corporate governance in section C is as follow below;

1. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Stk\_Mkt12) + \beta_2(Dis\_Com15) + \beta_3(Ind\_Bod16)\ \beta_4(G) + \beta_5(N) + \mu_i}$

The Model estimate on enforcement of corporate governance in section D is as follow bellow;

2. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Non\_compl17) + \beta_2(Invtr\_Prot18) + \beta_3(Mino\_Shdt19)\ \beta_4(G) + \beta_5(N) + \mu_i}$

The Model estimate on disclosure and transparency in section E is as follow bellow;

3. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Insd\_Trad20) + \beta_2(Inform\_Accf21) + \beta_3(Aud\_Indpend22) + \beta_4(MA\_23) + \beta_5(G) + \beta_6(N) + \mu_i}$

The Model estimate on shareholder rights in section F is as follow bellow;

4. $\mathbf{Rule\_cg = \beta_0 + \beta_1(Shd\_rigt24) + \beta_2(Shd\_Violt25) + \beta_3(Shd\_Allg27) + \beta_4(G) + \beta_5(N) + \mu_i}$

The Model estimate on ownership concentration in section G is as follow bellow;

5. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Larg\_Con29) + \beta_2(Pref\_Treat30) + \beta_3(G) + \beta_4(N) + \mu_i}$

Table 4.2 OLS estimate on sub-variable of institutional characteristics on rules and laws in Sub-Saharan Africa Anglophone countries

Dependent variable: rules and laws that promote corporate governance practice (Q8)

	Regulatory framework (Section C) **(1)**		**Enforcement (Section D)** **(2)**			**Disclosure & Transparency (Section E)** **(3)**			**Shareholders' rights (Section F)** **(4)**		**Ownership concentration** **(Section G)** **(5)**
Variable	**Disclosure (Q15) (1a)**	**Independent board (Q16) (1b)**	**Non-compliance (Q17) (2a)**	**Investor protection (Q18) (2b)**	**Minority Shareholder (Q19) (2c)**	**Insider Trading (Q20) (3a)**	**Information Access (Q21) (3b)**	**Auditor Independent (Q22) (3c)**	**Shareholder rights (Q24) (4a)**	**shareholder alignment (Q27) (4b)**	**Preferential Treatment (Q30) (5a)**
	0.09* 0.05 (1.89	0.19** 0.04 (4.32)	0.11** 0.03 (3.43)	0.09* 0.04 (2.10)	0.22** 0.40 (5.50)	0.12** 0.04 (2.92)	0.20** 0.40 (5.01)	-0.10** 0.03 (-3.05)	0.10* 0.05 (2.34)	-0.11* 0.04 (-2.39)	-0.18** 0.05 (-3.77)
Ghana	-1.87** 0.13 (-14.04)		-1.63** 0.14 (-12.01)			-1.73** 0.13 (-12.84)			-2.13** 0.12 (-17.31)		-2.26** 0.12 (-19.44)
Nigeria	-2.16** 0.13 (-16.19)		-2.08** 0.13 (-16.63)			-2.09** 0.13 (-16.47)			-2.29** 0.13 (-17.46)		-2.48** 0.11 (-23.44)
R-square	0.54		0.56			0.56			0.52		0.53
F-stat.	88.70		138.46			112.76			95.16		119.82
No of observation	541		541			541			541		541
No of countries	3		3			3			3		3

The dependent variable is indicated as rules and laws that promote corporate governance practice (**Rules_cg)** The Independent variables are regulatory framework such as Disclosure (Q15)

Independent board (Q16), Enforcement such as Non-Compliance (Q17),Investor protection (Q18) and Minority shareholders (Q19).Disclosure and transparency such as Insider trading (Q20), information access (Q21), and Auditor independent (Q22). Shareholders' rights (Q24) and Shareholders' alignment with board of directors (Q27). Ownership concentration such as preferential treatment of large shareholders (Q30).

Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa.

There is a test for outliers in order to examine the robustness of the samples. *The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics. F-Statistic is significant at 1% and 5% critical value*

***significant at 1 percent level.*

**significant at 5 percent level.*

*****Heteroskedasticity is corrected using White-adjusted standard errors.

The Key results from the above Table 4.2 are based on the opinion of the respondents include the following;

1. Proper disclosure and communication of rules and regulation (Q15) is likely to improve rules and laws corporate governance practices.

2. When there are rules and regulations regarding the required independent status of board (Q16) consequently rules and laws for effective corporate governance may improve.

3. Investigation of non-compliance (Q17) may strengthen the rules and laws that promote effective corporate governance practice.

4. When there is appropriate legal protection of investors and creditors from fraud penetrated by managers and controlling shareholders (Q18) seem to enhance rules and laws for effective corporate governance practices.

5. When there is appropriate mechanism for investigating the illegal or inappropriate treatment of minority shareholder (Q19) this is more likely to improve rules and laws on effective corporate governance practices.

6. Insider trading (Q20), information access (Q21) and merger and acquisition (Q23) may increase the quality of rules and laws that promote sound corporate governance practices.

7. The basic shareholder rights (Q24) seem to enhance rules and laws; however shareholder alignment (Q27) hinders rules and laws that promote corporate governance practices.

8. Preferential treatment to larger shareholder (Q30) may hinder rules and laws that promote corporate governance.

In summary from the above finding the following sub-variables matter in order to promote effective corporate governance practice;

1. There are rules and regulations regarding the required independent status of board members (Q16) seem to improve rules and laws that promote corporate governance.

2. When there are appropriate mechanism for investigating the illegal or inappropriate treatment of minority shareholders (Q19) this may enhance rules and laws that promote corporate governance.

3. When there is equal access to information for all shareholders in firms (Q23) this is likely to bring effective rules and laws that promote good corporate governance.

Table 4.2 indicate the estimate result for each sub-variable of regulatory framework, enforcement, disclosure and transparency, shareholders' rights, and ownership concentration on rules and laws that promote corporate governance practice.

Table 4.2 Column 1 (1a and 1b) the OLS estimate indicates that regulatory framework such as rules and regulatory for disclosure and communication and required independent status of board members (disclosure Q15) and (independent board Q16) respectively have significant positive effect on rules and laws that promote corporate governance practice.

In Table 4.2 Column 2 (2a, 2b, and 2c), we find that sufficient investigation of apparent non-compliance with rules and regulations (non-compliance Q17) Investor protection (Q18) and minority shareholder (Q19). These sub-variables have a positive effect on rules and laws that promote corporate governance practice. This result suggest that non-compliance, legal protection of investors and mechanism of investing inappropriate treatment of minority shareholders matter to improve rules and laws that promote corporate governance practices.

Table 4.2 Column 3 (3a, 3b and 3c provide the estimate of insider trading laws (Q20), and equal access of information for all shareholders (Q21) these two sub-variables have a positive effect on rules and laws that promote corporate governance practices. This implies that the insider trading rules, laws and regulation, in addition to equal accesses of information for all shareholders increase the quality of rules and laws that promote corporate governance practices in the region. However, confidence in the autonomy and independence of auditors (Q22) has a negative significant relationship with rules and laws that promote corporate governance practice. This finding suggests that confidence in autonomy and independence of auditors may inhibit rules and laws that promote corporate governance and this because of corrupt practices among the auditors.

In Table 4.2 Column 4 (4a and 4b) we find that basic rights protections of shareholders (Q24) has a significant positive relationship on of rules and laws. This result indicates that when the basic shareholders rights are protected corporate governance practice seem to be improving because shareholders may be able to exercise their own rights in the firms they invested in; this can allow them to get their return and invest more to the company. As a result, this can lead to effective corporate governance practices. Also, when shareholders are allowed to speak at company meeting only if they are to agree with board of directors (Shareholder alignment Q27) have a negative impact on rules and laws. This evidence suggests that this may adversely affect the corporate governance practice by not allowing shareholders to express their feeling or opinion at the meeting. In Column 5 sub-variable under ownership concentration which is preferential treatment for larger shareholder (Q30) have negative significant effect on corporate governance across countries in the region.

4.3 Results of the effect of institutional characteristic on corporate governance based on each country

This section presents the empirical evidences on effect of institutional characteristics on rules and laws that promote corporate governance practices of firms for each of the country. Below are the models estimate and the results of data analysis on Table 4.3.

The Model estimate on regulatory framework of corporate governance in section C is as follow below;

1. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Stk\_Mkt12) + \beta_2(Bod\_Nom14) + \beta_3(Dis\_Com15) + \beta_4(Ind\_Bod16) + \mu_i}$

The Model estimate on enforcement of corporate governance in section D is as follow bellow;

2. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Non\_compl17) + \beta_2(Invtr\_Prot18) + \beta_3(Mino\_Shdt19) + \mu_i}$

The Model estimate on disclosure and transparency in section E is as follow bellow;

3. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Insd\_Trad20) + \beta_2(Inform\_Accf21) + \beta_3(Aud\_Indpend22) + \beta_4(MA\_23 + \mu_i}$

The Model estimate on shareholder rights in section F is as follow bellow;

4. $\mathbf{Rule\_cg = \beta_0 + \beta_1(Shd\_rigt24) + \beta_2(Shd\_Violt25) + \beta_3(Shd\_Allg27) + \mu_i}$

The Model estimate on ownership concentration in section G is as follow bellow;

5. $\mathbf{Rules\_cg = \beta_0 + \beta_1(Larg\_Con29) + \beta_2(Pref\_Treat30) + \mu_i}$

Table 4.3 showing OLS estimate on institutional characteristics and rules and laws of corporate governance of in each country

Dependent Variable: Rules and laws that promote corporate governance practice

	Regulatory framework (Section C) (1)				Enforcement (Section D) (2)			Disclosure & Transparency (Section E) (3)				Shareholders' rights (Section F) (4)		Ownership concentration (Section G) (5)	
	Stock Mkt (Q12) (1a)	**Board Nomination (Q14) (1b)**	**Disclosure (Q15) (1c)**	**Independent Board (Q16) (1d)**	**Non-Compliance (Q17) (2a)**	**Investor Protection (Q18) (2b)**	**Minority Shareholder (Q19) (2c)**	**Insider trading (20) (3a)**	**Information access (Q21) (3b)**	**Auditor independent (Q22) (3c)**	**Merger & Acquisition (Q23) (3d)**	**Shareholder Rights (Q24) (4a)**	**Shareholder violation (Q25) (4b)**	**Large Concentration (Q29) (5a)**	**Preferential Treatment (Q30) (5b)**
Ghana	-0.01 0.06 (-0.21)	0.23** 0.08 (2.72)	0.33* 0.08 (4.26)	-0.24** 0.08 (-2.94)	0.29** 0.08 (3.58)	0.39** 0.08 (4.97)	0.19* 0.08 (2.35)	0.15* 0.07 (2.24)	0.46** 0.07 (6.68)	-0.06 0.05 (-1.14)	0.17* 0.08 (2.17)	0.21* 0.11 (2.04)	0.06 0.12 (0.48)	-0.21 0.12 (-1.81)	-0.44** 0.09 (-4.83)
R-square	0.37	0.37	0.37	0.37	0.60	0.60	0.60	0.51	0.51	0.51	0.51	0.15	0.15	0.31	0.31
F-stat	16.85	16.85	16.85	16.85	73.79	73.79	73.79	37.54	37.54	37.54	37.54	6.41	6.41	21.33	21.33
Nigeria	0.08* 0.04 (1.91)	0.03 0.06 (0.50)	-0.04 0.06 (-0.79)	-0.10* 0.05 (-2.28)	-0.12* 0.04 (-2.69)	0.09 0.05 (1.82)	-0.01 0.05 (-2.14)	-0.06 0.05 (-1.17)	-0.03 0.05 (-0.68)	0.08 0.04 (1.77)	0.01 0.04 (0.20)	0.07 0.05 (1.32)	-0.12* 0.06 (-2.06)	0.10* 0.05 (1.91)	-0.04 0.05 (-0.83)
R-square	0.3	0.3	0.3	0.3	025	0.25	0.25	37.54	37.54	37.54	37.54	0.10	0.10	0.12	0.12
F-stat	7.14	7.14	7.14	7.14	2.74	2.74	2.74	1.02	1.02	1.02	1.02	1.39	1.39	1.24	1.24
South Africa	-0.01 0.09 (-0.15)	0.15 0.12 (1.30)	0.13 0.09 (1.41)	-0.03 0.09 (-0.33)	0.01 0.07 (0.09)	0.06 0.10 (0.60)	0.20* 0.09 (2.26)	0.04 0.13 (0.31)	0.02 0.07 (0.26)	0.17* 0.09 (1.97)	0.06 0.10 (0.54)	-0.02 0.11 (-0.19)	0.10 0.10 (0.92)	0.01 0.11 (0.59)	-0.09 0.10 (-0.88)
R-square	0.14	0.14	0.14	0.14	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.26	0.26	0.4	0.4
F-stat	2.19	2.19	2.19	2.19	2.94	2.94	2.94	2.30	2.30	2.30	2.30	0.85	0.85	0.85	0.85
Total No.	541	541	541	541	541	541	541	541	541	541	541	541	541	541	541

The dependent variable is indicated as rules and laws (Q8). The Independent variables are regulatory framework such as stock market listing rules (Q12).Board nomination

(Q14) Disclosure (Q15), Independent board (Q16). Enforcement such as Non-compliance (Q17), investors protection (Q18) and Minority shareholders (Q19) Disclosure and transparency such as Insider trading (Q20), information access (Q21), and Auditor independent (Q22) Shareholders' rights such as protection of shareholders' rights (Q24) and Shareholders' alignment with board of directors (Q27).Ownership concentration such as large concentration (Q29) preferential treatment of large shareholders (Q30).

There is a test for outliers in order to examine the robustness of the samples. *The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics. F-Statistic is significant at 1% and 5% critical value*

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

The Key findings from the above Table 4.3 are based on the perception of the respondents which include the following;

Table 4.3.1 showing the differences and similarities on the key finding from Table 4.3

Ghana	Nigeria	South Africa
1. Independent board (Q16) may inhibit rules and laws that improve effective corporate governance in Ghanaian firms.	1. Independent board (Q16) may inhibit rules and laws that improve effective corporate governance in Nigerian firms	
	2.The regulation on stock market (Q12) is likely to strengthen rules and laws that promote effective corporate governance	
	3.Investigation of non-compliance (Q17) seems to deter rules and laws that promote corporate governance in Nigerian firms	
	4. Shareholders violation (Q25) Are likely to inhibit rules and laws that promote corporate governance practice in Nigerian firms.	
	5. Large concentration (few shareholder having majority of shares (Q25) has significant effect on rules and laws that promote corporate governance practice. This in turn may weaken corporate governance practice in Nigerian firms.	
		6.Auditor independence (Q22) may provide better rules and laws that promote sound corporate governance practice in South Africa
		7. In South Africa there are appropriate mechanisms for investigating the illegal or inappropriate treatment of minority shareholder (Q19) this seems to improve effective rules and laws on corporate governance.

At each country level Table 4.3 column 1b and 1c show that it is only firms in Ghana that disclosure (Q15) has a positive significant relationship on rules and laws that promote corporate governance practices. In addition, Independents board (Q16) also has a positive significant association on rules and laws that promote corporate governance practice.

Moreover, board nomination (Q14) enhances the promotion of rules and laws on corporate governance practice in Ghanaian firms. This implies that for Ghanaian firms the rules and regulation for disclosure and communication are better follow. This seem to allow the shareholders and other stakeholders to have information about what is going on within their firms; and other matters that are related to disclosure and disseminating of information to the potential shareholders.

In Nigeria firms stock market listing rules (Q12) has positive significant relation with on rules and laws that promote corporate governance practice. This finding shows what is happening in Nigerian capital markets presently which result to weak implementation of rules and regulation guiding the capital markets. As a result, most investors do not have confident to invest in Nigerian Capital Markets.

In Nigerian firms the rules and regulation required for independent board member (Q16) is negatively significant on rules and laws. However, the rules and regulation regarding the required independent status of board seem to deter corporate governance system. This is may be due to lack of implementation by the regulatory agencies of corporate governance such as Securities Exchange Commission in Nigeria (SEC) that stipulated that a minimum of five members with a majority of non-executive directors; and not more than two of the same family should sit at the same time on the board of a firm. In addition, there should not be cross membership of the boards of two or more companies, to avoid conflict of interest and misappropriate of corporate opportunity.

Moreover, in Table 4.3 Column 2 (2a, 2b and 2c), we find that all enforcement of corporate governance sub-variables in Ghanaian firms have a positive significant relationship on rules and laws guiding promotion of corporate governance practice. This result suggests that Ghana enforcement policy and the enforcement agency may improve corporate governance system in terms of rules and laws. There are Institutional bodies such as Ghana Securities Exchange Commission, Bank of Ghana, Institute of Directors and Registered General Department (RGD). All these bodies are involved in implementation so as to ensure that enforcement of good corporate governance practices of firms are adopted in Ghana. They carry out their function through seminars, public lecture, and training to different categories of stakeholders of corporate governance in Ghana.

In South African firms' mechanism for investigating the illegal or inappropriate treatment of minority shareholders (Q19) has a positive effect on rules and laws guiding promotion of corporate governance practice. This may be due to compliance of the King Report Code of corporate governance which strengthened rules and laws on corporate governance in South Africa. The structure, strategy and governance of capital markets in South Africa have also been overhauled. The self regulation via Johannesburg Stock Exchange have also introduced stringent corporate governance requirement so that implementation of enforcement policy can be improve corporate governance system.

Furthermore, there is evidence within Nigerian firms' that enforcement of corporate governance variable such as sufficient investigation of apparent non-compliance with laws/regulations (Q17) has a negative impact on rules and laws guiding promotion of corporate governance practice.

This result indicates that in Nigerian firms the degree of investigation on non-compliance with laws or regulations by enforcement agency seem to be very weak to move the corporate governance system forward in terms of rules and regulation. This may be due to lack of implementation of enforcement policy of non-compliance with laws and regulation by institutional bodies such Securities Exchange Commission (SEC), Central Bank of Nigeria (CBN), National Insurance Commission (NICOM), and Corporate Affairs Commission (CAC). In addition, corruption by the officers of these institutional bodies may also make it difficult for them to carry out their proper duties of enforcing the rules and laws.

Based on results within countries level in Table 4.3 Column 3 (3a, 3b 3c and 3d) which shows the estimate for sub-variables under disclosure of corporate governance and on rules and laws guiding promotion of corporate governance practice. Thus, in Ghana firm there is evidence of positive effect of insider trading laws (Q20) and positive effect of equal access of information for all shareholders in firms on rules and laws .There is also positive effect of Transparency in the merger and acquisition of firms (Q21) on rules and laws that promote corporate governance practice. This results indicate that the quality of disclosure and transparency in term of insiders trading laws, equal access to information to all shareholders and transparency in the merger and acquisition for Ghanaian firms have enhance the promotion of rules and laws that guide corporate governance practice in Ghanaian firms.

In South African firms, confidence in the autonomy and independence of auditors (Q22) has a significant positive relationship with rules and laws guiding promotion of corporate governance practice. This evidence is because of the Johannesburg Stock Exchange (JSE) that carried out innovation in disclosure and transparency aimed at exposing conflict of interest among the stakeholders of corporate governance. This action is carried out by compulsory requirement for listed firms to disclose their compliance with King Reports on issue of disclosure and transparency that indicate the level of confidence in the autonomy and independence of auditor.

Moreover, in Table 4.3 Columns 4a and 4b. We find that shareholders rights such as basic rights to protection of shareholders are not protected (Q24) has a positive effect on rules and laws guiding promotion of corporate governance practice of firms in Ghana. This finding supports the World Bank ROSC (2005) report on Ghana that revealed that in West Africa Sub-region Ghana have better basic shareholder protections and this can improve corporate governance practice. However, in Nigerian firms the degree of violation of minority shareholder rights (Q25) has a negative influence on rules and laws guiding promotion of corporate governance practice. This implies that minority shareholder rights violations are more prominent within Nigerian firms; this may be due to lack of implementation of enforcement policy and law regarding to minority shareholders rights in Nigerian firms.

Furthermore, conflicts of interests between managers and shareholders as well as those between controlling and minority shareholders lie at the heart of the corporate governance literature. With the exception of the US and the UK, ownership concentration is commonly high in all parts of the world. As a result Table 4.2 and 4.3 Column 5a and 5b reveals that in Nigerian firms' larger concentration of ownership (Q29) have a significant negative relationship with rules and laws that guide promotion of corporate governance practice. This finding suggests that when there is large concentrated ownership the controlling owner may be unwilling to dilute their ownership. This is generally known as non-dilution of entrenchment (Claessens et.al 2002) and this is likely affect the corporate governance system.

In addition, in Ghanaian firms, preferential treatment to large shareholders (Q30) has a significant negative relationship with rules and laws that guide promotion of corporate governance practice. This result may affect effective corporate governance practice in Ghanaian firms because the minority shareholders may not be able to express their own on decision taken by management of firms.

4.4 The regulatory bodies and non- regulatory stakeholders of corporate governance for firms

This section provides the effect of institutional characteristic (such as regulatory framework, enforcement, disclosure and transparency, shareholders rights and ownership concentration) on corporate governance system of firms. The results of the data analysis on each table for each section are classified into two categories such as regulatory bodies and non-regulatory stakeholders of corporate governance of firms.

4.4.1 Result on effect of institutional characteristics and corporate governance system using respondents from regulatory bodies of corporate governance

Table 4.4.1 below provides the result of institutional characteristic on corporate governance system using respondents from regulatory bodies of corporate governance. Below are the models estimate and the Table showing results of data analysis.

Table 4.4.1: Showing OLS estimate of Institutional characteristics on corporate governance system for respondents from regulatory bodies

$$\text{Total\_cg} = \beta_0 + \beta_1(\text{Trfw\_C}) + \beta_2(\text{Tenfm\_D}) + \beta_3(\text{Tdis\_E}) + \beta_4(\text{Tshrt\_F}) + \beta_5(\text{Towc\_G}) + \beta_6(\text{RG}) + \beta_7(\text{RN}) + \mu_i$$

Dependent variable: Total effective corporate governance system

	All observation	All observation including Ghana &Nigeria as dummy variables	Ghana	Nigeria	South Africa
Variables	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**
Constant	7.22** 1.60 (4.53)	14.20** 2.50 (5.67)	6.30* 3.11 (2.03)	11.56** 2.80 (4.13)	11.33* 4.50 (2.27)
Regulatory framework	-0.06 0.05 (-1.11)	-0.08 0.05 (-1.52)	-0.01 0.12 (-0.01)	-0.13 0.09 (-1.53)	0.13 0.12 (1.07)
Enforcement	0.48** 0.09 (5.42)	0.26* 0.10 (2.59)	0.32 0.18 (1.76)	0.08 0.10 (0.82)	0.33 0.24 (1.40)
Disclosure &transparency	0.21** 0.08 (2.72)	0.12 0.08 (1.57)	0.28* 0.14 (1.95)	-0.01 0.12 (-0.11)	0.12 0.43 (0.28)
Shareholders' rights	-0.07 0.05 (-1.38)	-0.00 0.05 (-0.07)	-0.11 0.11 (-1.06)	0.06 0.15 (0.39)	-0.24 0.57 -0.42
Ownership concentration	0.23* 0.09 (2.57)	0.06 0.10 (0.62)	0.25 0.16 (1.52)	0.26 0.16 (1.61)	0.16 0.12 (1.30)
Ghana		-3.73** 0.93 (-4.03)			

Nigeria		-2.41** 0.90 (-2.68)			
R-square	0.35	0.44	0.41	0.09	0.46
F-statistic	12.53	12.87	4.36	1.55	0.69
No of observation	125	125	38	77	10

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are regulatory framework is shown as total regulatory framework which is the addition of all items or variables under section C of the survey questionnaire, enforcement is illustrated as total enforcement which is the addition of all the items or variable under section D of the survey questionnaire, transparency and disclosure is shown as total disclosure and transparency which is the addition of all items or variable within section E of the survey questionnaire, Total shareholders' rights is the addition of all items under shareholders rights in section F, and ownership concentration is the total items or variable under section G of the survey questionnaire.

Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The key results from Table 4.4.1 are based on the opinion of the respondents include the following:

1. The respondents from regulatory bodies believe that enforcement of corporate governance is likely to improve corporate governance system in all the countries together.

2. In Ghanaian firms respondents from regulatory bodies indicate that disclosure and transparency may enhance better corporate governance system.

Table 4.4.1 Column 2 the estimate shows that enforcement of corporate governance has a significant positive effect on corporate governance system. This implies that enforcement of corporate governance plays a vital role to improve corporate governance practice of firms. Thus, the dummy variable proxies as Ghana and Nigerian firms have a significant negative relationship on corporate governance system. This indicates that the regulatory bodies of corporate of firms in Ghana and Nigeria reveal that Ghanaian firms and Nigerian firms are less likely to increase quality of corporate governance system. This result also suggests that there may be weak implementation of the corporate governance codes of best practices of firms in both countries.

Table 4.4.1 Column 3 illustrates the results of the data analysis for regulatory bodies' category at each country level for firms in Ghana. The result shows that only disclosure and transparency have a positive significant relationship with corporate governance system.

4.4.2 Results on the effect of corporate governance system and institutional characteristics of corporate governance using respondents from non-regulatory stakeholders of corporate governance

Table 4.4.2 below provides the result of institutional characteristic on corporate governance system using respondents from non-regulatory stakeholders of corporate governance. Below are the models estimate and the Table reports the results of data analysis.

Table 4.4.2: Showing OLS estimate on corporate governance system and institutional characteristics of corporate governance using respondents from non-regulator of firms

$$Total\_cg = \beta_0 + \beta_1(Trfw\_C) + \beta_2(Tenfm\_D) + \beta_3(Tdis\_E) + \beta_4(Tshrt\_F) + \beta_5(Towc\_G) + \beta_6(RG) + \beta_7(RN) + \mu_i$$

Dependent variable: Total effective corporate governance system

	All observation	All observation including Ghana &Nigeria as dummy variables	Ghana	Nigeria	South Africa
Variables	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**
Constant	5.98** 1.13 (5.31)	15.20** 1.22 (11.85)	9.02** 1.73 (5.22)	13.11 1.50 (8.79)	9.50** 2.76 (3.60)
Regulatory framework	0.08* 0.03 (2.56)	0.02 0.03 (0.56)	0.17** 0.04 (3.71)	-0.06 0.04 (-1.57)	0.16* 0.07 (2.26)
Enforcement	0.41** 0.05 (8.13)	0.14** 0.05 (2.65)	0.29** 0.07 (4.32)	-0.05 0.05 (-0.98)	0.33* 0.16 (2.08)
Disclosure &transparency	0.14** 0.04 (3.38)	0.07* 0.04 (1.84)	0.03 0.05 (0.64)	0.09* 0.05 (1.73)	0.03 0.09 (0.32)
Shareholders' rights	-0.04 0.03 (-1.21)	-0.03 0.03 (-0.99)	0.02 0.05 (0.35)	-0.07 0.07 (-1.00)	-0.03 0.03 (-0.25)
Ownership concentration	0.23** 0.07 (3.36)	0.05 0.06 (0.81)	-0.09 0.10 (-0.92)	0.10 0.08 (1.23)	0.15 0.10 (1.43)
Ghana		-4.55** 0.38 (-12.10)			
Nigeria		-3.57** 0.37 (-9.67)			
R-square	0.29	0.48	0.53	0.05	0.23
F-statistic	32.93	53.26	23.77	2.30	3.25
No of observation	416	416	112	243	61

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are regulatory framework is shown as total regulatory framework which is the addition of all items or variables under section C of the survey questionnaire, enforcement is illustrated as total enforcement which is the addition of all the items or variable under section D of the survey questionnaire, transparency and disclosure is shown as total disclosure and transparency which is the addition of all items or variable within section

E of the survey questionnaire, Total shareholders' rights is the addition of all items under shareholders rights in section F, and ownership concentration is the total items or variable under section G of the survey questionnaire.

Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The main findings from the above Table are based on the opinion of the respondents include this the following;

1. The respondents from non-regulatory stakeholder indicate that enforcement of corporate governance is likely to improve corporate governance system in all the countries in the Sub-region (SSAA)

2. In Ghanaian firms' respondents from non-regulatory stakeholders show that disclosure and transparency can increase the quality of the corporate governance system.

3. In Nigerian firms the respondents from non-regulatory stakeholders believe that disclosure and transparency may improve corporate governance system.

