

The Nexus between CEO Duality and Company Performance: Evidence from Listed Companies in Kenya

*Korir J. Fiona and Tenai K. Joel
Department of Accounting and Finance, Moi University,
Eldoret, Kenya

*Corresponding Author's Email Address: fionajepkosgei@gmail.com

Abstract

This article attempts to examine the nexus between CEO duality and performance of companies recorded in Nairobi Securities Exchange. Panel data derived from secondary sources from publicly registered companies in Kenya in 2002-2017 was used. Hierarchical moderated regression analysis was utilized in testing the hypothesis. The findings indicate that CEO duality does not affect firm performance. This study offers a better understanding regarding communal governance characteristic as well as company achievement thus providing companies with the practical implications that would help them please shareholders and entice probable investors. The current research adds to reducing the controversy around CEO duality through its provision of practical indication on the connection between CEO duality and company production in corporate governance from Kenya. It answers the call for an extension of research towards an understanding of the connection between CEO duality and company performance.

Keywords: Board CEO Duality, Company Performance, Listed Firms, Agency Theory, Stewardship Theory

INTRODUCTION

The question of whether the practice of merging both the functions of the CEO and chairman of the board (CEO duality) is healthier for companies or not, forms part of the greatly discussed corporate governance matters. Increasing shareholder scepticism as a result of subsequent decline in value of shareholder and deprived company performance has rekindled alarm in business governance as well as duality. Despite of insufficient signals, CEO duality has been thought to be answerable for the disappointment of companies to acclimatise to a shifting atmosphere thus resulting in deprived performance in several cases. Outrage over the lack of adherence to corporate governance principles, which has resulted in fraudulent reporting and collapse of major corporations for instance Enron, Tyco, World Com as well as Bank of Credit and commerce international in United Kingdom and United States (Amernic *et al.*, 2015; Combs *et al.*, 2007; Epps & Ismail, 2009; Leventis *et al.*, 2012) has been witnessed. In Kenya, accounting scandals and fraudulent reporting by the managers is still on the rise and at an inconceivable levels and magnitudes (Muriithi, 2009; Mang'unyi, 2011). Large listed firms for instance Mumias Sugar Company, CMC Motors, Uchumi and Nakumatt Supermarkets, Kenya Airways, Dubai bank, Chase bank, Imperial bank, East African Portland Cement among many others are associated with financial misreporting (Outa & Waweru, 2016).

Based on agency theory, the antagonists of CEO duality have argued that combining the responsibilities of the CEO together with chairman of the board (CEO duality) deters board capability to supervise running of the company and as a result give rise in the agency issue by increasing management entrenchment thus reducing board independence (Fama & Jensen, 1983; Finkelstine & D'Aveni, 1994; Rhoades, Rechner & Sundaramurthy, 2001). Donaldson and Davis (1991) noted that the protagonist on the other hand contend that

managers are fundamentally respectable overseers of company resources. They clarify that CEO duality generates sturdy headship as well as a pure impression of planned choice. Excruciating responsible may generate elevated communication charges as well as policymaking procedures can be lowly impressive and poor in efficiency in the case of 2 leaders. Extant empirical evidence has produced inconsistent and inconclusive results. The missing agreement amongst scholars has fuelled the need for studies in the field of CEO duality.

CEO duality is a state in which the CEO, additionally occupies the position of the board chairman (Amar & Francoeur, 2011; Eckles, Sommer & Zhang, 2011; Epps & Ismail, 2009; Fama, 1980; Farrell, Yu & Zhang, 2013; Iyengar *et al.*, 2010). Other studies have referred this phenomenon of CEO duality as a dual edged weapon (Firth, *et al.*, 2012). Research on CEO duality as well as company performance has depended on mainly dual opposing theories and they include stewardship theory and agency theory. Agency theory deals with the issues arising whenever there is a conflict between the aims of a principle (for example shareholders) and an agent (for instance a CEO) (Eisenhardt, 1989). As noted by Fama and Jensen (1983), this is an issue of concern particularly when the choice-maker has diminutive or no monetary concentration in the product of his choices. To minimize agency problems, companies give the duty of choice managing to the CEO, and regulation of decision/choices to the board. Thus, the CEO's prime duty turns into the commencement and execution of tactical decisions, whereas the board is accountable for ratification as well as overseeing decisions made by the CEO. A CEO who additionally obliges as board chairman lessens board governing and at the same time helps in the potential follow-up of the CEO's agenda, which may vary with shareholder objectives. Therefore, agency theory would recommend that merging CEO with chairman positions will deteriorate board governing and at the same time negatively influence company performance.

