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Determinants of Executive Compensation in Zimbabwe: Evidence from Zimbabwe Stock Exchange Listed Companies (2009 To 2016)

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ABSTRACT

The study sought to establish the determinants of executive compensation in Zimbabwe. The focus was on the factors that determine executive compensation for Zimbabwe Stock Exchange listed companies. The study was carried out to address the problem about companies that seemed to pay disproportionate executive remunerations. Studies reviewed indicated varying and sometimes contradicting results on the determinants of executive compensation. In this study 43 companies formed the active sample from a population of 65. The study used the quantitative research design. Data was collected from company annual reports that were obtained from company websites and the Zimbabwe Stock Exchange. A data collection instrument was developed to collect and prepare the data for analysis. The data was analysed using both descriptive and quantitative statistics. Descriptive statistics were used to explore the results. Quantitative statistics were used to analyse the relationships between the variables. The study found out that there is positive and significant relationship between executive compensation and revenue, EPS, and total assets. The study concluded that board size and board independence are not significant determinants of executive compensation. Based on the findings and conclusions the researcher recommended that companies should strengthen the pay-performance link.

Keywords: *executive compensation, directors' remuneration, Zimbabwe Stock Exchange, Zimbabwean companies.*

INTRODUCTION

Executive compensation has presented challenges to both private as well as public sectors. The main debate has been on the supposed disproportionate compensation of executives in companies. The questions of whether the compensation was too low, or too high have dominated this debate in many companies, sectors and countries. Studies have noted that managerial talent is rare, therefore to retain it, companies may have to adequately compensate the executives. Literature and media seem to suggest that executive compensation schemes result is disproportionate remuneration. The study covers the period 2009 to 2016. This period was considered because of its relative economic stability allowing the researcher to concentrate on the determinants without having to look at effects of a volatile macroeconomic environment that characteresised period outside this timeframe.

BACKGROUND AND LITERATURE REVIEW

Many studies have been carried out on the level of executive compensation. Several researchers have carried out studies in this area. The studies cover long periods as far back as 1900 with the era of modern history starting in 1960 (Mishel & Davis, 2014) Over the years and with most studies, executive compensation has been found to be exorbitant (Balsam, 2001; Giroux, 2015), with a poor correlation with performance (Syaiful & Kieran, 2013). Reports have been made on very high executive compensation systems and structures that are detrimental to companies (Mutembwa & Masikati 2017; Hearn 2013). A further observation was given by Ulrich that the executive compensation designs are often ineffective (Ulrich, 2010). The poor link between executive compensation and performance has generated interest in the subject area. The challenge of disproportionate executive compensation is a global concern.

Researchers in USA (Abdelkader, 2014; Festing & Sahakiants, 2011; Matowanyika & Hosho, 2013), UK by (Samani, 2012; Tariq, 2011), Malaysia (Syaiful & Kieran, 2013), China (Conyon, 2011), Nigeria (Oyerogba, Riro, & Memba, 2016) have found evidence of high executive compensation. Studies and reports within the Southern African sub-region have confirmed the high levels of executive compensation with little or no commensurate relationship to firm growth (De Wet, 2013). In addition, a study by Ulrich concluded that the executive compensation in South Africa was excessive (Ulrich, 2010) A study on companies listed on the JSE Alternative Exchange (Altex) showed that the executive compensation was more than proportionate to performance (De Wet, 2013). Media reports in Zimbabwe were ceased with seemingly exorbitant executive remunerations running into hundreds of thousands of United States dollars per month for some executives (Matenga, 2014).

The pay-performance balance seems to be missing in most studies. Some studies have suggested that executive remuneration is not based solely on performance (Samani, 2012). Other determinants of executive compensation have been considered in trying to explain the levels of these payments. Therefore, studying these factors would assist in examining the nature and level of compensation.

In the Zimbabwean context, compensation for company directors and other executives have been relatively high. Directors of parastatals were being paid amounts that are disproportionately high in relation to the performances of organisations from which they were remunerated. Listed companies have been paying amounts averaging $100 000 for some executives during 2016. Some directors were awarded performance bonuses despite the weakening performance of their companies.