In this section, we present analysis of the data for non-regulatory stakeholders' category of corporate governance using all the countries as observation as it is shown in Table 4.4.2 Column 2. There is evidence that enforcement, disclosure and transparency have a positive significant impact on corporate governance system. In addition, firms in Ghana and Nigerian firms have a negative significant relation with corporate governance system.

Furthermore, Table 4.4.2 Column 3, 4 and 5 illustrates the OLS estimate at each country level, firms in Ghana and South Africa; we find that regulatory framework and enforcement have a positive significant relation with corporate governance. This evidence implies that the non-regulatory respondent indicate that regulatory framework and enforcement of corporate governance seem to promote corporate governance of firms in Ghana and South Africa.

4.5 Results of sub-variables of corporate governance system and sub-variables of institutional characteristics of corporate governance of firms

In this section we present the empirical analysis of the sub-variables of institutional characteristic of corporate governance on corporate governance system in term of rules and laws.

4.5.1 Results on the effect of sub-variables of corporate governance system and institutional characteristics of corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance in SSAA

This section provides Table 4.5.1 below shown the result of sub-variables of institutional characteristic on sub-variables of corporate governance system using respondents from non-regulatory stakeholders of corporate governance. Below are also the models estimate and the Table illustrating results of data analysis

The Model estimate on regulatory framework of corporate governance in section C is as follow below;

1. Rules_cg= $\beta_0 + \beta_1$(Stk_Mkt12) + β_2(Dis_Com15) + β_3(Ind_Bod16) β_4(G) + β_5(N) + μ_i

The Model estimate on enforcement of corporate governance in section D is as follow bellow;

2. Rules_cg= $\beta_0 + \beta_1$(Non_compl17) + β_2(Invtr_Prot18) + β_3(Mino_Shdt19) β_4(G) + β_5(N) + μ_i

The Model estimate on disclosure and transparency in section E is as follow bellow;

3. Rules_cg= $\beta_0 + \beta_1$(Insd_Trad20) + β_2(Inform_Accf21) + β_3(Aud_Indpend22) + β_4(MA_23)+ β_5(G) + β_6(N) + μ_i

The Model estimate on shareholder rights in section F is as follow bellow;

4. Rule_cg= $\beta_0 + \beta_1$(Shd_rigt24) + β_2(Shd_Violt25) + β_3(Shd_Allg27) +β_4(G) + β_5(N) + μ_i

The Model estimate on ownership concentration in section G is as follow bellow;

5. Rules_cg= $\beta_0 + \beta_1$(Larg_Con29) + β_2(Pref_Treat30) + β_3(G) + β_4(N) + μ_i

Table 4.5.1: Showing OLS estimate on Sub-variables of institutional characteristics and rules and laws based on respondents from regulatory bodies and non-regulatory stakeholders

Dependent variable: rule and law that promote corporate governance

	Regulatory Bodies				**Non-Regulatory Stakeholders**						
Variable	**Enforcement (1) (Section D)**		**Disclosure & Trspy (2) (Section E)**	**Ownership Conc. (3) Section (G)**	**Regulatory Frame Work (4) (Section E)**	**Enforcement (Section D) (5)**			**Shareholders' rights (6)**		**Ownership Conc. (7)**
	Non-Compliance (Q17) (1a)	**Minority Shareholder (Q19) (1b)**	**Information Access (Q21) (2a)**	**Large concentration (Q29) (3a)**	**Independent Board (Q16) (4a)**	**Non-Compliance (Q17) (5a)**	**Investor Protection (Q 18) (5b)**	**Minority Shareholder (Q19) (5c)**	**Shareholder rights (Q24) (6a)**	**Shareholder alignment (Q27) (6b)**	**Preferential Treatment (Q30) (7a)**
	0.19* 0.08 (2.40)	0.28** 0.09 (2.99)	0.24* 0.10 (2.31)	-0.26* 0.13 (-2.07)	0.22** 0.05 (4.48)	0.11* 0.05 (2.22)	0.09** 0.04 (2.62)	0.21** 0.04 (4.75)	0.13** 0.05 (2.62)	-2.14* 0.13 (-2.18)	-0.17** 0.05 (-3.17)
Constant	2.51** 0.50 (4.98)		2.64** 0.54 (4.89)	5.84** 0.60 (9.80)	3.85** 0.21 (18.06)	2.97** 0.22 (13.37)			4.56** 0.32 (14.47)		5.21** 0.33 (15.70)
Ghana	-1.39** 0.35 (-3.94)		-1.15** 0.39 (-2.96)	-2.32** 0.30 (-7.78)	-1.88** 0.15 (-12.99)	-1.65** 0.15 (-11.08)			-2.14** 0.13 (-16.12)		2.26** 0.13 (-17.66)
Nigeria	-1.90** 0.34 (-5.53)		-1.46** 0.38 (-3.90)	-2.39** 0.28 (-8.53)	-2.20** 0.14 (-15.32)	-2.10** 0.14 (-15.54)			-2.23** 0.14 (16.25)		-2.51** 0.12 (21.81)
R-square	0.43		0.43	0.44	0.58	0.60			0.56		0.55
F-stat.	17.93		15.05	18.43	79.24	121.99			85.37		101.58
No of observation	541		541	541	541	541			541		541
No of countries	3		3	3	3	3			3		3

The dependent variable is indicated as rules and laws (Q8). The Independent variables are regulatory framework such as stock market listing rules (Q12).Board nomination (Q14) Disclosure (Q15), Independent board (Q16). Enforcement such as Non-compliance (Q17), investors protection (Q18) and Minority shareholders (Q19) Disclosure and transparency such as Insider trading (Q20), information access (Q21), and Auditor independent (Q22) Shareholders' rights such as protection of shareholders' rights (Q24) and Shareholders' alignment with board of directors (Q27).Ownership concentration such as large concentration (Q29) preferential treatment of large shareholders (Q30).

There is a test for outliers in order to examine the robustness of the samples. *The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics. F-Statistic is significant at 1% and 5% critical value*

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

The key results of the above Table are based on the opinion of the respondents this include following;

1. The respondents from regulatory bodies believe that investigation of non-compliance (Q17) and minority shareholder (Q19) are likely to boost the rules and laws that promote effective corporate governance practice

2. The respondents from regulatory bodies indicated that information access (Q21) can enhance rules and laws that promote effective corporate governance practice.

3. The respondents from regulatory bodies view that large concentration (few shareholder having majority of shares, (Q29) may deters rules and laws that promote effective corporate governance practice.

4. The respondents from non-regulatory stakeholder believe that independent board (Q16) is likely to promote rules and laws that guide corporate governance practices.

5. The respondents from non-regulatory stakeholder indicate that investigation of non-compliance (Q17), investor protection (Q18) and minority shareholder (Q19) may improve the quality on rules and laws that promote corporate governance practice.

6. The respondents from non-regulatory stakeholder show that basic shareholder rights (Q24) is likely to enhance rules and laws on corporate governance, however shareholders alignment (27) seem to hinders the rules and laws that promote corporate governance practices.

7. The respondents from non-regulatory stakeholder view that preferential treatment of large shareholders (Q30) may deter rules and laws that promote corporate governance practices.

The result in the regulatory bodies' category in Table 4.5.1 column 1 indicates that under the enforcement of corporate governance non-compliance with law/regulations (Q17) in Column 1a has a positive influence on rules and laws that promote corporate governance.

In addition, minority shareholder (Q19) in column 1b also has a positive significant with rules and laws that promote corporate governance. This result implies that regulator bodies of corporate governance shows that compliance and treatment of minority shareholders can enhance rules and laws that promote corporate governance practice.

In Table 4.5.1 Column 2, there is disclosure and transparency under this is equal access of information for all shareholders (Q21) in column 2a. We find that equal access of information for all shareholders have positive significant association on rules and laws. This finding indicates that equal access of information to shareholders seems to enhance promotion of rules and laws that guide promotion of corporate governance practice.

Moreover, in column 3a large concentration of ownership (Q29) has a negative effect on rules and laws that promote corporate governance. This result implies that large ownership concentration hinders the rules and laws that promote corporate governance; this may result to a lack of proper protection for the minority shareholders rights in firms.

Furthermore, Table 4.5. 1 which is the right hand side of the Table, the result of the data analysis is for non-regulatory stakeholders of corporate governance of firms. In Column 4a under the regulatory framework, independent status of board members (Q16) has a significant positive relation with corporate governance in terms of rules and laws. This shows that laws regarding to independent status of board members have an impact on the rules and laws that guide the promotion of corporate governance.

Under the enforcement of corporate governance in Column 5 non-compliance with law/regulations (Q17) have a positive significant relationship with corporate governance system in terms of rules and laws. Others such as protection of investors (Q18) in Column 5b and minority shareholder (Q19) in Column 5c also have a positive significant relationship on rules and laws that promote corporate governance practice. The above results imply that enforcement of corporate governance important in all the countries.

In addition, in Table 4.5.1 in Column 6a under the shareholders rights that there are basic rights protections of shareholders (Q24) has a positive effect on rules and laws that promote corporate governance. In column 6b when shareholders are allowed to speak at company meeting only if they are agree with the board of directors (Q27) is negatively significant with rules and laws. This result is consistent with the evidence from Table 4.2 Column 4 (4a and 4b). Finally, in Column 7a under the ownership concentration there is preferential treatment of large (Q30) has a negative significant relation with rules and laws that promotes corporate governance.

4.5.2 Results on the effect of sub-variable on corporate governance system and institutional characteristic of corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance for firms in Ghana

This section provides Table 4.5.3 below showing the result of sub-variables of institutional characteristic on sub-variables of corporate governance system using respondents from non-regulatory stakeholders of corporate governance. Below are the models and the Table shows the results of data analysis

The Model estimate on regulatory framework of corporate governance in section C is as follow below;

1. Rules_cg= $\beta_0 + \beta_1$(Stk_Mkt12) + β_2(Bod_Nom14) + β_3(Dis_Com15) + β_4(Ind_Bod16) + μ_i

The Model estimate on enforcement of corporate governance in section D is as follow bellow;

2. Rules_cg= $\beta_0 + \beta_1$(Non_compl17) + β_2(Invtr_Prot18) + β_3(Mino_Shdt19) + μ_i

The Model estimate on disclosure and transparency in section E is as follow bellow;

3. Rules_cg= $\beta_0 + \beta_1$(Insd_Trad20) + β_2(Inform_Accf21) + β_3(Aud_Indpend22) + β_4(MA_23) + μ_i

The Model estimate on shareholder rights in section F is as follow bellow;

4. Rule_cg= $\beta_0 + \beta_1$(Shd_rigt24) + β_2(Shd_Violt25) + β_3(Shd_Allg27) + μ_i

The Model estimate on ownership concentration in section G is as follow bellow;

5. Rules_cg= $\beta_0 + \beta_1$(Larg_Con29) + β_2(Pref_Treat30) + μ_i

Table 4.5.2: Showing OLS estimate of rules and laws on institutional characteristics using respondents from regulatory bodies and non-regulatory stakeholders of firms in Ghana

Dependent variable: rules and laws that promote corporate governance practice

	Regulatory Bodies			**Non-regulatory Stakeholders**									
Variables	**Enforcement (1)**	**Disc. Trspy (2)**	**Owship Conc. (3)**	**Regulatory frame Work (5)**			**Enforcement (6)**		**Disclosure & Trspy (7)**			**Shareholders Rights (8)**	**Ownership Conc. (9)**
	Investor protection (Q18) (1a)	**Information Access (Q21) (2a)**	**Preferential treatment (Q30) (3a)**	**Board Nominatio n (Q14) (5a)**	**Disclosure (Q15) (5b)**	**Indepen dent (Q16) (5c)**	**Non-Complia nce (Q17) (6a)**	**Investor Protection (Q18) (6b)**	**Insider Trading (Q20) (7a)**	**Informat ion access (Q21) (7b)**	**Merger & aqusition (Q23) (7c)**	**Shareholder Rights (Q24) (8a)**	**Prefrential Treatment (Q30) (9a)**
	0.57** 0.15 (3.76)	0.55** 0.21 (2.67)	-0.43* 0.17 (-2.58)	0.21* 0.10 (2.07)	0.37** 0.09 (3.97)	-0.23* 0.10 (-2.28)	0.42** 0.10 (4.39)	0.35** 0.10 (3.71)	0.15* 0.08 (2.02)	0.46** 0.08 (6.01)	0.19* 0.09 (2.19)	0.24* 0.12 (1.93)	-0.48** 0.11 (-4.40)
Constant	0.57** 0.29 (2.00)	0.55** 0.43 (1.28)	3.82** 0.79 (4.84)	1.63** 0.48 (3.41)			0.26* 0.16 (1.66)		0.73** 0.27 (2.71)			0.24** 0.75 (3.25)	6.15** 0.77 (7.98)
R-square	0.58	0.54	0.50	0.38			0.63		0.51			0.16	0.28
F-stat	15.82	9.85	11.11	12.72			61.81		27.08			5.22	13.86
No. of Observatio n	38	38	38	112			112		112			112	112

The dependent variable is indicated as rule and law (Q8). The Independent variables are regulatory framework such as board nomination (Q14) Disclosure (Q15), independent board (Q16) Enforcement such as Non-compliance (Q17) and investors (Q18), Disclosure and transparency such as Insider trading (Q20), and information Access (Q21), Shareholders' rights such as protection of shareholders' rights (Q24) and Ownership concentration such as preferential treatment of large shareholders (Q30).

There is a test for outliers in order to examine the robustness of the samples. *The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics. F-Statistic is significant at 1% and 5% critical value*

***significant at 1 percent level.*

**significant at 5 percent level*

*Heteroskedasticity is corrected using White-adjusted standard errors

The findings from the above Table 4.5.2 are based on the opinion of the respondents include the following;

1. The regulatory bodies show their view that investors protection (Q18) may increase the quality of rules and laws that promote corporate governance practices.

3. The regulatory bodies indicate that preferential treatment (Q30) is likely to hinder rules and laws that enhance corporate governance practice.

4. The non-regulatory stakeholders' respondents believe that board nomination (Q14), and disclosure (Q15) are more likely to improve rules and laws that guide corporate governance practice.

5. The non-regulatory stakeholder' respondents show that independent board seem to weaken rules and laws for effective corporate governance practices.

7. The non-regulatory stakeholders' respondents found that insider trading (Q20), information access (Q21) and merger and acquisition (Q23) may boost rules and laws that promote corporate governance practices.

In this section, we classified the data from various stakeholders of corporate governance of firms in Ghana into regulatory bodies and non-regulatory stakeholders' respondents.

We find that under regulatory bodies' respondents' sub-variables of enforcement of corporate such as investors' protection (Q18) in Table 4.5.2 Column 1a has a positive association on rules and laws. The disclosure and transparency, and equal access of information to all shareholders (Q21)) in Table 4.5.2 Column 2a has a positive significant effect on rules and laws that promote corporate governance.

In addition, sub-variable under ownership structure which is preferential treatment of large shareholders (Q30) in Table 4.5.2 Column 3a has a negative significant effect on rules and laws. This finding implies that the regulatory bodies' respondents in Ghana believe that investors' protection, equal access to information to all shareholders are likely to promote rules and laws for corporate governance practices. However, preferential treatments of larger shareholders seem to hinder the promotion of rules and laws because this is against the principle and guideline for corporate governance practices.

Furthermore, we estimate the non-regulatory data for this study and there is evidence that sub-variable under regulatory framework which are rules and regulations for board nomination (Q14) in Column 5a has a positive significant impact on rules and laws. In addition, rules and regulations for disclosure and communication (Q15) in Column 5b have positive significant association on rules and laws for corporate governance. However, rules and regulations regarding independent status of board member (Q16) in Column 5c have a negative effect on of rules and laws.

The sub-variables under enforcement of corporate which are non-compliance with laws/regulation (Q17) in Column 6a, and investor protection (Q18) in Column 6b have a positive significant impact on rules and laws. In addition, we find that disclosure and transparency sub-variables such as insider trading (Q20) in Column 7a, equal access of information to shareholders (Q21) in Column 7b and transparency in merger and acquisition (Q23) in column 7c. All these sub-variables mention above have a positive significant impact on rules and laws.

The sub-variable for shareholders' rights which is basic rights protections of shareholders (Q24) in Column 8a has a significant positive association with rule and laws. From the above evidence, this implies that the non-regulatory stakeholders' respondents in Ghana shows, non-compliance, insider trading, investor protection, equal access to information to all shareholders, basic shareholders rights and merger and acquisition are likely to promote rules and laws that promote corporate governance in Ghanaian firms.

Non-regulatory stakeholders show that that independent status of board members (Q16) deters rules and laws on corporate governance practice. In addition, preferential treatment of large shareholders (Q30) in Table 4.5.2 Column 9a has a negative effect on rules and laws for corporate governance practice. This suggests that preferential treatment of large shareholders may hamper the promotion of rules and laws for corporate governance practice.

4.5.3 Result on the effect of sub-variables of corporate governance system and institutional characteristics of corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of firms in Nigeria.

This section provides Table 4.5.3 below illustrate the result of sub-variables of institutional characteristic on sub-variables of corporate governance system using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance. Below are also the models and Table illustrates the results of data analysis

The Model estimate on regulatory framework of corporate governance in section C is as follow below;

1. Rules_cg= $\beta_0 + \beta_1$(Stk_Mkt12) + β_2(Dis_Com15) + β_3(Ind_Bod16) + μ_i

The Model estimate on enforcement of corporate governance in section D is as follow bellow;

2. Rules_cg= $\beta_0 + \beta_1$(Non_compl17) + β_2(Invtr_Prot18) + β_3(Mino_Shdt19) + μ_i

The Model estimate on disclosure and transparency in section E is as follow bellow;

3. Rules_cg= $\beta_0 + \beta_1$(Insd_Trad20) + β_2(Inform_Accf21) + β_3(Aud_Indpend22) + β_4(MA_23) + μ_i

The Model estimate on shareholder rights in section F is as follow bellow;

4. Rule_cg= $\beta_0 + \beta_1$(Shd_rigt24) + β_2(Shd_Violt25) + β_3(Shd_Allg27) + μ_i

The Model estimate on ownership concentration in section G is as follow bellow;

5. Rules_cg= $\beta_0 + \beta_1$(Own_Comp28) β_2(Larg_Con29) + β_3(Pref_Treat30) + μ_i

Table 4.5.3: Showing OLS estimate of rules and laws on institutional characteristics of corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of firms in Nigeria

Dependent variable: rule and law that promote corporate governance practice.

	Regulatory Bodies						**Non-regulatory Stakeholders**				
Variables	**Enforcement (Section D) (1)**	**Disclosure & Transparency (Section E) (2)**		**Shareholders' Rights (Section F) (3)**		**Ownership conc. (Section G) (4)**	**Regulatory Frame Wk (Section C) (5)**		**Enforcement (Section D) (6)**	**Ownership Concentration (Section G) (7)**	
	Non-Compliance (Q17) (1a)	**Information access (Q21) (2a)**	**Merger & Acquisition (Q23) (2b)**	**Shareholder rights (Q24) (3a)**	**Shareholder violation (Q25) (3b)**	**Ownership compostion (Q28) (4a)**	**Stock market (Q12) (5a)**	**Independent board (Q16) (5b)**	**Non-Compliance (Q17) (6a)**	**Ownership composition (Q28) (7a)**	**Preferntial Treatment (Q30) (7 b)**
	-0.23* 0.10 (-2.22)	-0.23* 0.13 (-1.78)	0.23* 0.12 (1.98)	0.31* 0.12 (2.66)	-0.26* 0.12 (-2.27)	-0.28* 0.12 (-2.32)	0.10* 0.04 (2.31)	-0.12* 0.05 (-2.58)	-0.08* 0.05 (-1.70)	0.15* 0.07 (2.34)	-0.10* 0.05 (-1.76)
Constant	1.95** 0.22 (8.85)	1.87** 0.33 (5.76)		1.54** 0.63 (2.44)		1.84* 0.73 (2.51)	1.75** 0.11 (16.02)		1.75** 0.10 (17.53)	1.21** 0.31 (3.88)	
R-square	0.07	0.09		0.10		0.09	0.06		0.03	0.03	
F-stat	1.79	1.80		2.08		2.31	2.86		1.22	2.79	
No. of Observation	77	77		77		77	243		243	243	

The dependent variable is indicated as rules and law that promote corporate governance (Q8). The Independent variables are regulatory framework such as Independent board (Q16) Enforcement such as non-compliance with rules and laws (Q17) and investors protection (Q18) Disclosure and transparency such as Insider trading (Q20) information access (Q21) Shareholders' rights such as protection of shareholders' rights (Q24) and Ownership concentration such as composition of ownership (Q28) and preferential treatment of large shareholders (Q30).

There is a test for outliers in order to examine the robustness of the samples. *The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics. F-Statistic is significant at 1% and 5% critical value*

***significant at 1 percent level.*

**significant at 5 percent level*

The key results from the above Table are based on the opinion of the respondents this include the following;

The respondents from regulatory bodies indicate that investigation of non-compliance (Q17) may decrease the quality of the rules and laws that promote corporate governance in Nigerian firms

1. They also view that information access (Q21) seem to hinder rules and laws that can promote corporate governance practice in Nigerian firms.

2. The respondents from regulatory bodies believe that merger and acquisition (Q23) is likely to improve the rules and laws that enhanced corporate governance practices.

3. They also view that shareholder violation (Q25) may hamper the promotion of rules and laws on corporate governance practices.

4. The respondents from regulatory bodies' show that ownership composition (Q28) seems to deter rules and laws that promote corporate governance practices in Nigerian firms.

5. The respondents from non-regulatory stakeholders believe that stock market rules and codes (Q12) is more likely to improve rules and laws that promote corporate governance practices in Nigerian firms.

6. The respondents from non-regulatory stakeholders indicate that independence of board (Q16) can weaken the rules and laws that improve corporate governance practices.

7. The respondents from non-regulatory stakeholders found that investigation of non-compliance (Q17) may deter rules and laws that provide effective corporate governance practices.

8. Table 4.5.3 also report that non-regulatory stakeholder view that ownership composition (Q28) may improve rules and laws that enhanced effective corporate governance practices.

We find that in 4.5.3 Column 1a under the regulatory bodies' category the sub-variable of enforcement of corporate which is non-compliance (Q17) has a negative significant effect on rules and laws that promote corporate governance practice. In addition, equal access of information to shareholders (Q21) in Column 2a has a negative impact on rules and laws that promote corporate governance practice. However, transparency in merger and acquisition (Q23) in Column 2b has a positive significant effect on rules and laws that promote corporate governance practices.

The sub-variables under shareholders' rights such as basic rights protections of shareholders (Q24) in Column 3a have a positive significant impact on rule and laws. However, other sub-variables that under shareholders rights such as minority shareholders violation (Q25) in Column 3b have a negative significant relation with rule and laws. In addition, ownership concentration sub-variable which is composition of ownership (Q28) in Column 4a has negative effect on rule and laws.

These results suggest that the regulatory stakeholders' respondents in Nigeria indicate that sub-variables such as non-compliance, equal access of information to all shareholders, minority shareholders violation, and ownership composition seem to hinder the promotion of rules and laws on corporate governance practices in Nigerian firms. However, they believe that basic shareholders protection and merger and acquisition may enhance rules and laws that promote corporate governance practices.

Moreover, in Table 4.5.3 we estimate sub-variables of institutional frameworks (characteristic) of corporate governance on sub-variable of corporate governance system using non-regulatory stakeholders' respondents of firms in Nigeria. We find that sub-variable of regulatory frame work such as stock market listing rules (Q12) in Column 5a has a positive significant effect on rule and laws. However, rules and regulations regarding required independent status of board member (Q16) in Column 5b has a negative significant association with rules and laws. In addition, the enforcement of corporate governance sub-variable which is non-compliance (Q17) in Column 6a has negative significant effect on rule and laws.

Finally, ownership concentration sub-variable which is composition of ownership (Q28) in Column 7a is positively significant with rules and laws. Under the same ownership concentration sub-variable preferential treatment of large shareholders (Q30) in Column 7b has a negative significant effect on rule and laws. From the above finding, this implies that non-regulatory stakeholder's respondent in Nigeria shows that sub-variables such as stock markets listing rules and ownership composition may promote rules and laws for corporate governance practices. Thus, non-compliance, preferential treatment of large shareholders and independent status of board members may deter the promotion of rules and laws that guide corporate governance practices of Nigerian firms.

In summary, we found that in all the firms in the two countries (Ghana and South Africa) regulatory framework and enforcement variables of corporate governance have a positive significant effect on the corporate governance system. However, in Nigerian firms, regulatory framework has a negative effect on corporate governance system. This may be due to lack of implementation of regulatory frameworks of corporate governance by the regulatory bodies/agencies in Nigeria. This finding is consistent with Okike (2007) and Okpara (2010) the authors claimed that lack of implementation of regulatory framework in Nigeria may be due to corruption that is prevalent among the officials of regulatory and supervisory bodies.

In addition, in Nigerian firms the following sub-variables such as non-compliance with law/regulation (Q17) and minority shareholders rights violation (Q25) seem to hinder rules and laws that promote effective corporate governance. This suggests that in Nigerian firms there is a lack of compliance with law and regulation on corporate governance, as well as a lack of appropriate law to protect shareholders rights. This may be due to poor implementation of rules and laws on enforcement of corporate governance in Nigeria. This finding is inconsistent with ECA (2002), OECD (2004) the organisations explained that there is need for separating the government's policy making and regulatory through establishing independent and strong regulatory and enforcement mechanism. Arun and Turner (2004) also argue that there is need for appropriate laws to protect the minority shareholders.

In Ghanaian firms preferential treatment of large shareholders (Q30) also deter rules and laws that promote effective corporate governance. In Nigerian and Ghanaian, firms' ownership concentration is prevalent and therefore there is likely to be preferential treatment for large shareholders. This finding is consistent with La Portal (1997) who argues that large shareholders have outright control of the firm and they managed with higher percentage of ownership.

Finally, both the respondents from regulatory bodies and non-regulatory stakeholders of corporate governance indicate that enforcement of corporate governance matter most in order to achieved effective corporate governance practice. The non-regulatory stakeholders also believe that regulatory framework needs to be strong in order to promote effective corporate governance practice.

Conclusion

This Chapter has provided the effect of institutional characteristics on corporate governance system using Ghana, Nigeria and South Africa as case studies. The chapter also identify the component that can promote and hinder corporate governance practice in each country and in the region (SSAA). The next chapter (five) assesses the effect of other components of corporate governance such as role and responsibilities' of the board of directors of listed firms on corporate governance system. The chapter further classifies the respondents as regulatory bodies and non-regulatory stakeholder of corporate governance. The objective of classification is to identify the view of each respondent for the robustness results of the study.

Chapter Five

Results of the data analysis on impact of role and responsibilities of firm's board of director on corporate governance system.

The purpose of this chapter is to examine the effect of role and responsibilities of board of directors of listed firms on corporate governance system. The chapter further classifies the respondents as regulatory bodies and non-regulatory stakeholder of corporate governance. The objective of classification is to identify the view of each respondent for the robustness results of the study.

The Table below provides information on section, statements and variables for role and responsibilities of the board of directors as it shows in the survey questionnaire for this study.

Table 5: Illustrates the section, statements and variables on role and responsibilities of the board of directors in firms

Section	Statements	Variables
H:Role and responsibilities of the board of directors	**Q31.**Board members are not fully committed to reviewing and guiding corporate strategy	Corporate strategy
	Q32.Board members in your companies do not pay attention to executive compensation	Executive compensation
	Q33.Board members in your companies are not effectively committed to their responsibility	Board responsibility
	Q34. The board members often demonstrate lack of a lack of concern as to the integrity of companies financial reporting system	Financial reporting
	Q35.Board members show lack of concern in ensuring a formal and transparent board nomination and election process	Board transparency
	Q36.Board members do not show concern about proper monitoring and enforcement of laws, rules and regulation of corporate governance practices	Enforcement rules
	Q37.Board members do not adequately surprise the process of disclosure and communication	Board disclosure
	Q38. There are separation between the roles of the Chairman and Chief Executive Officer (CEO)	Board duality

5.1 Results of the effects on role and responsibility of firm's boards of directors on governance system

This section provides empirical evidences on impact of the firm's board of director roles and responsibility on corporate governance system of firms. Table below reports the model estimate and results of the data analysis

Table 5.1: Showing OLS estimate on corporate governance system and role and responsibility of firm's boards of directors.