Madison (2014) noted that in contrast with agency theory, stewardship theory speculates managers to be stewards with behaviors that are in line with the aims of their leaders. This theory originates from organizational theory and claims that managers are not only inspired by monetary means. The theory observes managers as trustworthy to the firm as well as concerned in realizing elevated performance. Therefore, they are inspired by their craving to shine as well as a requirement to bring outcomes and hence obtain acknowledgement from their nobles (Herzberg, Mausner, and Snyderman, 1959; McClelland, 1961). This inherent fulfilment is what guides them to complete their work and in addition accomplish thought-provoking work. It is against this backdrop that our paper seeks to explore the nexus between CEO duality and company performance with specific reference to registered firms in Kenya.

Theory and hypotheses development

This paper is anchored on Agency Theory originally developed by Jensen and Meckling (1976), as cited by Panda & Leepsa (2017) hypothesizes that the company/firm is made up of a connection of contracts between the holders of economic resources and the managers accountable for utilizing as well as regulating those resources. The theory is built on the premise that managers have additional information than the owners of capital (Panda, & Leepsa, 2017). Hence this information irregularity unpleasantly affects the principles aptitude to effectively monitor if their interests are appropriately attended by the agents. Agency theory, originally developed by (Jensen and Meckling, 1976) and extended by Baker, (2019) presupposes that principals as well as agents act sensibly and that they employ the contracting procedure in maximising their wealth. This implies that managers, have self-seeking motives and they take the chance to act contrary to the interests of the holders of capital in several cases. Prior studies (Madison, 2014; Panda, & Leepsa, 2017)

have established the motivations that compel management to serve their own self interests. First, managers are rewarded based on performance of the firm. Hence most of the managers will inflate the level of earnings so as to have their terms renewed and to get their bonuses. Secondly, investors are encouraged to invest in firms that reflect good financial performance and thirdly, pressure to get more debt financing and meet creditor's requirements (Zogning, 2017).

Therefore, to reduce the management's opportunistic actions, research in corporate governance has identified some mechanisms, external as well as internal, which can help align management's actions to the greatest interest of the shareholders. External mechanisms include institutional ownership and debt financing while internal mechanisms consist of managerial ownership executive compensation and bringing on board the directors to monitor the managerial actions (Masud, Anees, & Ahmed, 2017; Nan *et al*, 2010). Dey, Ellen, and Xiaohui (2011) recommends separation of the roles of the CEO and those of the Chairperson so as to avoid congestion of power as well as authority in single individual and distinguishes headship on the board from running the business''. The CEO is answerable for affecting the firm's policies as well as the running of the firm, whereas the board chairperson is accountable for organizing the board along with monitoring as well as evaluating activities of the management. Additionally, the board is in charge of overseeing the process of appointing, dismissing, compensating, as well as appraising the CEO, and therefore the chairperson must possibly not be the same individual whose performance is being evaluated; or else, one is evaluating himself/herself (Masud, Anees, & Ahmed, 2017). CEOs would consequently obtain considerable supremacy "*to improve their personal interests than meeting interests of stakeholders*" (Dey, Ellen, & Xiaohui, 2011). Therefore, we therefore hypothesize as follows:

