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THE EFFECT OF CORPORATE GOVERNANCE ON PERFORMANCE OF BANKS IN THE BONO EAST REGION OF GHANA

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ABSTRACT

Corporate governance is a process of aligning the interests of management with those of shareholders and ensuring compliance with all applicable laws, rules, regulations, standards, and best practices to create shareholder value. It, therefore, outlines the morphology through which organizations achieve their financial goals. This study in examining these corporate governance processes in the banking sector seeks to investigate the effect of corporate governance on the performance of banks in the Bono East Region of Ghana. The study was quantitative and adopted the explanatory research designs. The population consisted of employees in the banking sector of the Bono East Region of Ghana. A sample of 98 respondents was considered and questionnaires were adopted as the research instrument for the study. The results indicated that corporate governance policies were moderately observed in the banking sector in the Bono East Region. This could be the reason for the average performance recorded in the study. The study found a positive correlation between performance and board independence as well as performance and female representation. There was, however, a negative and significant correlation between performance and board size. Corporate governance was found to predict a 15.5% increment of performance in the selected banks. Since corporate governance predicted performance, it is recommended that management adopt proactive measures to ensure the policies and procedures governing corporate governance are strictly adhered to.

INTRODUCTION

Financial institutions have become important global pillars of the socio-economic development of every nation (Appiah, Asamoah, & Narkotey, 2015). Their role in the current global economy serves as a medium for economic growth and development (Alper & Anbar, 2011). Over the last two (2) decades, many bank failures and collapses have been mainly attributed to poor corporate governance (Abhishek & Jens, 2015; Sarkar & Sarkar, 2018). In essence, corporate governance is necessary for the effective functioning of the financial sector.

Corporate governance's role has been to focus on the board of directors' decision-monitoring responsibilities, the decision-management functions of senior executives, the shareholder monitoring process, and the accountability attributes of corporate gatekeepers (internal auditors, external auditors, and legal counsel) to reduce agency costs and create long-term shareholder value(Widhiastuti, Nurkhin, & Susilowati, 2019).

Saftiana, Mukhtaruddin, Putri and Ferina (2017) posits that the actual value of a corporate business is what capital providers or investors will make available to the corporate business based on its anticipated returns to its owners. Improving corporate governance will help the emerging market achieve a range of important public policy goals. Good corporate governance reduces the exposure of emerging markets to financial crises, strengthens property rights, lowers transaction costs and capital costs, and promotes capital market growth (Bett & Tibbs, 2017).

With the current turmoil in the Ghanaian banking sector, which is exacerbated by higher inflation, high-interest rates, fluctuating fuel prices, and the depreciation of the Ghanaian cedi, banks must follow effective corporate governance principles. Management failure to take prudent measures has resulted in banks' insolvency in the country (Dzingai & Fakoya, 2017). Many banks, it could be argued, have undervalued the importance of corporate governance. As a result, it is critical to dig deeper into the situation to raise awareness about successful corporate governance and its effects on bank performance through empirical evidence.

Statement of the Problem

Most of the country's indigenous banks have faced serious insolvency and liquidity issues in recent years, with constant clearing deficits (BoG, 2017b). This has resulted in the Bank of Ghana (BoGs) collapsing and merging some financial institutions to restore sanity in the industry. In August 2017, the UT and Capital Banks were liquidated for failing to meet the BoG's minimum capital ratio. The BoG's Asset Quality Review (QAR) of banks conducted in 2015 and 2016 found that some indigenous banks had weak corporate governance, inadequate capital, and high non-performing loans (BoG, 2017b). The Bank of Ghana Corporate Governance Directive Report (Bank of Ghana, 2018) traced the country's challenges in the financial sector to its inability and sheer refusal to implement and enforce corporate governance principles set out in its laws for public and private institutions.

Even though several studies have been conducted on corporate governance and performance, most of these studies evaluated performance using proxy for performance such as return on assets and return on equity. This study, therefore, used the balanced scorecard to evaluate performance in the banks. The instrument reflects the necessity of balancing the traditional financial perspective and other non-financial elements such as customers, internal business processes, learning, and growths/improvement. It translates the organizations missions and strategies into a comprehensive set of performance measures.

Objectives of the study

The general objective of the study is to examine the effect of corporate governance on the performance of banks in the Techiman Municipality.

The following specific objectives have been formulated to achieve the general objective.

1. Examine the effectiveness of corporate governance policies of banks in Ghana in terms of board independence, board size and female representation.
2. Investigate the level of performance of banks in Ghana using the balanced scorecard approach.
3. Determine the relationship between corporate governance and performance of banks Bono East Region of Ghana.

Research Questions

1. What is the effectiveness of the corporate governance policies of banks in Ghana in terms of board independence, board size and female representation?
2. What is the level of performance of banks in Ghana using the balanced scorecard approach?
3. What is the relationship between corporate governance and the performance of banks in the Bono East Region of Ghana?

Research Hypothesis

H_0: Corporate governance has a significant positive relationship with the performance of banks

H_1: There is no positive relationship between corporate governance and the performance of banks

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter is a collection of literature on corporate governance on the performance of banks. The chapter is sectioned into three parts; the theoretical review, the theoretical review, and the empirical review.

2.1 Conceptual Review

The conceptual review of the study corporate governance, measuring corporate governance, performance in the banking sector, corporate governance and performance. The section ends with the conceptual framework of the study.

2.1.1 Corporate Governance

Rajagopal and Behl (2018) defined corporate governance as a mechanism that ensures investors in corporations return on their investments. This means that a corporate governance mechanism is a set of predefined rules that guide managers' actions, resulting in the best interest of investors. According to Akinyomi and Adedayo (2015), corporate governance refers to a collection of processes that affect managers' decisions when ownership and control separate. This definition highlights a mechanism for governing the agency problem. Tracing the origin of corporate governance gives an insight that it has always been about reducing agency risk. Corporate governance is an essential principle about how the financial, content and human resources available to an entity are judiciously used to achieve an organization's overall corporate purpose (Ibrahim et al., 2018). It keeps the company in operation and provides greater possibilities for opportunities to come forward. The overall impact of good corporate governance will be to improve investors' trust in the economy. Therefore, corporate governance is about building a reputation, ensuring openness and accountability, and maintaining an efficient system of disclosure of knowledge that would encourage good corporate performance (Onakoya, Ofoegbu & Fasanya, 2012).

Corporate governance usually refers to the process or method by which corporate and institutional relations are guided and managed to boost shareholders' long-term value while taking into account the interests of other stakeholders involved in the well-being of an organization (Yauri, Muhammad & Kaoje, 2013). Yauri et al. (2013) considered that, from the perspective of the agency theory, the core problem in corporate governance is whether managers can be trusted in carrying out the company's role in the best interests of shareholders. Rygh (2016) further, clarified that corporate governance is concerned with ways in which all stakeholders involved in the company’s well-being seek to ensure that managers and other executives take action or follow policies that protect stakeholder interest. Therefore, corporate governance is about building credibility, ensuring transparency and accountability and maintaining an effective channel for disclosing information that will foster good corporate performance. Corporate governance is a system of internal and external checks and balances for companies that ensure that Companies discharge all their accountability and act in a socially responsible manner in all areas of business (Onakoya et al., 2012).

In other words, corporate governance refers to creating a suitable legal, economic, and institutional climate that enables firms to prosper as entities to advance the interests of long-term shareholders and maximum human-centered growth. Rodriguez-Fernandez, Fernandez-Alonso and Rodriguez-Rodriguez (2014) noted that the board's influence on financial distress depends on the ability of the board to utilize the expertise and knowledge of the members to reach consensus. The Board's ability to operate efficiently has been seen as a determinant of the financial distress of companies. So weak or poor corporate governance raises the risk of management's opportunistic actions or controlling shareholders behaving in their way interest, extracting wealth from other shareholders (Johnson, Boone, Breach, & Friedman, 2000) and increasing the likelihood of financial distress.

2.1.2 Measuring Corporate Governance

Corporate governance is a critical issue for bank management that can be looked at from two perspectives. According to the Basel Committee on Banking Supervision (BCBS, 2010), corporate governance in the banking industry refers to how individual institutions' boards of directors and senior management handle their businesses and affairs. This affects how banks set corporate objectives (including generating economic returns to owners); run the day-to-day operations of the company, and consider the interest of recognized stakeholders (Muñoz-Izquierdo, Laitinen, Camacho-Miñano, & Pascual-Ezama, 2020; Rodriguez-Fernandez et al., 2014). Management also aligns corporate activities and behaviours with the expectation that banks will operate safely and soundly and compliance with applicable laws and regulations; and protect the interests of depositors. The corporate governance mechanisms discussed hereunder are board independence, size of the board, and female representation.

2.1.3 Board Independence

The board of directors is a group of people who are elected by the shareholders and are responsible for the strategy of a company, hiring or firing the CEO or management team, evaluating a company's performance with the help of financial statements and deciding on several issues like manager's compensation and auditing (Udin, Khan, & Javid, 2017; Zouari & Taktak, 2014). An Independent director is considered to be the one who is not currently employed by the company or has no psychological or economic dependence on its managers. A director who has ties with the company's management or represents the organization that does significant business with the company cannot be considered independent (Coles, Daniel, & Naveen, 2008). Empirical evidence has indicated that companies with more independent members on the board had superior performance. Rosenstein & Wyatt have continued studying outsiders' role in the board and have concluded that overall, the appointment of an outside director increases the firm value and thus increases the shareholder wealth (Salloum & Azoury, 2012).

An Independent director is a board member who has no affiliation with the firm other than the affiliation derived from being on the firm's board of directors (Hassan & Farouk, 2014). Bouaziz and Triki (2012) define an independent director as a director who has not been employed by the company in the last five years, who is not related to a senior member of management, who has no contract with the company, and who is not a member of the immediate family of senior managers. Thus, a director is deemed independent if he/she is independent of management and free from any business or other relationships that could interfere with the exercise of independent judgment.