The economic environment in Zimbabwe is characterised by several challenges. The biggest challenge is the severe liquidity crisis. This challenge has affected and continues to affect all sectors of the economy. In addition, companies face constrained demand for their products. Severe foreign currency shortages have been another setback with companies failing to access needed amounts of forex to sustain and expand operations. Industry capacity utilization has remained below 40% of installed capacity for many companies. The economic challenges outlined in the preceding paragraph have greatly affected companies. Revenue levels have declined for most companies. The revenue decline has also resulted in lower profit levels as expense levels remain high. Companies have struggled to meet basic operational costs such as acquisition of materials, spare parts and other critical provisions. Despite these constraints and their effects on the companies, ZSE listed companies have been paying their executives relatively high packages.

Determinants of Executive Compensation

Determinants of executive compensation studies are fragmented and with little consensus among researchers (Maloa, 2014). Different schools of researchers have used different methodologies, theoretical frameworks yet still there is no consensus (Murphy, 2015). Despite the divergence of results and conclusions researchers agree on the influences of some factors on executive compensation (Lipman & Hall, 2008). This again does not provide complete agreement as the levels of each factor's influence vary from study to study and from context to context (Giroux, 2015). Studies have discussed several determinants of executive remuneration.

The Influence of Revenue

Studies have identified revenue as a determinant of executive remuneration. Revenue is one of the measures of company performance (Scholtz & Smit, 2012). Companies with higher levels of revenues are better able to meet higher compensation for their employees. Studies in the US found strong positive relationship between executive compensation and revenue (Scholtz & Smit, 2012). The studies used ordinary least squares (OLS) regression models to study the relationship.

In a study of companies listed on the JSE Alternative Exchange (Altex), a positive and significant relationship was found between executive compensation and revenue (Scholtz & Smit, 2012). The relationship had a coefficient of 0.00329 though weak, it was a significant factor in determining executive remuneration.

The Influence of Firm Size

The size of the firm appears in many studies (Almeida, 2013; Devers, Jr, Reilly, & Yoder, 2007; Deyoung, Peng, Yan, & Deyoung, 2010; KPMG, 2016; PWC, 2015; Xin & Huasheng, 2013). The studies have researched varying

levels of the relationship between firm size and executive compensation by the companies. Executive compensation rises with the relative size of the firm (Frydman & Saks, 2007). Tariq identified firm size as the most important determinant of executive compensation (Tariq, 2011). Firm size is an important source of heterogeneity in calculated pay-performance sensitivities (Murphy, 2015).

Researchers agree almost unanimously that firm size is positively related to executive compensation. Studies from different researchers, in different countries at different times have observed the pay-firm size relationship (Clarkson, Olsson, & Oxelheim, 2010; Conyon, 2006; Conyon & He, 2011; Etengu & Kwerigira, 2016; Frydman & Saks, 2007; Gayle, Golan, Miller, & Gayle, 2012; Ulrich, 2010). Executive compensation tends to rise with firm size (K. . Shaw & Zhang, 2010). Salary levels of executives are related directly to firm size (K. . Shaw & Zhang, 2010).

There are many reasons suggested in literature about the nature and extent of the firm size-executive compensation relationship. As the size of the firm increases so do the management and control complexities involved in running the firm (Giroux 2015). Larger firms require more talented leadership that normally has to be compensated at higher levels than smaller firms (Conyon 2006). Further, larger firms require more complex monitoring leading to higher executive compensation (Clarkson et al., 2010). Firm size exerts pressure on the companies for higher remuneration of executives. The other reason could be that larger firms tend to have more financial resources at their disposal and, therefore, can afford paying higher levels of executive compensation.

Various studies have used different measures for firm size. In a study of companies listed on the Johannesburg Alternative Exchange (Altex) firm size was measured by total assets (Scholtz & Smit, 2012). Companies on the Altex have similar profiles and sizes to those listed on the ZSE leading the researcher to adopt total assets as a proxy for firm size.

The Influence of Company Performance

Company performance is another determinant common in executive compensation literature. Establishing the link between executive compensation and company performance has been key. Executive compensation schemes should align with shareholder interest to eliminate the agency problem and to create a win-win situation (Frydman & Jenter, 2011). In an earlier study, Fryman concluded that there is a correlation between executive compensation and firm performance. The pay-performance link results from both managerial power and market forces. Executive compensation should be linked to performance in order to maximize shareholder value (Frydman & Saks, 2010). In that regard, therefore, there should be incentive contracts that are directly connected with performance.

