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Corporate Governance and Directors' Remuneration: A Comparative Study of Manufacturing Companies in Nigeria and Ghana

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ABSTRACT

This study investigated Corporate Governance and Directors' Remuneration: A comparative study of manufacturing companies in Nigeria and Ghana. The study covers the period of 2015 to 2020; the study is wholly limited to (5) consumer goods manufacturing companies listed on the Nigerian Exchange Group (NGX) in Nigeria and Ghana Stock Exchange (GSE) respectively for the period under review. To analyze the relationship of the different variables we have applied E-view 9 using coefficient of correction and regression analysis using ordinary least squares technique as the data analysis method. Based on our analysis at 5% significance level the study found that different proxies of director's remuneration namely (board size and CEO duality) are statically significant with directors' remuneration. The study recommended among others that there should be separation of the CEO from Chairman of the Board. Those firms should maintain an optimum level of board size.

Keywords: *Director's Remuneration, Board Size, and CEO Duality,*

INTRODUCTION

Aspects of business life like directors' compensation have garnered attention and criticism, and as a result, codes have been created to limit such excessive compensation. It has been questioned if the substantial compensation paid by directors of institutions and enterprises is justified by the fundamental economic success of the relevant company (Harvey, 2020). Numerous lines of investigation have focused on the central issue of whether directors' compensation may be justified in light of senior management contributions to corporate financial performance (Harvey et al., 2020). Numerous research studies on the topic of director compensation have been published (Ataay, 2018; Harymawan et al., 2020). There are essentially two opposing models of directors' compensation that are based on managerial power theory and agency.

According to a "NEXT study," bank directors in Nigeria have the highest salaries on the continent (Oluwole, 2020). They found that directors in Nigerian banks earn significantly more than their counterparts in other parts of Africa, who manage even more reliable, larger, and more profitable banks. This is based on their analysis of the 2019 financial reports of Nigerian commercial banks alongside those of the largest banks on the African continent. The argument that some directors, particularly those in the banking industry, are being overpaid to the disadvantage of shareholders, other employees, and the company as a whole has been the driving force behind the debate on executive directors' compensation (Oluwole, 2020). The main support on which a company's management is based are its directors. It is impossible to overstate the importance, roles, and responsibilities of company directors. Corporate governance is a system by which organizations are regulated and controlled with a view to generating shareholder value and satisfying the expectations of other stakeholders. As a result, the necessity for the practice of good corporate governance is unavoidable. (CBN, 2021)

Studies on corporate governance and director compensation have been done. Core and Larcker (2019) used a sample of 405 large U.S. corporations between 1982 and 1984, claim that executives receive higher cash compensation when corporate governance structures are less successful. Their study's overall findings suggest that enterprises with less effective governance procedures have more agency difficulties. Executives at companies with worse agency issues are paid more money.

For a sample of 414 large UK companies for the fiscal year 2016–2018, Ozkan (2018) empirically examined the impact of corporate governance mechanisms, namely ownership and board structure of companies, on the level of CEO compensation. Based on their findings, they concluded that firms with large boards and a higher proportion of non-executive directors pay their CEOs more, indicating that non-executive directors are not more effective in monitoring the performance of their boards.

To the best of the researcher's knowledge, no one has particularly conducted a comparison analysis of Nigeria and Ghana. As a result, the researcher is obligated to solve this problem in order to close the information gap. The objective of this research study therefore is to empirically investigate into Corporate Governance and Directors' Remuneration: A comparative study of manufacturing companies in Nigeria and Ghana. Specifically to;

1. Determine the relationship between board size and directors' remuneration in manufacturing companies in Nigeria and Ghana.
2. Ascertain the relationship between CEO duality and directors' remuneration in manufacturing companies in Nigeria and Ghana

LITERATURE REVIEW

Corporate Governance

Recently there has been considerable interest in the area of corporate governance practices in modern corporations, particularly since the high-profile collapses of a number of large U.S. firms in the likes of Enron Corporation and WorldCom. Corporate bodies use remuneration to attract, retain, and motivate employees. In Nigeria, the recent insider's trading, massive and prevalent frauds, mandatory retirement of CEOs of banks, due to corrupt practices and inefficient board, have combined to signal the absence or failure of existing corporate governance structure (Okpara, 2015)