H₀: CEO duality has no significant effect on firm performance

Review of Literature

Previous extant literature (Dakhlallah, Rashid, Abdullah, & Dakhlallah, 2019; Isik, 2017; Tang, 2014) has provided mixed and inconsistent empirical evidence that company outrages as well as letdowns have been rising as a result of managerial opportunism associated with CEO duality. Dakhlallah et.al (2019) used the panel data method to analyze data for a sample of 180 companies listed on the Amman Stock Exchange (ASE) for the period from 2009 to 2017 established that CEO duality has a significant negative relationship between both of managerial ownership and government ownership and firm performance measured by (TQ). While has a significant positive on the relationship between family ownership with firm performance measured by (TQ). Isik, (2017) examined the association between CEO-duality and bank financial performance in Turkey between the period of 2007 and 2013. Empirical results established that CEO-duality has a significantly positive effect on bank financial performance measured by the ratio of net income to the average total assets. In addition, we find a negative moderating effect of board on the positive linkage between CEO-duality and bank performance.

On the contrary Tang, (2014) examined how the effect of CEO duality on firm performance is affected by two internal governance forces namely other executives in the top management team and block holding outside directors. Results based on a longitudinal dataset from the U.S. established that the effect of CEO duality was negative when the CEO had dominant power relative to other executives and when the board had a block holding outside director. Fairly recent empirical evidence (Krause and Semadeni, 2013; Yasser & Al Mamun, 2016; Qadorah & Hanin, 2018; Nuanpradit, 2019) have concluded that where there is no clear boundary between the role of the chairman and the CEO, the board monitoring

role may be at stake since the CEO has additional disposition and predilection to manipulate financial reports. Yasser and Mamun (2016) argue that CEO duality varies from a single firm to another based on the firm's unique characteristics. Firms with limited monitoring mechanisms and higher levels of agency problems are better suited having a clear difference between the CEO role and the role of chairman.

Hence the issue of split positions should not be a common cure to shareholders and policy makers. Recently, firms have steadily stirred toward differentiating the chairman roles from CEO roles. As a result, predominant company governance practice found in Europe distinguishes the CEO from the chairperson, whereas only ten percent of United Kingdom visibly-registered corporates combine the two roles (Coles et al., 2001; Higgs, 2003; Kang and Zardkoohi, 2005). Thus, basing on the inconclusive results on the type of the board headship that the publicly traded companies should adapt, the research wanted to find out if CEO duality has any significant effect on firm performance as conceptualized below.

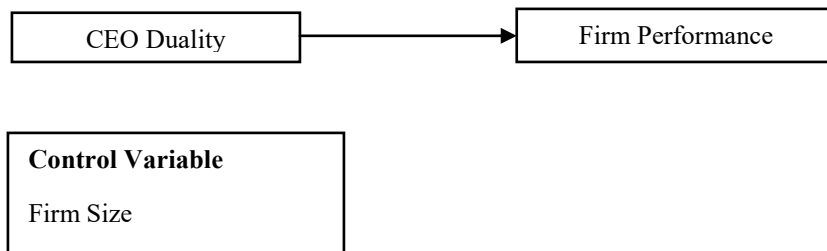


Figure 1: Conceptual Model

METHODOLOGY

Sample and data sources

This research derived data from publicly registered companies in Kenya over a sixteen-year period between 2002 and 2017. The numbers of firms listed at the Nairobi Securities Exchange by end of year 2017 were 51 (NSE Quarterly Report, 2018). The firms are under varying sectors of the economy including automobile, agricultural as well as accessories, construction, commercial services, banking, and allied, energy and petroleum, investment, manufacturing, investment services, insurance and allied, technology and telecommunication as well as real estate investment trust (NSE Quarterly Report, 2018). Panel research design is appropriate if the researcher seeks to identify pattern of behavioural change, or conduct several observations of the same subjects over a period of time (Gujrati, 2013). Hence, since the study sought to conduct observations for the 51 listed firms at Nairobi Securities Exchange in a period of sixteen years, panel research design was deemed appropriate for the study. This study targeted firms in all sectors that have been trading in NSE from 2002 to 2017.

The choice of the listed firms was due to the uniformity in the utilization of corporate governance guidelines and presentation of the financial statements as per the IFRS requirements. Further it is a requirement that audited financial statements is published; hence the data was bound to be available and reliable. Secondary data employed in this research was drawn from annual audited finance declarations of the registered companies. The data was sourced from Nairobi Securities Exchange and Capital Market Authority database.