The independent board of directors is preferable and is explained by agency theory. According to agency theory, an independent board monitors management better and can

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make decisions well-timed (Miglani, Ahmed, & Henry, 2015). The agency theory promotes board independence as a means of ensuring proper management power. As a result, the role of outside directors would be to track and regulate possible opportunism, as well as to prevent management from acting selfishly so that their decisions are in the best interests of shareholders. Also, the presence of outside directors reduces the possible existence of information asymmetries and agency costs between shareholders and management (Baklouti, Gautier, & Affes, 2016; Zhou, 2019a).

Board independence is another critical corporate governance mechanism that can influence performance. The Independent director is considered to be the one who is not currently employed by the company or has no psychological or economic dependence on its managers (Yammeesri & Herath, 2010). A director who has ties with the management of the company or represents the organization that does major business with the company cannot be considered independent (Manzaneque, Priego, & Merino, 2016). Michire (2017) intimated that a board is more independent when it has more outside directors than a board with more executive directors. Independence of the board enables the board to be free from management influence and hence be more effective in its monitoring role.

However, some scholars argue that the independence of the board denies the firm to have a unified command and control system (Michire, 2017). The philosophy of the agencies supports Board independence as a tool to ensure sufficient management oversight (Guo & Hu, 2014). Therefore, outside directors' role should be to track and control possible opportunism and prevent management's selfish actions so that their decisions are consistent with shareholder interests. The involvement of outside directors also decreases the potential for information asymmetries and the costs of agencies between shareholders and management (Shridev, Suprable, & Krishnaprasad, 2016). Thus, empirical evidence shows that outside directors represent the shareholders' interests (Salloum, Azzi, & Gebrayel, 2014). The reason is explained in the information importance that is available to insiders rather than to outsiders. If the cost of losing information is higher than the agency costs associated with inside control, the insider-controlled board is preferable. The authors have also mentioned that outsiders bring value to the company by providing better expertise.

The reason is explained in the information importance that is available to insiders rather than to outsiders. If the cost of losing information is higher than the agency costs associated with inside control, the insider-controlled board is preferable (Parkinson, 2016). The authors have found a positive and significant relationship between the shareholder filing and the percentage of independent members on the board. Thus, independent members do not have enough knowledge about the company that influences poor decision-making (Luqman et al., 2018). Earlier, Shah (2016) came up with the same evidence and state a positive relationship between inside directors and performance. This support stewardship theory that inside managers are good stewards to the company will not make wrong decisions that will decrease firm value.

2.1.4 Size of Board

With the optimum number of members, the board can be able to carry out its functions effectively. The size of the board (number of directors on the board) is one of the critical factors influencing the governance and performance of a firm. At the same time, some authors such as Yammeesri and Herath (2010) argue that smaller boards are better for corporate performance due to their efficiency, while other authors such as Ujunwa (2012) argue that larger boards can perform their duties effectively than smaller ones. However, Rodriguez-Fernandez, Fernandez-Alonso, and Rodriguez-Rodriguez (2014) note that the influence of the board on performance depends on the ability of the board to utilize the expertise and knowledge of the members to reach consensus. According to Guo and Hu (2014), the board of directors is a group of people who are elected by the shareholders and are responsible for the strategy of a company, hiring or firing the CEO or management team, evaluating a company's performance with the help of financial statements and deciding on several issues like manager's compensation and auditing. According to resource dependence theory, the size of the board is affected by the relationships with the environment: the greater the dependence on different organizations the larger will be the board of directors. Therefore, the size of the board tends to increase with the size of the company (Salloum & Azoury, 2012). In conclusion, Murhadi, Tanugara and Sutejo (2018) empirically proved that the companies that deviate from the estimated optimal board of directors' equation are lower.

According to resource dependence theory, the size of the board is affected by the relationships with the environment: the greater the dependence on different organizations, the larger will be the board of directors. Therefore, the size of the board tends to increase with the size of the company (Wang & Deng, 2006). In conclusion, the study proved empirically that the performance of the companies that deviate from the estimated optimal board of directors' equation is lower. Besides, the size and composition of the board are not random factors but are responses to the external environment (Brédart, 2014).

2.1.5 Female Representation

Female representation involves the number of females serving on the boards in the banking sector. Murhadi et al. (2018) identified the presence of women on the board of directors as a vital aspect of board diversity. Hu and Zheng (2015) stated that women representation in the board may lead to increased board independence as women directors are more likely to ask questions that their male counterparts may not ask. For this study, women representation is regarded as the proportion of women directors on corporate boards. To ensure that more women occupy top managerial and board positions, different countries have introduced diverse forms of actions, including legislations and quotas. For example, governments in several European countries have mandated European firms to formulate policies directed towards increasing their numbers of female directors (Alifiah, 2014; Chen, Zhang, & Zhang, 2013). In Ghana, there are no such laws.

Nonetheless, prior literature has demonstrated that considerable benefits can be obtained from having corporate boards with significant proportion of female members (Edwin & Timothy, 2019). Samanhyia and Oware (2016) declares that firms with high female board representation are expected to have stronger corporate governance than firms with few or no women board members. The presence of female members on corporate board leads to gender diversity. Extant literature has shown that women are more predisposed to follow the rules and regulations than men; especially those relating to financial decisions, and thus are more likely to be placed in sensitive positions in firms during periods of financial downturn (Kristanti, Rahayu, & Huda, 2016). This implies that shareholders may view the presence of women on the board as a sign of potential significant change, making them have confidence in the firm's success and financial reporting process (Edwin & Timothy, 2019).

2.1.6 Organizational Performance in the Banking Sector

Performance measures are "periodic measurement to permit tracking of problems, progress, and trends" (Edwards, 2012). In an organization, these measures should be derived from the stated missions, goals, and objectives of the organization. Performance measurement is also the process of defining, observing, and using such measures (Njoroge., 2013). Poister (2003) suggests several performance measures that public organizations should focus on output, efficiency, productivity, service quality, outcome, cost-effectiveness, and customer satisfaction. Output measures, also called workload measures, gauge the number of direct products or units of services produced as part of a program. Efficiency measures are typically ratios of output measures per the cost spent to generate the output. Likewise, productivity measures generally are ratios of output measures per the resources, like the staff, to produce the output. Service quality measures related to the quality of the service produce and stand in contrast with output measures that indicate the number of products. Effectiveness measures are indicators directly related to the mission of the program and cost-effectiveness measures are ratios of effectiveness measures per the cost to produce them. Customer satisfaction measures are similar to service quality measures but are from the citizen consuming the service. These measures are obtained from existing program documents, surveys of employees or customers, self-assessments, technical measurements, or measurements made by external observers (Njoroge., 2013).

The Balanced Score Card, created in 1992 by Harvard Business School professor Robert S. Kaplan and management consultant David P. Norton, is used in this analysis as a performance assessment method. According to Kaplan and Norton, traditional financial metrics, such as return on investment, did not adequately reflect a company's success in the innovative market climate (Davis & Albright, 2004). Rather than force managers to choose between "hard" financial indicators and "soft" operational measures like customer retention, product creation cycle times, or employee satisfaction, they devised an approach that allows managers to weigh all types of metrics equally. The Balanced Scorecard, according to Kaplan and Norton, keeps conventional financial metrics that tell the tale of past events, which is an adequate story for businesses in the industrial age that don't need to invest in long-term skills or consumer relationships (Noreen, 2015). These financial metrics, on the other hand, are insufficient for directing and assessing the journey that information age businesses must take to generate future value by investing in consumers, suppliers, staff, systems, technology, and learning and development.

As a result, the Balanced Scorecard was created to serve as a strategic positioning and management mechanism that is widely used in business and industry, government, and nonprofit organizations around the world to align business practices with the organization's mission and strategy, enhance internal and external communications, and monitor success against strategic objectives (Kaplan, 2005) Kaplan and Norton identified four generic perspectives that cover the primary strategic focus areas of a company (Kaplan & David, 2013). The idea was to use the model as a template for designing objectives and measures in each of the following perspectives. It complements the financial means with operational measures on customer satisfaction, internal processes, and the organization's learning and growth and improvement activities.

2.1.6.1 Financial perspective

Since financial metrics are useful in summarizing the easily observable economic results of decisions already taken, the Balanced Scorecard model keeps the financial perspective. The Balanced Scorecard model includes financial metrics as well. In that, they report past results, the financial metrics chosen are usually lagging. Performance indicators show whether a company's plan, including its implementation and execution, is helping to increase the company's performance (Senarath & Patabendige, 2015). Mostly, financial perspectives typically relate to the profitability measures, for example, regarding operating income and return on investment.

Executive managers can improve an organization's performance through two sources of revenue: growth and productivity (Kaplan & Norton, 1996) cited in (James Kamwachale Khomba, 2011). Similarly, organizations can generate profitable revenue growth by deepening relationships with their existing customers. This enables them to sell more of their current product or service or additional products and services. Performance measures can reveal whether the organization's vision, strategy, implementation, and execution have contributed to the bottom-line improvement. The financial perspective reflects the outcomes of other strategic decisions (Callaghan, Savage, & Mintz, 2010).

2.1.6.2 Customer perspective

The source of existence of any organization, whether private or public, is the need to serve a specific group of consumers, referred to as customers. A company's first task is to create and keep a customer (Nwonyuku, 2016). Thus, corporate executives are always reminded that in any organizational setting, the customer is the primary target and therefore decides any future business (Detthamrong, Chancharat, & Vithessonthi, 2017). From the customer perspective, managers need to identify the targeted customer segments in which the organization or a particular business unit compete and must recognize suitable measures of the business unit's performance for customers in these targeted segments. Once the organization understands who its targeted customers are, it can identify the objectives and measures for the value proposition it intends to offer (Sousa, Camparotti, Esposto, & Guerrini, 2014). The customer perspective typically includes several standard measures of the successful outcomes from well-formulated and implemented corporate strategies that include customer satisfaction, customer retention, customer acquisition, customer profitability, market share and account share .

