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CONTENT ANALYSIS OF THE EFFECT OF CEO DUALITY ON THE CORPORATE PERFORMANCE OF QUOTED COMPANIES ON THE NIGERIAN STOCK EXCHANGE 2006 -2012

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ABSTRACT

The Chief Executive Officer (CEO) of a corporate entity is its Chief Accounting Officer. He is at the head of management which according to Miller (2005) is more of hands on activity; conducting and supervising actions with the judicious use of means to accomplish certain goal/s. The Chairman of the Board of Directors on the other hand is the chief policy or law maker of the enterprise. CEO Duality occurs when the CEO is equally the Chairman of the company or Board of Directors. Since the position of a CEO is a critical element of corporate governance of a company, a combination of the roles of CEO and chairman of the company could have far reaching implications on stewardship accounting and corporate governance and by extension corporate performance. The spate of corporate failures in recent time calls for serious examination of their causes and possible solution. Essentially, poor corporate governance has been implicated in most corporate failures in and outside Nigeria and the position and role of the CEO is a critical element of this. The first part of this paper surveyed the opinions of corporate managers and Accountants on the role of CEO-duality on corporate governance and performance of quoted companies and found out that these respondents perceive the role as significant. This second step in the study uses the actual performances of these companies to analyze this problem. It uses secondary data on Return on Equity and Profit Margin collected from Annual Reports of these companies. It uses the Micro soft Special Package for Social Sciences (SPSS) to perform a test of significant difference between two means. It therefore tests the hypothesis that, there is a significant difference between the mean performances of quoted companies with Ceo-duality and those without Ceo duality in Nigeria. At a 5% significant level, the hypothesis is accepted. Thus, this content analysis in addition to confirming the earlier study conclusion that Ceo duality has a significant impact on the corporate performance of quoted companies in Nigeria and that the average performance of the former was statistically and significantly lower than the average performance of the later. It was therefore recommended that as a veritable means of strengthening corporate governance and enhancing performance, CEO duality should be minimized/reduced as much as possible. Chairmen of companies should not double as Chief Executive Officers.

Key words: Chief Executive Officer, Chairman of the Board, Stewardship Accounting, Return on Equity and Profit Margin.

INTRODUCTION

The distinct characteristic of 'divorced management from ownership' of modern corporations, make stewardship accounting inevitable. It is therefore a basic element in company administration and management. Professional managers who (Wikipedia, 2007) are considered more competent than the owners of the corporations and are thus hired to run and manage the affairs of the companies are expected to guarantee transparency accountability and fairness in their duties (Howard, 2000). This is a basic tenet of corporate governance. It is guaranteed by ensuring that various mechanisms are put in place to ensure seamlessness in accommodating corporate goal (ownership goal) and management goal in an enterprise. Tricker (1984) had distinguished management and control in the bid to explain corporate governance by asserting that if management is about running business, then governance in the corporate world is about seeing that companies are run properly. Hence corporate governance is concerned with ways in which all parties interested in the well-being of the firm, in order words the stakeholders, attempt to ensure that managers and other insiders take measures or adopt mechanisms that safeguard the interests of the stakeholders. Separation of duties usually depicted in an 'organigram', is not only a feature of good internal control but also an essential ingredient of good corporate governance.

The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the firm including spelling out the rules and procedures for making decisions. Hence Wolfenson (1999), Uche (2004) and Akinsulire (2006) all agree that corporate governance provides the structure through which the company's objectives are set and the strategies, the tactics and the means, of attaining those objectives and monitoring performance defined. Manne (1965) however, set the tone which was later made louder by Alchian and Demetz (1972) and Bonnier and Bruner (1989) to the effect that the Board of Directors (BOD) is the most important and possibly the greatest beneficiary of all good mechanisms of internal control including corporate governance. This is partly because the bulk stops on its table. But most importantly, the BOD is the primary means through which the shareholders exercise control over their investment. In the corporate governance chain, the BOD is answerable to the shareholders and all external markets for corporate governance- regulators, government authorities, labour unions *et cetera.* The Board of Directors is the Top Management unarguably headed by a Chairman who may double as a Chief Executive Officer (CEO) of the company. Within the jurisdictions of the Board, the Chairman, the CEO, other management staff including supervisors, the management vocabularies/functions such as administration, execution, planning, managing, directing, supervising and even controlling, are manifest. If everything goes well and no corporate governance issues are implicated in corporate failures, no 'eye brow' would be raised as to the strictness in apportioning these functions. But alas, companies have gone under at alarming rate in Nigeria in recent times and while external factors (economic infrastructure especially power, legal architecture, fiscal policies et cetera) may not have been exonerated, much blame is on absence of strong commitment to the tenets of corporate governance. Cadbury Plc, Nigerian Railway Corporation (NRC), National Electric Power Authority (NEPA), Kaduna Textile Industry, Asaba Textile Industry, Nigerian Telecommunications Limited (NITEL) Benue Cement Company Gboko, Niger Cement Company Nkalagu, Nigerian Coal Corporation (NCC), Leventis Plc, *et cetera* and several banks are some of the corporate failures in recent time in Nigeria for which strong questions have been raised on the failure of corporate governance.

