THE KEY CHALLENGES OF CORPORATE GOVERNANCE OF FIRMS: EMPIRICAL EVIDENCE FROM SUB-SAHARAN AFRICAN ANGLOPHONE (SSAA) COUNTRIES

Adeoye Afolabi*

* Department of Economic and Management Studies, College of Social and Management Sciences, Afe Babalola University, PMB 5454 Ado-Ekiti Nigeria

Abstract

This paper uses empirical evidence to identify views about the important components of good corporate governance practice for listed firms in Sub-Saharan African Anglophone countries. This study used survey questionnaire based on international corporate governance norms, data were collected from listed firms in Ghana, Nigeria and South Africa. The findings include: In Ghanaian and South African firms there are evidence that regulatory framework and enforcement of corporate governance promote sound corporate governance system. This study revealed that commitment of board of directors to disclosure and communication may provide effective corporate practices. Political environment and ownership structure of firms' hinder sound corporate governance practices. Accounting system operating in each country plays a vital role in promoting sound corporate governance system. However, societal, cultural and corruption seem to deter corporate governance system in Ghanaian and South African firms. We recommend that there should be prudent monitoring of corporate governance rules and enforcement.

Keywords: Institutional Characteristics, Directors, External Factors, Corporate Governance And OLS

1. BACKGROUND OF 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, and Georgen, et.al (2008) Germany, 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 Anglophone countries. 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.

We 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. 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 and collapse of firms 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 firstly, identifying the impact of institutional characteristics (such as regulatory framework, enforcement, disclosure and transparency, shareholders rights and ownership concentration) of corporate governance on corporate governance system. Secondly, revealed the effect of responsibilities of boards of directors on corporate governance system. Thirdly, revealed the impact of external factors of corporate governance of firms.

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 is one the strong economy in the Sub-region and Nigeria been the strongest economy, having a huge population, large markets, blessed with abundant natural resources such as 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.

The findings from this study make a contribution to the literature that enforcement, disclosure and transparency are likely to promote sound corporate governance system in Ghanaian and South African firms because enforcement variable have a positive significant on Corporate governance system variable such as rules and laws. Another contribution of this study is that in Nigerian firms, regulatory framework has a significant negative effect on corporate governance system. This may hinder promotion of sound corporate governance because regulatory framework variable have a negative significant on corporate governance system variable. 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.

We find that across the selected countries in the Sub-region larger concentration of ownership and preferential treatment to large shareholders may have influence on corporate governance system (rules and laws of corporate governance practices). The implication is that ownership concentration is prevalent in Sub-Saharan African Anglophone firms. This finding revealed that ownership concentration variable have a positive significant relationship on corporate governance system (rules and laws of corporate governance practices). This result suggests that larger concentration of ownership and preferential treatment to large shareholders need to be properly managed in order to enhance sound corporate governance practices in the Sub-region.

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 may be due to incompetence and inefficiency of both the chairman and CEO. This result 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 opinion of the respondents from the questionnaire. 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. Moreover, this study finds that ownership structure may likely enhance effective corporate governance in Ghanaian than Nigerian firms. It seems that there may be lack of due process in the acquisition of ownership of firms in Nigeria when compared with 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.

The rest of this paper are section two which is the literature review, section three methodology, section four is illustrate as finding of the study, section five and six show the conclusion and recommendation of the study.

2. LITERATURE REVIEW

In this section we provide the prior studies on institutional characteristics of corporate governance, role and responsibilities of board of directors and external factors on corporate governance of firms.

2.1. Institutional Characteristics of Corporate Governance

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. La Porta et al. (1998) examined the legal rules covering protection of corporate shareholders and creditors.

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. Each of the country must make sure that there is no conflict between the codes. The 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 manner. However the rulings of these authorities should always be at appropriate time, transparent, and should be explain clearly. In addition, 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.

Beside this, 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. Moreover, OECD (2004) specified the following as the basic shareholder rights. This include 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. The organisational also revealed that corporate governance should ensure equitable treatment of all shareholders. Shleifer and Vishny (1997) posited that ownership concentration is link with legal protection as one of the main element for determinant of corporate governance. Thus, ownership concentration can be viewed as a governance mechanism. Against this background, the important research question is that to what extent has institutional characteristics (such as regulatory framework, enforcement, disclosure and transparency, shareholders rights and ownership concentration) of corporate governance have impacted on corporate governance system such as rule and laws of firms in Sub-Saharan African countries such as Ghana, Nigeria and South Africa.

2.2. Role and Responsibilities' 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 his committed to the organisation by prepared and present for meeting.