Evidence from Central and Eastern Europe show a modest positive relationship between executive compensation and firm performance (Festing & Sahakiants, 2011). This can be explained by greater government involvement in companies and company affairs in the CEE region. A discussion paper by the Bank of Germany emphasised that there should be a demonstrable link between executive compensation and performance (Bundesbank, 2012).

The relationship has been found to be weak in South Africa (Bussin, 2015; Bussin & Modau, 2012). Bussin concluded that CEO pay by South African companies was not linked to company performance (Bussin, 2015). The same conclusion was reached by (Collins, Kofi, & Dennis, 2015) who observed a weak but significant relationship between company performance and executive compensation. Another study in South Africa found a moderate to strong relationship between CEO pay and executive compensation (P. Shaw, 2012). However, a study by Tariq failed to establish any relationship between CEO compensation and firm performance (Tariq, 2011). It appears the relationship has been changing over time.

In Europe, the growth of executive compensation has outpaced growth in company performance between 1998 and 2010 (Bundesbank, 2012). In UK CEO remuneration rose by an average 13.6% over the period with company performance (measured by FTSE index) increasing by an annual average of only 1.7%. This demonstrates a weakening pay-performance link suggesting that studies closer to might show stronger link that later study.

There is poor researcher convergence on the effect of company performance on executive compensation. The different conclusions reached are not because of the methodologies

used. Most of the studies used ordinary least squares regression. One study posited that there are instances when the pay-performance link simply failed (Balachandran et al., 2011).

Studies have also considered company performance metrics as factors that influence the executive compensation. Common determinants in this category are earnings per share (EPS) (Lipman & Hall 2008; Camelia & Niessen 2010; Trefftzs & Murphy 2012). Related to EPS is Earnings before interest tax depreciation and amortisation (EBITDA) which a number of studies used in their investigations (Anderson et al., 2011; Bussin & Modau, 2012; P. Shaw, 2012). Although fewer studies used the market value added (MVA) as a determinant of executive compensation, studies where this was included had regression models with above 85% in the r2(Tatiana & Iuliia, 2014). MVA has been used as a measure of company growth for the purposes of determining executive compensation (De Wet, 2013).

Measurement of Firm Performance

Firm performance can be measured by several proxies. Researchers have used different measures of performance. Some have used EPS, EBITDA, Net Profit, Revenue or market value (Bettis, Bizjak, Coles, & Kalpathy, 2015). Most studies are based on and singular measures of performance. This study, therefore, follows a decomposition approach in which individual metrics are studied. This is made after recognizing the complexity of company performance and the varied measures in use. This then led the research to expand and consider more measures to determine the influence of each one of them on executive compensation.

Influence of EPS

EPS is considered one of the most common measure of company performance(Gong, Li, & Shin, 2010). EPS is a significant basis for many decisions on the companies. These decisions include investment, employee negotiations and compensation (Chingos, 2004). It is recommended in the annual Financial Executive Compensation Report (Thompson et al., 2017). One leading author in executive compensation also suggest EPS as one of the methods to measure company performance (Ellig 2007). Several companies have used EPS as a measure of their performance (Kingfisher Limited, 2016). Although the use of EPS as a measure has declined since 2006, it is still a powerful company performance measurement metric (P. Shaw, 2012).

The relationship between EPS and executive compensation seems to follow that discussed above on company performance. A positive and significant relationship between executive compensation and EPS was observed in a study on US Telecommunication industry (Tatiana & Iuliia, 2014). The same conclusion was reached on a study of south African Companies (P. Shaw, 2012). After considering the literature on EPS and its possible influence on executive compensation decisions and levels, this study considers EPS as one of the determinants. EPS data is readily available on financial reports.

Influence of EBITDA

This is another common measure of company performance for the purposes of determining executive compensation (Bettis, Bizjak, Coles, & Young, 2014). EBITDA measures earnings before interest, tax, depreciation and amortization. This measure avoids the distortions associated with interest, tax, depreciation and amortization expenses (Etengu & Kwerigira, 2016).

Although the coefficient of correlation between executive compensation and EBITDA has been observed to be weakening in South Africa, it remains significant (Bussin & Modau, 2012). A positive and significant relationship between executive compensation and EBITDA was observed in South African listed companies (P. Shaw, 2012). Since this is a common measure, this study has included it as one of the explanatory variables.