Aggregate market studies also indicate that higher customer satisfaction leads to better financial results, as companies can sell more products and services, both now and in future (Abofaied, 2017). On this understanding, organizations protect and promote all activities that deal with customers because customers are the primary stakeholders that shape the strategic direction of all organizations. Modern customers look for products and services that go beyond satisfying the customer and delight them as well (Öztürk & Coskun, 2014). The Balanced Scorecard model requires managers to translate their general mission statement on customer service into specific measures that reflect the factors that matter to customers. Customers' concerns tend to fall into four categories consisting of the time of deliveries, quality of products, performance and services, and cost of products (James Kamwachale Khomba, 2011). Many organizations today have a mission and business core values that are focused on customer perspectives as well. Measuring the performance of an organization from its customers' perspective would be a priority for any top management.

2.1.6.3 Internal Business Processes Perspective

Internal business processes research is mainly concerned with an organization's internal processes and how efficiently or effectively they are carried out. The methods by which output targets are met are known as internal business processes (J. Kamwachale Khomba, Vermaak, & Gouws, 2015). This perspective focuses on internal business results that lead to financial success and satisfying customer expectations, such as cycle time, quality, employee skills, and productivity. Therefore, managers need to focus on all those critical internal operations to satisfy customer needs. They need to monitor critical processes to ensure that outcomes are always satisfactory. The development of a customer performance measurement system that combines quantitative benchmarking techniques with qualitative analysis to produce strategic objectives can simultaneously enhance business process improvement (Kaplan, 2010). If they are well re-engineered, business processes can add value to products and services and ultimately to the organization, even in the global marketplace (Kaplan & Norton, 2004). Any increase in the quality and the flexibility of business processes increases profitability. This implies that it may be easier for larger corporations than small-and-medium enterprises to improve their performance because large corporations have more resources to re-engineer their internal business processes that would be the case with small-and-medium enterprises.

2.1.6.4 Learning and Growth perspective

The fourth perspective of Balanced Scorecard model, the learning and growth perspective, centres on the way companies can generate worth out of the impalpable assets that take the kind of human capital, which relates to the accessibility of skills, talent, and know-how within an entity (Kaplan, 2005). The learning and growth perspective facilitates an organization to adjust its human resources and information technology with the strategic conditions of its internal business processes and customer relationships. In the context of the Balanced Scorecard model and terms of its interconnectedness with other perspectives through approach maps, the learning and growth perspective forms the foundation of any corporate strategy (Kaplan & David, 2013). The learning and growth perspective commences the value creation of an entity, as it promotes and encourages internal business processes aimed at ensuring clients satisfaction, which in turn generate better revenues and ultimately lead to financial profitability.

Learning and development, is how an entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced wealth-creation capacity (Bogomyagkov & Machulskyi, 2012). Learning and growth involves knowing rather than doing. Thus the learning and growth perspective addresses issues such as the capability of employees, the quality of information systems, and the effects of company alignment in supporting the accomplishment of organizational goals. Learning and growth can be promoted by knowledge management strategies such as offering to let staff implement their ideas (Lorenz & Lundvall, 2010). Organizations should also have the capacity to introduce completely new processes with extension capabilities (Porter, 2008). Thus, organizations that want to survive must continually take on challenging tasks and undertake learning and growths that will enable them to develop new products and services to meet ever-changing customer tastes.

2.1.7 Corporate Governance and Performance

Srivastava, Das and Pattanayak (2018) noted that corporate governance attributes are intended to reduce agency costs which can create a significant impact on firms' cost of equity. For an investor, good governance of a company is the main concern. Well-governed firms signify better returns in the long run and therefore attract more investors. Bett and Tibbs (2017) studied that external investors, including shareholders as well as debt holders, impose a lower risk premium for firms with effective corporate governance. They also studied board independence as a parameter of board structure and found that it has a significant negative association with the cost of capital. In another study, Yılmaz (2018) studied board independence and institutional ownership. They also found that an increase in board independence significantly decreases the firm's cost of capital. They observed that even the increase in the fraction of institutional owners could reduce the cost of capital. Board independence, institutional ownership, audit committee independence, and board size have been considered in various other studies to analyze their effect on the cost of capital (Agyemang et al., 2015). All these variables represent multiple attributes of corporate governance. These studies suggest that for better-governed firms, the cost of capital is lower, signifying easier access to external finance.

In another study, Tran (2014) studied different dimensions of corporate governance like financial transparency, ownership structure, and board remuneration and found that it is capable of mitigating agency costs, thereby reducing the firm's cost of equity capital. Various researchers in a different context have used these attributes.

2.1.8 Conceptual Framework

Contextually, this study focused on corporate governance and its implication on the performance of banks. In this study, corporate governance was evaluated in three categories; board independence, size of board and female representation. Performance was evaluated using the balanced scorecard. The balanced scorecard complements examines performance under four main perspectives; financial, internal business, customer and innovative perspectives. The conceptual framework for the study is indicated in Figure 2.1.

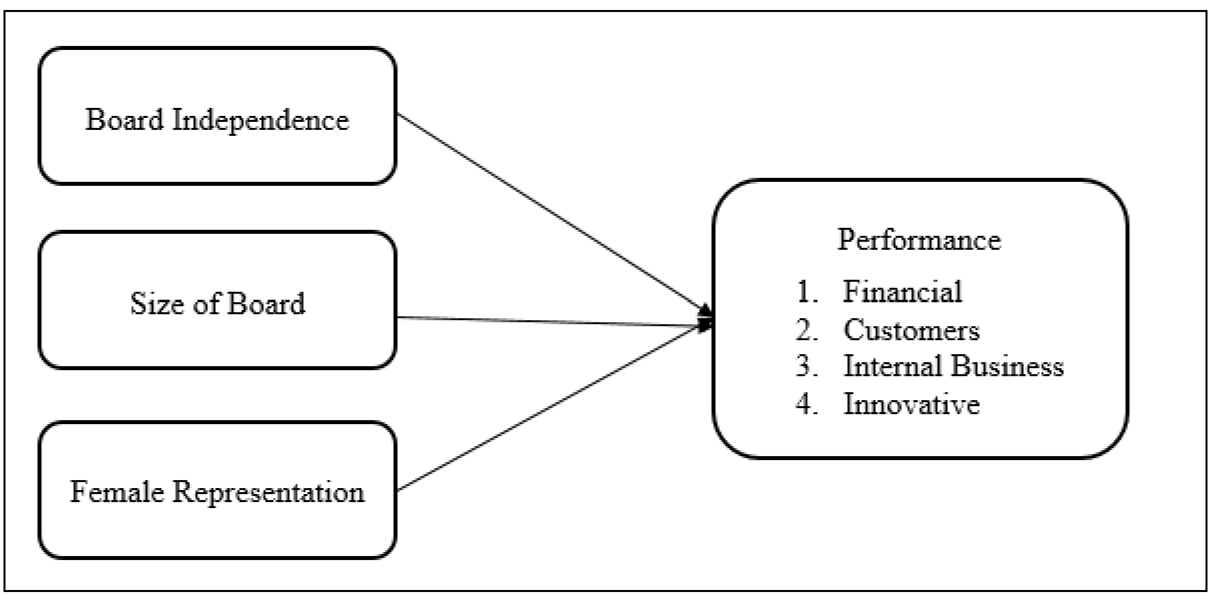

Figure 1: Conceptual Framework

2.2 Theoretical Review

The theories reviewed in this study include the institutional theory, the stakeholder theory and the agency theory.

2.2.1 Institutional Theory

The institutional theory had its roots from Meyer and Rowan in 1977 (Farrell, 2018). This theory suggests that organizations favour structures and management processes previously adopted or accepted by similar organizations rather than considering their inherent benefits for the specific organization. Thus, structures and practices are legitimized through tradition, imitation, coercion and normative pressure, and there exists an inverse relationship between the diversity often organization's operating environment and such external legitimization (Suddaby, 2010). These structures, values and procedures are chosen in line with social acceptance within the segment rather than their impact on organizational efficiency. According to Greenwood, Oliver, Lawrence, Meyer and Meyer (2018), organizations operating in a given field become increasingly homogenous and employ similar structures and business practices. Consequently, organizations need to compete on their social standing and public perception of their environmental policies (Velte & Stawinoga, 2016).

The theory is based on the assumption that social behaviours are established and guided by structures, including schemes, rules, norms, and routines (Waller, 1989). It is assumed that organizations are social systems with a high level of resiliency. Institutions are thought to be made up of cultural-cognitive, normative, and regulative elements that, when combined with related activities and resources, provide social life with continuity and meaning (Munir, 2020). These institutions transmit a variety of carriers, such as symbolic structures, relational systems, rituals, and objects, and they function at various levels of authority, ranging from the global system to regional interpersonal relationships (Rezende, 2009). Institutions, by definition, imply continuity, yet they are subject to both gradual and discontinuous change processes.

Scot McKay is one of the critics of institutional theory. The institutional theory, according to Scott (2008), is imitation: rather than refining their decisions, processes, and systems, organizations look to their peers for guidance on acceptable behavior. Other major criticisms of institutional theory have been its assumptions of organizational passivity and its failure to address strategic behaviour and the exercise of influence in its conceptions of institutionalization. Most of the critique focuses on its transition away from institutions (Greenwood et al., 2014), or its "imprecision," or the prevalence of often overlapping or inconsistent interpretations of key terms used by institutional theorists (Alvesson & Spicer 2018).

In practice, the banking environments in Ghana are in constant changes and this requires organizations to adopt proactive measures and pursue better substantive performance to achieve economic efficiency. The banking sector has rules, norms, and beliefs, explaining what is and what is not, what can be acted upon and what cannot. These rules act as kinds of forces to guide the operations of the sector. As a result, such environments often lead to the uniform adoption of certain practices and structures by organizations (institutional isomorphism) and the persistence of these practices and structures (inertia). When the structure of an organization changes, it emerges from a diverse set of organizations and ends in homogenization into the established legitimized form. Once established, these homogenized policies become legitimized by state and professional structures and associations and they become a model for new entrants and existing entities in the organizational field. In sum, within a context in which corporate governance is certainly questionable, management can voluntarily initiate a process of verification of this information. The bank will legitimize the credibility of the information reported by building an effective dialogue with the different stakeholders. To them, external checking guarantees effective corporate governance while reducing the potential information asymmetry existing between managers, shareholders and stakeholders.