Total_cg = $\beta_0 + \beta_1$(corp_strgy) + β_2 (Exec_comp) + β_3(Bod_Eff) + β_4(Bod_Frept) + β_5(Bod_Trpy) + β_6 (Bod_Enfm)

+ B_7(Bod_Disc + β_8(Bod_Duality) + β_9(G) + β_{10}(N) + β_{11}(GR) + β_{12}(NR) + μ_i

Dependent variable: Total effective corporate governance system

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	12.63 0.61 (20.57)	17.01** 0.63 (27.12)	11.29** 1.02 (11.12)	13.30** 0.80 (16.55)	15.80** 1.79 (8.85)
Corporate strategy	-0.22** 0.10 (-2.18)	-0.09 0.10 (-0.32)	0.08 0.14 (0.54)	0.12 0.14 (0.83)	-0.46 0.33 (-1.40)
Executive compensation	0.18 0.12 (1.41)	0.06 0.10 (0.63)	-0.09 0.20 (-0.46)	0.19 0.16 (1.15)	0.26 0.29 (0.91)
Board effectiveness	0.20* 0.11 (1.85)	0.12 0.09 (1.40)	-0.02 0.14 (-0.11)	0.31** 0.12 (2.58)	0.86** 0.30 (2.82)
Financial reporting	-0.07 0.12 (-0.56)	-0.13 0.10 (-1.29)	0.01 0.15 (0.08)	-0.19 0.15 (-1.25)	-0.45 0.34 (-1.32)
Board Transparency	0.57** (0.13) (4.313)	0.19* 0.11 (1.53)	0.09 0.17 (0.53)	0.09 0.16 (0.58)	0.02 0.30 (0.01)
Enforcement rules	0.03 0.13 (0.20)	0.08 0.11 (0.75)	-0.06 0.17 (-0.36)	0.05 0.13 (0.36)	-0.36 0.30 (-1.21)
Board disclosure	0.33** 0.14 (2.44)	0.09 0.11 (0.83)	0.60** 0.17 (3.47)	-0.36** 0.17 (-2.07)	0.04 0.21 (0.18)
Board duality	-0.64** 0.15 (-4.26)	-0.23* 0.13 (-1.81)	0.19 0.24 (0.82)	-0.27* 0.16 (-1.72)	0.60** 0.30 (1.99)
Regulator		0.60** 0.19 (3.07)			
Ghana		-5.04** 0.31 (-16.40)			
Nigeria		-3.59** 0.30 (-11.97)			
R-square	0.17	0.45	0.22	0.06	0.27
F-statistic	13.16	39.39	5.08	3.09	2.85
No of observation	541	541	150	320	71

The dependent variable is indicated as total effective corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board non-duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The key findings from the above Table are based on the opinion of the respondents this include the following;

1. When there is transparent in board nomination and election process (Q35), this is likely to promote effective corporate governance practice in all the countries in the Sub-region.

2. A possible interpretation is that although there is separation of role between chairman and CEO (Q38) this may hinder corporate governance practices. This may be due to incompetence and inefficiency of both chairman and CEO. This result is based on the perception of the respondents

3. In Ghanaian firms board disclosure and communication (Q37) may enhance the promotion of effective corporate governance system within Ghanaian firms.

4. Board effectiveness (Q33) is likely to promote corporate governance system in Nigerian firms.

5. Board disclosure (Q37) and board duality (Q38) seem to hinder the promotion of effective corporate governance system in Nigerian firms.

6. Board effectiveness (Q33) and board duality (38) may improve corporate governance system in South Africa firms.

In conclusion from the above finding there is indication that the following matter as role and responsibilities of the board of directors;

1. Commitment of board members in ensuring a formal and transparency board nomination and election process (Q35) this is more likely to promote rules and laws for sound corporate governance practice.

2. Commitment of board members to disclosure and communication (Q37), and commitment to effective responsibility (Q33) these are likely to increase the quality of rules and laws that promote good corporate governance.

In Table 5.1 Column 2 there is evidence that board transparency has a significant positive impact on corporate governance system with coefficient of 0.19. However, board duality has a significant negative relationship with corporate governance system. This result is based on the perception of the respondents. In addition, the result of the estimate on regulators shows a positive significant relationship with corporate governance system.

The above results suggest that regulatory bodies for corporate governance of firms may likely promote good corporate governance system. Firms in Ghana and Nigeria have negatively significant with corporate governance system. This result implies that the role and responsibilities of the board of directors of firms in Ghana and Nigeria are less likely to promote corporate governance system in compared with the board of directors of South African firms.

Moreover, within the country, Table 5.1 Column 3 illustrates that in Ghana firms' board supervision on disclosure and communication has a significant positive effect on corporate governance system. While in Nigerian firm as it show in Column 4 board effectiveness has a positive significant with corporate governance system. Supervision on disclosure, communication and board effectiveness have a significant negative effect on corporate governance system. This finding suggests that the board of directors in Ghanaian firms are more concern on supervision process on disclosure and communication in their firms than that of Nigerian firms. Thus, board effectiveness to their responsibility is more pronounced within Nigerian firms. This may be due to various financial scandals that occurred recently in financial and non-financial firms in Nigeria.

There is a low value of R-square in the estimate for Nigeria. The reason for this value seems to other factors that can affect corporate governance system which are not mention in this study.

In case of South Africa firms as shown in Table 5.1 Column 5, board effectiveness and board duality have significant positive effect on corporate governance. This result implies that board members of firms in South Africa are more effective in carry out their role and responsibility in order to promote good corporate governance practice. In addition, the separation between role and responsibility of the Chairman and Chief Executive officer is likely to promote good corporate governance of firms in South Africa. This results is based on perception of the respondents

5.2 Results of the effect of role and responsibility of firm's boards of directors on rules and laws of corporate governance.

The corporate governance system in terms of rules and law operating in an environment through the regulatory bodies of corporate governance depend on the level of effectiveness of role and responsibility of firm's board of directors. This study use empirical analysis to shows role and responsibility of firm's board directors on corporate governance system; in term of rules and law. Below are the model estimate and the Table shown the results of the data analysis.

Table 5.2: Showing OLS estimate for rules and laws of corporate governance practice and role and responsibility of firm's boards of directors.

Rules_cg = $\beta_0 + \beta_1$(corp_strgy) + β_2 (Exec_comp) + β_3(Bod_Eff) + β_4(Bod_Frept) + β_5(Bod_Trpy) + β_6 (Bod_Enfm)

+ B_7(Bod_Disc + β_8(Bod_Duality) + β_9(G) + β_{10}(N) + β_{11}(GR) + β_{12}(NR) + μ_i

Dependent variable: rules and laws that promote corporate governance

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	1.72** 0.27 (6.47)	4.46** 0.26 (16.92)	1.70** 0.48 (3.55)	1.41** 0.27 (5.32)	3.52** 0.69 (5.10)
Corporate strategy	0.03 0.44 (0.76)	-0.01 0.04 (-0.36)	0.07 0.07 (1.05)	0.01 0.05 (0.28)	-0.14 0.13 (-1.13)
Executive compensation	-0.10* 0.05 (-1.76)	-0.16** 0.04 (-3.71)	-0.25** 0.10 (-2.63)	0.08 0.05 (1.44)	0.23* 0.11 (2.00)
Board effectiveness	0.03 0.05 (0.60)	0.01 0.04 (0.32)	-0.04 0.06 (-0.59)	0.09** 0.04 (2.28)	0.25** 0.12 (2.16)
Financial reporting	0.01 0.05 (0.13)	-0.03 0.04 (-0.59)	0.03 0.07 (0.45)	0.03 0.05 (0.64)	0.00 0.13 (0.01
Board Transparency	0.31** 0.06 (5.34)	0.11** 0.05 (2.30)	0.11 0.08 (1.33)	-0.02 0.05 (-0.27)	-0.08 0.12 (-0.68)
Enforcement rules	0.03 0.05 (0.47)	0.03 0.04 (0.06)	-0.05 0.08 (-0.61)	0.01 0.04 (0.32)	-0.15 0.11 (-1.30)

Board disclosure	0.19** 0.06 (3.25)	0.12** 0.05 (2.48)	0.38** 0.08 (4.62)	-0.11* 0.06 (-1.95)	-0.05 0.08 (-0.59)
Board duality	-0.27** 0.07 (-4.19)	-0.06 0.05 (-1.07)	0.28** 0.11 (2.50)	-0.10* 0.05 (-1.81)	0.20* 0.12 (1.70)
Regulator		-0.00 0.08 (-0.05)			
Ghana		-1.96** 0.13 (15.04)			
Nigeria		-2.20** 0.13 (-17.32)			
R-square	0.28	0.55	0.47	0.06	0.23
F-statistic	26.13	63.73	15.41	2.54	2.36
No of observation	541	541	150	320	71

The dependent variable is indicated as adequate and effective rule and laws that promote corporate governance items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The key results from above Table are based on the perception of the respondents this include the following;

1. In all the countries together, executive compensation (Q32) may deter rules and laws that promote effective corporate governance practices.

2. The board transparency (35) and board disclosure (Q37) are likely to enhance rules and laws that promote corporate governance practices.

3. Board disclosure (Q33) and board duality (Q38) have positive effect on rules and laws that promote sound corporate governance practices.

4. Board effectiveness (Q33) seems to increase the quality of rules and laws for effective corporate governance practices in Nigerian firms.

5. Board disclosure (Q37) and board duality (Q38) may inhibit the promotion of effective corporate governance system in Nigerian firms. This finding is based on the perception of the respondents

6. In South African firms, there are evidence that executive compensation (Q32) is likely to enhance rules and laws that promote sound corporate governance practices.

In conclusion from the above finding there is indication that the following matter as role and responsibilities of the board of directors for sound corporate governance practice.

1. Commitment of board members in ensuring a formal and transparency board nomination and election process (Q35) can provide rules and laws that promote sound corporate governance.

2. Commitment of board members to disclosure and communication (Q37) may increase the quality of rules and laws that promote good corporate governance.

In Table 5.2 Column 2 this study find that executive compensation have negative effect on rules and law of corporate governance system. This result suggests that level of adequate attention of board members to executive compensation does not promote effective corporate rules and laws on corporate governance. This seems to absence of executive compensation committee, this may give opportunity for the director to award themselves compensation and this is not good for interest of the shareholders.

In Column 2 there is a positive relationship between board transparency, board disclosure and communication and rules and laws that promote corporate governance practices. The dummy variables which are proxies as Ghanaian and Nigerian firm have negative effects on rules and laws. This result implies that generally the role and responsibilities of firm's board of directors in Ghanaian and Nigerian firms do not provide effective rules and laws that promote corporate governance practice. This may be due to incompetency of the board of directors in both countries.

Moreover, Table 5.2 Column 3 shows that in Ghanaian firms executive compensation is less likely to promote rules and laws, thus board disclosure, communication board and duality (separation between the roles and responsibility of chairman and CEO) are likely to promote rules and law of corporate governance. This result is based on opinion of the respondents.

In Nigerian firms, commitment of board to effective role and responsibility has influence on rules and law of corporate governance. However, board disclosure, communication board and duality (separation between the roles and responsibility of chairman and CEO) can deter rules and laws on corporate governance practice. This result is based on the perception of the respondents from the survey questionnaire used for this study.

In South African firms, executive compensation, effectiveness of board and duality may likely promote rules and law of corporate governance system.

5.3 Results of the effect of role and responsibility of firm's boards of directors on power and authority of regulatory agencies for corporate governance

From the corporate governance literature, corporate governance depend on efficiency, power, resources and authority of the regulatory bodies in monitoring, enforcing, and regulating corporate governance practices of firms. Thus, the Table below reports the model estimate and the results of the data analysis.

Table 5.3: Showing OLS estimate on power of regulatory agencies for corporate governance and role and responsibility of firm's boards of directors.

Agencies_cg = β_0 +β_1(corp_strgy) + β_2 (Exec_comp) + β_3(Bod_Eff) + β_4(Bod_Frept) + β_5(Bod_Trpy) + β_6 (Bod_Enfm) + B_7(Bod_Disc + β_8(Bod_duality) + β_9(G) + β_{10}(N) + β_{11}(GR) + β_{12}(NR) + μ_i

Dependent variable: authority and power of regulatory agencies of corporate governance

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	2.71** 0.31 (8.71)	3.55** 0.32 (10.36)	1.92** 0.54 (3.60)	3.05** 0.45 (6.81)	3.58** 0.65 (5.50)
Corporate strategy	-0.18** 0.05 (-3.41)	0.03 0.05 (0.54)	0.06 0.07 (0.81)	0.20 0.08 (0.25)	-0.36** 0.12 (-3.02)
Executive compensation	0.00 0.06 (0.04)	-0.02 0.05 (-0.38)	-0.19* 0.11 (1.83)	-0.02 0.09 (-0.26)	0.26** 0.11 (2.45)
Board effectiveness	0.09 0.06 (1.59)	0.04 0.05 (0.95)	-0.03 0.07 (-0.38)	0.13* 0.07 (1.96)	0.29** 0.11 (2.61)
Financial reporting	0.01 0.06 (0.18)	-0.00 0.05 (-0.07)	-0.04 0.08 (-0.47)	0.02 0.08 (0.29)	0.01 0.12 (0.04)
Board Transparency	0.20** 0.07 (2.91)	0.10* 0.06 (1.72)	-0.03 0.09 (-0.35)	0.12 0.09 (1.37)	-0.03 0.11 (-0.28)
Enforcement rules	-0.10 0.06 (1.53)	-0.05 0.05 (-1.01)	0.03 0.09 (0.29)	-0.12 0.08 (-1.62)	-0.10 0.11 (-0.93)
Board disclosure	0.28** 0.07 (4.10)	0.16* 0.06 (2.84)	0.48** 0.09 (5.27)	-0.04 0.10 (0.44)	-0.06 0.08 (-0.75)

Board duality	-0.01 0.08 (-0.12)	0.09 0.07 (1.45)	-0.00 0.12 (-0.01)	0.16* 0.09 (1.81)	0.22* 0.11 (1.96)
Regulator		0.46** 0.10 (4.59)			
Ghana		-1.96** 0.16 (-12.37)			
Nigeria		-0.57** 0.16 (-3.69)			
R-square	0.16	0.43	0.32	0.05	0.32
F-statistic	12.39	35.55	8.17	2.03	3.62
No of observation	541	541	150	320	71

The dependent variable is indicated as power and authority of the supervisory, enforcement and regulatory agencies items or variable under section B of the survey questionnaire. The Independent variables are role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The following key findings are based on the perception of the respondents

1. When board directors are committed to transparency (Q35) this is likely to increase the power of regulatory agencies of corporate governance practice.

2. There is evidence that adequate disclosure (Q37) may strengthen the power of regulatory agencies.

3. There is evidence that executive compensation (Q32) reduce the power and authority of regulatory agencies.

4. When board members are effective (Q33) in Nigerian firms, this may enhance the power of the regulatory agencies

5. In South African firms commitments of board member to corporate strategy (Q31) seem to hinder the power and authority of the regulatory agencies.

6. There are indications that executive compensation (Q32) and board effectiveness (Q33) are likely to increase the power and authority of regulatory agencies in South Africa.

7. Board duality (Q38) may enhance the power and authority of regulatory agencies to perform their role and responsibility in South Africa.

In conclusion from the above finding there is indication that the following matter as role and responsibilities of the board of directors;

1. Commitment of board members in ensuring a formal and transparency board nomination and election process (Q35) is likely to promote rules and laws that promote sound corporate governance.

2. Commitment of board members to disclosure and communication (Q37) this may increase the quality of rules and laws that promote good corporate governance.

Table 5.3 Column 2 reveals that commitment of board to transparency; disclosure and communication seem to improve the authority and power of the regulatory agencies. The dummy variable such as regulator has a positive effect on power and authority of regulatory agencies. However, Ghanaian and Nigerian firms have negative impact on power and authority of regulatory agencies. This result suggests that various reforms on role and responsibilities of the board of directors adopting in Nigerian and Ghanaian firms may be weak to increase the power and authority of the regulatory agencies.

Nevertheless, we estimate the regression analysis in each country, Table 5.3 Column 3 which indicated as Ghanaian firms. The result shows that executive compensation variable has a negative effect on power and authority of the regulatory agencies. However, board disclosure and communication have a positive relationship on power and authority of regulatory agencies.

In addition, Column 4 illustrates Nigerian firms; the board effectiveness and board duality have positive influence on power and authority of regulatory agencies. For South African firms, as shown in Column 5 corporate strategy, executive compensation and board duality have positive effect on power and authority of regulatory agencies in order to promote sound corporate governance of firms in South Africa.

5.4 Effect on role and responsibility of firm's boards of directors' variables on corporate governance system using respondent from regulatory bodies

The regulatory bodies of corporate governance play a vital role in making sure that the board of director of listed firms perform their role and responsibility within their firms by strengthening their duties through issuing of code of best practices of corporate governance. The board members need to comply with the rule and regulation guiding the code of corporate governance and the Companies Act.

5.4.1 Effect of role and responsibility of firm's boards of directors' variables on corporate governance system using respondent from regulatory bodies

In this sub-section, we present extension of the impact of role and responsibility of firm's board of directors on corporate governance system. Below are the Table showing the model estimate and the results of the data analysis.

Table 5.4.1: Showing OLS estimate on role and responsibility of firm's boards of directors and corporate governance system using respondents from regulatory bodies

$$\text{Total\_cg} = \beta_0 + \beta_1(\text{corp\_strgy}) + \beta_2(\text{Exec\_comp}) + \beta_3(\text{Bod\_Eff}) + \beta_4(\text{Bod\_Frept}) + \beta_5(\text{Bod\_Trpy}) + \beta_6(\text{Bod\_Enfm})$$

$$+ B_7(\text{Bod\_Disc} + \beta_8(\text{Bod\_Duality}) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Dependent variable: : Total effective corporate governance system

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	13.90** 1.28 (10.88)	16.89** 1.70 (11.14)	11.29** 1.02 (11.12)	17.10** 2.12 (8.07)
Corporate strategy	-0.68** 0.19 (-3.58)	-0.45** 0.19 (-2.39)	0.08 0.14 (0.54)	-0.25 0.38 (-0.66)
Executive compensation	0.22 0.25 (0.90)	-0.05 0.23 (-0.23)	-0.09 0.20 (-0.46)	-0.17 0.42 (-0.41)
Board effectiveness	0.56** 0.20 (2.89)	0.29 0.18 (1.65)	-0.02 0.14 (-0.11)	0.34 0.27 (1.27)
Financial reporting	-0.02 0.25 (-0.07)	-0.17 0.22 (-0.76)	0.01 0.15 (0.08)	-0.27 0.41 (0.67)
Board Transparency	0.35 0.28 (1.25)	0.02 0.25 (0.09)	0.09 0.17 (0.53)	0.28 0.43 (0.66)
Enforcement rules	0.03 0.24 (0.13	0.16 0.22 (0.72)	-0.06 0.17 (-0.36)	-0.07 0.32 (-0.23)
Board disclosure	0.45* 0.27 (1.68)	0.25 0.24 (1.06)	0.60** 0.17 (3.47)	-0.67 0.46 (-1.47)
Board duality	-1.16** 0.34 (-3.36)	-0.56* 0.32 (-1.75)	0.19 0.24 (0.82)	0.56 0.50 (1.12)

Ghana		-4.75** 0.84 (-5.68)		
Nigeria		-3.34** 0.87 (-3.84)		
R-square	0.25	0.43	0.22	0.15
F-statistic	4.76	8.60	5.08	1.45
No of observation	125	125	38	77

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

The key results from the above Table are based on the opinion of the respondents include the following;

1. In all the countries together the respondents from regulatory bodies indicate that commitment of board members to corporate strategy (Q31) seem to hinders corporate governance system.

2. They also believe that commitment of board of director to disclosure (Q37) may promote effective corporate governance system.

3. In Ghanaian firms respondents from regulatory bodies' view that board disclosure (Q37) is likely to improve corporate governance system.

In addition, Table 5.4.1 Column 2 provides evidence that corporate strategy and board duality have negative impact on corporate. This finding indicates that in all the countries together regulatory bodies' respondent shows that corporate strategy and board duality can deter the promotion of sound corporate governance practices.

Moreover, we estimate across each country as indicated in Column 3 for Ghanaian firms. The result shows that board disclosure and communication has a positive relationship with corporate governance system in order to promote corporate governance practice. The finding suggest that the regulatory bodies respondents believe that board of directors in Ghanaian firms are more concern on disclosure and communication in order to promote sound corporate governance system in Ghana

5.4.2 Results of the effect of rule and law with role and responsibility of firm's boards of directors' variables using respondents from regulatory bodies

This section examines the effect of rules and laws on role and responsibility of firm's boards of directors using respondents from regulatory bodies. The Table below reports the model estimate and the results of the data analysis

Table 5.4.2: Showing OLS estimate on role and responsibility of firm's boards of directors and rules and laws using respondents from regulatory bodies.

$$Rules\_cg = \beta_0 + \beta_1(corp\_strgy) + \beta_2(Exec\_comp) + \beta_3(Bod\_Eff) + \beta_4(Bod\_Frept) + \beta_5(Bod\_Trpy) + \beta_6(Bod\_Enfm)$$

$$+ B_7(Bod\_Disc + \beta_8(Bod\_Duality) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Dependent variable: rules and laws that promote corporate governance

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	1.24** 0.56 (2.23)	4.27** 0.76 (5.60)	2.40** 1.01 (2.37)	0.95 0.82 (1.17)
Corporate strategy	-0.07 0.08 (-0.85)	-0.17** 0.09 (-2.03)	-0.16 0.13 (-1.20)	-0.11 0.15 (-0.78)
Executive compensation	0.02 0.11 (0.22)	-0.11 0.10 (-1.04)	-0.14 0.19 (-0.73)	0.20 0.16 (1.27)
Board effectiveness	0.11 0.09 (1.26)	0.04 0.08 (0.47)	-0.21 0.13 (-1.64)	0.17 0.10 (1.61)
Financial reporting	0.05 0.11 (0.42)	-0.02 0.10 (-0.20)	-0.20 0.15 (-0.13)	0.11 0.16 (0.68)
Board Transparency	0.06 0.12 (0.53)	-0.05 0.11 (-0.45)	0.05 0.16 (0.30)	-0.05 0.17 (-0.27)
Enforcement rules	0.06 0.11 (0.55)	0.05 0.09 (0.51)	0.14 0.16 (0.90)	-0.25** 0.12 (-2.00)
Board disclosure	0.41** 0.12 (3.46)	0.34** 0.11 (3.17)	0.49** 0.14 (3.53)	0.03 0.18 (0.20)
Board duality	-0.32** 0.15 (-212)	-0.09 0.14 (0.65)	0.00 0.21 (0.01)	0.10 0.19 (0.54)
Ghana		-1.69** 0.38 (-4.50)		
Nigeria		-2.07** 0.39 (-5.30)		
R-square	0.33	0.46	0.59	0.10
F-statistic	7.03	9.70	5.15	0.97
No of observation	125	125	38	77

The dependent variable is indicated as adequate and effective rule and laws that promote corporate governance items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

The following are the key results from the above Table

1. In Column 2 (all the countries together) the respondents from regulatory bodies indicate that commitment of board members to corporate strategy (Q31) seem to deter the rules and laws on corporate practice.

2. The respondents from regulatory bodies also indicate that board disclosure (Q37) may improve the rules and laws on corporate governance practice.

3. In Nigerian firms respondents from regulatory bodies believe that commitment of board of directors to enforcement of corporate governance (Q33) can hinders the rules and laws of effective corporate governance practice.

We carried out the estimate on the rules and laws of corporate governance with the variables proxies for role and responsibility of firm's boards of directors. In Table 5.4.2 Column 2 we observed that respondents from regulatory bodies indicate that board disclosure and communication have a positive relationship with rules and law that promote corporate governance of firm. However, the respondents indicate that commitment of board of directors to corporate strategy may hinder rules and laws that promote corporate governance.

Furthermore, we estimate the regression within each country and the results shows that in Ghanaian firms as it indicated in Table 5.4.2 Column 3. The commitment of the board members to disclosure and communication has a positive effect on rules and laws of corporate governance. This implies that the regulatory bodies' respondents for Ghanaian firms believe that commitment of board members to disclosure and communication may promote rules and laws on corporate governance.

In Table 5.4.2 Column 4 the result shows that commitment of the boards of directors of Nigerian firms to enforcement of corporate governance policy may less likely to promote rule and law of corporate governance. This finding implies that the regulatory bodies' shows that board members in Nigerian firms are not committed to enforcement of corporate governance policy.

5.4.3 Results of the OLS estimate on power and authority of regulatory and supervisory agencies and role and responsibility of firm's boards of directors' variables using respondents from regulatory bodies.

This study examines the effect of role and responsibility of firm's boards directors on power and authority of regulatory and supervisory agencies using respondents from regulator bodies. The Table below provide the information on the model estimate and results of the data analysis.

Table 5.4.3: Showing OLS estimate on role and responsibility of firm's director and power and authority of regulatory agencies for corporate governance using respondents from regulatory bodies

$$Agencies\_cg = \beta_0 + \beta_1(corp\_strgy) + \beta_2(Exec\_comp) + \beta_3(Bod\_Eff) + \beta_4(Bod\_Frept) + \beta_5(Bod\_Trpy) + \beta_6(Bod\_Enfm)$$

$$+ B_7(Bod\_Disc + \beta_8(Bod\_duality) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Dependent variable: power and authority of regulatory agencies for corporate governance

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	3.71** 0.70 (5.33)	4.19** 0.88 (4.77)	3.72** 1.24 (2.10)	4.91** 0.93 (5.30)
Corporate strategy	-0.43** 0.10 (-4.12)	-0.13 0.10 (-1.35)	-0.15 0.16 (-0.89)	-0.17 0.17 (-0.10)
Executive compensation	0.05 0.14 (0.39)	-0.02 0.12 (-0.13)	-0.29 0.23 (-1.25)	-0.13 0.18 (-0.71)
Board effectiveness	0.28** 0.11 (2.63)	0.15 0.09 (1.59)	-0.09 0.15 (-0.62)	0.25** 0.12 (2.14)
Financial reporting	-0.04 0.14 (-0.30)	-0.09 0.12 (-0.74)	-0.02 0.19 (-0.11)	-0.27 0.18 (-1.51)
Board Transparency	0.18 0.15 (1.22)	0.06 0.13 (0.47)	-0.20 0.19 (-1.01)	0.42** 0.19 (2.21)
Enforcement rules	-0.07 0.13 (-0.56)	0.03 0.11 (0.30)	0.14 0.19 (0.73)	-0.06 0.14 (-0.46)

Board disclosure	0.31** 0.15 (2.11)	0.23* 0.12 (1.84)	0.50** 0.17 (2.94)	-0.32 0.20 (-1.58)
Board duality	-0.49** 0.19 (-2.64)	-0.28* 0.17 (1.71)	-0.39 0.26 (-1.47)	0..22 0.22 (-0.99)
Ghana		-1.81** 0.43 (4.18)		
Nigeria		-0.27 0.45 (-0.59)		
R-square	0.26	0.49	0.43	0.17
F-statistic	5.00	10.96	2.76	1.79
No of observation	125	125	38	77

The dependent variable is indicated as power and authority of the supervisory, enforcement and regulatory agencies items or variable under section B of the survey questionnaire. The Independent variables are role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

Key findings from the above Table include the following:

1. In Column 2 (all the countries together) respondents from regulatory bodies found that board disclosure (Q37) is likely to improve the power and authority of regulatory agencies in order to perform their role effectively.

2. In all the selected countries together respondents from regulatory bodies view that board duality (Q38) seem to inhibits the power and authority of the regulatory agencies

3. The respondents from regulatory bodies in Nigerian firms found that board effectiveness (Q33) is more likely to enhance the power and authority of regulatory agencies for the power and authority of regulatory agencies in order to perform their role and responsibility adequately.

3. The regulatory bodies also believe that board transparency (Q35) seem to provide more power and authority for regulatory agencies in Nigeria.

In Table 5.4.3 Column 2 the result indicate that board disclosure and communication have positive influence on power and authority of the supervisory and regulatory agencies in order to promote effective corporate governance practice. However, Ghanaian and Nigerian firms as dummy variables has a negative impact on power and authority of the supervisory and regulatory agencies.

Beside this, within each country the result of the regression illustrates in Column 2 provides evidence that in Ghana firms' commitment of the boards of directors to disclosure and communication may promote the power and authority of the supervisory and regulatory agencies. Contrarily, the board duality (separation between the role and duties of Chairman and CEO) has a negative effect on power and authority of the supervisory agencies. In Nigerian firms commitments of the board to effective responsibility and board transparency can promote the power and authority of the regulatory and supervisory agencies.

5.5 Effect of role and responsibility of firm's boards of directors 'variables on corporate governance system using respondents' non-regulatory stakeholders.