Influence of Net Profit

One of the most common accounting measures of performance is net profit. It represents the residual contribution to shareholder value in an accounting period. Several studies have used net profit as a proxy for company performance used as a determinant of executive compensation (Clementi & Cooley, 2010; Frydman & Saks, 2007; Ming, Zheng, Suang, Ling, & Yee, 2015; Rock, 2013; Tariq, 2011; Unilever Group, 2015). A study in Malaysia concluded that there is a strong relationship between executive compensation and firm performance (Ming et al., 2015).

Influence of Board Size

Several studies have included board size as a determinant of executive compensation. Despite

the varying conclusions on the influence of this factor, there is agreement on its effect on executive compensation (Masulis & Mobbs 2011). Board size has influence on the total executive compensation or on individual members of the executive team (Cai, Jo, & Pan, 2011). There are, however, some studies that disagree and conclude that board size is statistically insignificant in determining executive compensation with a coefficient of -0.352 (Tariq, 2011). Available literature does not prescribe the size of the board. However, clear guidelines are provided by codes of corporate governance. King IV and the UK Code on Corporate governance suggest that board size can be based on nature of business, size of the firm

The Board monitors the CEO and other non-CEO executives. Where boards are large, they have wide and more oversight and could rein in on excessive executive compensation. Larger firms tend to more complex, requiring bigger boards that may result in higher total compensation (Collins et al., 2015).

Influence of Board Independence

Related to board size is board independence as a factor. The World Bank Group identifies board independence as an area of good practice in corporate governance (World Bank Group, 2014). Governing boards need diversity and independence (Institute of Directors in Southern Africa, 2016). Several governance codes have put considerable emphasis on board structure and board independence (Bolton, Scheinkman, & Xiong, 2006; Financial Reporting Council, 2010; Knyazeva et al., 2013; Obert, Suppiah, Tendai, Desderio, & Martin, 2014; World Bank Group, 2014).

Board independence is characterized by the non-executive directors (NEDs). NEDs are not involved in the daily operations of companies (Financial Reporting Council, 2010). Most NEDs must be independent. There should be more NEDs than executive directors with the CEO and at least two other executives (who must include the Governance Code provides that NEDs have the responsibility of scrutinizing performance of executives, determining appropriate levels of executive directors and have leading roles in Chief Financial Officer) as part of the governing board (Institute of Directors in Southern Africa, 2016). The independence of NEDs enhances their oversight role in the company. The UK Corporate the appointment and removal of executive directors (Financial Reporting Council, 2010).

Another characterization of board independence is the Chairperson of the Board. The Chairperson of the board must be one of the independent NEDs. The performance of the chairperson is appraised by other NEDs in a meeting in his/her absence.

Boards with low levels of independence have tended to sanction higher amounts of executive payments (Guthrie, Sokolowsky, & Wan, 2012). Another study added that independent boards have a higher pay-performance link (Conyon, Ferreira, Matos, & Murphy, 2011).

Therefore, board independence has potential to influence executive compensation and as such it is investigated in this study.

The study measured board performance by dividing the number of NEDs by the total number of directors. The result is in the form of a decimal fraction. Higher board independence measure is more desirable.

METHODOLOGY

The study used the quantitative research design based mainly on panel data analysis. Data was collected from financial statements submitted to the Zimbabwe Stock Exchange and from company websites. From the population of 65 listed companies, a sample of 43 was selected using stratified random sampling to ensure that all sectors were represented. Panel data analysis was done using an appropriate statistical package after confirming that the data strictly met the requirements for panel data analysis.

RESULTS AND DISCUSSION

The results of the study have been presented in Table 1. The discussions of the results are given below the results table.

Table1. *Results of the Study*

ln ExeComp*it*	C	**lnRev*it***	**lnNP*it***	**lnEPS*it***	**lnTA*it***	**lnBS*it***	**lnBI*it***
Coefficient	-0.305	0.567**	(0.309) **	0.152**	0.387**	(0.66)	(0.879)
Std Error	1.845	0.133	0.967	0.643	0.169	0.451	0.871
t	(0.17)	4.28	(3.20)	2.37	2.29	(1.47)	(1.01)
P-Value		0.000	0.002	0.019	0.024	0.146	0.315
**Significant at 5%							

The Interpretation of the Constant

The constant in the regression equation is -0.305. Since the model used log-transformed variables (used the log-log linear model). The constant should be transformed to ordinary numbers by $e^{B0}, B0 = -0.305$. This gives an amount of 0.695. The precision used in the study was thousands ($000). This then translates to US$695.00 as the constant. This amount means that when all the coefficients of the independent variables are equal to zero, executive compensation was US$695 for each of the companies. This amount can be interpreted as the intercept and represents the fixed component of executive compensation.