Corporate governance is used to monitor whether outcomes are in accordance with plans; and to motivate the organization to be more fully informed in order to maintain or alter organizational activity. In essence, corporate governance is the mechanism by which individuals are motivated to align their actual behaviors with the overall corporate good. (Abdullah, 2018)

The operating procedures of a firm are defined by corporate governance in its broadest definition. The laws of the land, fiduciary or economic responsibility, moral conduct, fraud prevention, risk mitigation, and general good corporate citizenship will all be covered by these standards. Corporate governance involves everyone in a company, from the boardroom to the front line. For the most of the colonial period, British businesses predominated in Nigerian economic environments while still being governed by British laws. As a result, the provisions of the company legislation, which control the activity and governance of Nigerian firms, are influenced by the nation's colonial heritage (Okike, 2018).

Nigeria consequently inherited a corporate governance system that was defined by the Anglo-Saxons. Additionally, even though the Companies Ordinance of 1922 was replaced by the 1968 Companies Act after Nigeria gained independence, the UK corporate law continued to have a significant influence. For instance, the 1968 Companies Act closely resembled the 1948 UK Companies Act (Okike, 2018). The legal framework for corporate governance in Nigeria appears to have stuck to the Anglo-Saxon paradigm despite numerous company law revisions over the years. Because Nigeria adopted the British corporate governance structure, it makes sense to promote good corporate governance at the very least. However, there are serious questions about whether UK corporate rules are compatible with, representative of, and suitable to the business environment in Nigeria. Consequently, while the legal foundations resemble the UK system, it would be unwise to assume that Nigeria mirrors the United Kingdom in terms of application and particularly in terms of entrenched principles.

Corporate Governance and Director's Remuneration as a concept

The rules and incentives that drive and control management of a corporation to optimize profitability and long-term value of the firm for shareholders while taking into account the interests of other legitimate stakeholders are known as corporate governance. (Stone, Hurley, and Khemani, 2017) Monks and Minow (2015) defined corporate governance as the interactions between different players in the corporate environment as well as the procedures used to reach agreement on the distribution of corporate resources and the choice of the corporate course in order to ensure improved performance. Because an organization's resources are finite and can be used in other ways, it is important to carefully analyze how to allocate them in order to maximize the benefits of doing so.

Oyejide and Soyibo (2016), on the other hand, described corporate governance as the relationship between an organization and its shareholders or, in a broader sense, as the relationship between an organization and society at large. According to Yadong (2018), corporate governance is the relationship that exists between a company and its stakeholders, and that relationship decides and regulates the company's strategic direction and performance. According to the 2016 Report of the Committee on Corporate Governance of Public Companies in Nigeria, corporate governance is the framework for directing businesses in Nigeria and holding managers responsible for the organization's performance. In this line it further emphasizes the fact that the concept of corporate governance is principally on the structure of relationship within an organisation which are directed at best practice in the overall interest of the organisation and its owners/stakeholders.

Board Size and Directors' Remuneration

A company's total number of directors is referred to as its board size (Abdullah 2018). In research on corporate governance, the impact of board size on directors' compensation has been investigated, such as: The links between board composition, ownership structure, and CEO compensation were examined by Core, Holthausen, and Larcker in 2019. Their findings imply that CEO remuneration tends to be higher at companies with weaker governance frameworks. They discovered, namely, that the number of outsiders appointed during a CEO's tenure—and whose appointments the CEO therefore had influence over—increases CEO remuneration.

A company's board of directors may have as few as one director or as many as one hundred. In line with this Lipton & Lorsch (1992) argue that large boards are less effective and are easier for the CEO to control, this is in tandem with Jensen (2017) who opines that large boards are less effective and are easier for the CEO to control. When a board gets too big, it becomes difficult to co-ordinate; smaller boards however reduce the possibility of free riding, and increase the accountability of individual directors.