Measurement of Variables

CEO Duality

CEO duality is defined as the board structure where other firms will bring a separation between the roles of the chairman and the CEO, while others allow both roles to be carried out by the CEO. Following the prior literature, the study measured CEO duality as a dummy variable set to one if the CEO duality exists otherwise (Abed *et al.*, 2011; Amar & Francoeur, 2011; Davidson *et al.*, 2004; Epps & Ismail, 2009; Fama, 1980; Farrell *et al.*, 2013; Hashim & Devi, 2008; Iyengar *et al.*, 2010; Norman *et al.* 2005; Witteloostuijn, 2009).

Dependent Variable

Firm performance has mainly been measured by prior studies in finance using Return on Assets (ROA) (Sun *et al.*, 2014 and Tarus and Aime, 2014). Since part of the measures that were used to measure dependent variable include the total assets, the study instead utilized Return on Equity (ROE) to quantify the firm performance.

Control Variable

Confounding factors that may influence the connection between the independent and the dependent variables were controlled. The study controlled firm size. Firm size is evaluated as the natural log of overall value of firm assets (Rahman & Ali, 2006; Sun *et al.*, 2014). Firm size was controlled to enable a clearer view of the impact of independent variables on the given dependent variable.

Robustness of Tests

Prior to data analysis, statistical tests were directed to check the suitability of the data for regression analysis as the basis of testing the hypothesis. This was done in order to ensure that the assumptions of the regression model are not breached. The pre-estimation tests conducted include the multicollinearity as well as unit root tests whereas the post estimation tests include test for heteroscedasticity, Hausman specification test, test for autocorrelation and normality test. These tests were undertaken to evade false regression results. The results of the stationarity test signposted that the variables are immobile (i.e. nonappearance of unit origins) at five percent significance level as depicted by the *p-value* which were than .05. For model specification, the model was tested for panel effects using the Breusch Pagan, Langrange multiplier test. The findings of the Breusch Pagan Langrange Multiplier test which gave a *p* value of 0.000 which is less than 0.05. This shows that there are panel effects, implying that there are significant differences across the entities over time.

The Hausman test is used to determine whether the random effects model or the fixed effect model is chosen (Wiley, 2008). The Wald chi-square statistic computed was 3.91 with a *p*-value of 0.419. The *p*-value of the Chi-square statistic being greater than 0.05, means that the random effect model is the selected model. Jarque Berra test was employed to test for normality which examines the normality of the error for each component separately. The classical Jarque Berra test is grounded on the fact that the skewness of a normally distributed variable is 0 with a kurtosis of 3. The Jarque Berra chi-square statistics for the between and within elements had *p*-values of 0.052 and 0.0795 correspondingly. Both are greater than 0.05, indicating that the normality assumption was not violated as the error components are normally distributed.

In panel data, Wooldridge test is utilized to assessment of serial correlation, which is considered to be more robust compared to other tests (Shrestha & Bhatta, 2017). The Wooldridge test involves determining a Wooldridge F-statistic, which is used as the criteria

for concluding on the existence of serial correlation. The null hypothesis for the test stated that there is no first order auto-correlation. If the F-statistic p value was greater than 0.05, the null hypothesis was not rejected, implying the lack of serial correlation of order one. The F-statistics p value was 0.1141, which is greater than 0.05, representing the absence of serial correlation. Therefore, the assumption of non-serial correlation was not violated.

Modified Wald test is employed in testing heteroscedasticity. If the p value is more than 0.05 then it indicates that there is presence of uniform variance. The p-value of the Wald statistic is less than 0.05 indicating presence of heteroscedasticity. This shows that the fitted random effect model violates the assumption of group-wise homoscedastic variances of the disturbance term. A violation of this assumption means that the OLS estimators are not the BLUE (Best Linear Unbiased Estimators) as it was for the reason that they are no more effective, hence the regression predictors will be ineffective. Therefore, to address the problem, a comprehensive least squares model which is robust and allows for heteroscedastic errors was fitted.