Little wonder then that the Federal government of Nigeria in the bid to strengthen corporate governance and protect the investors from the unscrupulous management and directors of listed firms in Nigeria came up with a ''Code of Corporate Governance Best Practices' in 2003. Essentially the code prescribes that the business of a firm should be managed under the direction of a BOD who delegates to the CEO and other

management staff, the day to day management of the affairs of the firm. In addition, the Board is expected to appoint a qualified person as the CEO as well as other management staff. In codifying best practices for good corporate governance in Nigeria through the 2003 Code, the CBN 2006 Code, and the Nigerian Securities and Exchange Commission revised Code of Corporate Governance 2009, the government is essentially trying to work in tandem with global best practices as codified by such world organizations like the United Nations (UN) and the Organization for Economic Corporation and Development (OECD).

In spite of all these codes, while many companies have converted to Non-Dual CEO leadership on the heels of the report of several high-profile cases of powerful dual CEOs who were found to have abused their tremendous power at the expenses of the company and shareholders, others still maintain the Dual CEO leadership. The pertinent question that arises therefore becomes, to what extent does CEO duality impede corporate performance in Nigeria through weakening of corporate governance? This paper thus sets out to appraise CEO-Duality, Corporate Governance and Performance and thereby ascertain the significance of CEO Duality on corporate performance of Non-Financial Companies in the Nigerian Stock Exchange by hypothesizing that there is a significant negative impact of CEO Duality on corporate performance through weakening of corporate governance. Part one of the paper introduces the work, part two contains the literature review, part three the methodology, while part four presents and discusses the findings and part five concludes.

LITERATURE REVIEW

2.1 Corporate Governance Issues and Corporate Performance In Nigeria.

The illicit activities and insider dealings of most Nigerian Bank Chief Executives as revealed by the Governor of the Central Bank of Nigeria in 2009 summarizes the level of decadence in corporate governance in Nigerian companies. Even at that, corporate governance is yet at a rudimentary stage in Nigeria with less than 40% of quoted companies including banks having recognized the codes of corporate governance, (CBN, 2006). But Nganga et el (2003) insist that corporate governance is a crucial ingredient in the process of encouraging domestic investment as well as inflow of foreign direct investment in Nigeria. They further lament that corporate governance practices in Nigeria reflect systemic governance problems including the inability to ensure effective capacity constraints by administrators and ineffective implementation of laws. This leads to limited economic growth (Suberu and Aremu, 2010). And in realization of the need to align with international best practices, the Securities and Exchange Commission (SEC) in collaboration with the Corporate Affairs Commission (CAC), inaugurated a seventeen (17) member committee in June 2000 in Nigeria headed by Atedo Peterside, to review and identify weaknesses in the current corporate governance practices in Nigeria and make recommendations for improvement. According to Inyang (2009), the members of the committee were selected to cut across relevant sectors of the economy including members of professional organization, the private sector and regulatory agencies. The committee submitted a draft code, which was widely publicized throughout the country and reviewed in major financial centers of Lagos, Abuja and Port Harcourt to elicit stakeholders' input prior to finalization. The final report was approved in 2003 by the boards of SEC and CAC. The release of the 2003 code marked a watershed in the development of good corporate governance practices in Nigeria. Essentially, the Code stipulated among other things, the separation of the roles of Chief Executive Officer and Chairman of the Board. The subsequent Code of Corporate Governance for Banks and other Financial Institutions in Nigeria released by the Bankers' Committee never again bothered to address the CEO-Duality debacle instead it concentrated on the membership of the BOD in addition to recommending a formal assessment of the effectiveness of first the BOD and separate contributions of each director including the Chairman.