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. Moreover, 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.

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 have produced different results. 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. 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. However, there is clear indication of negative relationship between board size and firm performance. Jensen (1993) argues that when boards are small in size this can help to improve performance and when board members 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.

In addition, board corporate strategy involve the level of participation of board members in commitment to decision making that can affect the long term performance firms, the strategic decision which is decision that base 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 involving 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 involve 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.

Moreover, 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 a 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 for pay attention to issue of executive compensation. Consequently, Shah et.al (2009) revealed that the determinant of Chief Executive Officer (CEO) compensation is mainly on economic factor globally, this may likely due to various market demand, 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.

In order to fill the gap in the literature, the pertinent research question that this study seeks to address is the effect of role and responsibilities of firm's directors on corporate governance system of firms in the Sub- Saharan Africa Anglophone countries (SSAA). We formulate the hypothesis that there is a relationship between role and responsibilities of firm's board of directors and corporate governance system.

2.3. External factors on Corporate Governance

There are external factors affecting the development of corporate governance in sub-Saharan Anglophone countries such external factors such as legal and regulatory, economic, cultural and societal, political, corruption, ownership structure and accounting system. OECD (2004) explained the important 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 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 that effect of legal and regulatory framework on corporate governance of firms. Also, economic factor have effect on corporate governance such that 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 most recent global economic downturn. These factors are associated with accounting scandals fraud and financial regularities. The author further stated that effective corporate governance can enhance economic growth, and long term investment stability through attraction of local and foreign investors.

Furthermore, the type of political system and government in operation in a country play a vital role in shaping society and this can also influence the likelihood of sound corporate governance practices. ECA (2002) explained that institutions of government have capacity to manage resources efficiently, formulate, implement and enforce sound policies and regulations of corporate governance. 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 remain endemic in developing Africa nation and in some cases, this become institutionalised as a result of collective behaviours.

Moreover, effect of ownership structure on effective corporate governance is significant. There are a number of studies on ownership structure, performance and value of firms. However, Denis and Mconnell (2003) found that 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 of firms are widely held. The quality of accounting system have 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 high quality standard of accounting and financial and non-financial disclosure. Consequently, accounting information play 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). The final aspect of this paper, revealed research question that to what extent has external factors of corporate governance (such as economic, societal and culture, political environment, corruption and bribery, ownership structure and accounting system) of firms affect the corporate governance system such as rules and laws in Sub-Saharan African Anglophone countries.

3. METHODOLOGY OF THE STUDY

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. 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 in the 2004 OECD which has 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 could 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.

These statements or items above (items) are based on a liker 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 liker scales is based on Bryman (2007) who posited that five liker scales is important because it enables the respondents to express their level of agreement with the statement in the question effectively.

In addition, five point liker 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.

3.2. 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 (2012) 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 is 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 are able to identify 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 questions 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 questions 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 legislators, regulators, academician, individual investors, institutional investors, accountants/auditors, executive directors and non-executive.

3.3. 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 which indicates 75 percent response rate. 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.

In South Africa 100 survey questionnaire were administered to the respondents and 71 was received back, this representing 71 per cent response rate. The survey questionnaires were sent and received back by e-mail. Some were sending 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. Some of the regulatory and supervisory agencies were also covered.

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

3.4. The Sample of the study

The study uses a stratified random sampling method to collect the data from twelve categories of respondents who were stakeholders of corporate governance 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 per cent. Out of the total of 541 respondents 150 respondents were from Ghana, 320 from Nigeria, and 71 respondents from South Africa.

3.5. The dependent variable

The variables are rules and law systems, agencies power, legal system and organised agencies structure. The total corporate governance system (**Total_cs)** is the addition of statements under this section is proxies as dependent variable.

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

$$Total\_Cs = Rules\_Law + Agencie\_Power + Legal\_system + Agencies\_Organise$$

Table 1. Definition of the variables for section B: Corporate governance system

Variable	*Statements*
Rules and Laws (Rules_cs8)	There are adequate laws and rules that promote the practice of good corporate governance of firms in my country.
Agencies power (Agencies_cs9)	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) (Legal_cs10)	A good legal system in my country of operation helps to improve the corporate governance of firm
Agencies-orgnise (Organise_Cs11)	A well organised legislature and sound regulatory and supervisory agencies in place promote good corporate governance
Total corporate governance system (Total_csQ8-11)	This addition of all variables for corporate governance system of firms under section B of the survey questionnaire.

3.6. The Independent variables

The independent variables are the addition of all the sub-variables in each section from C to G 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.