The pay-performance relationship for CEOs declines with board size, according to Yermack's (2015) study of companies with smaller boards of directors, which suggests that smaller boards provide CEOs with greater incentives and subject them to greater risk than larger boards. There is a general consensus that limiting board size to a certain size will improve a company's performance since the advantages of larger boards' increased monitoring are negated by the worse communication and decision-making of larger groupings. A board that is overly large is probably less likely to effectively address important problems in-depth among the directors.

The 2016 Code of Corporate Governance distinctly redefines the obligations and liabilities of a board of directors. Clearly, the 2016 Code of Corporate Governance saw a few minor revisions. As a result, the 2016 Code does not specify a maximum number of board members, instead stating that "the Board should be of a sufficient size relative to the scale and complexity of the company's operations and be composed in such a way as to ensure diversity of experience without compromising independence, compatibility, integrity, and availability of members to attend meetings." The statutory minimum of two (2) found in Section 246 of CAMA has been significantly improved by the Code's need for a minimum of five (5) Board members.

CEO Duality and Directors' Remuneration

It is necessary to maintain the separation between the Chair's and the Director's duties. Directors who are also the board chair are required to assess their own performance, which inevitably leads to conflicts of interest. A director is considered to as the professional manager; nevertheless, because he cannot speak for the shareholders and judge himself impartially, his decision may not be the best among options (Wallace & Zinkin, 2019).

One important monitoring method supported by the agency theory is the separation of the duties of Directors and the board chairman. The Director also chairs the board when there is no separation. According to an agency perspective, this position, which is referred to as "CEO dualism," is problematic because the Director. Directors have conflicting goals when the chief executive officer and head of the board of a company are the same person.

A number of studies have looked into the division between the CEO and the chairman of the board: Who is in whose pocket was the focus of Ryan and Wiggings' (2018) research? Board for Directors' Compensation They conclude that CEO duality has a detrimental effect on overall board compensation due to independence and obstacles to efficient oversight. In contrast to CEO duality, where the director holds both posts, the board's compensation levels are higher when the CEO is not also the chairperson.

The powers, personalities, roles, and responsibilities of the Chairman of the Board and the Managing Director or Chief Executive Officer of public firms with securities listed on the Stock Exchange are now clearly distinct under the 2016 Code of Corporate Governance. The Chairman should have no involvement in the day-to-day management of the company's operations, according to the Code, as that is the sole responsibility of the CEO and the management group. This requirement's foundation is the requirement to eradicate all forms of power centralization and to institute checks and balances in corporate governance. This will ensure a balance of power and authority so that no one person has too much or too little power.

Empirical Review

Many researches on corporate governance and director compensation have been undertaken. Core and Larcker (2019), using a sample of 405 large U.S. corporations between 1982 and 1984, suggests that executives receive higher cash compensation when corporate governance structures are less successful. Their study's overall findings suggest that enterprises with less effective governance procedures have more agency difficulties. Executives at companies with worse agency issues are paid more money. In his study, Abdullah (2018) looked at the relationship between Malaysian troubled companies' performance, directors' compensation, and corporate governance. He discovered that directors' compensation is not related to firms' profitability as determined by Return on Assets (ROA). Board independence and the degree of nonexecutive directors' interests are proven to have a detrimental impact on directors' compensation in terms of corporate governance. Additionally, his research shows that directors' compensation is strongly correlated with the size and growth of the company. For a sample of 414 large UK companies for the fiscal year 2016–2018, Ozkan (2018) empirically examined the impact of corporate governance mechanisms, namely ownership and board structure of companies, on the level of CEO compensation. Based on their findings, they concluded that firms with large boards and a higher proportion of non-executive directors pay their CEOs more, indicating that non-executive directors are not more effective in monitoring the performance of their boards. In their study, Conyon and Peck (2017) investigated on Board Control, Remuneration Committee, and Top Management Compensation, discovered a significant positive correlation between performance and compensation. Their research also demonstrates a significant positive link between director compensation and the size of the organization. Hassan, Christopher, and Evans (2016) conducted research on the connection between director compensation and company performance in Malaysia. Evidence from this study, which covered the years between 2015 and 2017 before and after the Asian financial crisis, produced good results even though it revealed a poor correlation between directors' compensation and firm success. However, lag-effect research revealed a significant correlation between financial metrics and director compensation. Tosi, Werner, Katz, and Gomez-Mejia (2015) investigated the significance of performance using A meta-analysis of CEO compensation found little correlation between CEO salary, firm size, and performance. When the study looked more closely at the impact of firm size and performance on directors' compensation, they discovered that firm performance is a much weaker predictor of directors' pay than firm size. Additionally, Firth, Tam, and Tang (2015) discovered no significant association between CEO pay and company financial success, but a persistent positive relationship between CEO pay and corporate size of Norway listed businesses. Canyon (2015) discovered a negligible correlation between director compensation and corporate performance. For a sample of 414 large UK companies for the fiscal year 2016–2018, Ozkan (2018) empirically examined the impact of corporate governance mechanisms, namely ownership and board structure of companies, on the level of CEO compensation. Based on their findings, they concluded that firms with large boards and a higher proportion of non-executive directors pay their CEOs more, indicating that non-executive directors are not more effective in monitoring the performance of their boards.