2.2 *CEO-Duality*

The works of Heath and Norman (2004), Mintz (2004), Sanda *et al* (2005), Hua and Zin (2007), Khanna and Ken (2008) and Abdullah and Valentine (2009) seem to provide a theoretical basis for corporate governance on the theories of agency, stakeholders, stewardship, resource-dependency, transaction cost and even complexity. Agency relationship creates a contract of a principal engaging an agent to perform some service on his behalf which involves delegating some decision making authority to the agent. In the corporate world, this brings about separation of ownership (shareholders) from control (board) with the introduction of external investors. Agency theory thus argues that in order to protect the interests of shareholders, the board of directors must assume an effective oversight function. This includes evaluating CEO performance based on mutually agreed objectives and company performance criteria. It also connotes the BOD having to not only approve the overall approach towards development and succession but also ultimately rewarding all stakeholders including the CEO accordingly (Burton, 2000). To effectively do this, and ensure good corporate governance, management which includes the CEO must be independent of the BOD.

As for the stewardship theory, Donaldson and Davis (1991) posit that managers act as stewards to the business and should be expected to have no self-interest other than the firm interest which would be the optimization of firm core objectives. This apparent lack of any other interest reduces the need for checking the excesses of neither the Board nor the CEO. Hence based on the stewardship theory, there could be Duality. The Chairman is the CEO. This is supported by the work of Coleman (2007) who argues that there should be no different roles for the Chairman and the CEO and Elsayed (2007) who equally argues that duality does not have a substantial impact on the performance of a company.

But this school of thought stands opposed by those who strongly argue in support of agency theory and maintain that a single officer holding both positions is bound to create a conflict of interest that could adversely affect the interests of the shareholders. To the later school of thought, the core argument is that CEO duality creates a CEO/Chairman who both directs BOD meetings (thus formulates policies and rules) and executes the same policies which may have him unrestrained from acting in his own self-interest in the absence of separation of powers. This automatically undermines the oversight power and functions of the BOD and endangers checks and balances which are essential ingredients of internal control and good corporate governance. In this regard, Rechner and Dalton (1991) and Timme (1993) maintain that a BOD controlled by the CEO is likely to lack independence, resulting to intensified agency friction and leading ultimately, to poor firm performance. To buttress this point, Donaldson and Davis (1991), argue that CEO duality establishes strong unambiguous leadership embodied in a unity of command and that firms with CEO duality may make better and faster decisions and consequently, may outperform those that split the two positions. Therefore, CEO Duality is anti corporate governance and non beneficial to the overall performance of the firm. This is the position of the agency theory.

But the stewardship theory, as pointed out earlier, supports CEO Duality as a core condition to establish a necessary and strong command chain at the top management of the firm. It maintains that whenever one person holds both positions, he is better able to act with precision, become more efficient and effective. Finkelstein and D'Aveni (2003) posit that CEO Duality improves the speed and effectiveness of decision making, reduces conflicts at the BOD level which may have positive impact on firm performance. According to Hundley (2011), the combination of the positions of Chairman and CEO provides a single focal point for company leadership while a powerful and effective CEO/Chairman creates an image of stability and instills a sense of well-being to its employees as well as its shareholders.

But even market practitioners and shareholder right activists have posited that the separation of CEO and Chairman can be a critical mechanism to eliminating managerial and shareholder conflicts of interest as well

as to improving the governance of the BOD, Baysinger and Butler, (1985); Monks and Minow 2001 and OECD 2004). It could therefore be seen that the argument goes on and on in circles. There is no unanimous agreement yet as to the superiority of any of the two schools of thought. Empirical evidence based not only on the nature of industry but also on local peculiarities is needed to lay the argument to rest.