2.2.2 Stakeholder Theory

Edward Freeman (1984) originally detailed the Stakeholder Theory of organizational management and business ethics that addresses morals and values in managing an organization. That viewpoint contradicts economist Milton Friedman's long-held shareholder theory, which states that in capitalism, a company's only stakeholders should be its owners (Parmar et al., 2010). The theory argues that corporations should serve all groups or individuals who have a stake in the corporation, typically including employees, customers, suppliers, and local communities (Genoud & Vignau, 2017). In the stakeholder view, corporations cannot maximize the shareholder interests at the expense of other stakeholders because doing so is neither moral nor economically efficient (Wagana & Karanja, 2015). According to Ayuso et al. (2012) the stakeholder theory proposed extending the focus of managers beyond the traditional interest group of shareholders in order to understand the needs, expectations, and values of groups previously perceived to be external to the company. In this sense, stakeholders of a firm can be defined as "individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and who are therefore its potential beneficiaries and risk bearers (Detthamrong et al., 2017).

The theory has two main assumptions: first, corporations cannot use stakeholders to benefit themselves in the long run; instead, making profits for all stakeholders is the final objective of companies (Bonsón & Bednárová, 2015). Second, as mediators, directors have to be answerable to stakeholders and balance the divergent interests of stakeholders (Y. C. Chen, Hung, & Wang, 2018). In other words, directors must be diligent and allegiant to stakeholders and disclose every action that they have done and bring stakeholders into play with companies' operations.

A critic of the theory is that the Freeman stakeholder definition seems to be too large and therefore, its implementation is impossible (Uribe, Ortiz-Marcos, & Uruburu, 2018). The urgency of the challenges, the demands, and the information systems available to them all limit the leaders' rationality. As a result, envisioning an exhaustive consideration of all possible stakeholders seems to be an illusion. According to Egels-Zandén and Sandberg (2010), the stakeholder theory's roots are vague, and it has a range of limitations. On the one hand, it participates in a hierarchical representation of the entity based on full contracts, which assumes that conflicts of interest can be resolved by ensuring that each group's interests are maximized (Nassreddine, 2016). According to the theory, businesses have only one social responsibility: to use their money and participate in activities that will maximize their income as long as they follow the rules of the game. To earn profit is the purpose of the corporation that should engage in open and free competition without deception or fraud (Younkins, 2006). In this view, it seems that the question of Corporate Social Responsibility has no sense.

It must be admitted that a bank cannot survive and succeed if it relies solely on the capital contributions of its shareholders and ignores the input of other stakeholders such as staff, creditors, suppliers, and customers. As a result, the sector must understand stakeholders' interests because their investments have a direct impact on the corporations' success and wealth. As a result, if directors are worried about the needs of stakeholders, not only will the value of stakeholders increase, but so will the social capital. Further, great social wealth will be produced as companies win the loyalty from their stakeholders. The more attention the banking sector pays to the interests of stakeholders, the more loyal customers it attracts. Loyalty is key factor to the sector to be competitive in an "economic jungle." If banks solely give attention to shareholders' interests, other stakeholders will lose trust in directors and withdraw their loyalty. As a result that, the bank will gradually collapse. Conversely, if directors consider all relevant stakeholders' benefit, the bank's reputation will be enhanced and more trust will be given by others.

2.2.3 Agency Theory

Stephen Ross and Barry Mitnick (1973) introduced the agency theory, which is characterized by a conflict of interest between principals (owners) and agents (managers), referred to as a "agency problem." The theory deals with determining the general structure of such contractual relationships and factors that influence behavior of the parties involved. In this theory, shareholders who are the owners or principals of the company hires the gents to perform work (Panda & Leepsa, 2017b). Principals delegate the running of business to the directors or managers, who are the shareholder's agents. Zogning (2017) further specified the existence of agency costs which arise owing to the conflicts either between managers and shareholders (agency costs of equity) or between shareholders and debt holders (agency costs of debt). According to agency model, the separation of ownership and control creates an inherent conflict of interest between the shareholders (Principal) and the management (Agent) (Panda & Leepsa, 2017a). Although managers are said to be rational, but cannot be trusted to remain faithful by always acting in the best interest of the principal since they are also presumed to be self-interested (Pološki-Vokić, 2017). Therefore, managers must avoid moral hazard using some risk-bearing and monitoring mechanisms that checkmate their deviant behaviors.

Agency theory advocated for a clear separation between decision management and control (Eisenhardt, 1989; Landstrom, 1993; Panda & Leepsa, 2017). Further, Zogning (2017) elaborated that agency theory is concerned with resolving two problems in agency relationships. Agency problem that arises when the desires or goals of the principal and agent conflict and/or when it is difficult or expensive for the principal to verify what the agent is doing. Landstrom (1993) posited agency theory suggests two underlying strategies of control: behavior based and outcome based. Both strategies rely upon performance evaluation. Taking agency theory into consideration, firm performance may be indicative of an agency problem. As a consequence, enhancing corporate governance should result in increased firm performance and achievement of Vision 2030.

Self-interest motivates both the principal and the agent, according to agency theory. Agency theory is doomed to intrinsic conflicts due to this self-interest presumption (Cuevas-Rodrguez, Gomez-Mejia, & Wiseman, 2012). When all sides are motivated by self-interest, agents are more likely to seek self-interested interests that diverge from or even clash with the principal's goals. Agents, on the other hand, are expected to work solely in the best interests of their clients.

An objection to agency theory is that it "relies on an assumption of self-interested agents who seek to maximize personal economic wealth" (Bruce et al., 2005). The challenge is therefore, to get agents to either set aside their self-interest or work in a way in which they may maximize their wealth while still maximizing the wealth of the principal. Thus, a standard of agency duty and action is necessary, not because agents are universally selfish, but because the potential for differences between the principal's and the agent's interests exists.

In the banking sector, the agency problem usually refers to a conflict of interest between a company's management and its shareholders. Even if it is in the manager's best interest to maximize his wealth, the bank manager, acting as the representative for the shareholders or principals, is expected to make decisions that maximize shareholder wealth. In this situation, the agent (manager and employees) manages the bank on behalf of the principal (shareholders and customers). The managers and employees are commonly engaged by the principals due to different skill levels, different employment positions or restrictions on time and access. Conflicts of interest therefore arise if the management personally gains by not acting in the principal’s best interest. An agency problem is therefore created. This agency problem is minimized by requiring full transparency, placing restrictions on the agent’s capabilities, and tying your compensation structure to the well-being of the principal. In this way, set of rules in the form of corporate governance are initiated to guide the management so that they do not deviate from the interest of the stakeholders.

2.3 Empirical Review of Corporate Governance and Performance

Various studies conducted around the world discuss multiple dimensions of corporate governance. Uwuigbe (2011) examined corporate governance and performance of banks in Nigeria. The study measured corporate governance using board size, the proportion of non-executive directors, directors' equity interest and corporate governance disclosure index. The study revealed a negative but significant relationship between board size, board composition and the performance of these banks. There was also a positive and significant relationship between directors' equity interest, level of governance disclosure and performance.

Another study looked at the relationship between three main corporate governance structures (ownership concentration, board size, and CEO/Chair duality) and two company performance proxies (Return on Asset, ROA, and Return on Equity, ROE) for a sample of 12 Pakistani textile firms listed on the Karachi stock exchange (Akbar, 2013). The data used ranged from 2007 to 2011. The empirical evidence indicated that ownership concentration positively affected both performance variables; thus ROA and ROE. Similarly, a strong positive association was discovered between small board size and ROA in the report. The implication is that the board size should be kept to a manageable number to prevent delays in critical business decisions caused by larger boards. However, there was no evidence of a relationship between board size and ROE.

The empirical results also show that the CEO/Chair duality had a positive and significant effect on ROA and ROE.

Adeusi, Akeke, Aribaba and Adebisi (2013) studied corporate governance and firm performance which used a sample of 10 selected banks' annual reports within the period of 2005-2010. The study used return on asset, board size, board composition that is, number of executive directors and number of non-executive directors. They discovered that improved performance of the banking sector is not dependent on increasing the number of executive directors and board composition. The study indicated the need for increase in board size and decrease in board composition as measured by the ratio of outside directors to the total number of directors in order to increase the bank performance.

Ghaffar (2014) identified the impact of corporate governance on the profitability of Islamic banks of Pakistan. The corporate governance policies or elements tested here include the board size and board independence. These banks' profitability was calculated using profitability ratios. Return on assets (ROA) and return on equity (ROE) are two of the profitability measures that are used (ROE). Using regression analysis, the data was examined. All the corporate governance variables have a major relationship with bank profitability, according to the results of the report. With the introduction of good corporate governance practices, the profitability of Pakistan's Islamic banks continues to improve.

Rostami, Rostami and Kohansal (2016) investigated the effect of corporate governance components on return on assets and stock return of companies listed in the Tehran stock exchange. The study selected 469 firm-year observations using systematic sampling. The study looked at the effects of six internal components of corporate governance structure; including ownership concentration, institutional ownership, board independence, board size, CEO duality, and CEO tenure, as independent variables, on return on assets and stock return, which are used to evaluate firm efficiency. The study's control variables were market value of the equity and the ratio of book value to market value of the equity. The findings, which were focused on an approximate generalized least square process, show that there was a strong positive relationship between ownership concentration, board independence, CEO duality, and CEO tenure, as well as return on assets. Institutional ownership, on the other hand, has a strong negative relationship with board size and return on assets. Aside from that, institutional ownership, board independence, CEO duality, and CEO tenure all have a significant positive relationship with stock return. However, there is a significant negative relationship between ownership concentration and Board size with stock return.