3.7. 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:

$$\text{Total\_(Q8-11)} = \beta_0 + \beta_1(\text{Trfw\_Q12-16}) + \beta_2(\text{Tenfm\_Q17-19}) + \beta_3(\text{Tdis\_Q20-23}) + \beta_4(\text{Tshrt\_Q24-27}) + \beta_5(\text{Towc\_Q28-30}) + \beta_6(G) + \beta_7(N) + \mu_i \quad (1)$$

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.

3.8. 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_strgyQ1), adequate attention to executive compensation (Bod_ExecQ2), and effective committed to their responsibility (Bod_EffQ3).

In addition, independent variables also represented as Level of ensuring of a formal and transparent board nomination and election process (Bod_TrpyQ4).

Others independent variables are level of concern about enforcement of corporate governance policies (Bod_MerQ5), supervision of process of disclosure and communication (Bod_DiscQ7) and separation of roles and responsibilities of Chairman and Chief Executive Officer (CEO) (Bod_dulityQ8).

3.9. 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:

$$\text{Total\_cs)} = \beta_0 + \beta_1(\text{corp\_strgy1}) + \beta_2(\text{Exec\_comp2}) + \beta_3(\text{Bod\_Eff3}) + \beta_4(\text{Bod\_Frept4}) + \beta_5(\text{Bod\_Trpy5}) + \beta_{6(}\text{Bod\_enfm6}) + B_7(\text{Bod\_Disc7}) + \beta_8(\text{Bod\_Duality8}) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i \quad (2)$$

Where the corporate governance system is the dependent variable and it is measured by the addition of items or statements 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.

3.10. The Independent variables

These include the following below:

Teco_(Q12-21) this is proxy as the variable for economic factor which influences corporate governance practice and it covers statements or items (sub-variables) 12-21 under Section C of the survey questionnaire.

Tscf_(Q22-25) denote the variable for societal and cultural factor effect on corporate governance practice and it covers statements or items (sub-variables) 22-25 under Section D of the survey questionnaire.

Tcorpt_(Q26-31) indicate the variable that influence corruption and bribery on corporate governance practice, this covers statements or items under (sub-variables) 26-31 of Section E of the survey questionnaire.

Tpol_(Q32-36) illustrate political environment factor variable that impacts on corporate governance practice, and covers statements or items under (sub-variables) 32-36 of Section F of the survey questionnaire.

Town_(Q37-41) is proxy as the variable for ownership structure effects upon corporate governance and covers statements or items under Section G (sub-variables) 37-41 of the survey questionnaire.

Tacct_(Q42-44) represents variable for the influence of accounting system on corporate governance, it covers statements or items under Section H (sub-variables) 42-44 of the survey questionnaire.

3.11. 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:

$$\text{Total\_(Q8-11)} = \beta_0 + \beta_1(\text{Tec\_Q12-21}) + \beta_2(\text{Tsc\_Q22-25}) + \beta_3(\text{Tcorpt\_Q26-31}) + \beta_4(\text{Tpol\_ Q32-36}) + \beta_5(\text{Town\_Q37-41}) + \beta_6(\text{Tacct\_Q42-44}) + \beta_7(G_R) + \beta_8(N_R) + \mu_i \quad (3)$$

The dependent variable is proxy as corporate governance system (Total_Q8-11) with independent variables indicated as economic factor (Tec_Q12-21) societal and cultural factor (TSc_Q22-25), Corruption and bribery (Tcorrpt_Q26-31), political environment (Tpol_Q32-36), ownership structure (Town_Q37-41) and accounting system (Tacct_Q42-44). 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.

3.12. 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 2. 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/$\sqrt{n}$)*

3.13. 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. 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	150	4.49*	26.07
	Nigeria	320	4.48*	35.30
	South Africa	71	4.53*	19.83
	Sub-region(SSAA)	541	4.50*	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).*

Table 4. 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/$\sqrt{n}$)*

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 5. Showing OLS estimate of corporate governance system on institutional characteristics of corporate governance

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

Dependent variable: Total effective corporate governance system.

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.*

Table 5 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 5 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 5 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. Results of the data analysis 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 6. Showing OLS estimate on corporate governance system and role and responsibility of firm's boards of directors

$$Total\_cg = \beta_0 + \beta_1(corp\_strgy) + \beta_2(Exec\_comp) + \beta_3(Bod\_Eff) + \beta_4(Bod\_Frept) + \beta_5(Bod\_Trpy) + \beta_6(Bod\_Enfm) + B_7(Bod\_Disc + \beta_8(Bod\_Duality) + \beta_9(G) + \beta_{10}(N) + \beta_{11}(GR) + \beta_{12}(NR) + \mu_i$$

Dependent variable: 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 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.*

In Table 6 Column 2 there is evidence that board transparency has a significant positive impact on corporate governance system with coefficient. 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 6 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. Other factors that can affect corporate governance system which are not discussed in this study could be responsible for the low value.