The Pesaran Friedman test utilized for cross-sectional dependence in random effect models was conducted. The p-value of the Z statistic is 1.000. Since it is greater than 0.05, it implies that cross-sectional correlation of the residuals exists. Hence, the assumption of cross-sectional dependence was not violated. Multicollinearity in a regression model is referred to as the presence of predictors which are not true exogenous variables that can be articulated as linear functions of other predictor variables (Donald & Glauber, 1967). Multicollinearity is appraised by computing Variance Inflation Factors (VIF) of each predictor variable (Alin, 2010). The VIFs of the independent variables in this study were all less than 10 implying that there is no multicollinearity between the predictors. The complete tests founded that the data was appropriate for additional statistical analysis.

RESULTS AND DISCUSSIONS

The research sought to assess the nexus between CEO duality and firm performance. Before empirical approximations were undertaken, the data sequences were exposed to unit root tests to find out their stationarity surroundings (their orders of integration). These tests were undertaken so as to evade bogus regression outcomes. Table 1 displays the outcomes of the unit root test for panel stationarity.

Table 1: Unit root test for panel stationarity

Fisher-type unit-root test for prod
Based on augmented Dickey-Fuller tests

Ho: All panels contain unit roots	Number of panels = 50
Ha: Panel are stationary	Avg. number of periods = 14.16
AR parameter: Panel-specific	Cross-sectional means removed
Panel means: Included	ADF regressions: 2 lag
	Statistic p-value
Firm performance	Inverse chi-squared(90) P 305.323 0.000
	Inverse normal Z -5.710 0.000
	Inverse logit t(229) L* -9.740 0.000
	Modified inv. chi-squared Pm 14.519 0.000

Panel unit root test is practical for all variables utilized in the analysis so as to avert bogus regression findings. The Augmented Dickey Fuller (ADF) results are displayed in Table 2. The Fisher-type tests comprising inverse normal, inverse chi-squared, modified inverse chi-squared and inverse logit conveyed p-values which are less than 0.05. The rule is; if the p-value is less than 0.5, then you infer that your panels do not suffer non-stationarity. From table 2, the variables have a value of less than 0.5, implying the panels don't suffer non-stationarity. The null hypothesis was that all panels consist of unit roots. The test rejects the null hypothesis and confirms that panels are stationary and do not contain the unit root. According to result of unit root test therefore, the study found that panel data regression model can be operated with the use of panel data.

Correlation analysis which uses Pearson product moment correlation coefficient technique was used to scrutinize whether there exists relationship between CEO duality and firm performance. Table 2 provides the findings of correlation analysis. The significance of the correlation coefficients was based on 2-tailed tests at 5% level of significance. Correlation coefficients are employed to determine the magnitude as well as direction of relationships. Their values varies from -1 which is the perfect negative correlation to +1 which is the perfect positive correlation. The closer the values are to these 2 values, the stronger the association. Danthine et al. (2005) and Maddala, (2008) noted that the further the coefficients are near to 0, the less the association; but at 0, there is no association. The findings of the Pearson correlation in Table 2 displayed a weak correlation between CEO duality and firm performance, with a coefficient of $r = 0.0026$ which is significant at $p < 0.05$. The findings therefore indicate that there is a weak association/relationship between CEO duality and firm performance of listed firms in Kenya.

Table 2: Correlation analysis

	Firm performance	CEO duality	Size
Firm performance	1		
CEO duality	0.0026*	1	
Size	0.0533	-0.0199	1

*Correlation is significant at the 0.05 level (2-tailed)

In order to select the best model between fixed effects or random effects Hausman test was done. In Hausman test the null hypothesis is that the chosen model is random effects model and alternative hypothesis is use fixed effects model. It essentially tests if the unique errors (ui) with the regressors are correlated, the null hypothesis is they are not correlated. Table 3 displays the outcomes of the fixed effect regression and random effect regression. According to the Hausman test, the findings are interpreted based on the beta coefficients and p values of fixed-effect regression.