Using Pakistan Stock Exchange, Ullah, Afgan, and Hashim (2017) investigated the effect of corporate governance on the performance of cement sector firms (PSX). From 2005 to 2014, 20 cement sector firms listed on the Pakistan Stock Exchange (PSX) were used. These firms accounted for 83 percent of the entire cement industry. Correlation and regression analysis were used for the study. The percentage of insider directors, institutional shareholdings, and board independence were all used to assess corporate governance. According to the findings, corporate governance had a positive and significant impact on the performance of the firms

Ibrahim, Adesina, Olufowobi, and Ayinde (2018) investigated the effect of corporate governance on the return on assets of Nigeria's publicly traded banks. From 2013 to

2017, secondary data was used in the analysis. The Nigerian Stock Exchange gathered data from three quoted banks' annual reports and accounts. The study utilized both descriptive statistics and the Ordinary Least Square-Multiple Regression method using E-view 9. The results indicated that corporate governance had a significant influence on return on assets (F-statistics = 23.46, $P < 0.05$). The results further indicated that the proportion of shareholders more than 10,001 share, board of composition size and bank size exerts a positive and significant relevance to return on assets of quoted banks in Nigeria and bank size has significant influenced on return on assets ($\beta=2.09$, $t=3.94$, $p<0.05$).

Zhou (2019) examined the impact of diversity in board members of firms on financial distress risk in China from 2005 to 2015. Using data from the CSMAR database, the research finds that firms with women directors decreased their distress risk by one fourth. To mitigate funding risk, such businesses had access to larger bank loans from more banks and at higher frequencies, implying stronger financing capacity and confirming the gender diversity impact. Furthermore, companies with female directors exhibit strikingly different investment conduct, which may have a substantial impact on insolvency status and is consistent with the male-overconfidence hypothesis. Finally, companies with a female board of directors minimized risk by enforcing stricter internal governance, lowering agency costs, and limiting large shareholders' tunneling activity. The paper indicated that the female directors' impact on firm financial distress is mainly exerted both through liquidity channels and strategic channels

Wang (2020) provided a more complete and precise assessment of the impact of gender diversity on a firm's distress and corporate governance performance from the

Taiwanese experience. Increased board gender diversity does not appear to improve performance in Taiwan. Only the percentage of female independent directors has a substantial negative relationship with a firm’s distress, confirming previous findings that directors with greater independence are better able to fulfill their oversight role and thus contribute to success. The results also show that having concurrent female directors is a key factor in improving corporate governance performance. Female directors with prior experience as serving directors or supervisors in other companies can offer diverse opinions and network ties, thus contributing to improved cohesion and corporate governance.

Conclusion

The chapter drew attention to relevant works undertaken on corporate governance and performance. Various literature was reviewed and organized under theoretical review, conceptual and empirical review. The conceptual section of the chapter dealt with banking sector in Ghana, the overview of corporate governance and its measurement indicators, and performance in the banking sector. The researcher also designed the conceptual framework to guide the study. The theoretical review dealt with the various theories used to underpin the study. Theories used included the institutional theory, the stakeholder theory, and the agency theory. Then there was the empirical literature which dealt with the contributions of various authors on corporate governance and performance in the banking sector.

METHODOLOGY

Research Design

In order to fully elicit relevant information pertinent to the objectives of the present study, the study was rooted in quantitative paradigm. Heil, Hopkins and Daniel (2006) indicated that quantitative research paradigm involves the use of numerical measures and facilitates quantification and the type of relationship existing between variables. This study will help to decipher the type of relationship existing between corporate governance and performance. The extent of impact or relationship is expressed via descriptive and inferential statistics. In other words, quantitative paradigm helps a researcher determine the proportion of problems and difficulties associated with a phenomenon in numeric terms to arrive at a useful conclusion. Kelley, Clark and Brown (2013) stated that it facilitates objective facts regarding a phenomenon such as the extent to which corporate governance mechanisms such as managerial ownership influence corporate performance. As a result, quantitative paradigm is practical and suitable for the present study since it helped the researcher determine the magnitude and form of relationship existing between corporate governance and firm's performance so as to describe and make appropriate inferences in line with the objectives of the study.

This study adopted an explanatory research design. Explanatory research is a continuation of descriptive research (Nakano & Muniz, 2018). The researcher goes beyond simply describing the situation or problem characteristics to examine and explain why or how the phenomenon being examined is occurring. In certain circles, it is called a causal research design. Explanatory research is conducted when there is already a hypothesis as to why something is happening. This study is deemed to be explanatory since it seeks to establish and explain the relationship between corporate governance on performance in the Ghanaian banking industry.

Population

The target population utilized in this study was employees of five selected banks in the Techiman Municipality. These five banks namely ADB, GCB Bank, Access Bank, Fidelity Bank Limited and NIB bank employees were the target population of this study (Table 1).

The study used 98 respondents out of the 120. The study utilized the purposive sampling technique. This sampling technique allows a researcher to select respondents based on a criterion. In this study, the criterion is that employees selected should have knowledge on accounting standards. The study therefore excluded employees such as security personnel, cleaners and others who had no prior knowledge on accounting standards.

Data and Data Collection Instrument

The study used primary source of data. However, literature were sourced from books and articles. Primary data utilized questionnaires used as the data collection instrument. Questionnaires are standard because they allow the highly economical collection of a large amount of primary data from a significant population (Saunders, Lewis, & Thornhill, 2008). To measure corporate governance, the multidimensional measure used by Ndiwalana, Ssekakubo and Lwanga (2014); and Arslan, Zaman, Malik and Mehmood (2014) were used, which includes board size, board independence and female representation. In obtaining data on organizational performance, four main key performance indicators (KPI) which are financial perspective, customer perspective, internal business processes, and learning & growth perspectives were used

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CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter focuses on presenting findings from the study's research objectives. The chapter consists of two main sections. The first section deals with data presentation and analysis of the questionnaires. The second section deals with the discussions of the research findings.

4.1 Demographic Information on Sample Respondents

The study sourced demographics data of the respondents. Table 3 contains the results.

Table 1: Demographic Data of Respondents

Questions	Categories	Number	Percentage
Gender	Male	68	69.4
	Female	30	30.6
	Total	**98**	**100**
Educational Level	WASSCE/SHS	-	-
	Diploma/HND	14	14.3
	Degree	63	64.3
	Masters	21	21.4
	Total	**98**	**100**
Years with Bank	1-5 years	61	62.2
	6-10 years	24	24.5
	11-15 years	9	9.2
	More than 15 years	4	4.1
	Total	**98**	**100**

Source: Field Data (2020)

From the results in Table 3, the study had 68 (69.4%) being males and 30 (3.6.6%) being females. The implication is that more males work in the banking sector in the Bono East Region than females. This is consistent with earlier studies such as Amoah (2018) and Agyei-Mensah (2017), who also reported more males than females in the banking sector. With an educational level, the study had 14 (14.3%) had Diploma/HND; 63 (64.3%) had their first degrees, and 21 (21.4%) had their second degrees. The implication is that majority of the respondents had completed tertiary and will therefore possess as much knowledge and understanding of the research questions and hence give realistic answers as possible.

For the working experience of the respondents, 61 (62.2%) had worked for 1-5 years; 24 (24.5%) had worked for 6-10 years; 9 (9.2%) indicated that they have worked for 11-15 years and 4 (4.1%) had worked more than 15 years. This implied that employment in the banking sector decreases with working experience. This could be possible due to the low salary and conditions of service of the banking sector compared with the public sector. Respondents who gain experience in the sector leave for better service conditions and, hence, reduced people due to the working experience.

4.2 Objective One: Effectiveness of Corporate Governance Policies

This sectioned answers objective one of the study, which seeks to examine the effectiveness of corporate governance policies of banks. The study adopted the mean analysis for the analysis of the research objective. Corporate governance policies were evaluated in three dimensions; board independence, board size and female representation. The decision is that the variables with mean values greater than four are highly effective, from 3 – 4 are moderate, and less than three are considered low. The standard deviation gives the dispersion of the variables around the mean.

Table 2: Level of Board Independence

	N	Minimum	Maximum	Mean	Std. Deviation
The majority of members of the nomination committee are independent non-executive directors	98	1	5	3.24	1.340
The board chairman is an independent non-executive director in the committee	98	1	5	4.07	.933
Non-executive directors are appointed for specified terms subject to re-election and the statutory provisions relating to the removal of a director	98	1	5	3.54	1.294
No one member of the board has unfettered powers of decision	98	1	5	2.99	1.312
The roles of chairman and chief executive exercised by different individuals	98	1	5	4.57	0.492

The responsibilities between the chairman and chief executive are established	98	1	5	4.23	1.120
Overall	**588**	**1**	**5**	**3.77**	**1.249**

From Table 4, an overall mean of 3.77 was achieved, indicating that respondents rated the board independence as average among the selected banks.

In specifics, only three variables out of the five were highly rated. These are the existence of independent non-executive director in the board committee (mean = 4.07, standard deviation = 1.340); roles of chairman and chief executive exercised by different individuals (mean = 4.57, standard deviation = 0.492), and establishing the responsibilities between the chairman and the chief executive officer (mean = 4.23, standard deviation = 1.120). Those who were averagely rated were that the majority of the nomination committee members are independent non-executive directors (mean = 3.24, standard deviation = 1.340). That non-executive directors are appointed for specified terms subject to re-election (mean = 3.54, standard deviation = 1.294). Respondents least rated the assertion that no one member of the board has unfettered powers of decision (mean = 2.99, standard deviation = 1.312).