3 METHODOLOGY

The paper is an *ex-post factor research.* Secondary sources of data on the performances of the companies are used for analysis. This study uses secondary data on corporate financial performance proxy: Profit Margin(PM) and Earnings Per Share (EPS) and Dividend Per Share (DPS). It determines the averages of these variables for the two distinct groups of quoted companies in Nigeria. That is, those whose CEOs double as Chairmen of their respective companies against those whose CEOs do not serve as Chairmen of their companies. It then uses both parametric and non parametric statistics to test whether there is any significant difference between the performances of these two distinct groups of quoted companies. The Micro soft Special Package for Social Sciences (SPSS) is used to run the analysis. A total number of 108 quoted companies being the actual number in the list during the period, cutting across AGRICULTURE/AGRO-ALLIED 4 , AUTOMOBILE & TYRE 2, AVIATION 2, BREWERIES 3, BUILDING MATERIALS 4, CHEMICALS & PAINTS 9, COMPUTER & OFFICE EQUIP 3, COMMERCIAL SERVICES 4, CONGLOMERATES 8, CONSTRUCTION 7, CONSUMER GOODS 14, FOOT WEAR & ACCESSORIES 1, INDUSTRIAL DOMESTIC PRODUCTS 7, INFORMATION COMMUNICATION TELL 3, LEASING 3, MEDIA 2, PACKAGING 3, PETROLEUM MKT 7, PRINTING & PUBLISHING 3, REAL ESTATE 1, REAL ESTATE INVESTMENT 1, ROAD TRANSPORT 1, TEXTILES 1, EMERGING MKT 2, HOTEL AND TORISM 3, and HEALTH 10 is used. The ANOVA tests are sufficiently used to analyze the data collected.

4 PRESENTATION OF FINDINGS AND DISCUSION

4.1 Examination of impact of CEO Duality on Corporate Governance and Performance

Table 4.1 Quoted Companies classified according to CEO Duality (X) and Non CEO Duality (Y) and their respective performances

S/N	INDUSTRIAL SECTOR	TURNOVER Nm		NET PROFIT MARGIN %		EARNING PER SHARE (KOBO)		DIVIDEND PER SHARE (KOBO)	
		X	Y	X	Y	X	Y	X	Y
1	Agriculture	1.8	2.5	0.2	1.9	20	50	15	22
2	Diversified Industries	3.0	5.4	1.2	2.2	60	68	40	40
3	Construction and Real Estate	3.1	3.7	0.3	2.6	65	73	50	55
4	Beverages	68	127.8	14.6	20.65	440	722	150	240
5	Non-Alcoholic Beverages	25.2	57.6	0.72	2.63	100	538	70	200
6	Food Products	35.7	124.4	13.6	18.2	141	292	55	185
7	Household Durables	6.7	20.8	0.31	0.38	250	127	100	100
8	Personal/Household Products	3.76	7.8	11	12	8.9	63	45	25
259	Automobiles/ Auto parts	70.2	57.6	5.1	8.8	143	98	130	86
10	Health Providers	65.4	98.3	5.2	7.8	100	210	70	150
11	Food Products Diversified	111.7	278.2	4.0	12.6	120	565	80	250
12	Medical Supplies	11.4	29.4	7.3	8.6	54	287	30	200
13	Pharmaceuticals	127.8	275.2	8.0	12.0	722	855	625	660
14	Computer Based Systems	6.7	20.8	26	56.3	127	250	76	125
15	IT Services	2.7	6.7	5.0	11.2	85	220	70	90
16	Processing Systems	25.8	52.5	15.6	18.2	178	274	85	150
17	Telecommunication Services	8.79	51.54	4.6	5.1	50	86	30	73
18	Building Materials	57.4	65.8	8.6	18.7	221	300	40	120
19	Electronic and Electricals	10.5	15.7	15.3	17.8	88	97	40	55
20	Packaging Containers	8.3	13.7	14.7	16.7	66	69	35	35
21	Chemicals	35.3	60.4	17.3	20.4	82	120	50	80
22	Oil and Gas	145.6	245.6	1.9	3.3	770	1411	500	800
23	Advertising	8.79	51.34	4.6	5.1	73	33	30	20
24	Automobiles & Auto Parts Retailers	3.56	15.13	8.9	11.1	50	58	25	25
25	Courier/Freight/Delivery	7.2	9.8	10.2	14.5	100	130	62	95
26	Employment Solutions	1.2	3.2	13.3	14.5	67	90	35	70
27	Hotels & Lodging	10.6	18.3	20.4	23.5	120	150	95	100
28	Printing & Publishing	4.2	5.3	7.5	7.8	75	80	50	50
29	Road Transport	25.6	40.2	1.5	2.7	50	80	22	50
30	Transport Related Services	2.6	9.3	1.2	1.8	68	80	45	55
	Ẍ	29.953	67.453	8.271	34.564	1.498	9.562	91.667	124.574

SOURCE: Annual Financial Reports various years. Key: X= Companies with CEO-DUALITY; Y = Companies with separate Chairman and CEO.