Table 3: Model Specification tests

LM-BP Test		
Var	Sd	sd = sqrt(Var)
Performance	6.693	2.587
E	6.519	2.553
U	0.171	0.413

$Chibar\ 2\ (01) = 0.85, Prob > chibar2 = 0.177$

Haussmann test

	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B))
	Fixed	Random	Difference	S.E.
CEO duality	-0.190	0.081	-0.271	0.837
Firm size	0.292	0.088	0.204	0.113

chi2(1) = (b-B)[(V_b-V_B)^(-1)](b-B) = 3.25, Prob>chi2 = 0.1972

Accordingly, the research established that CEO duality affect performance negatively and significantly ($\beta = -0.190$, $\rho < 0.05$) as such, the findings of this study fails to reject the null hypothesis that CEO duality has no significant effect on firm performance and the study concluded that CEO duality had a negative and significant effect on the firms performance registered at the NSE in Kenya. The research controlled for firm size. Firm size ($\beta = 0.292$, $\rho < 0.05$) had a positive effect on firm performance.

Table 4: Regression model Summary

Cross-sectional time-series IGLS regression						
Variables	Coef.	Std. Err.	Z	P>z	[95% Conf. Interval]	
CEO duality	0.158	0.082	1.930	0.053	-0.002	0.318
Firm size	0.019*	0.002	8.900	0.000	0.015	0.023
_cons	-0.279	0.036	-4.910	0.000	-0.244	-0.105

Panels: Heteroscedastic with cross-sectional dependence

Log likelihood: -0.730

Wald chi2(6) 82.57

Prob > chi2 0.000

** Significant at the 0.01 level.

* Significant at the 0.05 level.

The regression results in Table 4 showed that CEO duality is not statistically significant at both 0.01 and 0.05, whereas firm size is statistically significant at both 0.01 and 0.05 significance levels. ($\beta = 0.158$, $P = 0.05$; $\beta = 0.019$, $P = 0.05$). The study therefore fails to reject the null hypothesis that CEO duality has no significant effect on firm/company performance. This implies that firm/company performance is not affected by CEO duality. The findings avail assistance that duality does not influence firm performance (Abdul Rahman & Mohamed Ali 2006; Dahya et al. 1996; Franks et al. 2001; Higgs 2003; Kao & Chen 2004; Leng 2004; and Xie et al. 2003). There are two theoretical perspectives on company governance. The agency theory and the stewardship theory Agency Theory advocates for the separation of the two roles and posit that managers have self-seeking motives and, in most cases, they take the chance to act contrary to the interests of the holders of capital. On the Stewardship Theory hypothesizes that companies having a united leadership structure act more effectively through improved coordination as well as clear command, thus concludes that firm performance will improve with chairman-CEO duality.

Our multivariate analysis results establish no indication that CEO duality has a significant influence on firm/company performance. Our verification casts uncertainty on the concept that firms with CEO duality structure would experience improvement in their performance. The findings are in-line with the studies done by Dahya, Galguera-Garcia & Bommel (2009) and Yasser (2011) who noted that duality is not significant to firm performance. They did not agree with the findings of Mohammadi et al (2015) whose study on CEO duality and

firm performance from Swedish firms between 2005 and 2009 also established a positive correlation. Additionally, it differs from the findings of Amer (2016) whose study on computing the effect on firm financial performance of the board of directors and audit committee characteristics in Egypt established a positive and significant association between CEO duality and firm performance. Our evidence dispels the notion that firms with CEO duality structure incline to do better than those lacking.

CONCLUSION

The foregoing empirical findings from the regression analysis of companies recorded at the Nairobi Securities exchange in Kenya depicts an insignificant association between CEO duality and firm performance. The findings of this research fail to reinforce the tenets of Agency Theory which posit that managers have self-seeking motives and, in most cases, they take the chance to act contrary to the interests of the owners of capital. It also fails to support reinforces the theoretical underpinnings of Stewardship Theory which states that firm performance will improve with chairman-CEO duality.