In this section we provide the result of the regression analysis between the variables for corporate governance system and the variables for role and responsibility of the firm's boards of directors using non-regulatory stakeholders of corporate governance in the sample for the analysis of the data. The non-regulatory stakeholders are Legislators, Academician, Individual Investors, Institutional investors, Accountants/Auditors, Executive Directors, Companies Executive (CEO), companies' employee, judiciary/legal and others such as students. The Tables below illustrate the results of the analysis for the various estimates.

5.5.1 Effect of role and responsibility of firm's boards of directors' variables on corporate governance system using respondents from non- regulatory stakeholders

In this sub-section of this study examines the impact of role and responsibility of firm's board of directors' variables on corporate governance system using non-stakeholders of corporate governance in the sample for regression analysis. The Table below illustrates the model estimate and results of the data analysis.

Table 5.5.1: Showing OLS estimate on role and responsibility of firm's boards of directors and corporate governance system using non-regulatory stakeholders

Dependent variable: Total effective corporate governance system

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	12.35** 0.71 (17.50)	16.85** 0.68 (24.78)	11.20** 1.21 (9.25)	17.10** 2.12 (8.07)
Corporate strategy	-0.73 0.12 (-0.60)	0.11 0.10 (1.04)	0.23 0.16 (1.43)	-0.25 0.38 (-0.66)
Executive compensation	0.15 0.14 (1.02)	0.06 0.12 (0.55)	-0.19 0.24 (-0.79)	-0.17 0.42 (-0.41)
Board effectiveness	0.06 0.13 (0.45)	0.05 0.10 (0.46)	0.06 0.16 (0.35)	0.34 0.27 (1.29)
Financial reporting	-0.04 0.14 (-0.29)	-0.07 0.11 (-0.62)	0.07 0.17 (0.42)	-0.27 0.41 (-0.67)
Board Transparency	0.68** 0.15 (4.47)	0.25** 0.13 (2.03)	0.12 0.21 (0.58)	0.28 0.43 (0.66)
Enforcement rules	0.00 0.15 (0.02)	-0.01 0.12 (-0.11)	-0.21 0.20 (-1.07)	-0.07 0.32 (-0.23)
Board disclosure	0.28* 0.16 (1.78)	0.01 0.13 (0.10)	0.50** 0.22 (2.28)	-0.67 0.46 (-1.47)
Board duality	-0.57** 0.17 (-3.39)	-0.19 0.14 (-1.39)	0.31 0.28 (1.10)	-0.56 0.50 (-1.12)
Ghana		-5.07** 0.34 (-15.12)		
Nigeria		-3.66** 0.32 (-11.39)		
R-square	0.18	0.47	0.24	0.15
F-statistic	10.83	36.34	4.14	1.45
No of observation	416	416	112	243

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

Key results from the above Table include the following below:

1. In column 2 respondents from non-regulatory stakeholder show that board transparency (Q35) may improve corporate governance system

2. The respondents from non-regulatory stakeholder in Ghana found that board disclosure (Q37) is likely to enhance corporate governance system.

We estimate across the countries and there is evidence that the respondents from non-regulatory stakeholders show that commitment of the board to transparency improve corporate governance system as shown in Table 5.5.1 Column 2. In Column 3 for Ghanaian firms, the commitments of the board to transparency have a positive influence on corporate governance system. This result suggests that respondents from non-regulatory stakeholders in Ghana believe that commitment of the board to transparency may promote corporate governance system in Ghanaian firms.

5.5.2 Effect of role and responsibility of firm's boards of directors' variables and rules and laws of corporate governance using respondents from non-regulatory stakeholders.

This section assesses the effect of the role and responsibility of firm's board of director on rule and laws of corporate governance practices using non-regulatory stakeholders of corporate governance. The Table below provides the information on the model estimate and results of the data analysis.

Table 5.5.2: Showing OLS estimate on role and responsibility of firm's boards of directors and rules and laws using non-regulatory stakeholders

Rules_cg = β_0 +β_1(corp_strgy) + β_2 (Exec_comp) + β_3(Bod_Eff) + β_4(Bod_Frept) + β_5(Bod_Trpy) + β_6 (Bod_Enfm)

+ B_7(Bod_Disc + β_8(Bod_Duality) + β_9(G) + β_{10}(N) + β_{11}(GR) + β_{12}(NR) + μ_i

Dependent variable: rules and laws that promote corporate governance practice

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	1.90** 0.31 (6.20)	4.46** 0.26 (16.92)	1.53** 0.58 (2.65)	1.54** 0.27 (5.78)
Corporate strategy	0.09 0.05 (1.62)	-0.01 0.04 (-0.36)	0.13* 0.08 (1.73)	0.02 0.05 (0.32)
Executive compensation	-0.14** 0.06 (-2.17)	-0.16** 0.04 (-3.71)	-0.28** 0.12 (-2.39)	0.04 0.05 (0.71)
Board effectiveness	-0.00 0.06 (-0.08)	0.01 0.04 (0.32)	0.03 0.08 (0.45)	0.08* 0.04 (1.91)
Financial reporting	0.02 0.06 (0.29)	-0.03 0.04 (-0.59)	0.06 0.08 (0. 76)	0.02 0.05 (0.45)
Board Transparency	0.38** 0.07 (5.70)	0.11** 0.05 (2.30)	0.14 0.10 (1.37)	-0.04 0.05 (-0.67)
Enforcement rules	-0.02 0.06 (-0.25)	0.00 0.04 (0.06)	-0.15 0.10 (-1.54)	0.08* 0.05 (1.75)
Board disclosure	0.13* 0.07 (1.94)	0.12** 0.05 (2.48)	0.31** 0.10 (2.94)	-0.13** 0.06 (-2.22)
Board duality	-0.28** 0.07 (-3.85)	-0.06 0.05 (-1.7)	0.38** 0.14 (2.78)	-0.12** 0.05 (2.89)
Ghana		-1.96** 0.13 (-15.04)		
Nigeria		-2.20** 0.13 (-17.32)		
R-square	0.29	0.55	0.49	0.10
F-statistic	20.53	63.76	12.17	3.35
No of observation	416	416	112	243

The dependent variable is indicated as adequate and effective rule and laws that promote corporate governance items or variable under section B of the survey questionnaire. The Independent variables are the role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy

(Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

*Heteroskedasticity is corrected using White-adjusted standard errors.

Key findings from the above Table include the following:

1. In column 2 the respondents from non-regulatory stakeholders (all the countries together) indicate that executive compensation (Q32) may hinder the rules and laws that promote effective corporate governance practice.

2. The respondents from non-regulatory stakeholder show that board transparency (Q35) increase the quality of rules and laws for sound corporate governance practice.

3. The respondents from non-regulatory stakeholder also found that board disclosure (Q37) is likely to enhance rules and laws that promote sound corporate governance practice.

4. In Ghanaian firms respondents from non-regulatory stakeholders believe that commitment of board member to corporate strategy (Q31) may provide good quality of rules and laws for effective corporate governance practice.

5. In Ghanaian firms respondents from non-regulatory stakeholders provide evidence that board duality (Q38) may improve the rules and laws that enhance sound corporate governance practice.

6. In Nigerian firms respondents from non-regulatory stakeholders show that board effectiveness (Q33) matter in order to improve rules and laws that promote good corporate governance.

7. In Nigerian firms respondents from non-regulatory stakeholders indicate that commitment of board to enforcement (Q36) of corporate governance is more likely to improve rules and laws that enhance good corporate governance.

8. In Nigerian firms respondents from non-regulatory stakeholders found that board duality (Q38) seem to deter rules and laws that bring good corporate governance practice.

Table 5.5.2 Column 2 shows that executive compensation and board duality have a negative effect on rules and laws of corporate governance practices. Also, board transparency, board disclosure and communication are more likely to promote effective rules and law of corporate governance practice in all the selected countries together.

Furthermore, Table 5.5.2 Column 3 and 4 contain information of the regression analysis in each of the country. In Ghanaian firms there is evidence that executive compensation has a negative influence on rule and laws of the corporate governance. This implies that respondents from non-regulatory stakeholders indicate that the degree of board commitment to executive compensation may not promote rules and laws for corporate governance practices. On the other hand, board disclosure, communication and board duality (separation between the role and responsibility of Chairman and CEO) has a positive effect on the rules and law of corporate governance.

In Nigerian firms commitment of the board effectiveness and enforcement of corporate governance policy seem to promote rules and laws of corporate governance practice. Thus, board disclosure, communication and board duality (separation between the role and responsibility of Chairman and CEO) have negative relationship with the rules and law of corporate governance. The respondents from non-regulatory stakeholders in Nigerian firms indicate that commitment of board to board effectiveness and enforcement may promote rules and laws that promote corporate governance practice in Nigeria. Contrarily, the non-stakeholders believe that board disclosure, communication and board duality hinder the promotion of rules and laws on corporate governance practices.

5.5.3 The Effect of role and responsibility of firm’s boards of directors’ variables on power and authority of regulatory and supervisory agencies using respondent from non-regulatory stakeholders

This section provides the assessment of the effect of the role and responsibility of firm’s board of director on rule and laws of corporate governance practices using non-regulatory stakeholders of corporate governance. The Table below illustrates the model estimate and results of the data analysis.

Table 5.5.3: Showing the result of the OLS estimate on power and authority of regulatory and supervisory agencies and role and responsibility of firm's boards of directors' variables using respondents from non-regulatory stakeholders.

Agencies_cg = β_0 +β_1(corp_strgy) + β_2 (Exec_comp) + β_3(Bod_Eff) + β_4(Bod_Frept) + β_5(Bod_Trpy) + β_6 (Bod_Enfm) + B_7(Bod_Disc + β_8(Bod_duality) + β_9(G) + β_{10}(N) + β_{11}(GR) + β_{12}(NR) + μ_i

Dependent variable: power and authority of regulatory and supervisory agencies of corporate governance

Variables	All observation for the countries	All the countries with Ghana and Nigeria as dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)
Intercept	2.71** 0.31 (8.71)	3.28** 0.35 (9.39)	1.47** 0.63 (2.32)	2.44** 0.49 (4.96)
Corporate strategy	-0.18** 0.05 (-3.41)	0.08 0.05 (1.43)	0.09 0.08 (1.10)	0.09 0.09 (1.07)
Executive compensation	0.00 0.06 (0.04)	-0.03 0.06 (-0.45)	-0.17 0.13 (-1.33)	0.02 0.10 (0.20)
Board effectiveness	0.09 0.06 (1.59)	-0.00 0.05 (-0.03)	0.02 0.08 (0.20)	0.06 0.08 (0.76)
Financial reporting	0.01 0.06 (0.18)	0.04 0.06 (0.65)	-0.03 0.09 (-0.35)	0.07 0.09 (0.79)
Board Transparency	0.20** 0.07 (2.91)	0.13 0.06 (1.94)	-0.00 0.11 (-0.01)	0.13 0.10 (1.24)
Enforcement rules	-0.10 0.06 (-1.53)	-0.08* 0.06 (-1.37)	-0.03 0.11 (-0.29)	-0.11 0.09 (-1.30)
Board disclosure	0.28 0.07 (4.10)	0.13** 0.07 (2.05)	0.46** 0.12 (3.98)	0.02 0.11 (0.15)
Board duality	-0.01 0.08 (-0.12)	0.15** 0.07 (2.12)	0.15 0.15 (1.00)	0.21** 0.09 (2.22)
Ghana		-1.94** 0.17 (-11.27)		
Nigeria		-0.62** 0.17 (-3.78)		
R-square	0.16	0.42	0.34	0.08
F-statistic	12.39	29.68	6.57	2.70
No of observation	416	416	112	243

The dependent variable is indicated as power and authority of the supervisory, enforcement and regulatory agencies items or variable under section B of the survey questionnaire. The Independent variables are role and responsibility of boards of directors which comprises each items or statement in section H of the survey questionnaire. Each of such items or statement which are variables include Level of commitment to corporate strategy (Corporate Strategy), adequate attention to executive compensation (Executive Compensation), Effective committed to their responsibility (Board Effectiveness), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy (Enforcement of corporate governance policy), Level of concern to the integrity of companies financial reporting system (Financial Reporting system), Level of ensuring of a formal and transparent board nomination and election process (Board Transparency), Level of concern about enforcement of corporate governance policy

(Enforcement of corporate governance policy), Supervision of process of disclosure and communication (Board disclosure and communication) and Separation between roles of Chairman and Chief Executive Officer (CEO) (Board duality).

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
*Heteroskedasticity is corrected using White-adjusted standard errors.

Key findings from the above Table are:

1. The respondents from non-regulatory stakeholders (all the countries together) indicate level of commitment of board members to enforcement of corporate governance (Q36) seem to deters the power and authority of regulatory agencies to perform their function.

2. They also believe that board disclosure (Q37) may increase the power and authority of regulatory agencies to perform their roles and responsibilities.

3. The respondents from non-regulatory stakeholders found that board duality (Q38) can strengthen the power and authority of the regulatory agencies to perform their function effectively.

4. In Nigerian firms respondents from non-regulatory stakeholders show that board duality is likely to increase the power and authority of the regulatory agencies to enable them perform their duties effectively.

Table 5.5.3 examines empirically the effect of role and responsibility of firm's directors' variables and the power and authority of the regulatory and supervisory agencies of corporate governance on non-regulatory stakeholders of corporate governance using regression analysis. Column 2 shows that enforcement of corporate governance policy has a negative effect on power and authority of regulatory and supervisory agencies of corporate governance. Thus, board disclosure, communication and board duality (separation between the role and responsibility of Chairman and CEO) seem to provide stronger power and authority of regulatory and supervisory agencies of corporate governance. In addition, Ghanaian and Nigerian firms as dummy variables have negative effect on promotion of power and authority of regulatory and supervisory agencies of corporate governance.

Furthermore, this study estimate across the countries in Column 3 and 4 the results show that in Ghanaian firms the level of commitments for board to disclosure and communication has a significant positive impact on the power and authority of regulatory and supervisory agencies. This finding indicates that respondents from non-regulatory stakeholders in Ghanaian firms believe that commitments of board to disclosure and communication can promote strong power and authority of regulatory agencies in Ghana. In Nigerian firms board duality (separation between the role and responsibility of Chairman and CEO) have positive effect on power and authority of regulatory and supervisory agencies of corporate governance.

Conclusion

This chapter has presented the effect of role and responsibilities of board of directors of listed firms on corporate governance system and the suggestion of regulatory bodies and non-regulatory stakeholder of corporate governance. The next Chapter (six) will assesses the effect of external factor such as economic, societal and cultural, political environment, corruption and bribery ownership structure and accounting system on corporate governance system using Ghana, Nigeria and South Africa as case studies. The chapter further classifies the respondents as regulatory bodies and non-regulatory stakeholder of corporate governance. The objective of classification is to identify the suggestion of each respondent for the robustness results of the study

Chapter Six

Results of data analysis on the effects of external factors on corporate governance system of firms

Summary

The objective of this chapter is to assess the effect of external factors such as economic, societal and cultural, political environment, corruption and bribery ownership structure and accounting system on corporate governance system using Ghana, Nigeria and South Africa as case studies. The chapter further classifies the respondents as regulatory bodies and non-regulatory stakeholders of corporate governance. The objective of classification is to identify the suggestion of each respondent for the robustness results of the study.

The Table below describes the sections, statements, variables and sub-variables on external factors on corporate governance practices as it indicated in the survey questionnaire.

Table 6: Provides the section, statements and variables on external factors influence corporate governance practices.

Section	Statements	Variables
I: Effect of Economic factor	**Q39**.Good corporate practice within firms is attracting domestic investment in a nation	Domestic investment
	Q40.Good corporate governance practices within firms is important in attracting foreign investment	Foreign investment
	Q41.Good corporate governance influences the growth and development of firms and this, in turn influences the economy of a nation	Growth
	Q42.Shareholder protection can affect the level of equity markets	Equity market
	Q43.Macroeconomic policies influences the way firms are managed in such a way as to influence the relationship between firms and shareholders	Macro-economic policy
	Q44.Banks play a predominant role in financing of firms in your country	Financial intermediation
	Q45.Firms in your country own and control major local banks by	

	creating a form of conglomerate business organisation	Firms control
	Q46.There are conflicts and problems associated with corporate governance before or after privatization of state-owned companies in your country	Privatisation
	Q47.There is no transparency in the sales of state-owned companies and appointment of the board of directors	Transparency
	Q48. The local investors are unable to use voting power to enforce corporate governance and there is no effective corporate control	Local investor
Section	**Statements**	**Variables**
J: Effect of Societal and Cultural factor	**Q49**.Corporate governance within firms should consider the interest of all shareholders (employee, customers) individual and community goal	Stakeholder interest
	Q50.Corporate governance guidelines and regulation should be drawn in a such a way that they reflect the socio-political and cultural environment of each nation	Socio-political environment
	Q51.National culture affects enforcement procedure in accounting systems and these influences corporate governance practice of a firm in a country	National culture
	Q52.The business ethics and value that characterize a society will influence the level of confidence in the integrity and probity of firm and capital markets	Business ethics
K: Effect of Corruption and bribery	**Q53**.Reduction in corruption and bribery will help to improve corporate governance practice	Reduction corruption
	Q54.Level of corruption influence the ability of the regulatory authorities to enforce compliance within corporate governance principles and accountability within firms	Regulatory authority
	Q55.Job security and payment of satisfactory living wages will influence the level of corruption	Job security
	Q56.Conflict of interest, unsound ethics and greed influence the corporate governance practice of a	Conflict interest

	firm	
	Q57.Economic hardship will influence the level of corruption among employees to the extent that corporate governance practice are undermine	Economic hardship
	Q58.Lack of internal control system will influence level of corruption among employee to the extent that corporate governance practices are undermined with firms	Internal control
L:The influence of political environment	**Q59**.The government exerts substantial influence over the ownership of companies in my country of operation	Government ownership
	Q60. The political environment, by influencing fiscal and monetary policies has a substantial impact on corporate governance practices.	Monetary policies
	Q61.Prolonged period of military or civilian rule in a country will influence the corporate governance practice of firms	Government type
	Q62.The government interferes with the work of regulatory and supervisory bodies with regard to appointments or incentives for company executive within firms	Government influence
	Q63.Politician exert undue influence over the ministries and agencies responsible for monitoring and enforcement of corporate governance guidelines and regulation within firms	Politician influence
M: Effect of ownership structure	**Q64**.Board members and senior management are generally majority stock holders of companies in your country	Board member
	Q65.Foreign national are generally majority of shareholders of companies in your country	Foreign national
	Q66.The government holds majority of stock in companies in your country	Government majority
	Q67.Family members generally hold the majority of stocks in companies in your country	Family majority
	Q68.Where a single family dominate the management of a firm, this will be reflected in corporate governance practice of firm	Single family

N: Effect of Accounting system	**Q69**.Firms prepared financial information that accord with statutory and ethical obligation in my country	Financial information
	Q70.The Institute of Chartered Accountant or equivalent (professional body of accountants) play a role in enforcing good accounting and financial reporting practices in my country	Professional bodies
	Q71.The Accounting standards Board (national equivalent) issues standards that are in line with international accounting standards	Accountant standard

6.1 Results on effect of external factors on corporate governance system of firms.

This section provides the regression results on the effect of external factors such as economic, societal and cultural, corruption, political environment, ownership structure and accounting system and corporate governance system of firms. Below are the model estimate and the results of the data analysis.

Table 6.1: The effect of external factors on corporate governance system of firms.

$Total\_cg = \beta_0 + \beta_1(Tec\_I) + \beta_2(Tsc\_J) + \beta_3(Tcorrpt\_K) + \beta_4(Tpol\_L) + \beta_5(Town\_M) + \beta_6(Tacct\_N) + \beta_7(G_R) + \beta_8(N_R) + \mu_i$

Dependent variable: Total effective corporate governance system

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	10.34** 1.49 (6.96)	16.40** 1.23 (13.31)	13.14** 1.94 (6.79)	11.43** 1.60 (7.16)	5.72** 2.84 (2.02)
Economic	-0.03 0.03 (-0.88)	-0.02 0.02 (-0.69)	-0.01 0.04 (-0.23)	0.05 0.03 (1.51)	0.06 0.04 (1.47)
Societal and cultural	0.08 0.06 (1.33)	-0.04 0.05 (-0.84)	-0.16* 0.06 (1.88)	0.04 0.07 (-0.61)	-0.01 0.09 (-0.06)
Corruption	0.08* 0.05 (1.70)	0.03 0.04 (0.70)	0.06 0.06 (1.07)	-0.02 0.05 (-0.37)	0.20** 0.07 (2.75)
Political environment	-0.18** 0.03 (-5.52)	-0.05** 0.03 (-1.99)	-0.18** 0.05 (3.70)	0.02 0.04 (0.49)	-0.08 0.05 (-1.49)
Ownership structure	-0.03** 0.04 (-0.08)	-0.03 0.04 (-0.85)	0.19** 0.06 (3.02)	-0.23** 0.05 (-4.43)	-0.09 0.09 (-1.05)
Accounting system	0.42** 0.06 (6.55)	0.29** 0.05 (5.64)	0.21** 0.10 (2.22)	0.24** 0.06 (3.79)	0.52** 0.13 (4.09)
Regulators		0.47** 0.19 (2.46)			
Ghana		-5.14** 0.28 (-18.17)			
Nigeria		-3.64** 0.26 (-13.86)			
R-square	0.14	0.47	0.29	0.12	0.38
F-statistic	14.52	52.59	9.64	7.31	6.75
No of observation	541	541	150	320	71

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are economic factor is shown as total economic factor which is the addition of all items or *variables under section I of the survey questionnaire, societal and cultural factor is illustrated as total societal and cultural which is the addition of all the items or variable under section J of the survey questionnaire, corruption and bribery is shown as total corruption and bribery which is the addition of all items or variable within section K of the survey questionnaire, Total political environment is the addition of all items under political environment in section L, ownership structure is the total items or variable under section M, and accounting system is the total of all items or statements under section N of the survey questionnaire.*

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

The main findings from above Table are based on the opinion of the respondents include the following;

1. There are evidence that political environment may hinders the promotion of effective corporate governance system of firms.

2. Accounting system seem to promote effective corporate governance system of firms

3. The regulators believe that corporate governance system may be better than non-regulatory stakeholders.

4. The regulators believe that Ghanaian and Nigerian firms may not promote corporate governance system; however South African firms are better to improve corporate governance system.

5. In Ghanaian firms the societal and cultural factors can hinder the promotion of sound corporate governance system.

6. In Ghanaian firms ownership structure matter in order to promote sound corporate governance system.

7. In Nigerian firms ownership structure seem to deter the promotion of effective corporate governance system.

8. In South Africa firms' corruption seem to increase as corporate governance reforms are introduced. Thus, corruption is likely to hinder the promotion of sound corporate governance practice of South African firms.

In conclusion from the above results it shows that accounting system adopted by a nation plays a vital role to promote sound corporate governance system.

This study examines external factors on corporate governance system as shown in Column (1), (2), (3), (4) and (5) in Table 6.1. In Column 2 we find that political environment have a negative effect on corporate governance system. This result implies that the political environment in the SSAA region does not enhance corporate governance system. This may be due to government exerting substantial influence on process of acquiring ownership of firms. In addition, politicians and friends of government in power interfere on work of regulatory and supervisory bodies of corporate governance. Also, prolong military rules across the countries in the Sub-region did not help the matter because during the military regimes there are no corporate governance frameworks. Also, there are no institutions to formulate policies on corporate governance practices.

The Accounting system adopted can promote the development of effective corporate governance. This evidence suggests that accounting system is one of the modifiers of corporate governance practice. It is through the quality of accounting system shareholders, potential investors and other stakeholders will be able to receive financial information about their firms.

Besides this, Column 3, 4 and 5 illustrate the estimate within each country. There is evidence that in Ghanaian firms' societal and cultural factor has a negative significant effect with coefficient of -0.16 on corporate governance system. This is likely to hinder the promotion of sound corporate governance system. This finding may be due to the guidelines on corporate governance system adopted does not taken the socio-cultural environment of the country into consideration in the formulation of the principle on corporate governance guideline.

In addition, the political environment in Ghana has a negative significant relationship with coefficient of -0.18 on corporate governance system. It is recently that Ghana has a democratically stable government as a result the institutional frameworks for corporate governance is not so strong to promote sound corporate governance. Also, this may be an interference of the government and politician on the regulatory and enforcement bodies of corporate governance. The accounting system within the firms in Ghana has a positive impact with coefficient of 0.29 on corporate governance system. This result suggests that proper adoption of accounting standard may improve the development of corporate governance in Ghanaian firms.

In Nigerian firms we find a negative significant effect of ownership structure on corporate governance system with estimate coefficient of -0.23. This result shows that ownership structure of firms in Nigeria may hinders effective corporate governance system.

This is likely due to lack of proper method of acquiring ownership through stockholding within firm, the controlling owners and the incompetency of those on board of management. However, we find that in Nigerian firms accounting system has a significant positive relationship on corporate governance system with coefficients of 0.21. This evidence indicates that adoption and implementation of proper accounting standard may promote corporate governance practice within firms. In addition, accounting system is one of the accelerators or modifier for corporate governance practices. It is through accounting system that will enable the shareholders, potential investors and other stakeholders of corporate governance of firms received financial information. The estimate shows a small R-square value for Nigeria in Column 4. This because there may be other factors not mention in this study that can affect the corporate governance practices in Nigerian firms.

In South African firms corruption has a positive significant impact on corporate governance system with coefficient of 0.20. This result implies that in South Africa, development of corporate governance seem to be affected by corruption in such a way that corruption interferes with different corporate governance policy adopted by the government of South Africa. This may hinder the promotion of good corporate government of firms in South Africa. Thus, accounting system has a positive significant effect with coefficient of 0.52 on corporate governance system. This result shows that the positive effect on accounting practice on corporate governance system may likely promote sound corporate governance practice in South Africa.

In all the countries together using Ghana and Nigeria Nigerian firms as a dummy variable in references to South African firms as it show in Column 2. There is evidence that both countries have a negative significant relationship on rules and laws that promote corporate governance. This result suggests that the implementation of rules and laws guiding corporate governance in these countries may be weak in compared with that of South Africa.

6.1.1 Results on the effect of economic factor on rules and laws that promote corporate governance of firms

Below are the model estimate and Table shows the results of the data analysis

Table 6.1.1: The effects of economic factor on rules and laws that promote corporate governance of firms.

$$Rules\_Q8 = \beta_0 + \beta_1(Dinvt\_Q39) + \beta_2(Finvt\_Q40) + \beta_3(Growth\_Q41) + \beta_4(Equity\_Q42) + \beta_5(Macro\_Q43 + \beta_6(Banks\_Q44) + \beta_7(Firms\_Q45) + \beta_8(Privatization\_Q46) + \beta_9(Transparency\_Q47) + \beta_{10}(Investor\_Q48) + \beta_{11}(G) + \beta_{12}(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	2.92** 0.47 (6.22)	5.37** 0.41 (13.04)	4.96** 0.64 (7.80)	0.70* 0.43 (1.62)	3.21** 0.86 (3.75)
Foreign Investment	0.14 0.10 (1.47)	0.16* 0.08 (1.99)	0.01 0.14 (0.05)	0.04 0.07 (0.48)	0.38** 0.17 (2.27)
Growth	-0.09 0.10 (-0.94)	-0.99 0.08 (-1.23)	-0.13 0.15 (-0.91)	0.15* 0.07 (1.69)	-0.01 0.18 (-0.05)
Equity Market	0.03 0.08 (0.33)	-0.01 0.06 (-0.12)	0.26** 0.13 (2.04)	-0.04 0.06 (-0.58)	-0.16 0.14 (-1.15)
Macro-economic policies	0.06 0.07 (0.89)	-0.11* 0.06 (-1.85)	-0.27** 0.14 (-2.01)	-0.09 0.06 -(1.18)	0.21 0.12 (1.67)
Financial intermediation	0.08** 0.04 (2.33)	0.02 0.03 (0.68)	0.11 0.09 (1.29)	0.07** 0.03 (2.67)	-0.06 0.11 (-0.52)
Firms control	0.27** 0.04 (6.88)	0.04 0.03 (1.20)	0.10 0.07 (1.51)	-0.04 0.04 (-1.18)	0.13 0.07 (1.86)
Privatization	-0.05 0.06 (-078)	-0.00 0.05 (-0.40)	0.14 0.13 (1.13)	-0.02 0.06 (-0.31)	-0.02 0.07 (-1.75)
Transparency	-0.16** 0.06 (-2.78)	-0.05 0.05 (-1.22)	-0.08 0.09 (-0.90)	0.07 0.05 (1.26)	-0.02 0.07 (-0.29)
Local investor	-0.28** 0.06 (-5.12)	-0.14** 0.05 (-3.07)	-0.70** 0.11 (-6.65)	0.02 0.05 (0.34)	-0.11* 0.07 (-1.75)
Ghana		-1.10** 0.14 (14.65)			
Nigeria		-2.16** 0.13 (16.22)			
R-square	0.31	0.54	0.50	0.06	0.25
F-statistic	23.90	51.90	13.30	1.99	2.01

No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are economic factor which are items or statements under section I of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

**Heteroskedasticity is corrected using White-adjusted standard errors.*

The key results from the above Table are based on the opinion of the respondents this include the following;

1. There is evidence that good corporate governance that attracts foreign investment (Q40) is more likely to improve rule and laws that promote corporate governance practice.