From table 4.1 shown in Appendix 1, it is seen that the various performances report a higher mean value for Y i.e. quoted companies that have separate CEO and Chairman than quoted companies whose CEO combine the role of the Chairman of the company. There are however some sectoral deviations. For instance, in the transport related services, the average turnover for X companies is 2.3 while that of Y companies is 9.3. But for Automobiles/Auto parts it is 70.2 and 57.6 for X and Y companies respectively. Again the gap is very narrow for the net profit margins of the two groups where the reported values are 0.31 and 0.38 for CEO Duality and Non –CEO Duality companies respectively. In majority of the cases however, the quoted companies that have separate CEOs and Chairmen outperformed those that combined the role of the CEO and Chairman in one individual. All these point to the fact that just as company administrators and managers are nearly unanimous that separation of the positions of Chairman of the BOD and the CEO is necessary to enhance corporate governance and performance as in the previous study, the actual performances of these companies confirm their perception.

4.2 Oneway ANOVA test of comparison between means

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a. ONEWAY XTO BY YTO
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ANOVA

XTO

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	44480.504	27	1647.426	3.254	.262
Within Groups	1012.500	2	506.250		
Total	45493.004	29			

b. ONEWAY XPM BY YPM
 /MISSING ANALYSIS.

ANOVA

XPM

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1295.871	25	51.835	21.941	.004
Within Groups	9.450	4	2.363		
Total	1305.321	29			

c. ONEWAY XEPS BY YEPS
 /MISSING ANALYSIS.

ANOVA

XEPS

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	957400.303	27	35459.270	213.182	.005
Within Groups	332.667	2	166.333		
Total	957732.970	29			

d. ONEWAY XDPS BY YDPS
/MISSING ANALYSIS.

ANOVA

XDPS

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	509203.667	22	23145.621	103.395	.000
Within Groups	1567.000	7	223.857		
Total	510770.667	29			

4.2 Test of hypothesis and application of Micro Soft SPSS 16.0

a. PEARSON CORRELATION ANALYSIS
/VARIABLES=XTO XPM YPM XEPS YEPS XDPS YDPS YTO
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Correlations

[DataSet0]

Correlations

		XTO	XPM	YPM	XEPS	YEPS	XDPS	YDPS	YTO
XTO	Pearson Correlation	1	-.116	-.002	.804**	.843**	.781**	.851**	.940**
	Sig. (2-tailed)		.542	.990	.000	.000	.000	.000	.000
	N	30	30	30	30	30	30	30	30
XPM	Pearson Correlation	-.116	1	.870**	-.025	-.071	-.064	-.084	-.098
	Sig. (2-tailed)	.542		.000	.895	.711	.735	.658	.606
	N	30	30	30	30	30	30	30	30
YPM	Pearson Correlation	-.002	.870**	1	.044	.040	-.018	.001	.012
	Sig. (2-tailed)	.990	.000		.819	.832	.925	.994	.948
	N	30	30	30	30	30	30	30	30
XEPS	Pearson Correlation	.804**	-.025	.044	1	.888**	.937**	.925**	.748**
	Sig. (2-tailed)	.000	.895	.819		.000	.000	.000	.000
	N	30	30	30	30	30	30	30	30
YEPS	Pearson Correlation	.843**	-.071	.040	.888**	1	.814**	.950**	.822**
	Sig. (2-tailed)	.000	.711	.832	.000		.000	.000	.000
	N	30	30	30	30	30	30	30	30
XDPS	Pearson Correlation	.781**	-.064	-.018	.937**	.814**	1	.925**	.742**
	Sig. (2-tailed)	.000	.735	.925	.000	.000		.000	.000
	N	30	30	30	30	30	30	30	30
YDPS	Pearson Correlation	.851**	-.084	.001	.925**	.950**	.925**	1	.834**
	Sig. (2-tailed)	.000	.658	.994	.000	.000	.000		.000
	N	30	30	30	30	30	30	30	30
YTO	Pearson Correlation	.940**	-.098	.012	.748**	.822**	.742**	.834**	1
	Sig. (2-tailed)	.000	.606	.948	.000	.000	.000	.000	
	N	30	30	30	30	30	30	30	30