Numerous studies that use the principal-agent theory as their theoretical framework look into the connection between chief executive salary and firm success. Using a sample of 409 companies listed on the Bombay Stock Exchange, Parthasarathy, Menon, and Bhatthacherjee (2018) conducted an empirical study on the relationship between executive compensation, director compensation, and corporate governance. Their findings demonstrate that corporate performance has a positive and significant impact on executive compensation. Kato and Long (2018) looked at 937 publicly traded companies from 2017 to 2017 and discovered a favourable CEO pay-performance relation.

The methodologies employed to evaluate the data have a significant impact on the study's findings, which is why there have been disagreements in past research about the relationship between Directors' compensation and corporate governance. Correlation has been employed by some, while regression analysis and multiple regression have been used by others. These debates lead to a lack of dependability and confidence in the results.

METHODOLOGY

Research Design

The study adopted the *Ex Post Facto* research design considering that the phenomena under investigation have already occurred and the secondary information cannot be altered by the researcher. The research corporate governance variable requires a content analysis collection and analyses of data.

Population of the Study

The population of the study comprises of manufacturing companies in both Nigeria and Ghana as at year ended December 2020, the population of the study consists of quoted consumer goods manufacturing companies in Nigerian and Ghana.

Sample Size of the Study

This study adopts the stratified random sampling technique by selecting the two viable countries from Stock Exchanges of Africa countries. The sample selection is influenced due to the stability of a country's economy and the viability of her Stock Exchange. The purposive sampling technique was employed in selecting the numbers of consumer goods manufacturing companies from the manufacturing sector in each country; bearing in mind the data requirements needed for the analysis.

Method of Data Collection

The study made use of secondary data sourced from various annual reports of the sampled companies deposited at the libraries and website of the NGX (www.NGX.com.ng) and GSE (www.gse.co.za). The research covered a period of six (6) financial years (2015-2020).

Model Specification

To test the relationships between the selected corporate governance and directors' remuneration of consumer goods manufacturing companies on both the NGX and GSE, this study used the following models in providing answers to the formulated null hypotheses of the study:

The study model is in the following form:

$Y = \beta o + \beta 1X1 + \beta 2X2 + \mu$

Where:

Y = Directors' remuneration (dependent variable)

X = Corporate governance (explanatory/independent Variable) β_0 = constant term (intercept) β_1- β_3 = Coefficients of directors; remuneration

μ = Error term (stochastic term)

Explicitly, the equation can be defined as:

Directors' remuneration = f (Corporate governance) + μ

Representing the equations with the variables of the construct, hence the equations below are formulated:

$DRMit = \beta 0 + \beta 1BSZt + \mu t$ ……………………………….……….………………….…….i

$DRM_{it} = \beta 0 + \beta_3 CEO + \mu_t$ …………………………………......……………..................ii

Where

DRM = Directors' remuneration

BSZ= Board size

CEO = CEO Duality

β_1-β_2 = Coefficient of directors' remuneration

μ_t = error term for period t t denotes the annual time_period

Method of Data Analysis

The analysis of data for this research was done based on the data collected from publications of the Exchange Groups in both Nigeria and Ghana, and the annual reports of their quoted companies. Both the dependent and independent variables were computed from the data extracted from the Exchange Group from 2015 to 2020.