Limitations and directions for future research

This research is not lacking limitations. To begin with, the study was longitudinal and relied primarily on archival data, particularly information confined in financial statements hence the data was secondary as well as quantitative. In addition, all variables were evaluated with the use of proxies derived from income declarations as well as balance sheets. Upcoming studies should deliberate a qualitative approach. Secondly, the study was grounded on a sample of firms recorded on the Nairobi Securities Exchange, which can be thought to be a minor sample. This may lower the universalizability of the findings. Upcoming research with the use of a greater sample size as well as varying forms of firms employing varying measures, and diverse contexts may give extra understandings as well as improve our knowledge of the matters discovered here.

REFERENCES

- Abdul Rahman, R. & Mohamed Ali, F.H. (2006). Board, audit committee, culture and earnings management: Malaysian evidence. *Managerial Auditing Journal* 21(7): 783-804.
- Alin, A. (2010). Multicollinearity. *Wiley Interdisciplinary Reviews: Computational Statistics*, 2(3), 370–374.
- Amermic, J. H., Craig, R. J., & Craig, J. (2015). Accounting as a Facilitator of Extreme Narcissism. *Journal of Business Ethics*, 96(1), 79–93.
- Baker, R. M. (2019). The Agency of the Principal–Agent Relationship: An Opportunity for HRD. *Advances in Developing Human Resources*, 21(3), 303–318.
- Combs, J. G., Ketchen, D. J., Perryman, A. & Donahue, M. S. (2007). The moderating effect of CEO power on the board composition-firm performance relationship. *Journal of Management Studies*, 44(8), 1299–1323.
- Cooke, T. & Haniffa R.(2000). Culture, Corporate Governannce and disclosure in Malaysia corporation. *Accounting & Business Research*, 22(86), 111–124.
- Dahya, J., Galguera-Garcia, L. & Bommel, J. (2009). One Man Two Hats - What's All the Commotion. *Financial Review* 44: 179-212
- Dahya, J., Lonie, A.A. & Power, D.M. (1996). The case for separating, the roles of chairman and CEO: an analysis of stock market and accounting data. *Corporate Governance: An International Review* 4: 71-77
- Dakhlallah, M. M., Rashid, N. M. N. M., Abdullah, W. A. W., & Dakhlallah, A. M. (2019). The Moderating Effect of the CEO Duality towards the Influence of the Ownership Structure on the Firm Performance among Jordanian Public Shareholders Companies. *International Journal of Academic Research in Progressive Education and Development*, 8(3), 32–49.
- Danthine, J.P., & Donaldson, J.B. (2005). *Intermediate financial theory*. (2ed.). London: Elsevier Academic Press.
- Dey, A., Ellen, E., & Xiaohui L. (2011). [CEO and Board Chair Roles: To Split or Not to Split?](#) *Journal of Corporate Finance* 17, no. 5 (December 2011): 1595–1618.
- Donald, F.& Glauber C. (1967). Multicollinearity in regression analysis: The problem revisited. *Review of Economics and Statistics* 49: 92 – 107
- Donaldson, L. & Davis, J. 1991. Stewardship theory or agency theory? CEO governance and shareholder returns. *Australian Journal of Management* 16(1): 49-65.