In the case of South African firms, board effectiveness and board duality have significant positive effect on corporate governance (see in Table 6 Column 5). This result implies that board members of firms in South Africa are more effective in carrying 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 the Chief Executive officer is likely to promote good corporate governance of firms in South Africa. This result is based on perception of the respondents.

4.3. 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.

This study examines external factors on corporate governance system as shown in Column (1), (2), (3), (4) and (5) in Table 7. 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.

Table 7. The effect of external factors on corporate governance system of firms

$$Total\_cg = \beta_0 + \beta_1(Tec\_C) + \beta_2(Tsc\_D) + \beta_3(Tcorrpt\_E) + \beta_4(Tpol\_F) + \beta_5(Town\_G) + \beta_6(Tacct\_H) + \beta_7(G_R) + \beta_8(N_R) + \mu_i$$

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 C 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 D 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 E of the survey questionnaire, Total political environment is the addition of all items under political environment in section F ownership structure is the total items or variable under section G and accounting system is the total of all items or statements under section H 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.*

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.

5. CONCLUSION

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.

Base on the overall finding in each of the countries there is evidence that South Africa may be better than Ghana and Nigeria in term of regulatory framework and enforcement although corruption seem to hinder the promotion of sound corporate governance in South Africa. 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.

Moreover, we examine 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 opinion of the respondents from the questionnaire.

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.

Furthermore, this study revealed that 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. In addition, evidence from this study indicates that there is lack of due process in the acquisition of ownership of firms in Nigeria when compared with 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.

6. RECOMMENDATION

Based on the findings which are the perception or opinion of the respondents from the finding 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.

In addition, 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.

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.

Based on the finding from external factor affecting corporate governance, this study 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.

REFERENCES

1. Alo, Oladimeji (2009) Promoting Good Corporate Governance. A paper delivers by the president and Chairman of the Chattered Institute of Personnel Management of Nigeria (CIPMN) at the Annual Conference in Lagos Nigeria.
2. Amaeshi, K.M., Adi, B.C., Ogbeche, C. and Amao, O.O (2006) corporate social responsibility in Nigeria. Western minority or indigenous influences? *Journal of corporate citizenship* Vol.24 Page 83-99.
3. Armour, J. Deakin Simeon, Sarkar, Prabirjit and Siems, Mathias (2009). Shareholder Protection and Stock Market Development: An Empirical Test of the Legal Origin Hypothesis. *Journal of Empirical Studies.* Vol. 6 No. 2 Page 343-380.
4. Bakare, M.O (2011) Corporate Governance Practices as a reflection of the Socio-Political Environment. *International Journal of Critical Accoun*ting Vol.2/3 Page 133-170.
5. Burton, B. Wanyama, S. and Helliar C. (2009) Framework Underpinning Corporate Governance: Evidence on Uganda Perceptions. *Journal of Corporate Governance: An International Review* Vol. 17 No. 2 Page 159-175
6. Bryman Alan (2007) Social research methods. Third Edition Oxford University press
7. Cadbury, Report (1992) Report of the Committee on the Financial Aspect of Corporate Governance. Gee and co. London.
8. Cadbury, Sir Adrian. (2002) *Corporate Governance and Chairmanship- A Personal View. Oxford: Oxford University Press UK.* Page 1-5.
9. Claessens, S., Djankov, S., and Fan, J.P.H., (2002). Disentangling the Incentive and Entrenchment Effect of Large Shareholding. *Journal of Finance* Vol. 57, No. 6 Page 2741-2771.
10. Coffee, J .C (2005) A Theory of Corporate scandals: Why the US and Europe differ, *Oxford Review of Economic Policy*, Vol. 21 Page 198-211
11. Denis k. Diane and McConnell, John K. (2003). International Corporate Governance. *Journal of Financial and Quantitative Analysis* Vol. 38 No1 Page 1-36
12. ECA (2002) Guidelines for Enhancing Good Economic and Corporate Governance in Africa, United Nations Economic Commission for Africa, Addis Ababa Ethiopia
13. Gorergen, M. and Miguel, C. Renneboog, L. (2008). Recent Developments in German Corporate Governance. *Journal of International Review of Law and Economics.* Vol. 28 No. 3 Page 175-193.
14. Gray, R, Owen, D and Adams, C (1996) Accounting and Accountability Prentice-Hall London.