Table 3: Adequacy of Board Size

	N	Minimum	Maximum	Mean	Std. Deviation
The board is not so large as to be unwieldy	98	1	5	3.04	1.442
All board members meet regularly to discharge their duties effectively	98	1	5	4.37	1.116

The board has the appropriate balance of skills and knowledge to enable them to discharge their respective duties	98	1	5	3.74	1.254
The board is of sufficient size such that the requirements of the business can be met	98	1	5	3.91	1.085
The board is of sufficient size that changes to its composition can be managed without undue disruption	98	1	5	3.78	1.031
The membership of the board committees are refreshed from time to time	98	1	5	3.44	1.534
Overall	**588**	**1**	**5**	**3.71**	**1.244**

Source: Field Data (2020)

From the findings shown in Table 5, an overall mean value of 3.71 and standard deviation of 1.244 was achieved, which indicates a moderate level of adequacy of the board size. However, the assertion that all board members meet regularly to discharge their duties effectively was highly rated. All others were moderately rated. Respondents instead agreed that the board is not so large as to be unwieldy (mean = 3.04, standard deviation = 1.442); has the appropriate balance of skills and knowledge to enable them to discharge their respective duties (mean = 3.74, standard deviation = 1.254); with sufficient size such that the requirements of the business can be met (mean = 3.91, standard deviation = 1.085); with sufficient size that changes to its composition can be managed without undue disruption (mean = 3.78, standard deviation = 1.031); and that the membership of the board committees are refreshed from time to time (mean = 3.44, standard deviation = 1.534)

Table 4: Adequacy of Female Representation

	N	Minimum	Maximum	Mean	Std. Deviation
There is a policy to ensure that females directors are appointed to the board	98	1	5	2.53	1.619
There is a formal and transparent procedure for the appointment of female directors to the board	98	1	5	3.30	1.742
Board candidates are conducted with due regard for diversity on the board, including gender	98	1	5	3.41	1.449
The bank can boast of female representatives on the board over the past five years	98	1	5	2.62	1.628
Overall	**392**	**1**	**5**	**2.97**	**1.610**

Source: Field Data (2020)

The overall female representation on the board was rated low with an overall mean of 2.97 and a standard deviation of 1.610. The implication is that females are not well represented on the board. The assertion that there is a policy to ensure that females directors are appointed to the board was least rated (mean = 2.53, standard deviation = 1.619). Similarly, the bank's assertion can boast of female representatives on the board over the past five years was least rated (mean = 2.62, standard deviation = 1.628). This implies that females are poorly represented on the board, with no policies to ensure that female directors are appointed. Respondents moderately believed that there is a formal and transparent procedure for the appointment of female directors to the board (mean = 3.30, standard deviation = 1.742); and that board candidates are selected with due regard for diversity on the board (mean = 3.41, standard deviation = 1.449).

4.3 Objective Two: Level of Performance in the Selected Banks

The study used descriptive statistics to examine the level of performance, which was measured under four perspectives; the financial perspective, internal business perspective, learning and growth perspective and customer perspective. The decision is that mean values greater than four are classified as high extent, from 3 to 4 are moderate extent, and less than three are low. This classification is used by several researchers such as Brian (2013), Sigilai and Njiru (2016) and Attah-Botchwey (2018). Table 5 presents findings on the level of financial performance perspective of the selected banks.

Table 5: Level of Financial Performance Perspective in the Banks

	GE	SE	S	LE	NA	Mean	Std Dev
Reduction in operating cost of the bank for the past 3 years	3 (3.1%)	29 (29.6%)	25 (25.5 %)	12 (12.2%)	29 (29.6%)	2.64	1.270
A growth in revenue for the past 3 years	18 (18.4%)	19 (19.4%)	44 (44.9%)	6 (6.1%)	11 (11.2%)	3.28	1.173
A growth in market share for the past 3 years	32 (32.7%)	37 (37.8%)	29 (29.6%)	0 (0%)	0 (0%)	4.03	0.792
Increase in operating profits of the bank for the past three years	16 (16.3%)	39 (39.8%)	24 (24.5%)	15 (15.3%)	4 (4.1%)	3.49	1.067
Return on investment of the bank has increased over the past 3 years	9 (9.2%)	38 (38.8%)	22 (22.4%)	14 (14.3%)	15 (15.3%)	3.12	1.229
Total	**78 (15.9%)**	**162 (33.1%)**	**144 (29.4%)**	**47 (9.6%)**	**59 (12.0%)**	3.31	1.534

Source: Field Data (2020)
Key: GE = Greater Extent, SE = Some Extent, S = Somehow, LE = Less Extent, NA = Not at All.

From the overall financial performance perspective, the findings indicated that the performance of the selected banks was moderate (mean = 3.31, standard deviation = 1.534). In all, 15.9% of the respondents agreed to a greater extent, 33.1% agreed to some extent and 29.4% agreed that the selected banks have improved upon their financial performance. In addition, the study had 9.6% who agreed to a less extent and 12% who did not agree at all that the selected banks have improved upon their financial performance.

In specifics, respondents agreed to a greater extent that the selected banks experienced a growth in revenue for the past three years (mean = 4.03, standard deviation = 0.792). The study had 32.7% who agreed to a greater extent, 37.8% who agreed to some extent, 29.6% who agreed somehow that the banks had experienced a growth in market share for the past three years.

The study also had respondents who moderately agreed that the banks had experienced growth in revenue for the past three years (mean = 3.28, standard deviation = 1.173); have experienced an increase in operating profits (mean = 3.49, standard deviation = 1.067); and that return on investment of the banks have increased over the past 3 years (mean = 3.12; standard deviation = 1.229). The study had 18.4% who agreed to a large extent; 19.4% agreed to some extent; 44.9% agreed somehow; 6.1% agreed to a less extent, and 11.2% did not agree that there was a growth in revenue for the past three years. The study also had 16.3% who agreed to a large extent; 39.8% who agreed to some extent; 24.5% agreed somehow; 15.3% agreed to a less extent, and 4.1% did not agree at all that there has been an increase in operating profits of the bank for the past three years. Similarly, 9.2% agreed to a large extent; 38.8% agreed to some extent; 22.4% agreed somehow; 14.3% agreed to a less extent, and 15.3% did not agree at all that return on the banks' investment have increased over the past 3 years.

However, respondents least agreed that there has been a reduction in the operating cost of the institution for the past 3 years (mean = 2.64, standard deviation = 1.270). In specifics, 3.1% agreed to a greater extent, 29.6% agreed to some extent, 25.5% agreed somehow, and 12.2% agreed to a less extent, and 29.6% did not agree at all that there has been a reduction in operating cost of the bank for the past 3 years.

Table 6: Level of Internal Business Performance Perspective

	GE	SE	S	LE	NA	Mean	Std Dev
There is the promotion of team problem-solving in the bank	11 (11.2%)	22 (22.4%)	20 (20.4%)	17 (17.3%)	28 (28.6%)	2.70	1.386
The bank has various innovative products for its customers	36 (36.7%)	46 (46.9%)	7 (7.1%)	9 (9.2%)	0 (0%)	4.11	0.895
Employees are encouraged to identify new markets for products	37 (37.8%)	26 (26.5%)	12 (12.2%)	8 (8.2%)	15 (15.3%)	3.63	1.446
There are means to identify the emerging needs of existing customers	19 (19.4%)	48 (49.0%)	16 (16.3%)	5 (5.1%)	10 (10.2%)	3.62	1.162
The bank has instituted customer preference surveys	17 (17.3%)	24 (24.5%)	30 (30.6%)	4 (4.1%)	23 (23.5%)	3.08	1.390
Overall	**120 (24.5%)**	**166 (33.9%)**	**85 (17.3%)**	**43 (8.8%)**	**76 (15.5%)**	**3.43**	**1.256**

Source: Field Data (2020)

The findings shown in Table 6 indicated that respondents agreed moderately that the selected banks had performed well on the overall internal business performance perspective (mean = 3.43, standard deviation = 1.256). In percentage wise, 24.5% of the respondents agreed to a greater extent, 33.9% agreed to some extent, 17.3% agreed somehow, 8.8% agreed to a less extent and 15.5% did not agree at all that the selected banks have improved on their internal business performance perspective.

With the specifics, the study had respondents agreed to a greater extent that there have been various innovative products for customers of the banks (mean = 4.11, standard deviation = 0.895). Respondents agreed moderately that employees are encouraged to identify new and innovative ways of delivering services (mean = 3.63, standard deviation = 1.446); that there are means to identify emerging needs of existing customers (mean = 3.62, standard deviation = 1.162); and that the bank has instituted customer preference surveys (mean = 3.08, standard deviation = 1.390).

In percentage wise, 37.8% of the respondents agreed to a greater extent, 26.5% agreed to some extent, 12.2% agreed somehow, 8.2% agreed to a less extent, and 15.3% did not agree at all that the employees are encouraged to identify new markets for products. Also, 19.4% of the respondents agreed to a greater extent, 49% agreed to some extent, 16.3% agreed somehow, 5.1% agreed to a less extent, and 10.2% did not agree at all that there are means to identify the emerging needs of existing customers. Furthermore, 17.3% of the respondents agreed to a greater extent, 24.5% agreed to some extent; 30.6% agreed somehow; 4.1% agreed to a less extent, and 23.5% did not agree at all that bank has instituted customer preference surveys.

However, they least rated the assertion that there is the promotion of team problem-solving in the bank (mean = 2.70, standard deviation = 1.386). In percentage wise, 11.2% of the respondents agreed to a greater extent, 22.4% agreed to some extent, 20.4% agreed somehow, 17.3% agreed to a less extent, and 28.6% did not agree at all that there is the promotion of team problem-solving in the institution.

Table 7: Level of Learning and Growth Performance Perspective

	GE	SE	S	LE	NA	Mean	Std Dev
Employees are committed to with the bank	35 (35.7%)	39 (39.8%)	18 (18.4 %)	4 (4.1%)	2 (2.0%)	4.03	0.947
There is a cordial relationship within employees	42 (42.9%)	16 (16.3%)	22 (22.4%)	13 (13.3%)	5 (5.1%)	3.79	1.270
Employee are satisfied working in the bank	10 (10.2%)	23 (23.5%)	32 (32.7%)	7 (7.1%)	26 (26.5%)	2.84	1.329
Employees are properly motivated	6 (6.1%)	23 (23.5%)	17 (17.3%)	17 (17.3%)	35 (35.7%)	2.47	1.349
Employee receive the necessary skills	14 (14.3%)	16 (16.3%)	45 (45.9%)	7 (7.1%)	16 (16.3%)	3.05	1.213
Overall	**107 (21.8%)**	**117 (23.9%)**	**134 (27.3%)**	**48 (9.8%)**	**84 (17.1%)**	**3.24**	**1.222**

Source: Field Data (2020)

From the results in Table 7, the learning and growth performance perspectives were moderate (mean = 3.24, standard deviation = 1.222). The study had 21.8% of the respondents who agreed to a greater extent, 23.9% who agreed to some extent, 27.3% agreed somehow, 9.8% agreed to a less extent, and 17.1% did not agree selected banks have improved in their learning and growth.