2. The macro-economic policy (Q43) may hinder the rules and laws that enhance corporate governance practice of firms.

3. The local investors (Q48) are unable to use voting power to enforce corporate governance, this discourages improvement of rules and laws that promote effective corporate governance practice.

4. In Ghanaian firms shareholders protection which affect equity market (Q42) seem to improve rules and laws that promote corporate governance.

5. In Nigerian firms good corporate governance that influence growth and development (Q41) is likely to enhances rules and laws that promote corporate governance practice.

6. In Nigerian firms the role of banking in financial intermediation (Q44) can improve rules and laws that promote corporate governance practice.

In conclusion what is important from the above finding is that when there is a good corporate governance practice this is likely to attract foreign investment.

We estimate sub-variables of economics factors on the rules of laws that promote corporate governance as shown in the Table 6.1.1. In Column 2, there is evidence that foreign investment (Q40) may likely improve rules and laws that guide corporate governance practice. This result has to do with all the selected countries together in the Sub-region.

In Column 2 macroeconomic policies (Q43) have a negative significant effect on rules and laws that promote corporate governance. This finding implies that a lack of proper implementation of macro-economic policies may result from poor quality of governance. This indicates that government expenditure may be misappropriated as a result of corruption, lack of transparency and accountability. This can lead to increase in national deficit. Thus an increase in national deficit brings weak economy such as high inflation rate, high interest rate and high unemployment rate. Consequently, investors may move from equity or capital markets to money markets because the money markets are free but capital markets are risky. In addition, this finding suggests that the corporate governance system such as rules; laws power and authority of the regulatory agencies are very weak. This can brings lack of confidence to the investors in equity markets.

In addition, local investor voting power and control (Q48) have a negative relationship with rules and laws that promote corporate governance practice. This result implies that a large number of listed firms are subsidiaries of foreign multinational and there are minority of shares with float for local investors. As a result, local investors may not be able to use voting power to enforce corporate governance and there is no effective control due to limited float (Kapumpa, 2001. Mensah, 2001).

Furthermore, within each country, in Table 6.1.1 Column 3 as it illustrates in Ghanaian firms, equity market (Q42) has a positive significant effect on rules and laws that promote corporate governance practice with coefficient of 0.26. This implies that rules and laws of corporate governance in regard to shareholder protection are likely improving corporate governance of firms in Ghana. However, micro economic policies have a negative significant effect on rules and laws that promote corporate governance practice with coefficient of -0.27. This result indicates the way firms are manage in Ghana, government micro economic policies negatively affecting the relationship between firms and shareholders. This result suggests that this may be due to poor implementation of micro-economic policies and weak institutional framework of corporate governance in Ghana.

In Nigerian firm in Column 4, there is evidence that growth and development of the economy have a positive effect on rules and laws that promote corporate governance practice. This finding implies that when there is an improvement in growth and development in a nation through sound economic policy, there is need for stringent rules and laws that enhance corporate governance so that investors will have confidence to invest in firms.

In South African firms as it shows in Column 5, foreign investments influence rules and laws guide corporate governance system with positive significant coefficient of 0.38. This result shows that good corporate governance within South Africa firms is likely to attract foreign investors. However, local investor voting power and control have a negative relationship with rules and law of corporate governance system with coefficient of -0.11. This result is consistent with Ghanaian firms in column 4.

6.1.2 Results on effect of societal and cultural factor on rules and laws of corporate governance of firms.

Below are the model estimate and Table shows the results of the data analysis.

Table 6.1.2: Describes the effects of societal and cultural factor on rules and laws of corporate governance of firms.

$$Rules\_Q8 = \beta_0 + \beta_1(stakeholders\_Q49) + \beta_2(Sociopol\_Q50) + \beta_3(Culture\_Q51) + \beta_4(Ethics\_Q52) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	2.81** 0.51 (5.52)	5.45** 0.38 (14.38)	4.91 0.67 (7.37)	1.20** 0.42 (2.83)	4.01** 0.75 (5.34)
Stakeholders interest	0.07 0.09 (0.77)	0.09 0.07 (1.29)	0.12 0.13 (0.90)	0.11 0.07 (1.48)	0.02 0.13 (0.15)
Socio-political environment	-0.07 0.09 (-0.88)	-0.09 0.06 (-1.54	-0.26* 0.14 (1.85)	-0.02 0.06 (-0.27)	0.14 0.11 (1.27)
National culture	-0.03 0.06 (-0.41)	-0.09** 0.04 (-1.98)	-0.28** 0.10 (-2.71)	0.06 0.04 (1.29)	-0.05 0.12 (-0.43)
Business ethics	-0.03 0.06 (-0.41)	-0.13* 0.07 (-1.89)	-0.24 0.14 (-1.65)	-0.04 0.08 (-0.48)	-0.01 0.13 (-0.08)
Ghana		-2.33** 0.12 (-19.55)			
Nigeria		-2.54** 0.11 (-23.60)			
R-square	0.06	0.52	0.18	0.13	0.26
F-statistic	0.76	95.11	8.05	1.00	1.44
No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables which are societal and culture which are items or statements under section J of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

The key results from the above Table are based on the opinion of the respondents this include the following;

1. There is evidence that national culture that affect the enforcement of accounting system (Q51) seem to hinder the improvement of rules and laws for sound corporate governance practice. Corporate

2. The result reveals that business ethic (Q52) may inhibit the rules and laws for effective corporate governance practice.

3. The socio-political and cultural environment (Q50) can hinders the development of rules and laws that promote sound corporate governance practice in Ghanaian firms.

4. The national culture that affects the enforcement of accounting system (Q51) discourages rules and laws that can improve corporate governance practice in Ghanaian firms.

Table 6.1.2 Column 2 illustrates the estimate using all the countries with dummy variable. The result indicates that business ethics has a significant negative effect on rules and laws of corporate governance. This evidence suggests that business ethics and values that characterise a society which influence the level of confidence in the integrity and probity of firm and capital market (Q52) may deters the rules and law that promote effective corporate governance. This result implies that there is a lack of proper business ethics and values within the society and it can have negative effect on promotion of effective corporate governance practice of firm.

In addition, in Ghanaian firms the socio-political and cultural environment (Q50) have a negative influence on rules and laws with coefficient of -0.26 and this does not promote effective corporate governance system. Also, the national culture on enforcement of accounting procedure (Q46) is negatively significant with -0.28 on rules and laws of corporate governance. This result suggests that the Ghanaian culture on enforcement of accounting procedure seem to inhibit the development of sound corporate governance practice of firms in Ghana.

6.1.3 Result on effect of corruption and bribery on rules and laws that promote corporate governance of firms.

Below are the model estimates and Table reports the results of the data analysis.

Table 6.1.3: The effects of corruption and bribery on rules and laws that promote corporate governance of firms.

$$Rules\_Q8 = \beta_0 + \beta_1(Reduction\_Q53) + \beta_2(Regulatory\_Q54) + \beta_3(Job\_Q55) + \beta_4(Interest\_Q56) + \beta_5(Economic\_Q57) + \beta_6(Control\_Q58) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	2.23** 0.54 (4.10)	5.12** 0.40 (12.70)	4.27** 0.71 (6.04)	1.44** 0.43 (3.34)	3.39** 0.90 (3.75)
Reduction in corruption	0.10 0.12 (0.88)	0.11 0.08 (1.36)	0.18 0.16 (1.14)	0.06 0.09 (0.64)	0.12 0.12 (1.00)
Regulatory authority	-0.11 0.11 (-1.05)	-0.16** 0.08 (-2.14)	-0.33** 0.15 (-2.19)	-0.02 0.08 (-0.28)	0.04 0.16 (0.26)
Job security	-0.02 0.06 (-0.37)	-0.05 0.04 (-1.28)	0.05 0.12 (0.46)	-0.04 0.04 (-1.10)	-0.22** 0.09 (-2.60)
Conflict interest	-0.12 0.11 (-1.04)	-0.14* 0.08 (-1.83)	-0.39** 0.17 (-2.67)	0.09 0.08 (1.11)	0.03 0.16 (0.19)
Economic hardship	-0.12 0.10 (1.17)	-0.16** 0.07 (-2.17)	-0.50** 0.16 (-3.11)	0.05 0.07 (0.68)	0.62** 0.18 (3.46)
Internal control	0.28** 0.12 (2.32)	0.24** 0.08 (2.89)	0.49** 0.19 (2.62)	-0.08 0.06 (-0.97)	-0.36 0.27 (-1.36)
Ghana		-2.32** 0.12 (-19.50)			
Nigeria		-2.53** 0.11 (-23.62)			
R-square	0.15	0.52	0.21	0.12	0.23
F-statistic	1.37	72.99	6.43	0.68	3.15
No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables which are corruption and bribery which are items or statements under section K of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 pecent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key findings from above Table are based on the opinion of the respondents include the following;

1. Corruption within the regulatory authority authorities (Q54) can deters the development of rules and laws that improve corporate governance practice.

2. Conflict of interest and greediness within firms (Q56) may hinder rules and laws that promote corporate governance practice.

3. The economic hardship that encourages corruption among employee (Q57) has a negative effect on rules and laws that promote corporate governance practice.

4. The level of internal control system within firms (Q58) can increase the quality of rules and laws that corporate governance practice.

5. In South African firms, job security and payment of satisfactory living wages which influence corruption (Q55) is less likely to improve rules and laws that promote corporate governance practice.

6. In South African economic hardship that affects corruption among employee (Q57) seem to increases as the corporate governance reforms are introduced in South Africa.

In conclusion from the above finding when there is adequate internal control system in firms this increases the quality of rules and laws that bring good corporate governance practice.

In Table 6.1.3 Column 2, the following corruption variables such as corruption within regulatory authorities (Q54) conflict of interest and greediness (Q56) and economic hardship (57) have a negative effect on rules and laws of corporate governance practices. This result suggests that these sub-variables may hinder the promotion of rules and laws that bring sound corporate governance in the Sub-region (SSAA). Also, lack of internal control system is another barrier that weakens the development of rules and laws that can promote good corporate governance of firm in the Sub-region. The evidence from the above suggests that corruption and bribery can alter the rules and laws process in corporate governance practices through lack of adequate internal control system, conflict of interest, greediness, economic hardship which may result to endemic corruption in the society.

In Table 6.1.3 Column 3, we find that in Ghanaian firms' corruption sub-variables such as corruption within regulatory authorities of corporate governance (Q54) has a negative significant relationship with coefficient of -0.33 on rules and laws that promote corporate governance practices. Conflict of interest and greediness (Q56) is negatively significant with coefficient of -0.39 and economic hardship (Q57) has a negative effect with coefficient of 0.50 on rules and laws that promote corporate governance practice. This result implies that corruption may be endemic within Ghanaian society and this cannot promote rules and laws on corporate governance practices of firms in Ghana.

Moreover, in South African firms job security and payment of satisfactory living wages (Q55) have a negative influence on rule and law that promote corporate governance with coefficient of -0.22. This result indicates that the issue of job security and payment of satisfactory living wages does not matter because corruption has been institutionalised and endemic in the system. This seems to deter the development of corporate governance practice in South Africa. The government of South African introduced various corporate governance reforms as a result of impact of economic hardship which result into corruption that seem to endemic and institutionalised in South Africa. Consequently, this may discourage promotion of effective corporate governance practice.

6.1.4 Results on effects of political environment on rules and laws that promote corporate governance of firms.

Below are the model estimates and the Table showing the results of the data analysis

Table 6.1.4: The effects of political environment on rules and laws that promote corporate governance of firms.

$$\text{Rules\_Q8} = \beta_0 + \beta_1(\text{Ownership\_Q59}) + \beta_2(\text{Monetary\_Q60}) + \beta_3(\text{Type\_Q61}) + \beta_4(\text{Government\_Q62}) + \beta_5(\text{Politician\_Q63}) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries with Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	3.48** 0.37 (9.52)	5.31** 0.29 (18.56)	5.50** 0.58 (9.46)	1.04** 0.28 (3.74)	4.87** 0.73 (6.65)
Government ownership	-0.01 0.05 (-0.17)	-0.01 0.04 (-0.20)	-0.05 0.09 (-0.55)	-0.04 0.04 (-0.90)	-0.04 0.07 (-0.50)
Monetary policies	-0.07 0.09 (-0.84)	-0.21** 0.06 (-3.21)	-0.57** 0.12 (-4.77)	0.06 0.07 (0.80)	-0.08 0.16 (-0.49)
Type of government	0.24** 0.07 (3.17)	0.08 0.06 (1.40)	0.03 0.13 0.21	0.03 0.06 (0.58)	0.07 0.13 (0.58)
Government influence	-0.30** 0.06 (-5.14)	-0.12** 0.04 (-2.72)	-0.34** 0.11 (-2.96)	-0.03 0.04 (-0.59)	0.03 0.08 (0.39)
Politician influence	-0.16** 0.07 (-2.45)	0.02 0.05 (0.44)	0.14 0.11 (1.27)	0.12** 0.06 (2.10)	-0.10 0.07 (-1.40)
Ghana		-2.16** 0.13 (-17.12)			
Nigeria		-2.41** 0.12 (20.78)			
R-square	0.14	0.52	0.31	0.27	0.05
F-statistic	16.80	83.68	12.61	11.77	0.73
No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables which are political factor which are items or statements under section L of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

**Heteroskedasticity is corrected using White-adjusted standard errors.*

The main findings from above Table are based on the opinion of the respondents include the following;

1. The political environment that influences fiscal and monetary policies (Q60) can hinder the rules and laws that promote corporate governance practice.

2. The level of interference of government with the work of regulatory and supervisory bodies (Q62) discourages the rules and laws that promote corporate governance practices.

3. The political environment that influences fiscal and monetary policies (Q60) may inhibit the rules and laws that promote corporate governance practice in Ghanaian firms.

4. The level of political influence over the ministry and agencies in charge of corporate governance (Q63) has effect on rules and laws that promote corporate governance in Nigerian firms.

In all the countries together in respect to Column 2 of the Table 6.1.4, there is evidence that political influence with fiscal and monetary policies (Q60) have a negative impact on rules and laws guiding the promotion of corporate governance practice. The political environment that influences fiscal and monetary policies hinders corporate governance practices. This result suggests that in countries where political elites are corrupt there is likely to be lack of accountability and transparency. This may lead to weak institutions and poor governance. These may also results to poor implementation of fiscal and monetary policies which may result to high inflation rate in the selected countries in the Sub-region.

In addition, governance influence on regulatory agencies (Q59) has a negative significant impact on rules and laws that promote corporate governance practices. This because government may impose their own political friends as head and board members of those regulatory agencies such as Securities and Exchange Commission and Central Banks who are also boards members of some listed firms. At the end of the day, the regulatory agencies may not have free hand to enforce and regulate corporate governance policy for firms in the in the selected countries in the Sub-region.

In Column 3 Ghanaian firms, the political influence with fiscal and monetary policy has a significant negative relationship with coefficient of 0.57 on rules and laws that promote corporate governance practice. This result implies that in Ghana the political institution seem to be weak to implement a strong and vibrant fiscal and monetary policy that can promote corporate governance practice. Presently, in Ghana the institutional frameworks for policy implementation may be weak compiled with institutionalised socio-political corruption within country. This has negatively affected government official in the ministries, and agencies concerned with fiscal and monetary policies and regulatory agencies on corporate governance policy to perform their duties.

In addition, governance influence on regulatory agencies sub-variable has a negative significant effect on rules and laws of corporate governance with coefficient of -0.34. This result may be due to imposition of political elites who are friends to the government in power as heads and members of board of the regulatory agencies. As a result, those political elites and friends are board's members and chairman of some listed firms in Ghana. Thus, officer in charge of those regulatory agencies may not be able to perform their duties as a result of interferences by such boards' members and chairman of those regulatory agencies.

In Nigerian firms, the politicians influence on regulatory agencies sub-variable (Q63) has significant positive impact on rules and law that promote corporate governance practices. This finding implies that board members and chairman may be incompetent, but are politicians and friends to officials of government in power. They also own majority of share in some listed companies. As a result, they can easily manipulate the officers in charge of supervision and regulatory of corporate governance. The policies and reforms on corporate governance such as multiplicity of code of corporate governance for listed firm are on paper and are not properly implemented. This may be due to incompetent of the board members and chairman who do not give freehand to those officers in charge of the regulatory and supervision of corporate governance policy.

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6.1.5 Results on the effect of ownership structure on rules and laws that promote corporate governance of firms

Below are the model estimate and Table illustrates the result of the data analysis.

Table 6.1.5: The effect of ownership structure on rules and laws that promote corporate governance of firms.

$$Rules\_Q8 = \beta_0 + \beta_1(Board\_Q64) + \beta_2(Foreign\_Q65) + \beta_3(Govt\_Q66) + \beta_4(Famly\_Q67) + \beta_5(Single\_Q68) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries with dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	2.33** 0.32 (7.26)	3.93** 0.25 (15.50)	0.71 0.45 (1.58)	1.99** 0.27 (7.46)	3.12** 0.67 (4.63)
Board members	-0.16** 0.04 (-4.51)	0.06 0.04 (1.61)	0.11 0.08 (1.41)	-0.04 0.04 (-0.91)	0.06 0.07 (0.76)
Foreign national	0.39** 0.07 (5.61)	0.23** 0.05 (4.50)	0.52** 0.13 (4.16)	-0.05 0.06 (-0.84)	0.04 0.08 (0.49)
Government majority	-0.08 0.08 (-0.96)	0.03 0.06 (0.96)	0.14 0.14 (1.00)	-0.12** 0.06 (-2.02)	-0.16 0.16 (-1.00)
Family majority	-0.05 0.06 (-0.80)	0.05 0.04 (1.12)	0.22** 0.09 (2.58)	0.01 0.05 (0.09)	0.06 0.11 (0.52)
Single family	-0.01 0.06 (0.24)	-0.05 0.04 (-1.16)	-0.08 0.09 (-0.95)	0.04 0.05 (0.79)	0.031** 0.12 (2.54)
Ghana		-2.18** 0.12 (18.23)			
Nigeria		-2.56** 0.12 (-21.29)			
R-square	0.10	0.53	0.34	0.24	0.21
F-statistic	10.44	85.79	14.48	11.58	11.52
No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are indicates as ownership structure which are items or statements under section M of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

**Heteroskedasticity is corrected using White-adjusted standard errors.*

The main results from the above Table are based on the opinion of the respondents include the following;

1. When foreign national are generally majority of shareholder of companies (Q65) this is more likely to improve the rules and laws that promote corporate governance practice.

2. Particularly in Ghanaian firms when family are majority of stockholders (Q62) such situation improve rules and laws that promote corporate governance practice.

3. More especially, in Nigerian firms when government are majority of stockholders (Q66) there is evidence that this situation hinders rules and laws that promote corporate governance.

4. In South African firms particularly the result reveal that when single family dominate the management this may be reflected in the rules and laws that promote corporate governance practice.

In conclusion what matter from the above finding is that when foreign national are majority of stockholders (Q65) this may increase the quality of rules and laws that promote good corporate governance.

In column 2, when foreign national are majority of stockholders have a significant positive effect on rules and laws guiding the promotion corporate governance of firms. This finding suggests that when foreign national are majority of the stocks in a firms; this may sound corporate ideas into the firms in the Sub-region which can promote corporate strategy and corporate governance practice of firms.

Furthermore, Table 6.1.5 Column 3, the regression result indicate that foreign national have a majority of stock holders seem to improve rules and laws that promote corporate governance practice. This result implies that foreign ownership may bring new strategy to improve the corporate governance of Ghanaian firms. In addition, family members are majority stockholders variable can improve corporate governance. This indicates that the family members may decide that they want their firms to comply with corporate governance code of best practices. Such family-owned firms will like to follow the code of corporate governance regulation so that they can be one of the best firms in corporate governance compliance. In such situation, Ghanaian firm who are family-owned is likely to practice good corporate governance in order to attract more investors into their firms so that the firm will not collapse.

In Nigerian, government as majority stockholders variable of firms have a negative influence on rules and laws that promote corporate governance. This evidence shows that when government are majority of stockholders of firms there may be tendency that there will be favouritism such that most of the chairman and directors of such companies will be politicians and friends to officials of the government in power. These sets of people seem to be incompetent to carry out their duties and there may be lack of accountability and transparency in the activities of such firms. This situation cannot promote effective corporate governance practices. This finding is consistent with what occurs at presently in state-owned companies in Nigeria. Where companies are control and managed by political elite and friends to officials of the government in power with no accountability and most of these companies are collapsing presently.

In South Africa when single family dominates the management of firm it has a positive effect on rules and laws that guide corporate governance. This finding buttresses or supports the effect of family-owned firms whereby the family will follow the rules and laws that can promote effective corporate governance in the management of the firms so that the firms will attract more investors the firms may not collapse.

6.1.6 Results on the effect of accounting on the rules and laws that promote corporate governance of firms.

Below are the model estimates and the Table shows the results of the data analysis.

Table 6.1.6: The effects of accounting system on rules and laws that promotes corporate governance of firms.

$$\text{Rules\_cg} = \beta_0 + \beta_1(\text{Information\_(Q69)} + \beta_2(\text{Profession\_(Q70)} + \beta_3(\text{Standard\_(Q71)} + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	All observation for the countries	All countries With Ghana and Nigeria as dummy	Ghana	Nigeria	South Africa
	(1)	(2)	(3)	(4)	(5)
Intercept	0.77** 0.39 (1.99)	4.05** 0.31 (12.92)	2.51** 0.74 (3.74)	1.39** 0.26 (5.25)	2.45** 0.71 (3.46)
Financial information	0.19** 0.07 (3.00)	0.08* 0.05 (1.68)	0.10 0.13 (0.79)	0.02 0.04 (0.36)	0.40** 0.14 (2.94)
Professional bodies	0.03 0.08 (0.33)	0.00 0.06 (0.02)	-0.20 0.17 (-1.13)	0.01 0.05 (0.09)	0.27* 0.15 (1.85)
Accounting standard	0.16** 0.08 (1.95)	0.01 0.06 (0.16)	0.02 0.15 (0.14)	0.06 0.06 (1.01)	-0.21 0.17 (-1.24)
Ghana		-2.24** 0.12 (-18.50)			
Nigeria		-2.46** 0.11 (-22.20)			
R-square	0.37	0.50	0.11	0.05	0.18
F-statistic	16.96	108.22	5.53	0.56	4.81
No of observation	541	541	150	320	71

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are indicates as accounting system which are items or statements under section N of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key findings from the above Table are:

1. When firms prepared financial information that accord with statutory and ethical obligation (Q69) may bring quality to the rules and laws that enhance corporate governance practice.

2. In South Africa firms' enforcement of rules on accounting and financial reporting by professional accounting body (Q70) seem to increase the quality of rules and laws that promote corporate governance practice.

In conclusion from the above finding there is a need to prepared financial information in accord with statutory and ethical obligation. As a result, this may provide good quality of rules and laws that promote corporate governance.

In all the countries together in Table 6.1.6 Column 2 there is evidence that when financial information are prepared according to statutory and ethical obligation this provide a significant positive relationship on rules and laws that promote corporate governance system of firms.

In Column 5 in South African firms adequate financial information that are prepared according to statutory and obligation (Q69) can increase the quality of rules and laws that promote corporate governance practice. Financial reporting by professional accounting body (Q70) in South Africa has a positive effect on rules and laws that promote corporate governance practice. This finding implies that adoption of sound accounting standard in South African firms bring adequate rules and laws that promote effective corporate governance practices.

6.2 Results on effect of external factors on corporate governance system using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

In this section, we provide the results of the regression analysis for two categories of respondents such as regulatory bodies and non-regulatory stakeholders of corporate governance. We provide evidence based on these two categories of respondents in order to identify the convergent and divergent view of these two categories of respondent. Below are the model estimates and the Table showing the results of the data analysis.

Table 6.2: Effects of external factors on corporate governance system using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

Dependent variable: Total effective corporate governance system

Variables	Regulatory bodies				Non-Regulatory stakeholders			
	All countries observation	All countries with dummy	Ghana	Nigeria	All counties observation	All countries with dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)
Intercept	8.10** 2.56 (3.17)	14.16** 2.42 (5.85)	15.51** 3.85 (4.03)	4.46** 2.99 (1.49)	11.18** 1.82 (6.15)	17.21** 1.46 (11.82)	12.40** 2.33 (5.32)	13.74** 1.84 (7.48)
Economic	-0.05 0.07 (-0.73)	-0.01 0.06 (-0.16)	-0.17 0.11 (-1.59)	0.08 0.08 (1.09)	-0.02 0.04 (-0.65)	-0.02 0.03 (-0.70)	0.03 0.05 (0.62)	0.04 0.04 (0.99)
Societal and cultural	0.20 0.13 (1.57)	-0.08 0.12 (-0.63)	-0.23 0.24 (-0.98)	0.22 0.14 (1.56)	0.06 0.07 (0.80)	-0.03 0.06 (-0.51)	-0.13 0.09 (-1.35)	-0.20 0.08 (-0.25)
Corruption	0.07 0.10 (0.66)	0.03 0.09 (0.35)	0.28* 0.14 0.51 (1.94)	-0.03 0.12 (-0.25)	0.07 0.05 (1.32)	0.02 0.04 (0.44)	0.03 0.06 (0.41)	-0.02 0.05 (-0.46)
Political environment	-0.22** 0.06 (-3.51)	-0.04 0.06 (-0.72)	-0.12 0.15 (-0.76)	0.02 0.07 (0.03)	-0.17 0.04 (-4.47)	-0.06* 0.03 (1.95)	-0.21** 0.06 (-3.69)	0.03 0.04 (0.81)
Ownership structure	0.13 0.09 (1.47)	-0.02 0.09 (-0.02)	0.15 0.16 (0.90)	-0.19 0.13 (-1.45)	0.03 0.05 (-0.64)	-0.04 0.04 (-1.01)	0.18** 0.07 (2.55)	-0.22** 0.06 (-4.03)
Accounting system	0.46** 0.13 (3.52)	0.42** 0.12 (-3.55)	0.13 0.22 (0.61)	0.49** 0.14 (3.54)	0.40** 0.07 (5.49)	0.26** 0.06 (4.51)	0.23** 0.11 (2.03)	0.16** 0.07 (2.30)
Ghana		-4.76** 0.80 (-5.95)				-5.17** 0.31 (-16.84)		
Nigeria		-2.76** 0.72 (-3.84)				-3.81** 0.29 (13.33)		
R-square	0.23	0.43		0.29	0.12	0.49	0.31	0.11
F-statistic	5.91	10.89		4.70	9.65	48.54	7.69	5.21
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as total corporate governance system which is represented by corporate governance system is the addition of all the items or variable under section B of the survey questionnaire. The Independent variables are economic factor is shown as total economic factor which is the addition of all items or variables under section I of the survey questionnaire, societal and cultural factor is illustrated as total societal and cultural which is the addition of all the items or variable under section J of the survey questionnaire, corruption and bribery is shown as total corruption and bribery which is the addition of all items or variable within section K of the survey questionnaire, Total political environment is the addition of all items under political environment in section L, ownership structure is the total items or variable under section M, and accounting system is the total of all items or statements under section N of the survey questionnaire.

Countries dummies indicating if the sample is Regulatory bodies and it is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors*

The main findings from the above Table include are based on the opinion of the respondents include the following;

1. The respondents from regulatory bodies indicate that accounting system can improve corporate governance system of firms in all the countries together (SSAA).

2. In Column 3 respondents from regulatory bodies in Ghana believe that corruption has a direct relationship with corporate governance system which may later in turn hinders the corporate governance system.

4. The respondent from non-regulatory stakeholders show that political environment may deters corporate governance system of firms in all the countries together (SSAA).