15. Heracleous, Loizos (2001). What is the Impact of Corporate Governance on Organizational Performance? *Journal of Corporate governance: An international Review Vol. 9* No *3* Page *165*- 173
16. Jesen M. C. (1993). The Modern Industrial Revolution, Exit, and the Failure of Internal Control system. *Journal of Finance*, Vol. 48 No 3 Page 831-880.
17. King I Report (1994) on corporate governance practice in South Africa
18. King II Report (2002) on corporate governance practice in South Africa
19. King III Report (2010) on corporate governance practice in South Africa
20. Klapper, L. F and Love, I. (2004). Corporate Governance, Investor Protection, and Performance in Emerging Market. *Journal of Corporate Finance* Vol. 10 Page 703-728.
21. La Porta, Rafael, Lopez-desilanes, Sheleifer, Andrei and Vishny, W. Robert (1997) Trust in Large Organisation. National Bureau of Economic Research Working Paper No 5864 Cambridge, MA.
22. La Porta, R. Lopez-de-Silanes, F. and Shleifer, A. (1998). *Journal of* Law *and Finance.* Vol. 106 No. 6 Page 1113-1115.
23. La Portal, R. Lopez-de-Silanes, F. Shlefer, A. and Vishny, R. (1999) corporate governance ownership around the world *Journal of finance* Vol. 54 No. 2 Page 471-517. In corporate governance and globalization. Published by Edward Elgar Publishing Company USA.
24. La Porta, R. Lopez-de-Silanes, F. and Shleifer, A. (2008) The Economic Consequence of legal origin. *Journal of Economic Literature* Vol. 46 No. 2 Pages 285-332
25. Mikalilu A.S, Sanda, A. U and Tukur, G. (2005). Corporate governance mechanism and firm financial performance in Nigeria. AFRC Research paper 149 Nairobi Page 1-41
26. OECD (1999) Organisation for Economic Co-operation and Development; Principles of Corporate Governance, Paris France. Page 1-50
27. OECD (2004) Organisation for Economic Co-operation and Development; Principle of Corporate Governance, Paris France. Page 1-66.
28. Ogbechie, C., Koufopoulos, D.N., and Argyropoulou, M (2009) Board characteristics and involvement in strategic decision making, the Nigerian perspective. *Management research news* Vol.32 No 2 Page 169-184
29. Ogbeche, C and Koufopoulos D.N (2007) Board effectiveness in the Nigerian Banking industry, working paper Pan African University Lagos Nigeria and Brunel University London.
30. Okeahalam, C. C and Akinboade, O. A (2003) A review of corporate governance in Africa: Literature, Issues and Challenges. Paper prepared for the global corporate governance forum
31. Okike, E.N.M (2007) corporate governance in Nigeria: The Status quo. *Corporate Governance International Review,* Vol.15 No 2 Page 173-193
32. Okpara, J. O (2010) Perspective on corporate governance challenges in a Sub-Saharan African Economy. *Journal of Business and Policy Research* Vol. 5 No 1 Page 110-122
33. Pallant, Juliet (2010). A step by step guide to data analysis using the SPSS programme. Survival Manual 4th Edition. McGraw-Hill Publisher England UK.
34. Raheja, G. Gharu (2005). Determinants of Board Size and Composition: A Theory of Composition Board. *Journal of Financial and Quantitative Analysis.* Vol. 40 No 1 Page 284-306.
35. Rossouw, G. J. (2005) Business ethics and corporate governance in Africa, *Journal of Business and Society,* Vol. 44 Page 94-106
36. Saunders, Mark Lewis Philip and Thornhill Adrian (2012) Research methods for business students. Sixth Edition Published by Pearson Education
37. Shah, S.Z, Javed, T. and Abbas, M. (2009) Determinant of CEO compensation: Empirical evidence from Pakistan listed companies. *International Research Journal of Finance and Economics.* Vol. 32 Page 149-159
38. Van den Berghe, L. and Levrau, A. (2007) Identifying key determinant of effective boards of directors, working paper.
39. Weeisbach, M.S and Hermalin, B.E (2003) Boards of directors as an endogenously determined institution: A survey of the economic literature. Federal Reserve Bank of New York (FRBNY), *Economic Policy Review.* Vol. 9 No 1 Page 7-26.

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 attention to executive compensation in your firm.	1	2	3	4	5

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 level of confidence in the integrity and probity of firms and capital markets.	1	2	3	4	5

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