Correlations

		XTO	XPM	YPM	XEPS	YEPS	XDPS	YDPS	YTO
XTO	Pearson Correlation	1	-.116	-.002	.804**	.843**	.781**	.851**	.940**
	Sig. (2-tailed)		.542	.990	.000	.000	.000	.000	.000
	N	30	30	30	30	30	30	30	30
XPM	Pearson Correlation	-.116	1	.870**	-.025	-.071	-.064	-.084	-.098
	Sig. (2-tailed)	.542		.000	.895	.711	.735	.658	.606
	N	30	30	30	30	30	30	30	30
YPM	Pearson Correlation	-.002	.870**	1	.044	.040	-.018	.001	.012
	Sig. (2-tailed)	.990	.000		.819	.832	.925	.994	.948
	N	30	30	30	30	30	30	30	30
XEPS	Pearson Correlation	.804**	-.025	.044	1	.888**	.937**	.925**	.748**
	Sig. (2-tailed)	.000	.895	.819		.000	.000	.000	.000
	N	30	30	30	30	30	30	30	30
YEPS	Pearson Correlation	.843**	-.071	.040	.888**	1	.814**	.950**	.822**
	Sig. (2-tailed)	.000	.711	.832	.000		.000	.000	.000
	N	30	30	30	30	30	30	30	30
XDPS	Pearson Correlation	.781**	-.064	-.018	.937**	.814**	1	.925**	.742**
	Sig. (2-tailed)	.000	.735	.925	.000	.000		.000	.000
	N	30	30	30	30	30	30	30	30
YDPS	Pearson Correlation	.851**	-.084	.001	.925**	.950**	.925**	1	.834**
	Sig. (2-tailed)	.000	.658	.994	.000	.000	.000		.000
	N	30	30	30	30	30	30	30	30
YTO	Pearson Correlation	.940**	-.098	.012	.748**	.822**	.742**	.834**	1
	Sig. (2-tailed)	.000	.606	.948	.000	.000	.000	.000	
	N	30	30	30	30	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

b. NONPARAMETRIC CORROLATIONS (Spearman's rho Correlations)

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NONPAR CORR
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Nonparametric Correlations

Correlations

			XTO	XPM	YPM	XEPS	YEPS	XDPS	YDPS	YTO
Spearman's rho	XTO	Correlation Coefficient	1.000	.192	.371*	.658**	.706**	.526**	.701**	.941**
		Sig. (2-tailed)	.	.310	.044	.000	.000	.003	.000	.000
		N	30	30	30	30	30	30	30	30
	XPM	Correlation Coefficient	.192	1.000	.850**	.235	.201	.155	.135	.141
		Sig. (2-tailed)	.310	.	.000	.212	.286	.414	.476	.458
		N	30	30	30	30	30	30	30	30
	YPM	Correlation Coefficient	.371*	.850**	1.000	.451*	.453*	.259	.372*	.338
		Sig. (2-tailed)	.044	.000	.	.012	.012	.167	.043	.068
		N	30	30	30	30	30	30	30	30
	XEPS	Correlation Coefficient	.658**	.235	.451*	1.000	.796**	.852**	.770**	.660**
		Sig. (2-tailed)	.000	.212	.012	.	.000	.000	.000	.000
		N	30	30	30	30	30	30	30	30
	YEPS	Correlation Coefficient	.706**	.201	.453*	.796**	1.000	.706**	.978**	.727**
		Sig. (2-tailed)	.000	.286	.012	.000	.	.000	.000	.000
		N	30	30	30	30	30	30	30	30
	XDPS	Correlation Coefficient	.526**	.155	.259	.852**	.706**	1.000	.728**	.502**
		Sig. (2-tailed)	.003	.414	.167	.000	.000	.	.000	.005
		N	30	30	30	30	30	30	30	30
	YDPS	Correlation Coefficient	.701**	.135	.372*	.770**	.978**	.728**	1.000	.732**
		Sig. (2-tailed)	.000	.476	.043	.000	.000	.000	.	.000
		N	30	30	30	30	30	30	30	30
	YTO	Correlation Coefficient	.941**	.141	.338	.660**	.727**	.502**	.732**	1.000
		Sig. (2-tailed)	.000	.458	.068	.000	.000	.005	.000	.
		N	30	30	30	30	30	30	30	30