5. Respondents from non-regulatory stakeholders also suggest that accounting system is likely to improve corporate governance system of firms in all the countries together (SSAA).

6. In Ghana respondents from non-regulatory stakeholders believe that ownership structure can improve corporate governance system.

7. In Nigeria non-regulatory stakeholders provide evidence that ownership structure seem to inhibit effective corporate governance system.

In Table 6.2 Column 2, accounting system has a positive significant relationship on corporate governance system and this may promote of corporate governance in all countries in the region. This because quality of accounting system practices of a firm is the accelerator or modifier of a sound corporate governance practice. Thus, when a firms follow standard accounting system this will reflect in the proper dissemination and timely of financial information to all the stakeholders such as investors, employee, potential investors, government, customers, creditors and the public.

In addition, the regulatory bodies believe that corruption has a negative effect on corporate governance in Ghana as indicated in Column 3. This result implies that corruption has discourages the promotion of effective corporate governance practice. This may be due corruption which has been institutionalised in every sector of the economy in Ghana. In Nigeria, the accounting system is likely to improve corporate governance system. Proper accounting practice will improve corporate governance practice of firms in Nigeria because accounting systems is one of the accelerators of a good corporate governance practices.

Moreover, in Column 7 the non-regulatory stakeholders believe that political environments do not improve corporate governance system in the region. However, accounting system is likely to provide sound corporate governance of firms in the region.

Furthermore, in Ghanaian firms, the non-regulatory stakeholders of corporate governance view are that political environment has a negative effect on corporate system. This may not promote effective corporate governance practice. In sum, it shows that non-regulatory stakeholders indicate that ownership structure and accounting system are important in promoting effective corporate governance system in Ghanaian firms.

In Nigerian firms, the finding from non-regulatory stakeholders' shows that ownership structure may hinders the development of sound corporate governance. This result suggests that when there is lack of appropriate procedure in acquisition of ownership, and lack of due process in the selection of board of directors. However, accounting system provide effective corporate governance system of firms in Nigeria because accounting system is one of the modifiers of corporate governance practices.

The convergence between the regulatory bodies and non regulatory stakeholders' respondent is accounting system of firms. However, the divergence is corruption which the regulatory bodies in Ghana believe are affecting corporate governance system. Also, non-regulatory stakeholders in the Sub-region show that political environment in the selected countries seem to hinders the development of sound corporate governance system. In addition, non-regulatory stakeholders in Ghana indicate that ownership structure of Ghanaian firms may provide good corporate governance system. However, the non-regulatory stakeholders in Nigeria indicate that this can deters the promotion of good corporate practice.

6.2.1 Results on effect of economic factor on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders.

We present the OLS estimate of sub-variables of economic factors on rules and laws guiding corporate governance; using both regulatory and non-regulatory respondents. Below are the model estimates and the Table illustrates results of the data analysis.

Table 6.2.1: Effect of economic factor on the rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders .

$$Rules\_Q8 = \beta_0 + \beta_1(Dinvt\_Q39) + \beta_2(Finvt\_Q40) + \beta_3(Growth\_Q41) + \beta_4(Equity\_Q42) + \beta_5(Macro\_Q43 + \beta_6(Banks\_Q44) + \beta_7(Firms\_Q45) + \beta_8(Privatization\_Q46) + \beta_9(Transparency\_Q47) + \beta_{10}(Investor\_Q48) + \beta_{11}(G) + \beta_{12}(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

	Regulatory bodies				Non-regulatory stakeholders			
Variables	All countries	All countries with dummy	Ghana	Nigeria	All countries	All countries with dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	3.36** 0.97 (3.47)	6.63** 1.01 (6.57)	5.06** 1.42 (3.56)	0.36** 1.37 (0.26)	2.86** 0.55 (5.19)	5.11** 0.46 (11.07)	4.49** 0.77 (5.85)	0.59** 0.46 (1.30)
Foreign Investment	-0.09 0.25 (-0.38	-0.01 0.22 (-0.03)	-0.35 0.37 (-0.95)	-0.12 0.36 (-0.33)	0.19* 0.11 (1.69)	0.20** 0.09 (2.14)	0.02 0.17 (0.01)	0.07 0.09 (0.79)
Growth	-0.01 0.19 (-0.07)	-0.14 0.17 (0.83)	-0.23 0.27 (-0.86)	0.33 0.24 (1.38)	-0.12 0.12 (-1.00)	-0.07 0.10 (-0.74)	-0.08 0.19 (-0.43)	0.08 0.10 (0.82)
Equity Market	0.09 0.17 (0.52)	0.09 0.15 (0.61)	-0.02 0.29 (0.06)	-0.06 0.19 (-0.34)	0.02 0.09 (0.20)	-0.02 0.07 (0.32)	0.26* 0.16 (1.69)	0.02 0.06 (0.03)
Macro-economic policies	0.05 0.16 (0.30)	-0.25* 0.15 (-1.67)	-0.03 0.34 (-0.09)	-0.16 0.18 (-0.91)	0.06 0.08 (0.70)	-0.09 0.06 (-1.43)	-0.37** 0.16 (-2.27)	-0.05 0.06 (-0.79)
Financial intermediation	0.14 0.09 (1.65)	0.12 0.08 (1.52)	0.58* 0.29 (2.00)	-0.03 0.09 (-0.34)	0.08** 0.04 (1.98)	0.00 0.03 (0.10)	0.10 0.10 (1.02)	0.09** 0.03 (3.16)
Firms control	0.12 0.09 (1.25)	-0.08 0.09 (0.92)	0.15 0.16 (0.93)	0.10 0.15 (0.70)	0.29** 0.04 (6.72)	0.06 0.04 (1.56)	0.11 0.08 (1.31)	-0.06 0.04 (-1.60)
Privatization of firms	-0.06 0.13 (-0.47)	0.09 0.12 (0.77)	-0.42 0.32 (-1.33)	0.18 0.14 (1.26)	-0.06 0.08 (-0.83)	-0.03 0.06 (-0.47)	0.30** 0.13 (1.96)	-0.07 0.06 (-1.15)
Transparency	-0.09 0.12 (0.74)	0.13 0.11 (1.13)	0.06 0.23 (0.26)	0.01 0.13 (0.07)	-0.17** 0.07 (-2.58)	-0.09* 0.05 (-1.66)	-0.15 0.09 (-1.60)	0.09* 0.06 (1.67)
Local investor	-0.35** 0.14 (-2.51)	-0.29** 0.12 (-2.38)	-0.33 0.26 (1.26)	-0.08 0.17 (-0.48)	-0.27** 0.06 (-4.46)	-1.12** 0.05 (-2.38)	-0.80** 0.12 (-6.52)	0.04 0.05 (0.46)
Ghana		-2.47** 0.43 (-5.79)				-1.95** 0.15 (-13.39)		
Nigeria		-2.56** 0.43 (-5.95)				-2.18** 0.14 (-15.33)		
R-square	0.24	0.43				0.58	0.54	0.10
F-statistic	3.69	7.03				46.03	11.94	2.27
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are economic factor which are items or statements under section I of the survey questionnaire *Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.*

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 per cent level.*
**significant at 5 per cent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

The key findings from the above Table are:

1. We find that respondents from regulatory bodies argue that macro-economic policies (Q43) and local investor voting power and control (Q48) can hinders the rules and laws that promote corporate governance. This finding is common selected countries in the region (SSAA).

2. In Ghana, regulatory bodies indicate that financial intermediation (Q44) of banks in Ghana provide sound corporate governance practice of firms through improvement of rules and laws.

3. In all the countries together as it shown in Column 6 respondents from non-regulatory stakeholders believe that foreign investment (Q40) is likely to improve the rules and laws that enhance corporate governance practice.

4. In all the countries together respondents from non-regulatory stakeholders believe that when there is no transparency in sales and appointment of firms (Q47) this may inhibits the rules and laws on corporate governance.

5. The non-regulatory stakeholders support the statement that local investor voting power and control (Q48) discourage the rules and laws that promote corporate governance practice. This finding is for all the selected countries as it shown in Column 6

6. In Column 7 respondents from non-regulatory stakeholders in Ghana indicate that equity market (Q42) and issue of conflict of interest in privatization of firms (Q46) may enhance rules and laws that promote corporate governance.

7. In Column 7 respondents from non-regulatory stakeholders in Ghana show that macro-economic policies (Q43) can deter rules and laws that promote corporate governance.

8. In Column 8 respondents from non-regulatory stakeholders in Nigeria believe that financial intermediations in Nigerian banks (Q44) seem to improve rules and laws that promote corporate governance practice.

In Column 2 of Table 6.2.1 regulatory bodies show that macro-economic policies (Q43) has a negative significant effect on rules and laws that promote corporate governance practices. This finding implies that in the selected countries in the region there is lack of adequate implementation of macro-economic policies, this may hinders the development of the rules and laws guiding the promotion of corporate governance.

In addition, regulators bodies' respondents indicate that local investors voting power and control may inhibit rules and laws and this may not improve corporate governance of firm. This result indicates that public investors may not be able to use voting power to enforce corporate governance and there is no effective control due to limited float.

Within each country, the regulatory bodies indicate that in Ghanaian firms financial intermediation is more likely to improve rules and laws that guide corporate governance because recently there is influx of foreign banks from West African sub-region such as Nigeria and that of South Africa. These banks are able to provide credit facilities to their customers. In addition, they are able to financially assistant for small, medium, and large scale enterprises in Ghana. As a result, all the rules and laws related to corporate governance practices need to be followed.

In Ghanaian firms, the non-regulatory stakeholders indicate that shareholders protection in relation to equity markets (Q42) has a positive significant influence on rules and laws that promote corporate governance practice of firms. This because there are influx of foreign banks and firms from West African sub-region such as Nigeria and that of South Africa into Ghana. Consequently there is likely to be more enforcement of shareholders protection so as to enhance the equity markets in Ghana. Also macro-economic policies in Ghana hinder promotion of corporate governance practices and this result is consistent with the finding in Column 2.

In addition, the privatization of firm (Q46) has positive effect on rules and laws that promote corporate governance practices. This indicate that non-regulatory stakeholders respondent believe that conflicts and problem associated with corporate governance before or after privatization of state-owned companies have influence on the rules and law that promote corporate governance practice. Moreover, local voting power and control (Q48) discourage promotion the promotion of rules and laws on corporate governance of firms in Ghana this result is consistent with finding in Column 2.

In Nigerian firms, the non-regulatory stakeholders of corporate governance believe that financial intermediation (Q44) encourage the promotion of rules and laws for sound corporate governance of firm in Nigeria. This because of various bank reforms that have taken place in recent times in Nigeria which the Central Bank of Nigeria (CBN) mandate bank to provide more credit facilities with stringent rules and laws guiding the provision and return of the credit facilities.

Furthermore, transparency in sales of state owned companies and appointment of boards of directors (Q47) have more influence on rules and laws that promote corporate governance practices. This finding is consistent with what happens in recent times on how most of the appointment of the boards of directors and sales of state owned-companies are not transparent and accountable. Consequently, this may not promote good corporate governance practices of firms in Nigeria.

Against this background, there is convergence between the regulatory bodies and non-regulatory stakeholders on issue of macro-economic policies, both respondents indicate that this hinder the promotion of rules and laws that promote corporate governance practices, particularly in the selected countries in the region. In addition, there is convergence on banks financial intermediation particularly in Ghana and Nigeria.

The divergence between regulatory bodies' respondent and non-regulatory stakeholders include the following; the non-regulatory stakeholders show that foreign investment promote rules and laws that guide corporate governance by attracting more foreign investors. This will bring good corporate governance practice to the nations. In addition, the non-regulatory stakeholders in Ghanaian firms view that shareholders protection can affect equity markets; this will influence the promotion of rules and laws that guide corporate governance practices. Also, in Ghanaian firms the non-regulatory stakeholders show that the conflict and problems associated with corporate governance before and after privatisation of state-owned companies can have effect on rules and laws that promote corporate governance. In Nigeria the non-regulatory stakeholder provide the evidence that transparency in sales of state owned companies and appointment of the board of directors can have effect on rule and laws on corporate governance practice.

In all the countries together, using Ghana and Nigeria Nigerian firms as a dummy variable in references to South African firms as it show in Column 2 and 7. There is evidence that both countries have a negative significant effect on rules and laws that promote corporate governance. This result suggests that the implementation of rules and laws guiding corporate governance in these countries seem to be weak in compared with that of South Africa. This finding is consistent with the estimate for all the sub-variables on rules and laws guiding the promotion of corporate governance practices.

6.2.2 Results on effect of societal and cultural factor on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders.

Below are the model estimates and the Table shows results of the data analysis.

Table 6.2.2: The effects of societal and cultural factor on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders.

$$Rules\_Q8 = \beta_0 + \beta_1(stakeholders\_Q49) + \beta_2(Sociopol\_Q59) + \beta_3(Culture\_Q51) + \beta_4(Ethics\_Q52) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

	Regulatory bodies				Non-regulatory stakeholders			
Variables	All countries	All countries with dummy	Ghana	Nigeria	All countries	All countries with dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	3.17** 0.84 (3.78)	6.54** 0.79 (8.27)	6.02** 0.92 (6.56)	1.60** 0.98 (1.62)	2.66** 0.63 (4.23)	5.04** 0.44 (11.36)	4.32** 0.90 (4.80)	1.06** 0.46 (2.30)
Stakeholders interest	0.19 0.18 (1.06)	0.12 0.14 (0.86)	0.16 0.21 (0.76)	-0.03 0.18 (-0.18)	0.04 0.11 (0.37)	0.09 0.08 (1.17)	0.11 0.17 (0.67)	0.16** 0.06 (-1.99)
Socio-political environment	-0.27 0.17 (-1.61)	-0.30** 0.14 (-2.19)	-0.45** 0.20 (-2.31)	-0.09 0.17 (-0.53)	-0.01 0.10 (-0.10)	-0.04 0.07 (-0.56)	-0.18 0.19 (-0.99)	-0.01 0.06 (-0.10)
National culture	0.07 0.11 (0.68)	-0.07 0.09 (0.78)	-0.32** 0.14 (-2.26)	0.16 0.11 (1.56)	-0.07 0.08 (-0.94)	-0.10** 0.05 (-1.91)	-0.27** 0.14 (-1.99)	0.03 0.05 (0.69)
Business ethics	-0.21 0.20 (-1.06)	-0.22 0.16 (-1.41)	-0.33 0.23 (-1.44)	0.02 0.20 (0.11)	-0.03 0.12 (-0.26)	-0.09 0.08 (1.12)	-0.17 0.18 (0.91)	-0.05 0.08 (-0.68)
Ghana		-2.46** 0.32 (-7.78)				-2.31** 0.13 (17.81)		
Nigeria		-2.52** 0.29 (8.56)				-2.54** 0.12 (-21.93)		
R-square	0.15	0.41		0.10	0.04	0.55	0.11	0.19
F-statistic	3.35	13.88		4.71	1.39	82.39	3.34	7.180
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are societal and cultural factor which are items or statements under section J of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and Numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key findings from the above Table are:

1. In Column 2 there is evidence from the Table that respondents from regulatory bodies from all the selected countries together support that socio-political and cultural environment (Q50) is likely to hinder the rules and laws that promote corporate governance practice.

3. In Column 3 respondents from regulatory bodies in Ghana indicate that national culture on enforcement of accounting procedure (Q51) can deters the rules and laws that promote corporate governance practice.

4. The respondents from non-regulatory stakeholders in all the countries suggest that national culture on enforcement of accounting procedure (Q51) seem to inhibit the rules and laws that promote corporate governance practice.

5. In Column 8 the respondents from non-regulatory stakeholders in Nigeria believe that when corporate governance of firms consider the interest of the stakeholder (Q49), this is likely to improve rules and laws that promote corporate governance.

We find that in Table 6.2.2 Column 2 the regulatory bodies of corporate governance believe that socio-political and cultural environment have a negative effect on rules and laws that enhance corporate governance practice. This finding indicate that the regulator bodies of corporate governance of firms in all the country together believes that socio-political and cultural environment can hinders the rules and laws that promote corporate governance practice.

Moreover, within each country the regulatory bodies respondent in Ghanaian firms' view that socio-political and cultural environment have negatively influence on rules and laws guiding corporate governance. In addition, the regulatory bodies support that national culture on enforcement of accounting procedures also has a negative influence on rules and laws promote corporate governance practice. Thus, these two sub-variables hinder the promotion of rules and laws that promote corporate governance practice in Ghana. These finding imply that socio-political cultural environment that is endemic with corruption does not encourage promotion of rules and laws on corporate governance practice.

The non-regulatory stakeholders of corporate governance in Column 6 indicate that nation's culture on enforcement of accounting procedures has a negative effect on rules and laws that promote corporate governance practice. This provides evidence of convergence between regulatory bodies' respondents and non- regulatory stakeholders' respondents of corporate governance in Ghanaian firms. This result indicates that in all the countries together particularly in Ghana. There is possibility that culture on enforcement of accounting procedure shows culture of lack of proper accountability, culture of nepotism and favouritism that cut across the sectors of economy in Ghana and countries across the Sub-region.

In Nigerian firms, the non-regulatory stakeholders for corporate governance in Nigeria found that the interest of all the stakeholders of corporate governance plays a vital role in promotion of rules and laws that develop corporate governance practices of firms in Nigeria. This result support the stakeholder theory on corporate governance practice that explain that interest of the employee, customers, individual and community goal should be taken into consideration in corporate governance practice. This result is the divergence between regulatory bodies and non-stakeholders respondents.

6.2.3 Results on effects of corruption and bribery on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

Below are the model estimates and the Table showing results of the data analysis.

Table 6.2.3: The effect of corruption and bribery on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders

$$Rules\_Q8 = \beta_0 + \beta_1(Reduction\_Q53) + \beta_2(Regulatory\_Q54) + \beta_3(Job\_Q55) + \beta_4(Interest\_Q56) + \beta_5(Economic\_Q57) + \beta_6(Control\_Q58) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

Variables	Regulatory bodies				Non-regulatory stakeholders			
	All countries	All countries with dummy	Ghana	Nigeria	All countries	All countries with dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	2.67** 0.87 (3.08)	5.71** 0.80 (7.15)	3.86** 1.22 (3.15)	2.03* 1.08 (1.88)	2.44** 0.67 (3.66)	5.17** 0.47 (10.95)	4.57** 0.90 (5.10)	1.19** 0.46 (2.57)
Reduction in corruption	0.39* 0.21 (1.87)	0.39** 0.17 (2.34)	0.25 0.34 (0.74)	-0.05 0.22 (-0.24)	0.04 0.14 (0.03)	0.03 0.09 (0.33)	0.17 0.20 (0.83)	0.09 0.10 (0.87)
regulatory authority	-0.23 0.24 (-0.97)	-0.35* 0.19 (-1.86)	-0.67** 0.34 (-2.00)	-0.07 0.24 (-0.28)	-0.08 0.12 (-0.69)	-0.11 0.08 (-1.28)	-0.22 0.17 (-1.29)	0.02 0.09 (0.21)
Job security	0.07 0.13 (0.53)	-0.07 0.10 (-0.63)	0.02 0.27 (0.90)	-0.08 0.11 (-0.66)	0.04 0.06 (-0.63)	-0.05 0.04 (-1.16)	0.10 0.13 (0.78)	-0.03 0.04 (-0.75)
Conflict interest	-0.35* 0.19 (-1.82)	-0.09* 0.15 (-1.88)	-0.51 0.38 (-1.36)	-0.06 0.24 (-0.23)	0.02 0.13 (0.16)	-0.06 0.09 (-0.62)	-0.43* 0.22 (-1.95)	0.09 0.09 (1.03)
Economic hardship	-0.12 0.10 (-1.17)	-0.16** 0.07 (-2.17)	0.11 0.43 (0.25)	0.30 0.24 (1.27)	-0.12 0.12 (-1.08)	-0.14* 0.08 (-1.81)	-0.64** 0.18 (-3.50)	0.10 0.07 (0.14)
Internal control	0.28** 0.12 (2.32)	0.24** 0.08 (2.89)	0.38 0.34 (1.04)	-0.11 0.20 (-0.53)	0.22 0.14 (1.53)	0.16* 0.10 (1.67)	0.48** 0.23 (2.07)	-0.07 0.09 (-0.85)
Ghana		-2.31** 0.31 (-7.44)				-2.32** 0.13 (-17.80)		
Nigeria		-2.46** 0.29 (-8.48)				-2.53** 0.12 (-21.81)		
R-square	0.15	0.52	0.31	0.12	0.10	0.55	0.22	0.16
F-statistic	7.45	72.99	2.27	6.41	5.54	61.82	4.86	12.75
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are corruption which is items or statements under section K of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key findings from the above Table include the following:

1. In Column 2 respondents from regulatory bodies in all the countries believe that reduction in corruption (Q53) is more likely to improve rules and laws that promote corporate governance practice.

2. In Column 2 respondents from regulatory bodies in all the countries believe that corruption within regulatory authorities of corporate governance (Q54) seem to hinders rules and laws that promote corporate governance practice.

3. In all the countries as it shown in column 2, respondents from regulatory bodies indicate that conflict of interest and greediness (Q56) discourage the rules and laws that promotion of corporate governance practice.

4. In all the countries in column 2, respondents from regulatory bodies show that economic hardship that bring corruption (Q57) can deters rules and laws that promote corporate governance practice.

5. The respondents from regulatory bodies in all the countries agree that when there is adequate internal control system (Q58) this is more likely to improve rules and laws that promote corporate governance practice.

6. In Ghana non-regulatory stakeholders indicate that the when there is adequate internal control system (Q58) can improve rules and laws that promote corporate governance practice.

7. In Column 7 respondents from non-regulatory stakeholders in Ghana believe that conflict of interest and greediness (Q56) may hinder the rules and laws that promote corporate governance practice.

Table 6.2.3 Column 2 the respondents from regulatory bodies found that reduction in corruption (Q53) encourage sound rules and laws that promote of corporate governance. This result indicates that regulatory bodies' respondents believe that reduction in corruption in the SSAA region provides good corporate governance practice. This finding supports the argument that once there is a strong institution in place to reduce corruption that is endemic in all sectors of the economy in the Sub-region. This may improves corporate governance practice of firms. This result suggests that reduction in corruption and bribery will give confidence to the domestic and foreign investors, thus this will improve the economy of the countries across the region.

In addition, regulatory bodies respondents indicate that corruption within regulatory authorises of corporate governance (Q54) have a negative effect on rules and laws that guide promotion of corporate governance practice. This finding shows that corruption and bribery is endemic among the official of regulatory of corporate governance in the region. This is seemed to deter the promotion of corporate governance practices. As a result, institutional framework, corporate governance reforms that are introduce by the governance may not be properly implemented as result of endemic corruption among the officials of the regulatory bodies.

The regulatory bodies' respondents believe that conflict of interest and greediness (Q56) is negatively associated with rules and laws guiding corporate governance of firm in all the countries in the SSAA region. This evidence indicates that conflict of interest, unsound ethics and greed among stakeholders of corporate governance can hinders the promotion of rules and laws guide corporate governance practice. This situation cut across all the sectors of the economy of the countries in the SSAA region where there are greediness, unsound business ethics, and conflict of interest. As a result, there may be lack of proper implementation of corporate governance regulatory framework and enforcement of the rules and laws that promote corporate governance practice.

Furthermore, in Column 2 the regulatory bodies' respondents indicate that economic hardship (Q57) has a negative influence on rules and laws that promote corporate governance practice. This result reflects what is happening in the recent times across the countries in the SSAA region where the economic hardship among the employee of labour are facing. The employee can easily compromise to bribery and corruption. They may do their proper official work and this situation cut across all the sectors of the economy in the region.

In addition, the regulatory bodies respondents show that lack of internal control in a firm will influence employee and this can lead to corruption among employee have influence on the rules and laws that promote corporate governance. Internal control system is very important in a firm. This result implies that once there is no internal control there is no check and balance for the management and employee over the lay down rules and laws that can enhance corporate governance practices.

Moreover, within Ghanaian firm the regulatory bodies' respondents indicate that corruption within regulator authorities of corporate governance discourage rules and laws that promote corporate governance. Also there is evidence that sub-variable conflict of interest, unsound ethics and greed among stakeholders of corporate governance hinder the promotion of rules and laws guide corporate governance practice in Ghanaian firms. These two findings from Ghanaian firms are consistent with the result for all the countries together countries as it show in Column 2.

Furthermore, we analysed non-regulatory stakeholders of corporate governance respondents, by estimated corruption variables with rules and laws that promote corporate governance practice. The result in Table 6.2.3 Column 6 shows that in all the countries together economic hardship variables have a negative effect on rules and laws, this influence the level of corruption among the employee of firms, hindering the development of corporate governance practice across the countries in the region. This result is in convergence with regulatory bodies' respondent as illustrates in Column 2.

In addition, the non-regulatory stakeholder respondents indicate that lack of internal control in a firm will influence employee and this can lead to corruption among employee have influence on the rules and laws that promote corporate governance. This result is a convergence with the regulatory bodies respondents as it provide in column 2 of the Table 6.2.3.

In Ghanaian firms Column 7, the non-regulatory stakeholders' respondents believe that conflicts of interest and greediness with economic hardship variables may not enhance corporate governance practice within firms in Ghana. This result shows convergence with the finding from regulatory bodies' respondents in Ghana. The non- regulatory stakeholders also believe that lack of internal control in a firm will influence employee and this can lead to corruption among employee which has influence on the rules and laws that promote corporate governance. This result is also convergence with the finding from regulatory bodies as it shows in Column 2 of the Table 6.2.3.

The divergence between regulatory bodies and non-regulatory stakeholders' respondents are as follows: the regulatory bodies believe that reduction in corruption and bribery may likely enhance rules and laws that promote corporate governance practices. Also the regulatory bodies respondent indicate that corruption within regulatory of corporate governance hinders the promotion of rules and laws on corporate governance.

6.2.4 Results on effects of political environment on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

Below are the model estimates and the Table indicates the results of data analysis.

Table 6.2.4: The effects of political environment on rules and laws that promote corporate governance using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

$$\text{Rules\_Q8} = \beta_0 + \beta_1(\text{Ownership\_Q59}) + \beta_2(\text{Monetary\_Q60}) + \beta_3(\text{Type\_Q61}) + \beta_4(\text{Government\_Q62}) + \beta_5(\text{Politician\_Q63}) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: Rules and laws that promote corporate governance

	Regulatory bodies				Non-regulatory stakeholders			
Variables	**All countries**	**All countries with dummy**	**Ghana**	**Nigeria**	**All countries**	**All countries with dummy**	**Ghana**	**Nigeria**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Intercept	3.070** 0.74 (4.13)	4.63** 0.70 (6.65)	4.70** 1.41 (3.34)	1.60* 0.72 (1.61)	3.57** 0.42 (8.50)	5.50** 0.31 (17.50)	5.67** 0.64 (8.89)	1.06** 0.29 (3.62)
Government ownership	-0.10 0.11 (-0.92)	-0.08 0.09 (-0.83)	-0.40** 0.19 (-2.11)	0.02 0.12 (0.19)	0.02 0.06 (0.28)	0.02 0.04 (0.05)	0.05 0.11 (0.49)	-0.02 0.04 (-1.57)
Monetary policies	0.05 0.17 (0.31)	0.04 0.15 (0.27)	-0.01 0.29 (-0.03)	0.01 0.17 (0.08)	-0.10 0.10 (-0.96)	-0.28** 0.07 (-3.94)	-0.71** 0.13 (-5.42)	0.07 0.08 (0.95)
Type of government	0.14 0.15 (0.98)	-0.04 0.13 (-0.33)	-0.18 0.27 (-0.66)	-0.10 0.15 (-0.68)	0.26** 0.09 (2.95)	0.11* 0.08 (1.80)	0.09 0.15 (0.63)	0.08 0.06 (1.31)
Government influence	-0.30** 0.09 (-3.51)	-0.20** 0.08 (-2.50)	-0.30 0.18 (-1.63)	-0.01 0.08 (-0.12)	-0.33** 0.08 (-4.08)	-0.07 0.06 (-1.21)	-0.35** 0.15 (-2.40)	-0.03 0.04 (-0.59)
Politician influences	-0.07 0.12 (-0.55)	0.09 0.11 (0.77)	0.26 0.31 (0.84)	0.23* 0.14 (1.69)	-0.16* 0.08 (-1.96)	-0.02 0.06 (-0.31)	0.10 0.13 (0.76)	-0.01 0.06 (-0.20)
Ghana		-1.71** 0.36 (-4.77)				-2.23** 0.14 (-16.53)		
Nigeria		-2.05** 0.33 (-6.21)				-2.48** 0.13 (-19.87)		
R-square	0.19	0.40	0.28	0.10	0.13	0.56	0.36	0.27
F-statistic	5.45	10.91	2.52	1.03	12.67	75.07	11.96	1.77
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are political environment which is items or statements under section L of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.