- Epps, R. W. & Ismail, T. H. (2009). Board of directors' governance challenges and earnings management. *Journal of Accounting & Organizational Change*, 5(3), 390–416.
- Evans, S., & Tourish, D. (2017) Agency theory and performance appraisal: how bad theory damages learning and contributes to bad management practice. *Management Learning*, 48 (3). pp. 271–291.
- Fama, E. F. (1980). Agency Problems and the Theory of the Firm. *Journal of Political Economy*, 88(2), 288–307.
- Fama, E., & Jensen, M. C. (1983). Separation of Ownership and Control. *Journal of Law and Economics*, 26(2), 301–325.
- Farrell, K. A., Yu, J., & Zhang, Y. (2013). What are the Characteristics of Firms that Engage in Earnings Per Share Management Through Share Repurchases?, *21(4)*, 334–350.
- Firth, M., Wong, S. M. L., & Yang, Y. (2012). The double-edged sword of CEO / chairperson duality in corporatized state-owned firms: evidence from top management turnover in China *Journal of Management & Governance* 18(20) 1-44
- Franks, J., Mayer, C. & Renneboog, L. (2001). Who disciplines management in poorly performing companies? *Journal of Financial Intermediation* 10: 209-248.
- Higgs Reports. (2003). Review of the Role and Effectiveness of Non-Executive Directors, Department of Trade and Industry, London.
- Isik, O. (2017). The dynamic association between CEO duality and bank performance: the moderating role of board size. *Research Journal of Business and Management (RJBM)*, V.4, Iss.4, p.460-468
- Iyengar R, J., Land, J., & Zampelli, E, M. (2010). Does board governance improve the quality of accounting earnings? *Accounting Research Journal*, 23(1), 49–68.
- Jensen, M. C. & Meckling, W. H. (1976). Theory of the firm: managerial behaviour, agency cost and ownership structure. *Journal of Financial Economics*, 3(1976), 305–360.
- Kao, L.F., Chiou, J.R. & Chen, A. (2004). The Agency Problem, Firm Performance and Monitoring Mechanisms: The Evidence from Collateralized Shares in Taiwan. *Corporate Governance: An International Review* 12: 389-402.
- Leventis, S., & Dimitropoulos, P. (2012). The role of corporate governance in earnings management: experience from US banks. *International Journal of Managerial Finance*, 6(3), 168–189.
- Maddala G. (2008). Limited-Dependent and Qualitative Variables in Econometrics (Econometric Society Monographs No. 3). Cambridge University Press: Cambridge, UK.
- Madison, K. J. (2014) Agency Theory and Stewardship Theory Integrated, Expanded, and Bounded by Context: An Empirical Investigation of Structure, Behavior, and Performance within Family Firms. (PhD dissertation), University of Tennessee
- Mang'anyi, E. E. (2011). "Ownership structure and Corporate Governance and its effects on performance: A case of selected Banks in Kenya." *International Journal of Business Administration*, Vol. 2(3), 2-.
- Muriithi, P. (2009). "Corporate Governance." *KASNEB Newslines*, January to March 2009, Kenya.
- Outa E, R., & Waweru N, M. (2016). Corporate governance guidelines compliance and firm Kenya listed companies. *Managerial Auditing Journal*, 31(8/9), 891–914.
- Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of Theory and Evidence on Problems and Perspectives. *Indian Journal of Corporate Governance*, 10(1), 74–95
- Rahman, R. A., & Ali, F. H. M. (2006). Board, audit committee, culture and earnings management: Malaysian evidence. *Managerial Auditing Journal*, 21(7), 783–804.
- Schmitt and Klimoski, (1991). Research methods in human resources management. South-Western Publishing Co,
- Shrestha M. B., & Bhatta, G.R. (2017). Selecting appropriate methodological framework for time series data analysis. *The Journal of Finance and Data Science*. 4(2018)
- Sun, J., Lan, G., & G., & L. (2014). Independent audit committee characteristics and real earnings management. *Managerial Auditing Journal*, 29(2), 153–172.
- Tang, J., (2014). CEO duality and firm performance: The moderating roles of other executives and block holding outside directors, *European Management Journal* (2016) Vol. 1 (2) 1-15
- Tarus, D. K., & Aime, F. (2014). Board demographic diversity, firm performance and strategic change A test of moderation. *Management Research Review*, 37(12), 1110–1136.
- Tarus, D.K, & Ayabei, E. (2016). Board composition and capital structure: Evidence from Kenya. *Management Research Review*, 39(9), 1056–1079
- Xie, B., Davidson, N.W. & DaDalt, P. (2003). Earnings Management and Corporate Governance: The Roles of the Board and the Audit Committee. *Journal of Corporate Finance* 9(3): 295-316.
- Yasser, Q.R. (2011). Corporate governance and firm performance: An analysis of family and non-family-controlled firms. *The Pakistan Development Review* 50(1): 47-62.