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

**. Correlation is significant at the 0.01 level (2-tailed).

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MEANS TABLES=XTO XPM XEPS XDPS BY YTO YPM YEPS YDPS
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Means

Case Processing Summary

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
XTO * YTO	30	100.0%	0	.0%	30	100.0%
XPM * YTO	30	100.0%	0	.0%	30	100.0%
XEPS * YTO	30	100.0%	0	.0%	30	100.0%
XDPS * YTO	30	100.0%	0	.0%	30	100.0%
XTO * YPM	30	100.0%	0	.0%	30	100.0%
XPM * YPM	30	100.0%	0	.0%	30	100.0%
XEPS * YPM	30	100.0%	0	.0%	30	100.0%
XDPS * YPM	30	100.0%	0	.0%	30	100.0%
XTO * YEPS	30	100.0%	0	.0%	30	100.0%
XPM * YEPS	30	100.0%	0	.0%	30	100.0%
XEPS * YEPS	30	100.0%	0	.0%	30	100.0%
XDPS * YEPS	30	100.0%	0	.0%	30	100.0%
XTO * YDPS	30	100.0%	0	.0%	30	100.0%
XPM * YDPS	30	100.0%	0	.0%	30	100.0%
XEPS * YDPS	30	100.0%	0	.0%	30	100.0%
XDPS * YDPS	30	100.0%	0	.0%	30	100.0%

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
XTO * YTO	Between Groups	(Combined)	44480.504	27	1647.426	3.254	.262
	Within Groups		1012.500	2	506.250		
	Total		45493.004	29			
XPM * YTO	Between Groups	(Combined)	965.741	27	35.768	.211	.983
	Within Groups		339.580	2	169.790		
	Total		1305.321	29			
XEPS * YTO	Between Groups	(Combined)	949243.970	27	35157.184	8.283	.113
	Within Groups		8489.000	2	4244.500		
	Total		957732.970	29			
XDPS * YTO	Between Groups	(Combined)	508682.667	27	18840.099	18.046	.054
	Within Groups		2088.000	2	1044.000		
	Total		510770.667	29			

With F = 3.254 the difference between the means of XTO and YTO 1647.426 is not significant at Sig. 0.262 which is higher than 0.05. This means that there is a positive but non- significant difference between the average Turnover of quoted companies that have CEO Duality role and those that have separate CEO and Chairman of the company with the later having a higher average Turnover.

Measures of Association

	Eta	Eta Squared
XTO * YTO	.989	.978
XPM * YTO	.860	.740
XEPS * YTO	.996	.991
XDPS * YTO	.998	.996

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
XTO * YPM	Between Groups	(Combined)	43553.279	25	1742.131	3.593	.111
	Within Groups		1939.725	4	484.931		
	Total		45493.004	29			
XPM * YPM	Between Groups	(Combined)	1295.871	25	51.835	21.941	.004
	Within Groups		9.450	4	2.363		
	Total		1305.321	29			
XEPS * YPM	Between Groups	(Combined)	955926.970	25	38237.079	84.689	.000
	Within Groups		1806.000	4	451.500		
	Total		957732.970	29			
XDPS * YPM	Between Groups	(Combined)	509756.167	25	20390.247	80.395	.000
	Within Groups		1014.500	4	253.625		
	Total		510770.667	29			

With F = 21.941 the difference between the means of XPM AND YPM 51.835 is significant at Sig. 0.004. This means that there is a positive and significant difference between the average Profit Margin of quoted companies that have CEO Duality role and those that have separate CEO and Chairman of the company with the later having a significant higher Profit Margin.

Measures of Association

	Eta	Eta Squared
XTO * YPM	.978	.957
XPM * YPM	.996	.993
XEPS * YPM	.999	.998
XDPS * YPM	.999	.998

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
XTO * YEPS	Between Groups	(Combined)	45163.164	27	1672.710	10.143	.094
	Within Groups		329.840	2	164.920		
	Total		45493.004	29			
XPM * YEPS	Between Groups	(Combined)	1280.061	27	47.410	3.754	.232
	Within Groups		25.260	2	12.630		
	Total		1305.321	29			
XEPS * YEPS	Between Groups	(Combined)	957400.303	27	35459.270	213.182	.005
	Within Groups		332.667	2	166.333		
	Total		957732.970	29			
XDPS * YEPS	Between Groups	(Combined)	510324.667	27	18900.914	84.757	.012
	Within Groups		446.000	2	223.000		
	Total		510770.667	29			

With F = 213.182 the difference between the means of XEPS AND YEPS 35459.270 is significant at Sig. 0.005. This means that there is a positive and significant difference between the average Earnings Per Share of quoted companies that have CEO Duality role and those that have separate CEO and Chairman of the company with the later having a significant higher Earnings Per Share.