F-Statistic is significant at 1% and 5% critical value

***significant at 1 percent level.*

**significant at 5 percent level.*

**Heteroskedasticity is corrected using White-adjusted standard errors*

Key findings from above Table include the following:

1.In Column 2 respondents from regulatory bodies from all the countries suggest that when government influence the work of regulatory bodies (Q62) this may hamper the rules and laws that promote corporate governance practice.

2. In Column 3 respondents from regulatory bodies in Ghana believe that when government exerts substantial influence over ownership of firms (59) this is likely to hinder the rules and laws that promote corporate governance practice.

3. In Column 4 respondents from regulatory bodies in Nigeria indicate that politician influence on regulatory agencies (Q63) has a direct relationship with the rules and laws. However this in turn allows the politicians interfere with duties of the regulatory agencies in Nigeria.

4. In Column 6 respondents from non-regulatory stakeholders in all the countries found that political influence in fiscal and monetary policies (Q60) discourage the improvement of rules and laws on corporate governance practices.

5. In Column 6 the non-regulatory stakeholders shows that the type of government (military or democratic) (Q61) is more likely to influences the rules and laws on corporate governance.

7. In Column 7 respondents from non-regulatory stakeholders in Ghana indicate that when government influence the work of regulatory bodies (Q62) this may hamper the rules and laws that promote corporate governance practice.

Table 6.2.4 Column 2 provides across countries using dummy variables, the regulatory bodies' respondents show that government interferes on work of regulatory bodies have a negative impact on rules and laws guiding corporate governance. This evidence indicates that the regulatory agencies that are in charge of enforcement, supervisory and regulatory will not have free hand to carry out their duties in enforcing the rules and laws that can promote sound corporate governance practices.

In Ghanaian firms the regulatory bodies' respondents indicate that government influence over ownership of companies' sub-variable has a negative significant effect on rules and laws guiding the corporate governance practice. This result suggest that in Ghana the government put more influence on the acquisition and control of firms as a result the rules and laws guiding the ownership and control may not be properly follow; hence this may hinders the promotion of corporate governance practices.

In Nigerian firms, the regulatory bodies' respondents believe that politician's influences sub-variable has a negative significant effect on rules and laws guiding corporate governance. This finding implies that politician interfere with ministries and agencies responsible for monitoring and enforcement of corporate governance guideline and regulation of firms in Nigeria. This may not allow the ministry and agencies to have free hand in carrying out their duty. This finding supports the evidence in recent times when guidelines and regulations for acquisition and merges are not followed. As a result, this led to the crises that are happening in Nigerian Securities Exchange Commission (SEC).

In Column 6 the respondents' from non-regulatory stakeholders indicate that political influences with fiscal and monetary policies sub-variable have a negative effect on rules and laws that guide the promotion corporate governance. This result implies that those fiscal policies which deal with government expenditure and monetary policy that concerning with supply of money are hindering the promotion of rules and laws that guide corporate governance practice. This may be due to lack of proper implementation of fiscal and monetary policies which result from institutionalised socio-political corruption across the countries in the Sub-region. This can definitely weaken rules and laws guiding corporate governance practice of firms across countries in the Sub-region.

Moreover, in all the countries together in Column 6, non-regulatory stakeholders' respondents show that the types of government either prolonged military or civilian rules also have influence on rules and laws of corporate governance. This result suggests that the recent democratic government that stabilised across the countries in SSAA region establishes framework and institutions on development of corporate governance policy for firms across the countries in the region. However, during the prolonged military regime particularly in Ghana and Nigeria there are absence of frameworks and institution for corporate governance policy.

In addition, the respondents from non-regulatory stakeholders in Ghanaian firms in Column 7 shows that political influences with fiscal and monetary policies have a negative significant effect on rules and laws that guides the promotion corporate governance. This finding is consistent in all the countries as it shown in Table 6.2.4 Column 6. Also, sub-variable government interference on activities of regulatory and supervisory bodies' has a negative influence on rules and laws that guides corporate governance. This result is convergence with regulatory bodies view as it shows across countries in Column 2 of the Table 6.2.4.

The divergence from each categories of respondents are follow; the regulatory bodies respondent from Ghanaian believe that government exert substantial influence over the ownership of Ghanaian firms hinders the promotion of rules and laws for corporate governance practices. Also the non-regulatory stakeholders' respondents across countries also found that political influences with fiscal and monetary policies have a negative effect on rules and laws that guides the promotion corporate governance.

6.2.5 Results on effect of ownership structure on rules and laws that promote corporate governance of firms using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

Below are the model estimate and the Table showing results of the data analysis.

Table 6.2.5: The effect of ownership structure on rules and laws that promote corporate governance of firms using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

$$\text{Rules\_Q8} = \beta_0 + \beta_1(\text{Board\_Q64}) + \beta_2(\text{Foreign\_Q65}) + \beta_3(\text{Govt\_Q66}) + \beta_4(\text{Famly\_Q67}) + \beta_5(\text{Single\_Q68}) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent variable: rule and law that promote corporate governance

	Regulatory bodies				Non-regulatory stakeholders			
Variables	All countries	All countries with dummy	Ghana	Nigeria	All countries	All countries with dummy	Ghana	Nigeria
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	2.30** 0.63 (3.65)	3.94** 0.61 (6.48)	2.30** 1.09 (2.11)	1.74** 0.75 (2.32)	2.36** 0.37 (6.35)	3.88** 0.28 (13.88)	0.36** 0.50 (0.71)	2.04** 0.28 (7.39)
Board members	-0.21** 0.06 (-3.37)	-0.02 0.13 (-0.12)	-0.16 0.16 (-0.98)	0.10 0.09 (1.04)	-0.15** 0.04 (3.46)	-0.10** 0.04 (2.49)	-0.21** 0.09 (-2.31)	-0.07* 0.04 (-1.75)
Foreign national	0.61** 0.14 (4.28)	0.44** 0.12 (3.52)	0.53* 0.27 (1.93)	0.05 0.16 (0.33)	0.35** 0.08 (4.28)	0.18** 0.06 (3.27)	0.57** 0.15 (3.90)	-0.09 0.06 (-1.52)
Government majority	-0.08 0.14 (-0.58)	-0.02 0.13 (-0.12)	0.19 0.25 (0.77)	-0.41** 0.19 (-2.18)	-0.08 0.10 (-0.78)	0.02 0.07 (0.28)	0.04 0.18 (0.22)	-0.07 0.06 (1.06)
Family majority	-0.05 0.13 (-0.40)	0.06 0.11 (0.51)	0.16 0.21 (0.75)	0.04 0.13 (0.26)	-0.06 0.07 (-0.86)	0.05 0.05 (1.00)	0.25** 0.10 (2.62)	0.00 0.05 (-0.03)
Single family	-0.06 0.12 (-0.53)	-0.10 0.10 (-0.93)	-0.32 0.21 (-1.50)	0.04 0.12 (0.35)	0.03 0.07 (0.46)	-0.05 0.05 (-0.93)	-0.04 0.10 (-0.43)	0.05 0.05 (1.08)
Ghana		-1.10** (0.31 (-6.36)				-2.20** 0.13 (-16.90)		
Nigeria		-2.09** 0.32 (6.47)				-2.66** 0.13 (-20.44)		
R-square	0.20	0.43	0.30	0.10	0.10	0.56	0.38	0.12
F-statistic	5.75	12.53	2.80	1.04	6.25	75.02	12.95	1.60
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are ownership structure which are items or statements under section J of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key findings from the above Table are:

1. In Table 6.2.5 Column 2 provide evidence from regulatory bodies in all the counties together shows that when foreign national are majority of stockholders of firms (Q65) this is more likely to improve rules and laws that promote corporate governance practice.

3. In Column 4 respondents from regulatory bodies in Nigeria indicate that when government are majority of stockholders of firms (Q66) in Nigeria this can hinders rules and laws that promote corporate governance practice.

4. In Column 6 in all the countries together the respondents from non-regulatory stakeholders believe that when board members and senior management are majority stockholders of firms (Q64) may deters rules and laws that promote corporate governance practice.

5. In Column 6 in all the countries together respondents from non-regulatory stakeholders show that when foreign national are majority of stockholders of firms (Q65) can increase the quality of rules and laws that promote corporate governance practice.

6. In Column 7 respondents from non-regulatory stakeholders in Ghana show that when family are the majority of stockholders in Ghanaian firms (Q67) it may improve rules and laws on corporate governance practice.

In Column 2 the regulatory bodies' respondents believe that foreign national are majority stockholders' variable have positive effect on rules and laws guiding corporate governance. This result implies that when foreign national are majority of stockholders new ideas on implementation of corporate governance policy for firms which is based on international norms of practice business may integrate to firms. Therefore, this can improve the quality of corporate governance practices of firms across countries in the Sub-region.

In Column 3 the regulatory bodies respondents support that within each country such as in Ghanaian firms sub-variable indicate as foreign national are majority stockholders has a positive significant effect on rules and laws guiding corporate governance of Ghanaian firms. This finding is consistent with Column 2 where the result of the estimate is shown across the countries. This is likely to expose the corporate governance practice of Ghanaian firms into international standard through influx of new idea and internal norms on corporate governance.

In addition, in Nigerian firms regulatory bodies' respondents show that when government are majority of stockholders it has a negative impact on rules and laws that guide corporate governance practice. This result may be consistent with what is happening in recent times in the business sectors in Nigeria where top government officials and politician are using their veto power to acquired shares in the selling of state-owned companies. At the end of the day they dictate and control the management and directors on how the firms should be carrying out their activities. Thus, this may hinder the rules and laws guiding corporate governance of firms in Nigeria.

Moreover, respondents from non-regulatory stakeholders in Column 6, indicate that when board members and senior management are majority of stockholders this provide a negative significant effect on rules and laws. This finding indicates that minority shareholders who are not board member and senior management may not have their rights.

Beside this, non-regulatory stakeholders' respondents in Ghanaian and Nigerian firms show that when board members and senior management as majority of stockholders this may weaken the rules and laws that promote corporate governance practice because there may be veto power in all their decision which may affect the minority shareholder rights.

The non-regulatory stakeholders also believe that when foreign national are majority of stockholders this improve rules and laws that promote effective corporate governance practice across countries as it illustrate in Column 7. This result is convergence with the view of regulatory bodies' respondents in Column 2. In addition, the non-regulatory stakeholders' respondents in Ghanaian firms also believe that when family are majority of stockholders it may improve rules and laws that promote corporate governance practice. This evidence support the effects of family-owned firms where by the family will follow the rules and laws that promote effective corporate governance in the management of the firms so that the firms will attract more investors so that the firms not collapse.

6.2.6 Results on effect of accounting system on rules and laws that promote corporate governance and of firms using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

Below are the model estimates and the Table showing results of the data analysis.

Table 6.2.6: The effect of accounting system on rules and laws that promote corporate governance and of firms using respondents from regulatory bodies and non-regulatory stakeholders of corporate governance.

$$Rules\_Q8 = \beta_{0} + \beta_1(Information\_(Q69) + \beta_2(Profession\_(Q70) + \beta_3(Standard\_(Q71) + \beta_5(G) + \beta_6(N) + \mu_i$$

Dependent Variable: rules and laws that promote corporate governance

	Regulatory bodies				Non-regulatory stakeholders			
Variables	**All countries**	**All countries with dummy**	**Ghana**	**Nigeria**	**All countries**	**All countries with dummy**	**Ghana**	**Nigeria**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Intercept	1.03* 0.79 (1.30)	4.47** 0.80 (5.61)	3.24** 1.44 (2.24)	1.29* 0.71 (1.81)	0.67 0.44 (1.52)	3.93** 0.34 (11.42)	2.29** 0.89 (2.58)	1.39** 0.27 (5.06)
Financial information	0.08 0.14 (0.56)	-0.01 0.12 (0.05)	-0.12 0.28 (-0.43)	-0.09 0.12 (-0.71)	0.23** 0.07 (3.16)	0.10* (1.88)	0.16 0.15 (1.05)	0.04 0.04 (0.94)
Professional bodies	-0.01 0.16 (-0.05)	0.02 0.13 (0.12)	-0.77 0.36 (-0.21)	-0.07 0.13 (-0.52)	0.06 0.10 (0.61)	0.04 0.07 (0.60)	-0.21 0.21 (-1.03)	0.04 0.06 (0.63)
Accounting standard	0.21 0.16 (1.31)	-0.04 0.13 (-0.33)	-0.06 0.28 (-0.20)	0.27 0.15 (1.19)	0.12 0.09 (1.31)	0.02 0.07 (0.29)	0.04 0.18 (0.19)	-0.01 0.06 (-1.3)
Ghana		-2.17** 0.33 (-6.55)				-2.24** 0.13 (-17.14)		
Nigeria		-2.39** 0.31 (-7.61)				-2.47** 0.12 (-20.82)		
R-square	0.21	0.34	0.17	0.10	0.10	0.54	0.17	0.11
F-statistic	6. 64	12.34	1.20	0.43	0.65	96.77	0.62	0.58
No of observation	125	125	38	77	416	416	112	243

The dependent variable is indicated as rules and laws which is item or statement 8 under section B of the survey questionnaire. The independent variables are accounting system which are items or statements under section N of the survey questionnaire Countries dummies indicating if the sample is located in Ghana, Nigeria (reference category being South Africa there is a test for outliers in order to examine the robustness of the samples.

The numbers with significant level are coefficient value, while the middle numbers are the standard error and numbers in the parentheses refer to t-statistics.
F-Statistic is significant at 1% and 5% critical value
***significant at 1 percent level.*
**significant at 5 percent level.*
**Heteroskedasticity is corrected using White-adjusted standard errors.*

Key finding from the above Table include the following:

1.In Column 6 the respondents from non-regulatory stakeholders show that when financial information are prepared according to statutory and ethical obligation this is likely to improve rules and laws that promote corporate governance practice.

In Table 6.2.6 Column 6 respondents from non-regulatory stakeholders believe that when financial information are prepared according to statutory and ethical obligation this may enhance the promotion of rules and laws that guides corporate governance practice. This result suggests that in the SSAA region adequate preparation of financial information according to statutory and ethical obligation encourages the promotion of rules and laws for effective corporate governance practice.

Conclusion

The next chapter (seven) presents the conclusion and recommendations based on the findings in Chapter four, five and six. The chapter seven provides the summary of key components that are important for effective corporate governance practices of listed firms, differences similarities for respondents from regulatory bodies and non-regulatory stakeholders. It also includes policy implication and limitation of the study.

Chapter Seven

Conclusion and Recommendation

7.1 The effect of institutional characteristics of corporate governance and corporate governance system

This chapter provides empirical results to identify which components are important for corporate governance practice for listed firms in Sub-Saharan African Anglophone countries. The chapter also examines the effect of each of the component of corporate governance on corporate governance system.

In all the selected countries there is evidence that enforcement and disclosure and transparency have a positive significant effect on corporate governance system. This result indicates that enforcement, disclosure and transparency play a vital role in promotion of corporate governance system in the region. In addition, Ghanaian and Nigerian firms have a negative significant impact on corporate governance system; while South African firms that are constant (reference category) having a positive significant relationship with corporate governance system.

Furthermore, Table 4.1 Column 3 and 5 reveal the results within each country such that in Ghanaian and South African firms. The variables such as regulatory framework and enforcement of corporate governance have a positive significant impact on corporate governance system. However, Nigerian firms indicated in Column 4 show that regulatory framework has a negative significant relationship with corporate governance system. This result suggests that in Ghanaian and South African firms' regulatory frameworks and enforcement may be stronger in promotion of corporate governance system. However, in Nigerian firms' enforcement of corporate governance may be weak in promotion of corporate governance system. This finding is consistent with Okike (2007) and Okpara (2010) the authors claimed that lack of implementation of regulatory framework in Nigeria may be due to corruption that is prevalent among the officials of regulatory and supervisory bodies. This finding supports the World Bank ROSC group report on firms in Nigeria that generally there is need for improvement of corporate governance practice in Nigeria.

There are laws in the book for regulatory framework and enforcement policy of corporate governance in Nigeria however, there are no laws to implement those rules and regulations on regulatory framework and enforcement of corporate governance practices. The institutional bodies and corporate governance system may look good on paper but when they are compromised with corruption, lack of implementation and incompetence the result is likely to be weak corporate governance practices among firms in Nigeria. However, the improvement of corporate governance practices in South African firms this is due to the King Reports on Codes of corporate governance I, II and III with the primary objective to promote sound corporate governance practices in South Africa.

Moreover, ownership concentration is significant with corporate governance system in the region. The implication is that ownership concentration is prevalent in firms of Sub-Saharan African Anglophone countries. As a result, the controlling owner may be unwilling to dilute their ownership, generally known as non-dilution of entrenchment. (Claessens et al. 2002). This may affect effective corporate governance system in terms of decision making, control rights and cash flow rights.

Table 4.2 and 4.3 reveal a situation where each sub-variable under regulatory framework is estimated with sub-variable of corporate governance system such as rules and laws. There is indication that in Nigerian firms' stock market listing rules and corporate code of conduct has an impact on corporate governance system such as rules and laws. This result really shows what is happening in the Nigerian capital markets presently. This may be due to lack of implementation of stock markets listing rules and corporate code of conduct for firms. Thus, Nigerian capital markets seem to be presently weak to the extent that investors do not have confidence to invest in the markets.

In addition, in Ghanaian firms rules and regulations for disclosure and communication may improve corporate governance system. However, in Nigerian firms' rules and regulations regarding the required independent status of board members is likely to hinder corporate governance system. This is seem to lack of implementation by the regulators such as Securities Exchange Commission in Nigeria (SEC) that stipulated that a minimum of five members with a majority of non-executive directors and not more than two of the same family should sit on the board of firms at the same times. Thus, in Ghana the regulatory body such as Ghana Securities Exchanged (GSE) is silent on size of board members.

In addition, enforcement of corporate governance may be better in Ghanaian and South African firms than Nigerian firms. In Nigerian firms the degree of investigation to non-compliance with laws or regulations by enforcement agency seems to be weak to move the corporate governance system forward. Also in Ghanaian firms insider trading, equal access to information and merger and acquisition can move Ghana corporate system forward with rules and laws. In South African firms the confidentiality and autonomy of auditors seem to be important to promote sound corporate governance systems.

The basic shareholder rights are more likely to promote effective corporate governance system in Ghanaian firms than Nigerian firms. This result is consistent with World Bank ROSC (2010) report on firms in West Africa Sub-region, that firms in Ghana may have better basic shareholder protections. This may be the reason for some foreign investors within West Africa Sub-region moving to Ghana in recent times.

In Nigerian firms, minority shareholders violation has not improved corporate governance system this evidence supports the result that shareholders are allow to speak at company meeting only if they agree with boards of directors. Consequently, the above findings may not provide effective corporate governance system in Nigerian firms. In addition, in Nigerian firms the following sub-variables such as non-compliance with law/regulation (Q17) and minority shareholders rights violation (Q25) seem to hinder rules and laws that promote effective corporate governance. This suggests that in Nigerian firms there is a lack of compliance with law and regulation on corporate governance, as well as a lack of appropriate law to protect shareholders rights. This may be due to poor implementation of rules and laws on enforcement of corporate governance in Nigeria. This finding is inconsistent with ECA (2002), OECD (2004) the organisations explained that there is need for separating the government's policy making and regulatory through establishing independent and strong regulatory and enforcement mechanism. Arun and Turner (2004) also argue that there is need for appropriate laws to protect the minority shareholders.

Furthermore, preferential treatment to larger share holders seems to hinder corporate governance system in Ghanaian and Nigerian firms thus, ownership concentration is prevalent and therefore there is likely to be preferential treatment for large shareholders. This finding is consistent with La Portal (1997) who argues that large shareholders have outright control of the firm and they managed with higher percentage of ownership. This result suggests that the controlling owner will be unwilling to dilute their ownership, and this is generally known as non-dilution of entrenchment (Claessens et.al 2002). This finding also implies that minority shareholders may not be able to express their own view. Also, because the controlling shareholder (large shareholders) having preferential treatment over minority shareholders and can exercise their power by matching significant control right with significant cash flow rights.

7.1.1 Views of respondents from regulatory bodies and non-regulatory stakeholders on institutional characteristics of corporate governance practice and corporate governance system

From Table 4.4.1 the respondents from regulatory bodies' category of corporate governance in all the countries together show that enforcement of corporate governance has a significant effect on corporate governance system. This result implies that the regulatory bodies of corporate governance of firms in the selected countries believe that enforcement of corporate governance seem to promote the corporate governance practices in the countries. Also, Ghanaian and Nigerian firms indicate a negative significant relation with corporate governance system with South Africa as a reference. Thus, at each country level firms in Ghana indicate that disclosure and transparency is significant.

Furthermore, in Table 4.4.2, for all the countries together the non-regulatory stakeholders' believe that enforcement of corporate governance may promote sound corporate governance of firms. For firms in Ghana and South Africa the regulatory framework and enforcement corporate governance practices have a positive significant association with corporate governance system. However, in Nigeria the non-regulatory stakeholders show that disclosure and transparency is likely to improve the quality of rules and laws.

Based on the above findings, the main divergence between two categories is that regulatory bodies believe in enforcement of corporate governance practices. Respondents from non-regulatory stakeholders indicate that regulatory frameworks of corporate governance are also important to promote sound corporate governance. In addition, respondents from non-regulatory stakeholders found that disclosure and transparency may improve corporate governance.

The convergence between the regulatory bodies and non-regulatory stakeholders are on enforcement of corporate governance. However, based on the above evidence the regulatory bodies' category have mostly likely failed in the implementation of the regulatory framework which is one of the components of corporate governance codes of best practices issued by Securities Exchange Commission and relevant bodies. This may be due to socio political corruption and incompetency among the officials of the institutional bodies in charge of corporate governance practices of firm in Sub-Saharan Africa Anglophone countries.

In addition, we estimated the sub-variables of corporate governance on sub-variables of institutional characteristic of corporate governance on corporate governance system with regulatory bodies and non-regulatory stakeholders respondents. The Table below illustrates the divergence between the respondents in the selected countries.

Table 7.1: illustrate the divergent views between respondents from regulatory bodies and non-regulatory stakeholders on institutional characteristics of corporate governance and corporate governance system

Respondent from regulatory bodies of corporate governance	Respondents from Non-regulatory stakeholder of corporate governance
1. Regulatory bodies indicated that information access (Q21) may enhance rules and laws that promote effective corporate governance practice	1. Non-regulatory stakeholders believe that independent board (Q16) is likely to promote rules and laws that guide corporate governance practices.
3. Regulatory bodies view that large concentration (few shareholder having majority of shares, (Q29) may deters rules and laws that promote effective corporate governance practice.	2. Investor protection (Q18) may increase the quality of rules and laws that promote corporate governance
	3. They indicate that shareholder alignment (Q27) hinders the rules and laws that can promote corporate governance practices.
	4. Non-regulatory stakeholder view that preferential treatment of large shareholders (Q30) may deters rules and laws that can promote corporate governance practices.

In all the selected countries the following are the convergence views from the respondents

1. The two categories of respondents believe that investigation of non-compliance (Q17) is likely to enhance rules and laws that promote corporate governance of firms.

2. Both respondents show that investigating the illegal or inappropriate treatment of minority shareholder may increase the quality of rules and laws that promote corporate governance.

In Ghana the following are the divergence views the non-regulatory stakeholders believe in the following

1. Rules and regulation on board nomination (Q14) seems to enhance rules and laws on corporate governance practice

2. They indicate that rules and regulation on disclosure (Q15) are more likely to improve rules and laws that guide corporate governance practice.

3. They show that violation of rules and regulation on independent board (Q25) may weaken rules and laws for effective corporate governance practices.
4. They all believe that investigation of non-compliance (Q17) is more likely to enhance rules and laws that promote corporate governance of firms

5. Non-regulatory stakeholders' respondents indicate that insider trading (Q20) can improve laws and rules on corporate governance practices

6. They found that merger and acquisition (Q23) may boost rules and laws that promote corporate governance practices

7. Non-regulatory stakeholder show that basic shareholder rights (Q24) is likely to enhance rules and laws on corporate governance

In Ghana the findings below are the convergent between respondents from regulatory bodies and non-regulatory stakeholders are stated below:

1. Both respondents indicate that show their view that investor protection (Q18) can increase the quality of rules and laws that promote corporate governance practices

2. The respondents claim that information access (Q21) can enhance rules and laws that promote effective corporate governance practice.

3. Both respondents view that preferential treatment of large shareholders (Q30) may deters rules and laws that can promote corporate governance practices.

The areas of divergence in Nigeria are shown in the Table below.

Table 7.2: divergent views between respondents from regulatory bodies and non-regulatory stakeholders in Nigerian on institutional characteristics of corporate governance practices and corporate governance system

Respondents from regulatory bodies of corporate governance	**Respondents from Non-regulatory stakeholder of corporate governance**
1. They believe that merger and acquisition (Q23) is likely to improve the rules and laws that enhance corporate governance practices.	1. Non-regulatory stakeholders believe that stock market rules and codes (Q12) may improve rules and laws that promote corporate governance practices in Nigerian firms.
2. They view that basic shareholder rights (Q24) is likely to enhance rules and laws on corporate governance	.
3 The regulatory bodies show that ownership composition (Q28) can hinders rules and laws that promote corporate governance practices in Nigerian firms.	

In Nigeria the convergence views between respondents from regulatory bodies and non-regulatory stakeholders: They are all believe that that investigation of non-compliance (Q17) is more likely hinder rules and laws that promote corporate governance of firms.

Generally, both the respondents from regulatory bodies and non-regulatory stakeholders of corporate governance indicate that enforcement of corporate governance matter most in order to achieved effective corporate governance practice. The non-regulatory stakeholders also believe that regulatory framework needs to be strong in order to promote effective corporate governance practice.

7.2 The effect of role and responsibility of the board of director on corporate governance system.

This study examines the effect of role and responsibility of firms boards of directors in the corporate governance system. This study provides the empirical evidence in all the selected countries that the commitment of board to transparency in board nomination and election process improve corporate governance system. However, board duality (separation of role between the chairman and CEO) may hinder corporate governance practices. This finding may be due to incompetence and inefficiency of both the chairman and CEO. This evidence implies that there may be separation of roles and responsibilities between the Chairman and Chief Executive officer. However, this is less likely to promote good corporate governance practice. This result is based on the opnion of the respondents from the questionnaire.

The attention to executive compensation by board members has a negative influence on rules and laws of corporate governance of firms. This result seem to be regard as absence of an executive compensation committee and this may give opportunity for the directors to award themselves compensation which is not in the good interest of the shareholders.

In addition, there is evidence that commitment of board to transparency in board nomination and election process, board disclosure and communication increase the quality of rules and laws on corporate governance. These two variables have a positive significant effect on rules and laws of corporate governance, power and authority of the regulatory agencies of corporate governance. This result suggests that the formal and transparency board nomination election process, and board disclosure and communication have more influence to promote sound corporate governance in term of rules and law and the power and authority of the regulatory agencies in the region.

Moreover, within each country we observe that for Ghanaian firms' commitment of the board members; to process of disclosure and communication have a positive effect on rules and laws of corporate governance practice. Also, we find that disclosure and communication has a significant positive relationship with power and authority of regulatory agencies. This result suggests that board of directors of firms in Ghana are more committed to the process of disclosure and communication and this may promote the power and authority of the regulatory agencies in Ghana. However, executive compensation is negatively associated with all the sub-variables of corporate governance system. This finding is consistent with the results when all the countries are taken into consideration.

Nevertheless, in South African firms' board effectiveness, executive compensation and board duality (separation between the role and responsibility of Chairman) may strongly promote a sound corporate governance system. This finding may be due to introduction of King II and III Reports on Code of corporate governance that lay more emphasis on issue of board of directors' effective role and responsibility, separation of role and responsibility between Chairman and CEO and executive compensation.

7.2.1 View of respondents from regulatory bodies and non-regulatory stakeholders on roles and responsibility of the board of directors and corporate governance system

We further provide more evidence for this study by classifying the finding from this study into two categories; regulatory bodies and non-regulatory stakeholders. There are convergences in the findings for the two categories. This includes the commitment of boards' members to disclosure and communication which has a positive effect the corporate governance system. However, board non-duality has a negative effect on the corporate governance system. This result implies that both the regulatory bodies and non-regulatory stakeholders of corporate governance believe that effective disclosure and communication is likely to promote corporate governance of firms.