Descriptive statistics were employed to summarily describe the mean, median, standard deviation, kurtosis and skewness of the study variables. Inferential statistics was also utilized with the aid of E-Views 9 using:

Decision Rule

Accept the alternative hypothesis, if the Probability value (P-value) of the test is less than 0.05 (5%). Otherwise reject.

DATA ANALYSIS AND RESULTS

Data Analysis

Table 1: Descriptive Statistics (Nigeria)

	DRMN	BSZN	CEON
Mean	238497.3	11.66667	0.666667
Median	226932.0	12.00000	1.000000
Maximum	314392.0	12.00000	1.000000
Minimum	169844.0	11.00000	0.000000
Std. Dev.	50573.45	0.516398	0.516398
Skewness	0.250427	-0.707107	-0.707107
Kurtosis	2.120355	1.500000	1.500000
Jarque-Bera	0.256158	1.062500	1.062500
Probability	0.879784	0.587870	0.587870
Sum	1430984.	70.00000	4.000000
Sum Sq. Dev.	1.28E+10	1.333333	1.333333
Observations	6	6	6

Source: Researcher's computation (2022) using E-Views 9.0

Interpretation

This study considered descriptive statistics (mean, standard deviation, minimum and maximum) for Nigerian companies from 2015 to 2020. Table 1 depicts DRMN to have an average mean of 238497.3 with a minimum of 169844.0, a maximum of 314392.0 and at a standard deviation of 50573.5. BSZN has an average mean of 11.7 with a standard deviation of 0.52, a minimum of 11.0 and a maximum of 12.0. Similarly, on CEON the results showed that on the average, the mean value is 0.7 with a standard deviation of 0.5, a minimum value of 0.0 while the maximum value stood at 1.0.

Table 2: Descriptive Statistics (Ghana)

	DRMG	BSZG	CEOG
Mean	85301.17	11.33333	0.666667
Median	89830.00	12.00000	1.000000
Maximum	98700.00	12.00000	1.000000
Minimum	67819.00	10.00000	0.000000
Std. Dev.	12128.44	1.032796	0.516398
Skewness	-0.520174	-0.707107	-0.707107
Kurtosis	1.698948	1.500000	1.500000
Jarque-Bera	0.693765	1.062500	1.062500
Probability	0.706888	0.587870	0.587870
Sum	511807.0	68.00000	4.000000
Sum Sq. Dev.	7.35E+08	5.333333	1.333333
Observations	6	6	6

Source: Researcher's computation (2022) using E-Views 9.0

Interpretation

This study considered descriptive statistics (mean, standard deviation, minimum and maximum) for Ghanaian companies from 2015 to 2020. Table 2 depicts DRMN to have an average mean of 85301.1with a minimum of 67819.0, a maximum of 98700.0 and at a standard deviation of 12128.4. BSZG has an average mean of 11.3 with a standard deviation of 1.0, a minimum of 10.0 and a maximum of 12.0. Similarly, on CEOG, the results showed that on the average, the mean value 0.7 with a standard deviation of 0.5, a minimum value of 0.0 while the maximum value stood at 1.0.

Test of Hypotheses

Hypothesis One

$H0_1$: There was no relationship between board size and directors' remuneration in manufacturing companies in Nigeria and Ghana.