Measures of Association

	Eta	Eta Squared
XTO * YEPS	.996	.993
XPM * YEPS	.990	.981
XEPS * YEPS	1.000	1.000
XDPS * YEPS	1.000	.999

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
XTO * YDPS	Between Groups	(Combined)	44337.959	22	2015.362	12.214	.001
	Within Groups		1155.045	7	165.006		
	Total		45493.004	29			
XPM * YDPS	Between Groups	(Combined)	866.044	22	39.366	.627	.811
	Within Groups		439.277	7	62.754		
	Total		1305.321	29			
XEPS * YDPS	Between Groups	(Combined)	943713.198	22	42896.054	21.418	.000
	Within Groups		14019.772	7	2002.825		
	Total		957732.970	29			
XDPS * YDPS	Between Groups	(Combined)	509203.667	22	23145.621	103.395	.000
	Within Groups		1567.000	7	223.857		
	Total		510770.667	29			

With F =103.395 the difference between the means of XDPS and YDPS 23145.621 is significant at Sig. 0.000. This means that there is a positive and significant difference between the average Dividend Per Share of quoted companies that have CEO Duality role and those that have separate CEO and Chairman of the company with the later having a significant higher Dividend Per Share.

Measures of Association

	Eta	Eta Squared
XTO * YDPS	.987	.975
XPM * YDPS	.815	.663
XEPS * YDPS	.993	.985
XDPS * YDPS	.998	.997

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4.2 Test of hypothesis

Null hypothesis: there is no significant difference between the average corporate performance of quoted companies with CEO- Duality and that of quoted companies without CEO-Duality in Nigeria.

Interpretation on corporate performance :

The regression sum of squares (88.350) is less than the residual sum of squares (1743.648), which indicates that more of the variation in the dependent variable is explained by the model. The significance value of the F statistics (0.000) is less than 0.05, which means that the variation explained by the model is not due to chance.

R, the correlation coefficient which has a value of 0.220, indicates that there is negative relationship between the CEO-Duality and performance of quoted companies. R square, the coefficient of determination, shows that 04.8% of the variation in the performance of quoted companies is explained by the model.
With the linear regression model, the error of estimate is high, with a value of about 1.64291 The Durbin Watson statistics of .021, which is not up to 2 indicates that there is no autocorrelation.

The CEO-Duality and performance of quoted companies of 0.22 indicates a negative significance between CEO-Duality and performance of quoted companies , which is statistically negative significant (with t = -5.721). Therefore, the null hypothesis should be accepted and the alternative hypothesis accordingly rejected.

5. CONCLUSION

The positive relationship between Non CEO duality and corporate performance as found in this paper using secondary data sourced from the Annual Reports of the 72 sampled financial companies primary data from their administrators and managers, is in tandem with the finding of Kajola (2008) and suggests that when separate persons occupy the positions of Chairman of the Board and the CEO of a company, the overall corporate governance tone of the company improves, the investors' confidence improves and the various financial performance indicators of the company become positively affected. This too, agrees with the works of Yermack (1996), Brown *et al* (2004) and Bokpin (2006). Not surprisingly too, the correlation and chi-square tests results align themselves to the findings of Uma and Allen (1997), Amarjit and Neil (2011) and Cheng (2011) from studies carried out in other environments and using different populations. Essentially, CEO duality is positively associated with the market value of the firm which is also influenced by positive movement in its profit margin and return on equity. Non CEO Duality tends to engender greater transparency through appropriate corporate disclosure and attendant enhanced monitoring and efficient control. Independence of the BOD is a *sin qua non* for proper checks and balances and improved corporate governance. It is therefore strongly recommended here that the positions of the chairman and the CEO should be occupied by different persons only limited may be by the size or ownership structure of the company.

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