The study had respondents highly agreed that employees are committed to working with the institution (mean = 4.03, standard deviation = 0.947). In addition, respondents agree moderately that employees receive the necessary skills and training to work effectively (mean = 3.05, standard deviation = 1.213). Employees are satisfied working in the selected banks (mean = 3.79, standard deviation = 1.270). They, however, agreed to a less extent that employees are properly motivated to work effectively (mean = 2.47, standard deviation = 1.349) and are satisfied working in the bank (mean = 2.84, standard deviation = 1.329). In percentage wise, 35.7% agreed to a greater extent, 39.8% agreed to some extent, 18.4% agreed somehow, 4.1% agreed to a less extent, and 2% did not agree that employees were committed to working with the institution. Also, the study had 14.3% agreed to a greater extent, 16.3% agreed to some extent, 45.9% agreed somehow, 7.1% agreed to a less extent, and 16.3% did not agree that employees receive the necessary skills and training to enable them to work effectively. In addition, 10.2% agreed to a greater extent, 23.5% agreed to some extent and 32.7% agreed somehow, 7.1% agreed to a less extent, and 16.3% did not agree that employees are satisfied working in the selected banks. Furthermore, 6.1% agreed to a greater extent, 23.5% to some extent, 17.3% agreed somehow, 17.3% agreed to a less extent and 16.3% did not agree that employees are properly motivated to work effectively.

Table 8: Level of Customer Performance Perspective

	SA	A	N	D	SD	Mean	Std Dev
We focus on delivering quality service for customers	74 (75.5%)	17 (17.3%)	4 (4.1%)	3 (3.1%)	0 (0.00%)	4.65	0.705
Customers are the most important priority in the bank	79 (80.6%)	12 (12.2%)	4 (4.1%)	3 (3.1%)	0 (0.00%)	4.70	0.692
There is an effective means of collaborating with all customers in the bank	54 (55.1%)	30 (30.6%)	7 (7.1%)	7 (7.1%)	0 (0.00%)	4.34	0.896
There is a desk or means for customers to lodge their complaints	49 (50.0%)	26 (26.5%)	3 (3.1%)	8 (8.2%)	12 (12.2%)	3.94	1.406
One priority of the bank is to promote customer profitability	40 (40.8%)	30 (30.6%)	16 (16.3%)	12 (12.2%)	0 (0.00%)	4.0	1.035
Overall	**296 (60.4%)**	**115 (23.6%)**	**34 (6.9%)**	**33 (6.7%)**	**12 (2.5%)**	**4.33**	**0.947**

Source: Field Data (2020)

From the customer performance perspective, the selected banks were highly considered to perform well with a mean of 4.33 and standard deviation of 0.947. The study had 60.4% who agreed to a greater extent, 23.6% who agreed to some extent, 6.9% who agreed somehow, 6.7% who agreed to a less extent and 2.5% who did not agree at all that the selected banks performed better under the customer performance perspective.

Specifically, respondents agreed to a high extent that they focus on delivering quality service for customers (mean = 4.65, standard deviation = 0.705); customers are the most important priority in the bank (mean = 4.70, standard deviation = 0.692); that there are effective means of collaborating with all customers in the bank (mean = 4.34, standard deviation = 0.896) and that a priority of the bank is to promote customer profitability (mean = 4.00, standard deviation = 1.035). They, however, agreed moderately that there is a desk or means for customers to lodge their complaints (mean = 4.44, standard deviation = 0.289).

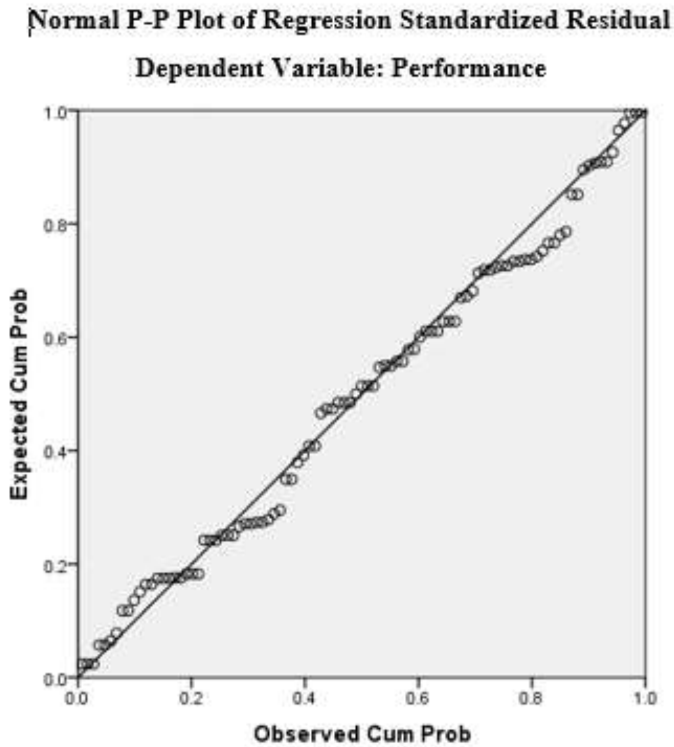
4.4 Relationship between Corporate Governance and Performance

The study adopted both the correlation and multiple regression analysis. Multiple regression generally explains the relationship between multiple independent or multiple predictor variables and one dependent variable. The study, however, tested for the linearity, multicollinearity and normality of the data.

4.4.1 Linearity

For regression analysis, one assumption is that the predictor variables should have a straight-line relationship with the dependent variable. Researchers such as Maziti, Chinyamurindi and Marange (2018); Albritton (2007); and Voyce, Gouveia, Medinas, Santos and Ferreira (2015) have advocated using either the P-P plots or the Q-Q plots.

The study adopted the Normal P-P plot of regression standardized residual since most of the authors mostly adopt it.



Source: Field Data (2020)
Figure 2: Normal P-P Plot of Regression Standardized Residual

To meet the criteria for linearity, it is expected that the residuals would follow a linear shape, such as indicated in Figure 2. If the model does not meet the linear model assumption, the regression residuals are expected to be very large (big positive value or big negative value).

4.4.2 Multicollinearity Test

When there is a correlation between predictor variables or independent variables in a model, it is called multicollinearity. The presence of multicollinearity can adversely affect the outcome of the results. To determine multicollinearity, the study adopted the variance inflation factor (VIF). A high VIF indicates that the associated independent variable is highly collinear with the other variables in the model. The Variance Inflation Factor indicates the extent to which the variance is inflated for every variable. The decision is that a VIF value greater than 5 indicates the existence of multicollinearity.

Table 9: Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Board independence	.681	2.509
Board Size	.519	2.004
Female Representation	.725	3.197

Results indicate the absence of multicollinearity (Table 11) since all the VIF are below 10.

4.4.3 Normality Test

Violations of normality create problems for determining whether model coefficients are significantly different from zero and calculate confidence intervals for forecasts. The study adopted the normal probability plot indicated in Figure 4.2.

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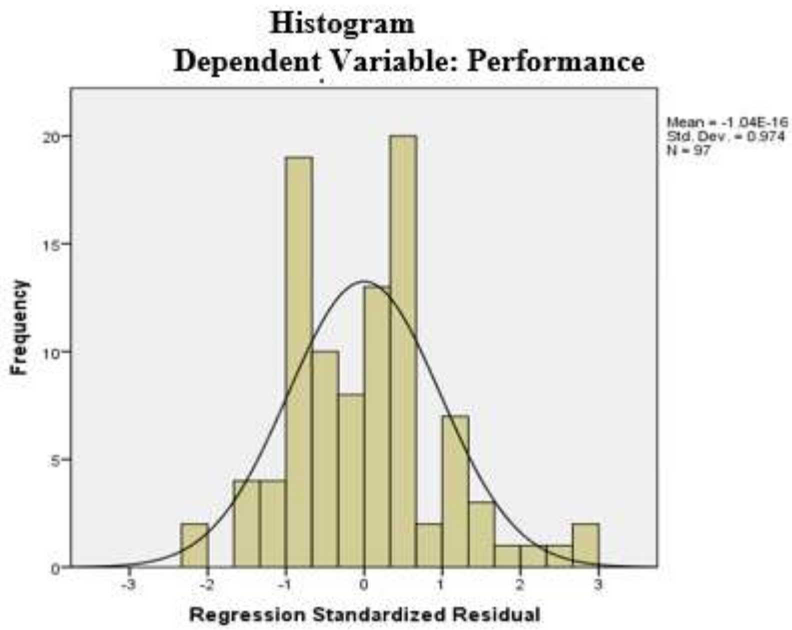

Figure 3: Normality Test

Source: Field Data (2020)

The rule is that if the graph is approximately bell-shaped and symmetric about the mean, then the data is assumed to be normally distributed. Observation of Figure 3 depicts the normality of the data and hence satisfies the assumption of normality.

4.4.4 Correlation Analysis

The correlation analysis is indicated in Table 12.

Table 10: Correlation of Corporate Governance and Performance

		Performance	Board Independence	Board Size	Female Representation
Performance	Pearson Correlation	1	.119**	-.029**	.095**
	Sig. (2-tailed)		.023	.038	.041
	N	98	98	98	98
Board Independence	Pearson Correlation	.119**	1	.024	-.176
	Sig. (2-tailed)	.023		.815	.083
	N	98	98	98	98
Board Size	Pearson Correlation	-.029**	.024	1	.459**
	Sig. (2-tailed)	.038	.815		.000
	N	98	98	98	98
Female Representation	Pearson Correlation	.095	-.176	.459**	1
	Sig. (2-tailed)	.351	.083	.000	
	N	98	98	98	98

Source: Field Data (2020)

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

From the results indicated in Table 9 there is a positive correlation between performance and board independence (r = 0.119, sig = 0.023 < 0.05); as well as a positive correlation between performance and female representation (r = 0.095, sig = 0.041 < 0.05). The positive correlation indicates that the banks' performance improves with board independence and female representation on the board. There was however, a negative and significant correlation between performance and board size (r-value = -0.029, sig = 0.038 < 0.05). The negative correlation implies that the performance of the institutions declines with an increase in the board size. The model summary of the regression analysis is indicated in Table 13.