Table 3a: Panel regression analysis between directors' remuneration and board size of manufacturing companies in Nigeria

Dependent Variable: DRM N
Method: Least Squares
Date: 07/11/22 Time: 10:11
Sample: 2015 2020
Included observations: 6

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	36104.00	562712.3	0.064161	0.9519
BSZN	17348.00	48193.16	0.359968	0.7371

R-squared	0.031378	Mean dependent var	238497.3
Adjusted R-squared	-0.210778	S.D. dependent var	50573.45
S.E. of regression	55648.67	Akaike info criterion	24.95271
Sum squared resid	1.24E+10	Schwarz criterion	24.88329
Log likelihood	-72.85812	Hannan-Quinn criter .	24.67484
F-statistic	0.129577	Durbin-Watson stat	0.908109
Prob(F-statistic)	0.737072		

Source: Researcher's computation (2022) using E-Views 9.0

Table 3b: Regression analysis between directors' remuneration and board size of manufacturing **companies in Ghana**

Dependent Variable: DRMG
Method: Least Squares
Date: 07/11/22 Time: 10:27
Sample: 2015 2020
Included observations: 6

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-41660.50	20030.80	-2.079822	0.1060
BSZG	11202.50	1761.339	6.360217	0.0031

R-squared	0.910016	Mean dependent var	85301.17
Adjusted R-squared	0.887520	S.D. dependent var	12128.44
S.E. of regression	4067.639	Akaike info criterion	19.72071
Sum squared resid	66182743	Schwarz criterion	19.65130
Log likelihood	-57.16214	Hannan-Quinn criter.	19.44285
F-statistic	40.45236	Durbin-Watson stat	1.048796
Prob(F-statistic)	0.003132		

Source: Researcher's computation (2022) using E-Views 9.0

In Table 3a, R-squared and adjusted Squared values were (0.031) and (0.211) respectively. This indicates that the independent variable, board size (BSZN) jointly explain about 20% of the systematic variations in dependent variable, directors' remuneration (DRMN) of our samples companies in Nigeria over the six years periods (2015-2020).

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 3a, it is observed that DW statistics is 0.908 and an Akika Info Criterion and Schwarz Criterion which are 24.953 and 24.883 respectively also further confirmed that our model is well specified. In addition to the above, the specific finding from the explanatory variable is provided below.

Based on the Coefficient value of 17348.0, t-value of 0.360 and p-value of 0.737 was found to have a positive effect on our sampled Nigerian companies and this effect is not statistically significant as its p-value is higher than 0.05 values.

In Table 3b, R-squared and adjusted Squared values were (0.91) and (0.89) respectively. This indicates that the independent variable jointly explain about 90% of the systematic variations in dependent variable of our samples companies over the six years periods (2015-2020).

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 3b, it is observed that DW statistics is 1.049 and an Akika Info Criterion and Schwarz Criterion which are 19.721 and 19.651 respectively also further confirmed that our model is well specified. In addition to the above, the specific finding from the explanatory variable is provided below.

Based on the Coefficient value of 11202.50, t-value of 6.360217 and p-value of 0.003 was found to have a positive effect on our sampled Ghanaian companies and this effect is statistically significant as its p-value is less than 0.05 values.

This result from table 3a and 3b, shows that board size of both the sample companies in Nigeria and Ghana has a positive effect with directors remuneration, while Ghanaian board size has significant effect, Nigerian companies board size is not significant. Therefore suggests that we should accept our alternate hypothesis one which states there was a significant relationship between board size and directors' remuneration in manufacturing companies in Nigeria and Ghana.

Hypothesis Two

$H0_2$: There was no significant relationship between CEO duality and directors' remuneration in manufacturing companies in Nigeria and Ghana

Table 4a: Regression analysis between directors' remuneration and CEO Duality of manufacturing companies in Nigeria

Dependent Variable: DRMN
Method: Least Squares
Date: 07/11/22 Time: 10:14
Sample: 2015 2020
Included observations: 6

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	226932.0	39349.55	5.767080	0.0045
CEON	17348.00	48193.16	0.359968	0.7371

R-squared	0.031378	Mean dependent var	238497.3
Adjusted R-squared	-0.210778	S.D. dependent var	50573.45
S.E. of regression	55648.67	Akaike info criterion	24.95271
Sum squared resid	1.24E+10	Schwarz criterion	24.88329
Log likelihood	-72.85812	Hannan-Quinn criter .	24.67484
F-statistic	0.129577	Durbin-Watson stat	0.908109
Prob(F-statistic)	0.737072		