The separation of role and responsibility between Chairman and CEO does not really promote corporate governance is also a convergence. In addition, there is convergence on commitment of the board to corporate strategy which has a negative influence on the power and authority of the regulatory agencies.

Furthermore, another area of convergence is that using Ghanaian and Nigerian firms as dummy variables this show a significant negative relationship with corporate governance system. This result implies that the roles and responsibilities of firm's board of directors in Ghanaian and Nigerian firms are less effective in promoting corporate governance as compared with that of South African firms. The convergence in Nigeria is that respondents believe that board effectiveness (Q33) is more likely to enhance rules and laws, the power and authority of regulatory agencies.

The areas of divergence for selected countries are shown in the Table below.

Table 7.3: Ddivergent views between respondents from regulatory bodies and non-regulatory stakeholders on role and responsibilities of the board of directors and corporate governance system

Respondents from regulatory bodies of corporate governance	Respondents from Non-regulatory stakeholder of corporate governance
1. Regulatory bodies indicate that commitment of board members to corporate strategy (Q31) seem to deters the rules and laws on corporate governance practice.	1. There is indication that level of commitment of board members to enforcement of corporate governance (Q36) may inhibit power and authority of regulatory agencies to perform their function effectively.
	2. They believe that executive compensation (Q32) is likely to hinder the rules and laws that promote effective corporate governance practice.

Table 7.4: Reports the divergence view between respondents from regulatory bodies and non-regulatory stakeholders in Nigerian on role and responsibilities of the board of directors and corporate governance system

Respondents from regulatory bodies of corporate governance	Respondents from Non-regulatory stakeholder of corporate governance
1. The regulatory bodies also believe that board transparency (Q35) may provide more power and authority for regulatory agencies in Nigeria.	1.Respondents from non-regulatory stakeholders found that board duality (Q38) may hinders rules and laws that bring good corporate governance practice

7.3 The effect of external factors on corporate governance practice

In this study, we explored the external factors that impact corporate governance system in the selected countries in order to determine the extent to which external factors affect corporate governance practice. We found that in all the countries selected in the region, the political environment hinders the promotion of corporate governance system. This is because politicians and friends of officials of the governments in power interfering with the work of regulatory and supervisory agencies of corporate governance. This evidence is due to prolonged military dictatorship that ruled the countries in the region not helping the matter because during the military regimes there were no corporate governance frameworks and no strong institutions to formulate the policies. It was during the democratic rules that such institutional frameworks on corporate governance were formulated such as Code of Best Practices or Guideline on Principle and Practice of corporate governance in Nigeria and Ghana.

In Nigerian firms ownership structure hinder the promotion of corporate governance system. This may be due to a lack of proper due process in acquisition of shares in firms and most cases the boards of directors and senior management are the majority stockholders of firms. In Ghana, societal and cultural factors hinder the corporate governance system. This result indicates that the Ghanaian corporate governance Code of Best practices needs to take into consideration the socio-cultural environment in formulating corporate governance policies for Ghanaian firms.

However, the accounting system plays a vital role in promoting corporate governance across countries in the region, and in each country such as Ghana, Nigeria and South Africa. This result suggests that it is through the quality of accounting system that shareholders, potential investors and other stakeholders of firms will be able to receive financial information about their firms.

Moreover, we extend this study by examines the impact of external factors sub-variables on rules and laws that promote corporate governance practices of firms. Thus, under the economic factor the results show that in the region as a whole and specifically in Nigerian firms the role of bank in financing firms (financial intermediation) may likely promote corporate governance. This result suggests that if a bank finances the firm they may promote the rules and laws that can enhance effective corporate governance through issuing of credit facilities and long-term loan to the firms in Nigeria and in the Sub-region. As a result, there will be corporate rules and laws that will be implemented, as well as proper monitoring of their funds and corporate policy. In addition, firms can also control banks which may also promote rules and laws that can bring good corporate governance through creating a conglomerate business organisation across the countries in the region.

In addition, the local investor voting power and control variable has a significant negative relationship with rules and laws of corporate governance of firms in all the countries. This finding indicates that a large number of listed firms are subsidiaries of foreign multinational and there are minority of shares with float for local investors. Consequently, public investors may not be able to use voting power to enforce corporate governance and there is no effective control due to limited float (Kapumpa, 2001. Mensah, 2001).

In all the countries together, particularly in Ghana macro-economic policies seem to hinder promotion of corporate governance practices. This evidence indicates that macro-economic policies may be not well implemented to the extent that it has a negative effect on rules and laws of corporate governance practice. This result suggests that a lack of proper implementation of macro-economic policies is likely to result from poor quality of governance. This indicates that government expenditure may be misappropriated as a result of corruption, lack of transparency and accountability in the countries in the Sub-region. This may lead to increase in national deficit. Thus an increase in national deficit can brings weak economy such as high inflation rate, high interest rate and high unemployment rate. Consequently, investors may move from equity or capital markets to money markets because the money markets are free but capital markets are risky. In addition, this shows that the corporate governance system such as rules; laws power and authority of the regulatory agencies seem to be very weak. This will brings lack of confidence to the investors in equity markets

In Nigerian firms, growth and development of firms that influence the economy may promote good corporate governance; policy for development of growth of the firms is recently implemented through the introduction of various economic reforms by past and present democratically elected governments in Nigeria. Besides this, firms across countries and in particular in South African firms, foreign investment promotes corporate governance through inflow of capital and new corporate strategy and policy. This may attract investors by building more confidence for them in order to invest across the countries in the region.

Furthermore, in all the countries together particularly in Ghana, national culture affects procedure in the accounting system, business ethics and socio-political cultural environment may hinder rules and laws that promote corporate governance. These results suggest that the governments in the Sub-region need to take into consideration the socio-cultural and business ethics environment of Ghana in the formulation of guidelines on corporate governance practice or Code of Best practice on corporate governance of firms in Ghana.

In addition, corruption deters rules and laws that promote effective corporate governance particularly in South Africa; as a result of institutionalised corruption in the sub-region. This finding supports the evidence that in recent time, corruption is prevalent across sectors of the economy and in society at large. Consequently, the rules and laws can be easily altered or not properly implemented by the enforcement and supervisory agencies of corporate governance.

The type of government in power influences the promotion of rules and laws on corporate governance, especially as the majority of the countries in SSAA were ruled by the military for a long period. Thus, during this period there were no institutional frameworks for development of corporate governance. Also, government and politicians' interferences with activities of regulatory bodies of corporate governance may inhibit the development of sound corporate governance in Ghana and Nigeria. This result suggests that the officials in charge of enforcement of corporate governance may not have a free hand in implementing corporate governance rules and laws. This seems to deter the development of corporate governance of firms in those two countries.

Nevertheless, the sub-variable under ownership structure such as when board members and senior management are the majority of stockholders, this does not promotes corporate governance practices. This is because most of the rules and laws concerning minority shareholders rights and protection may not be followed. The finding shows that minority shareholders may not have rights to express their own opinion or grievances.

Moreover, when foreign nationals are the majority of stock holders this may bring a new strategy, such as standard norms on corporate governance practices. Consequently, this seems to enhance sound corporate governance and bring more confidence to domestic investors. In addition, in Ghanaian and South African firms when family members are the majority of stockholders this is likely to improve corporate governance. This finding supports the effect on family-owned firms where by the management may comply with rules and laws that guide the corporate governance practices in order to build confidence and attract investors so that there will be strong capital base for their firms.

Furthermore, in all the countries together accounting sub-variables such as financials information are prepared according to the statutory and ethical obligation and the role played by the accounting standard board seem to enhances and promotes the rules and laws that can bring sound corporate governance. This result suggests that the quality of accounting system is a modifier or accelerator for sound corporate governance practice.

In all the countries together using Ghanaian and Nigerian firms as dummy variables in references to South African firms as indicated in the entire Tables of this study. The results show that that both countries (Nigerian and Ghanaian firms) have a significant negative relationship on rules and laws that promote corporate governance. This result suggests that the external factors may weaken the implementations of rules and laws that promote corporate governance of firms in these countries in comparison to that of South African firms.

7.3.1 View of respondents from regulatory bodies and non-regulatory stakeholders on external factors of corporate governance practices

There is evidence of convergence on the view of both regulatory bodies and non-regulatory stakeholders' respondents of corporate governance. The two categories believe that the accounting system may play a vital role in the promotion of sound corporate governance. This evidence is indicated in all the selected countries together.

Moreover, under the economic factor there are convergences on financial intermediation by banks and that banks play a major role in promotion of corporate governance through given credit facilities and loans. The local investors are unable to use voting power to enforce corporate governance which may not enhance corporate governance practice of firms and this is also part of convergent view.

Furthermore, the two categories of respondents from all the countries together indicate that when foreigners are the majority of stockholders this may promote rules and laws on corporate governance practices. Beside this, sub-variables under corruption such as economic hardships, conflict of interest and lack of internal control that hinder corporate governance practices are under the convergent view.

In Ghana macro-economic policies influence the way firms are managed in relation to shareholder deters rules and laws that promote corporate governance practice is a convergent view. Under the political environmental factor the issue of government interfering with regulatory agencies which inhibit rules and laws on corporate governance are also among the convergent view.

The areas of divergence for all the selected countries are shown in the Table below.

Table 7.5: the divergent views between respondents from regulatory bodies and non-regulatory stakeholders on external factor of corporate governance practices and corporate governance system

Respondents from regulatory bodies of corporate governance	Respondents from Non-regulatory stakeholder of corporate governance
1. They believe that reduction in corruption and bribery may enhance rules and laws that promote corporate governance practices.	1. They show that when board members and senior members are majority this may hinder corporate governance practice.
2. They indicate that corruption within regulatory bodies' officials of corporate governance deters the promotion of rules and laws that promote corporate governance.	2. They found that financial information is prepared according to statutory and ethical obligation this may promote rules and laws on corporate governance.
	2.In Ghana particularly, they indicate that when family owned majority of stockholders this is likely to promote corporate governance practices
	3.In Ghana the non-regulatory stakeholders show that equity market is likely to improve rules and laws on corporate governance practice
	4.Non-regulatory stakeholders in Ghana show that ownership structure of Ghanaian firms may promote corporate governance system
	5.Non-regulatory stakeholders in Nigeria show that ownership structure of Nigerian firms seem to hinder corporate governance system
	6. They found that political influences with fiscal and monetary policies have a negative effect on rules and laws that promote corporate governance
	7. They show that the type of government (military or democratic) influence the rules and laws on corporate governance practices.

7.4 Recommendation on the effect of institutional characteristics on corporate governance system

From the evidence documented in this study, it shows that regulatory frameworks, enforcement, disclosure and transparency are real input guiding efficient practices of corporate governance system. Generally, we find that in Ghanaian and Nigerian firms, the corporate governance system are relatively weak in compared with South African firms. This is due to the negative significant effect of Ghanaian and Nigerian firms on rules and laws that promote corporate governance practices.

Furthermore, in Nigerian firms the implementation of regulatory frameworks and enforcement policies are not improving corporate governance systems as a result of lack of action to execute the regulatory and enforcement policy of corporate governance. This may also be due to corruption, ineffective, compromised positions as a result of corruption within the institutional bodies. Moreover, there are multiple codes of best practices on corporate governance for Nigerian firms. This is may be due to inadequacies of Securities Exchange Commission (SEC) code of 2003. Thus, the Central Bank of Nigeria (CBN) after post consolidation issued a code of corporate governance for bank in 2006. In 2009 the National Insurance Commission (NACOIM) issued a code of corporate governance for the insurance industry and in 2010 the Securities Exchange Commission (SEC) reviewed the 2003 code.

Against this background, the recommendations for this study are based on the opinion or perception of the respondents to the survey questionnaire. Firstly, there is a need for sound the effective corporate governance system of firms in Sub-Saharan African Anglophone countries, most especially in Nigerian firms because Nigeria has a larger market for foreign and domestic investment. In addition, Nigeria has the highest population in Africa. Nigeria has abundant natural resources. As a result, foreign investors may like to invest in Nigeria. Therefore a sound corporate governance practice is necessary for the country.

Secondly, the federal government of Nigeria need to reform the institutional bodies that are in charge of corporate governance of firms in Nigeria. In addition, there should be a stringent penalty for any offenders of rules and regulations of corporate governance practices. There is also a need for reform of corporate governance of firms in Nigeria which will be tailored towards international corporate governance standard such as Cadbury Report 1992 and King Report (1994, 2002 and 2010). The Federal government established Financial Reporting Council of Nigeria Act (FRC) under the Act, there is the directorate of corporate governance whose objective is to promote effective corporate governance practices of firms. However, the act is not yet well implemented.

Thirdly, there is a need to issue only one code of corporate governance for each industry such as financial or non-financial. This must follow the international standard both in context and the implementation. The codes should be reviewed a similar way as in the UK Financial Reporting Council in 2012. Also in Ghana there is a need for such a council, and the Ghana law of 1963 Act 179 seem to be outdated. There is a need to reform the law and include a modern corporate codes and law guiding Business Corporation which must include international standards for corporate governance practices.

In addition, regulatory and supervisory agencies should promote a culture of ''whistle blowing'' meaning that the regulatory and supervisory agencies will setup a hotline where the stakeholders of corporate governance can report any violation and this complaint will be investigated. There must be prudent monitoring of rules and laws and stringent penalties with requirements of corporate governance rules, regulatory framework and enforcement policy. Also any official of the institutional bodies found guilty of corruption or ineffectiveness should be punished.

Generally, in all the countries in Sub-Saharan Africa Anglophone countries there is need for strong shareholders activism through the establishment of shareholders association with the aim and objective of promoting the interest, welfare, enlighten, and dissemination of information related to management of firms shareholders to shareholders.

7.5 Recommendation for the effect of role and responsibilities of the board of director of firms on corporate governance system

The recommendations stated below are reflection from the opinion or perception of the respondents from the survey questionnaire used for this study. We recommend that the role and responsibility of the boards of directors in the area of corporate strategy need to be improved by increasing the number and role of independent directors, which will see the development of corporate strategy as team work with themselves and management. They will all work together to make more valuable contributions toward better corporate strategy that will promote corporate governance system.

In addition, in Ghanaian and Nigerian firms the regulatory and supervisory bodies of corporate governance need to put emphasis on nonbinding advisory vote by shareholders on executive compensation which is similar to UK firms. This can allow shareholders to express their opinion on executive compensation. Also, there is a need for more competent and efficient persons to act as either Chairman/Chairperson or Chief Executive Officers of firms who are ready to make sure that their role and responsibilities will enhance good corporate governance practice. It is necessary to reform the Ghana Corporate Law of 1963 Act 179 which lay more emphasis on responsibilities of firm's boards of directors on financial reporting, disclosure and communication.

Furthermore, in all the selected countries together there is a need for more strengthening of the role and responsibility of firm's boards of directors and proper monitoring of the board members by regulatory and supervisory agencies. The shareholders need to have control over the boards of directors by using voting power and hold the board of directors for non-performance through shareholders activism. The shareholders can influence corporate behaviour through shareholders activism in order to exercise their rights as the owners of the firms. They should ensure that the board of directors are qualified for their positions, have a clear understanding of their role and are not subjected to undue influence.

7.6 Recommendation for the effect of external factor on corporate governance system

From the empirical evidence from this study, we recommend that the guidelines and regulation of corporate governance across countries in the region particularly in Ghana should be drawn in such a way that it reflects the socio-political and cultural environment of their respective country. The regulator believes that reduction in corruption and bribery can move corporate governance forward. As a result there is a need to strengthen the anti-corruption agencies to provide more public campaigns against corruption and allow legal institution to prosecute corrupt officers and politicians. Thus, from our findings, the regulatory bodies of corporate governance believe that reduction in corruption can enhance good corporate governance practice. Also, the government and politicians should stop interfering with ministries and agencies responsible for monitoring, enforcing corporate governance particularly in Nigeria.

Moreover, the sales of state-owned companies and appointment of directors should follow due process in order to bring transparency and accountability and this will promote sound corporate governance practice. In addition, there is need for local investors enforcing corporate governance by giving them right to express their own view and use their voting power. The board members and senior management having majority control can hinder the promotion of corporate governance. Thus, in such a situation the regulatory and supervisory agencies of corporate governance should make sure that the minority shareholders rights are not violated.

7.7 Limitation of the study

The recommendations are based on the reflection from opinion of the respondents from the survey questionnaire used for this study. Consequently, the limitation is that the opinion of these respondents cannot be questioned or probed for given their opinion through the survey questionnaire. In addition, there is a level of researcher imposition, this implies that when developing the data instrument (survey questionnaire), we may be making our own assumption as to what is important and not important in this study. Thus, the researcher may be missing something that is of important. Also there may be other components or factors that affect corporate governance of listed firms in SSAA countries which this study has not mentioned in the survey questionnaire this is likely for further research study.

Covering Letter for survey questionnaire

Brunel University

London UK

School of Social Sciences

Department of Economics and Finance

A Covering Letter

Dear Respondent,

I am a PhD student at Brunel University London UK under the supervision of Professor Len Skerratt, a visiting Professor of Accounting and Finance Brunel University London UK.

This study will ask that you complete the survey questionnaire that is made up of section A to O (attached) which takes approximately 20-25 minutes to complete. Any information you provide will be kept strictly confidential and will not be attributed to you or organisation. The completed questionnaire response will be stored in a secure environment and the results will be used for only academic purposes.

If you have any question or concern about the study, please contact the researcher: Mr Adeoye Afolabi PhD student, Brunel University, School of Social Sciences, Department of Economic and Finance, London UB8 3PH UK, e-mail: Adeoye.Afolabi@brunel.ac.uk, Adeoye.afolabi@yahoo.co.uk.

Your help would be greatly appreciated, thank you very much for your time and cooperation.

Consent

Would you like to have a copy of results of this study? Yes ☐ No ☐

If your answer is yes, please provide your e-mail address or postal address. Thank you for your participation

E-mail: Postal address:

Researcher Signature

Date

Cordially,

Adeoye Afolabi

Survey Questionnaire

Section A: Questions 1-7 are related to your background. Please mark(X) only one option.

1. **Gender:** Male □ Female □
2. **Occupation:**
   Legislator □ Executive Director □
   Regulator □ Non-Executive Director □
   Academician □ Company Executive (CEO) □
   Individual investor □ Company employee □
   Institutional investor □ Judiciary or Legal □
   Accountant/Auditor □ Other (Specify)………… □
3. **Years of experience in your occupation:** ____ year
4. **Formal education:**
   Diploma/Certificate □ Bachelor Degree □
   Master Degree □ Doctoral Degree □
   Professional certificate/other □
5. **Your location:** ____
6. **How do you rate your knowledge on corporate governance of firms in your country**
   Low □ Medium □ High □
7. **Type of Firm:** Financial Firm □ Non-Financial Firm □

Section B: Statements 8-11 relate to your views on effectiveness of corporate governance practice. Please rate the extent to which you agree with each statement (X) according to the scale below. Please this applies to all sections.

1=strongly disagree 2=disagree 3=Undecided 4=Agree 5=strongly Agree

8. There are adequate and effective rules and laws that promote the practice of good corporate governance of firms in my country of operation.	**1**	**2**	**3**	**4**	**5**
9. The supervisory, regulatory and enforcement agencies have the power, resources and authority to enforce compliance with laws and regulations and guidelines on corporate governance in my country of operation.	**1**	**2**	**3**	**4**	**5**
10. A good legal system in my country of operation helps to improve the corporate governance of firms.	**1**	**2**	**3**	**4**	**5**
11. A well-organized legislature and sound regulatory and supervisory agencies in place promote good corporate governance.	**1**	**2**	**3**	**4**	**5**

Section C: Statements 12-16 relate to your views on regulatory framework of corporate governance practice in your country.

12. Stock markets listing rules and corporate codes of conduct for firms are often abused or ignored.	**1**	**2**	**3**	**4**	**5**
13. The rules and regulation for appointing and removal of auditors are frequently violated.	**1**	**2**	**3**	**4**	**5**
14. Rules and regulations for a formal and transparent board nomination and election process of firms are often ignored.	**1**	**2**	**3**	**4**	**5**
15. Rules and regulation for disclosure and communication are not often followed	**1**	**2**	**3**	**4**	**5**

16. Rules and regulations regarding the required independent status of board members are often violated.	**1**	**2**	**3**	**4**	**5**

Section D: Statements 17-19 relate to your views on enforcement of corporate governance practice.

17. There is sufficient investigation of apparent non-compliance with laws/regulations by the enforcement agency.	**1**	**2**	**3**	**4**	**5**
18. There is appropriate legal protection of investors and creditors from fraud perpetrated by managers and controlling shareholders within firms.	**1**	**2**	**3**	**4**	**5**
19. There are appropriate mechanisms for investigating the illegal or inappropriate treatment of minority shareholders within firms.	**1**	**2**	**3**	**4**	**5**

Section E: Statements 20-23 relate to your views on transparency and disclosure of corporate governance practice.

20. Generally, in firms in your country, insider trading laws, rules and regulations are followed.	**1**	**2**	**3**	**4**	**5**
21. There is equal access to information for all shareholders in firms	**1**	**2**	**3**	**4**	**5**
22. There is confidence in the autonomy and independence of auditors for firms within your country.	**1**	**2**	**3**	**4**	**5**
23. There are transparency in mergers and acquisitions of firms in your country	**1**	**2**	**3**	**4**	**5**

Section F: Statements 24-27 relate to your view on shareholders' rights.

24. The basic shareholders rights in your firm are not protected	**1**	**2**	**3**	**4**	**5**
25. Minority shareholder rights of your firm are often violated	**1**	**2**	**3**	**4**	**5**
26. Minority shareholders are often not allowed to express their view at general meetings of firms in your country.	**1**	**2**	**3**	**4**	**5**
27. Shareholders are allowed to speak at company meetings only if they are known to agree with the board of directors.	**1**	**2**	**3**	**4**	**5**

Section G: Statements 28-30 relate to your views on ownership concentration.

28. The firms in your country have a variety of composition of ownership	**1**	**2**	**3**	**4**	**5**
29. There is large concentration of ownership (few shareholders having majority of shares) in firms in your country.	**1**	**2**	**3**	**4**	**5**
30. Preferential treatment is often given to large shareholders of firms in your country	**1**	**2**	**3**	**4**	**5**

Section H: Statements 31-38 relate to your view regarding role and responsibility of board of directors.

31. Board members are not fully committed to reviewing and guiding corporate strategy in your firm.	**1**	**2**	**3**	**4**	**5**
32. Board members of companies in your country do not pay adequate	**1**	**2**	**3**	**4**	**5**

attention to executive compensation in your firm.					
33. Board members of companies in your country are not effectively committed to their responsibility in your firm	**1**	**2**	**3**	**4**	**5**
34. The board members often demonstrate a lack of concern as to the integrity of companies' financial reporting system of firm in your country.	**1**	**2**	**3**	**4**	**5**
35. Board members show lack of concern in ensuring a formal and transparent board nomination and election process in your firm.	**1**	**2**	**3**	**4**	**5**
36. In your firm of country operation, board members do not show concern about proper monitoring and enforcement of laws, rules and regulations of corporate governance practices.	**1**	**2**	**3**	**4**	**5**
37. Board members do not adequately supervise the process of disclosure and communication in your firm.	**1**	**2**	**3**	**4**	**5**
38. There is separation between the roles of the chairman and Chief Executive officer of firms in your country.	**1**	**2**	**3**	**4**	**5**

Section I: Questions 39-48 relate to your views on economic factors with regard to corporate governance practices.

39. Good corporate governance practice within firms is important in attracting domestic investment in a nation.	**1**	**2**	**3**	**4**	**5**
40. Good corporate governance practice within firms is important in attracting foreign investment in a nation.	**1**	**2**	**3**	**4**	**5**
41. Corporate governance influences the growth and development of firms and this, in turn influences the economy of a nation.	**1**	**2**	**3**	**4**	**5**
42. Shareholder protection can affect the level of equity markets.	**1**	**2**	**3**	**4**	**5**
43. Macro-economic policies influence the way firms are managed in such way as to influence the relationship between firms and shareholders.	**1**	**2**	**3**	**4**	**5**
44. Banks play a predominant role in financing of firms in your country.	**1**	**2**	**3**	**4**	**5**
45. Firms in your country own and control major local banks by creating a form of conglomerate business organization.	**1**	**2**	**3**	**4**	**5**
46. There are conflicts and problems associated with corporate governance before or after privatization of state-owned companies in your country.	**1**	**2**	**3**	**4**	**5**
47. There is no transparency in the sales of state-owned companies and appointment of the board of director in your country.	**1**	**2**	**3**	**4**	**5**
48. The local investors are unable to use voting power to enforce corporate governance and there is no effective corporate control.	**1**	**2**	**3**	**4**	**5**

Section J: Statements 49-52 relate to your views on societal, cultural and family factors upon corporate governance practices.

49. Corporate governance practices within firms should consider the interests of all stakeholders (employee, customers), individual and community goals.	**1**	**2**	**3**	**4**	**5**
50. Corporate governance guidelines and regulations should be drawn in such a way that they reflect the socio-political and cultural environment of each nation.	**1**	**2**	**3**	**4**	**5**
51. National culture affects enforcement procedures in accounting systems and these influences corporate governance practice of firms in your country.	**1**	**2**	**3**	**4**	**5**
52. The business ethics and values that characterize a society will influence the	**1**	**2**	**3**	**4**	**5**

level of confidence in the integrity and probity of firms and capital markets.					

Section K: Statements 53-58 relate to your views on the influence of corruption and bribery on corporate governance practices.

53. Reduction in corruption and bribery will help to improve corporate governance practices of firms	**1**	**2**	**3**	**4**	**5**
54. Levels of corruption in a country influence the ability of regulatory authorities to enforce compliance with corporate governance principles and accountability within firms.	**1**	**2**	**3**	**4**	**5**
55. Job security and payment of satisfactory living wages will influence the level of corruption.	**1**	**2**	**3**	**4**	**5**
56. Conflicts of interest, unsound ethics and greed influence the corporate governance practices of a firm.	**1**	**2**	**3**	**4**	**5**
57. Economic hardship will influence levels of corruption among employees to the extent that corporate governance practices are undermined within firms.	**1**	**2**	**3**	**4**	**5**
58. Lack of internal control system will influence levels of corruption among employees to the extent that corporate governance practices are undermined within firms.	**1**	**2**	**3**	**4**	**5**

Section L: Statements 59-63 relate to your views on how a country's political environment may influence corporate governance practices within firms.

59. The government exerts substantial influence over the ownership of companies in my country of operation.	**1**	**2**	**3**	**4**	**5**
60. The political environment, by influencing fiscal and monetary policies, has a substantial impact on corporate governance practices	**1**	**2**	**3**	**4**	**5**
61. Prolonged period of military or civilian rule in a country will influence the corporate governance practices of firms.	**1**	**2**	**3**	**4**	**5**
62. The government interferes with the work of regulatory and supervisory bodies with regard to appointments or incentives for company executive within firms.	**1**	**2**	**3**	**4**	**5**
63. Politicians exert undue influence over the ministries and agencies responsible for monitoring and enforcement corporate governance guidelines and regulations within firms.	**1**	**2**	**3**	**4**	**5**

Section M: Statements 64- 68 relate to your view on ownership structure in your firm.

64. The Board members and senior management are generally majority stock holders of companies in your country	**1**	**2**	**3**	**4**	**5**
65. Foreign national are generally the majority shareholders of companies in your country.	**1**	**2**	**3**	**4**	**5**
66. The government holds the majority of stock in companies in your country.	**1**	**2**	**3**	**4**	**5**
67. Family members generally hold the majority of stocks in companies in your country.	**1**	**2**	**3**	**4**	**5**
68. Where a single family dominates the management of a firm, this will be reflected in corporate governance practice of firm.	**1**	**2**	**3**	**4**	**5**

Section N: Statements 69-71 relate to your views on how accounting systems influence the corporate governance of firm within countries.

69. Firms prepare financial information that accord with statutory and ethical obligations in my country.	**1**	**2**	**3**	**4**	**5**
70. The Institute of Chartered Accountants or the equivalent (professional body of accountants) play a role in enforcing good accounting and financial reporting practices in my country of operation.	**1**	**2**	**3**	**4**	**5**
71. The Accounting Standards Board (national equivalent) issues standards that are in line with international accounting standards.	**1**	**2**	**3**	**4**	**5**

Section O: Statements 72 deal with any further comments.

72. Any further comments on issue of corporate governance of firms in your country

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