Table 11: Model Summary of Corporate Governance and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.394[a]	.155	.151	.50910

a. Predictors: (Constant), Female Representation, Board Independence, Board Size

Source: Field Data (2020)

The model summary indicates a positive relationship between corporate governance and performance (Table 13). The r-square value of 0.155 indicates that corporate governance variables (board independence, female representation and board size) predict a 15.5% increment of performance in the selected banks. The relationship and prediction are significant, as indicated in the ANOVA table in Table 14.

Table 12: ANOVA on Corporate Governance and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.958	3	.319	3.1584	.003[b]
1	Residual	24.364	94	.101		
	Total	25.321	97			

a. Dependent Variable: Performance
b. Predictors: (Constant), Female Representation, Board Independence, Board Size

Source: Field Data (2020)

Corporate governance (board independence, female representation and board size) was significant at the 0.05 significance level (see Table 14). The implication is that corporate governance has a significant relationship with performance banks and predicts the selected performance.

Table 13: Regression Coefficients of Corporate Governance and Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.215	.392		8.204	.000
Board Independence	.128	.087	.152	4.471	.005
Board Size	-.076	.078	-.112	-3.974	.012
Female Representation	.068	.046	.173	4.488	.004

a. Dependent Variable: Performance

Source: Field Data (2020)

The results indicate that all the corporate governance variables (board independence, female representation and board size) were significant at the 0.05 significance level. Board independence positively and significantly predicted performance (b-value = 0.128, sig = 0.005). Similarly, female representation positively and significantly predicted performance (b-value = 0.068, sig = 0.005). The implication is that improvement in board independence and increase in females on the board increases the performance of the selected institutions. However, board size negatively and significantly predicted performance (b-value = -0.076, sig = 0.012). The implication is that increase in board size negatively affects the performance of the selected institutions. The model for the study is therefore indicated as:

Performance = 3.215 + 0.128 (Board Independence) – 0.076 (Board size) + 0.068 (female representation) + ε

4.5 Discussion of Findings

4.5.1 Effectiveness of Corporate Governance

As indicated in Table 4, respondents rated the board independence (mean = 3.77, standard deviation = 1.249); and adequacy of the board size (mean = 3.71, standard deviation = 1.244) as average. With board independence, respondents least rated the assertion that no one member of the board has unfettered powers of decision (mean = 2.99, standard deviation = 1.312). However, the adequacy of female representation on the board was rated low (mean = 2.97 and standard deviation = 1.610). From the results, females were poorly represented on the board with no policies to ensure that females directors are appointed. Nonetheless, prior literature has demonstrated that considerable benefits can be obtained from having corporate boards with a significant proportion of female members. Samanhyia and Oware (2016) declared that firms with high female board representation are expected to have stronger corporate governance than firms with few or no women board members. Also, women are more predisposed to follow the rules and regulations than men, especially those relating to financial decisions. They thus are more likely to be placed in sensitive positions in firms during periods of a financial downturn (Kristanti et al., 2016). In a previous study by Wang (2020), the author found that females were least represented in the Taiwan banking board of directors.

4.5.2 Level of Performance of the Banks

From the overall financial performance perspective, the findings indicated that the performance of the banks was moderate (mean = 3.31, standard deviation = 1.534). The findings shown in Table 8 indicated that respondents agreed moderately that the selected banks had performed well on the overall internal business performance perspective (mean = 3.43, standard deviation = 1.256). Also, the learning and growth performance perspective was moderate (mean = 3.24, standard deviation = 1.222). From the customer performance perspective, the selected banks were highly considered to perform well with a mean of 4.33 and standard deviation of 0.947. This is very good among the selected banks since the customer is the primary target and decides any future business in the banking sector. Management needs to translate their general mission statement on customer service into specific measures that reflect the factors that matter to customers.

These findings confirm previous studies. For example, Gong, Kim, and Lee (2013) indicated that the banking sector's performance was not effective. The study encouraged members to collaborate, enhancing their creativity, which subsequently predicts performance. Such collaborative effort results in better communication (Gardner, Gino, & Staats, 2011) and leads to an increase in performance level (Liao & Welsch, 2003). Also, Ojha et al. (2018) found that staff performance in the public sector was average. McEvily and Chakravarthy (2002) indicated that when employees' performance is high, they develop the means to interact and communicate more frequently with one another, facilitating knowledge transfer among workers.

4.5.3 Relationship between Corporate Governance and Performance

From the results indicated in Table 12 there is a positive correlation between performance and board independence ($r = 0.119$, $sig = 0.023 < 0.05$); as well as a positive correlation between performance and female representation ($r = 0.095$, $sig = 0.041 < 0.05$). There was however, a negative and significant correlation between performance and board size (r-value = -0.029, $sig = 0.038 < 0.05$). The implication is that the board size should be limited to a sizeable number to avoid delays in important corporate decisions that can arise because of larger board size. Corporate governance variables (board independence, female representation and board size) were found to predict a 15.5% increment of performance in the selected banks.

The positive correlation between female representation and performance contradicted other previous findings. Previously, Wang (2020) provided a complete assessment of the impact of gender diversity on a firm’s distress and corporate governance performance from the Taiwanese experience. The evidence in Taiwan suggests that increased board gender diversity does not have a positive effect on performance. This difference in findings could be due to environmental differences. However, the ratio of female independent directors was found to have a significantly negative association with a firm's distress, supporting prior findings that directors with greater independence are better able to perform their monitoring function and thus contribute to performance. Female directors with prior experience as serving directors can offer diverse opinions and network ties, thus contributing to improved cohesion and corporate governance. Zhou (2019) undertook a study in China and found that firms with women directors decrease their performance and decrease their distress risk by one fourth.

Furthermore, firms with female directors show remarkably different behavior in investment, which would significantly influence insolvency status. Also, a study by Ibrahim, Adesina, Olufowobi and Ayinde (2018) affirmed that firms controlled by females reduce risk by exerting tighter internal governance. In another study in Pakistan, Ullah, Afgan and Hashim (2017) indicated that corporate governance positively affects financial performance.

Rostami, Rostami and Kohansal (2016) investigated the effect of corporate governance components on return on assets in Tehran found a significant positive relationship between ownership concentration, Board independence, CEO duality and CEO tenure and return on assets. The study also found that board size and financial performance were negatively related. A study by Akbar (2013) found a significant positive relationship between small board size and ROA.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, conclusion and recommendations from the study. It highlights the summary, conclusions of the survey and recommendations as well as suggestions for further research.

5.1 Summary

The study examined corporate governance and the performance of banks in the Bono East Region of Ghana. Within the literature, the institutional theory, the stakeholder theory and the agency theory were reviewed. The conceptual review considered banking in Ghana, corporate governance, measuring corporate governance, performance in the banking sector, corporate governance and financial performance. The section ends with the conceptual framework of the study. The chapter also reviewed the works of other authors on corporate governance and how it contributes to firms' performance. This study adopts the explanatory research designs using the case study method. The study is deemed explanatory since it seeks to establish and explain the relationship between corporate governance and performance in the banking sector. The population for the study was a staff of the banks in the region. Specifically, the study focused on branch managers, finance managers (accountants) and board of directors within each institution. These banks included ADB, GCB Bank, Access Bank, Fidelity Bank Limited and NIB Bank. In all, 98 respondents were selected for the study. The purposive sampling technique was adopted for the selection of the respondents. The data analysis was based on both descriptive and inferential analysis.

The first objective examined the effectiveness of corporate governance policies of banks in terms of board independence, board size and female representation. From the results, respondents rated the board independence and adequacy of the board size as average. However, the adequacy of female representation on the board was rated low.

Objective two investigated the level of performance of banks in Ghana using the balanced scorecard approach. The results indicate a moderate performance among the banks selected for the study. From the overall financial performance perspective, the findings suggested that the performance of the banks was moderate. Similarly, respondents agreed moderately that the selected banks had performed well on the overall internal business performance perspective. Also, the learning and growth performance perspective was moderate. From the level of customer performance perspective, the selected banks were highly considered to perform well.

Objective three determined the relationship between corporate governance and performance of banks Bono East Region of Ghana. There is a positive correlation between performance and board independence and a positive correlation between performance and female representation from the results. There was, however, a negative and significant correlation between performance and board size. Corporate governance was found to predict a 15.5% increment of performance in the selected banks.

5.2 Conclusions

Corporate governance is a process of aligning the interests of management with those of shareholders and ensuring compliance with all applicable laws, rules, regulations, standards, and best practices to create shareholder value. It, therefore, outlines the morphology through which organizations achieve their financial goals. This study in examining these corporate governance processes in the banking sector seeks to investigate the effect of corporate governance on the performance of banks in the Bono East Region of Ghana. The study was quantitative and adopted the explanatory research designs. The population consisted of employees in the banking sector of the Bono East Region of Ghana. A sample of 98 respondents was considered and questionnaires were adopted as the research instrument for the study. The results indicated that corporate governance policies were moderately observed in the banking sector in the Bono East Region. This could be the reason for the average performance recorded in the study. The study found a positive correlation between performance and board independence as well as performance and female representation. There was, however, a negative and significant correlation between performance and board size. Corporate governance was found to predict a 15.5% increment of performance in the selected banks.

5.3 Recommendations

The following recommendations are made.

1. Management are urged to improve upon the learning and growth performance perspective in the selected institutions. This could be promoted by knowledge management strategies such as offering to let staff implement their ideas. The chosen institutions should also enforce offering training sessions to help improve the innovativeness of the employees.

2. The study also found that female representation on the board was low. Management are therefore urged to formulate policies directed towards increasing the numbers of female directors.
3. Since corporate governance predicted performance, it is recommended that management adopt proactive measures to ensure the policies and procedures governing corporate governance are strictly adhered to.

5.4 Suggestions for Further Studies

The study was conducted among banks in the Bono East Region of Ghana. It is therefore suggested that further studies be carried out in other regions to either confirm or refute these findings. It is also suggested that studies be organized under challenges to implementing corporate governance policies among these banks since it was found that corporate governance policies were not highly adhered to.

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