Source: Researcher's computation (2022) using E-Views 9.0

Table 4b: Regression analysis between directors' remuneration and CEO Duality of manufacturing companies in Ghana

Dependent Variable: DRMG
Method: Least Squares
Date: 07/11/22 Time: 10:31
Sample: 2015 2020
Included observations: 6

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	70364.50	2876.255	24.46393	0.0000
CEOG	22405.00	3522.679	6.360217	0.0031

R-squared	0.910016	Mean dependent var	85301.17
Adjusted R-squared	0.887520	S.D. dependent var	12128.44
S.E. of regression	4067.639	Akaike info criterion	19.72071
Sum squared resid	66182744	Schwarz criterion	19.65130
Log likelihood	-57.16214	Hannan-Quinn criter .	19.44285
F-statistic	40.45236	Durbin-Watson stat	1.048796
Prob(F-statistic)	0.003132		

Source: Researcher's computation (2022) using E-Views 9.0

In Table 4a, R-squared and adjusted Squared values were (0.03) and (0.21) respectively. This indicates that the independent variable, CEO Duality (CEON) jointly explain about 21% of the systematic variations in dependent variable, directors' remuneration (DRMN) of our samples companies in Nigeria over the six years periods (2015-2020).

Test of Autocorrelation: using D.urbin-Waston (DW) statistics which we obtained from our regression result in table 4a, it is observed that DW statistics is 0.908 and an Akika Info Criterion and Schwarz Criterion which are 24.953 and 24.883 respectively also further confirmed that our model is well specified. In addition to the above, the specific finding from the explanatory variable is provided below.

Based on the Coefficient value of 17348.0, t-value of 0.360 and p-value of 0.737 was found to have a positive effect on our sampled Nigerian companies and this effect is not statistically significant as its p-value is higher than 0.05 values.

In Table 4b, R-squared and adjusted Squared values were (0.91) and (0.89) respectively. This indicates that the independent variable jointly explain about 90% of the systematic variations in dependent variable of our samples companies over the six years periods (2015-2020).

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 4b, it is observed that DW statistics is 1.049 and an Akika Info Criterion and Schwarz Criterion which are 19.721 and 19.651 respectively also further confirmed that our model is well specified. In addition to the above, the specific finding from the explanatory variable is provided below.

Based on the Coefficient value of 11202.50, t-value of 6.360217 and p-value of 0.003 was found to have a positive effect on our sampled Ghanaian companies and this effect is statistically significant as its p-value is less than 0.05 values.

This result from table 4a and 4b, shows that CEO duality of both the sample companies in

Nigeria and Ghana has a positive effect with directors remuneration, while Ghanaian CEO Duality has significant effect, Nigerian companies CEO Duality is not significant. Therefore suggests that we should accept our alternate hypothesis three which states there was a significant relationship between CEO Duality and directors' remuneration in manufacturing companies in Nigeria and Ghana.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This research study empirically investigated Corporate Governance and Directors' Remuneration: A comparative study of manufacturing companies in Nigeria and Ghana. Data extracted were analyzed and hypotheses were tested with Least Square regression analysis to ascertain the significant relationship among the variables. Board size, CEO duality of both the sample companies in Nigeria and Ghana has a positive effect with director's remuneration. Ghanaian companies' board size and CEO Duality have significant effect directors' remuneration in manufacturing companies in Nigeria and Ghana. Conclusively, Ghanaian companies are more significant on directors' remuneration than Nigerian companies.

Recommendations

=Following are the recommendations made by the researcher in light of the study's findings;

1. Moderate board sizes: The firm should maintain the optimum level and not exceed the necessary number to pay directors. An excessively large board size may not improve the efficiency of decisions.
2. Due to the CEO's and Chairman of the Board's dominant positions, the non-separation of the two positions may allow for greater tax planning and a chance for managers to extract rent. Therefore, it is advised that both duties be divided in order to provide proper supervision.

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