Revenue

H_0: Revenue has no influence on executive compensation

H_1: Revenue has influence executive compensation

Based on the decision rule, the Null Hypothesis is rejected since the p-value of 0.000 is less than 0.05. The coefficient of revenue (lnRev) is 0.567 (t value 4.28). A 1% increase in revenue results in a 0.567% increase in executive compensation (*see* (Yang, 2012)*)* . This means that revenue is significant in the determination of executive compensation.

This result is consistent with the findings in a study in US which show that there is a relationship between revenue and executive compensation (Mishel & Davis, 2014). The result confirms the findings on companies listed on the Altex where a significant positive relationship was found (coefficient of 0.00329, t value of 4.52). This result shows a weaker relationship in South African listed companies than in Zimbabwe. The observed relationship is also supported by (Lipman & Hall, 2012) who found out that revenue levels indicate complexities of operations resulting in higher levels of executive compensation.

Companies with higher levels of revenue have more capacity to pay higher compensation for their executives. This basis may be misleading as higher revenues do not translate to good firm performance since costs and expenses may eat away the resultant net profits sometimes even resulting in losses. However, there is evidence in the result on revenue that ZSE listed companies determine executive compensation based on revenue. The coefficient for revenue (lnRev) is the largest among the explanatory variables.

Net Profit

H0: Net profit has no influence on executive compensation

H1: Net Profit has influence on executive compensation

The p-value for net profit is 0.002. Based on the decision rule, the null hypothesis is rejected since the p-value of net profit (lnNP) is less than 0.05. This means that net profit has a significant influence on executive compensation. The result is consistent with other studies that also found a significant relationship between net profit and executive compensation (Ming et al. 2015).

The coefficient of lnNP is negative 0.309. This result shows that there is a negative relationship between net profit and executive compensation. This result indicates that higher executive compensation results in lower net profit. This result could have been influenced by the strength of the relationship between executive compensation and revenue. Most companies after 2013 recorded net losses yet made high payments to their executives.

Earnings per Share (EPS)

H_0: EPS has no influence on executive compensation

H_1: EPS has influence on executive compensation

With a p-value of 0.019 which is less than 0.05, the null hypothesis is rejected. This means that EPS has a statistically significant influence on executive compensation. The coefficient of 0.152 means that a 1% increase in EPS causes a 0,152% increase in executive compensation. This result is in line with a study in the US (Tatiana & Iuliia, 2014) which found a positive and significant relationship between executive compensation and EPS. This result is supported by another study which found out that EPS is a common metric in determining compensation plans (Gong, Li, et al., 2010).

EPS is one of the firm performance measures and most companies classify it under share performance. Higher EPS imply that owners have higher value which is attributable to the efforts of those charged with governance. As such therefore, higher EPS leads to higher executive compensation.

Firm Size (Using Total Assets as Proxy)

H_0: Firm size has no influence on executive compensation

H_1: Firm size has influence executive compensation

Based on the decision rule, null hypothesis is rejected since p (0.024) is less than 0.05. The result means that total assets is significant in the determination of executive compensation. The coefficient of 0.387 shows that a 1% increase in Total Assets leads to 0.387% increase in executive compensation holding all other variables constant. The result agrees with findings Devers et al which showed that firm size explained about 40% of the variances in CEO pay (Devers et al., 2007). Devers' finding, however, indicates an overstated relationship considering that the regression analysis was a log-linear model and the 40% had to be converted before interpretation. The correct result should have been 0.004. The result on SA listed companies was close to the coefficient reported in the Devers' study with 0.00344. This is supported by (Ming et al., 2015) who concluded that there is a significant and positive relationship between executive remuneration and firm size.

This result means that bigger firms pay higher compensations for their executives. This is so because of increased corporate complexities that require more skills from the executives. With wider oversight and responsibility, executives tend to receive more compensation.

Board Size

H_0: Board size has no influence on executive compensation

H_1: Board size has influence on executive compensation.

According to the decision rule, the p-value (0.146) is larger than 0.05, therefore the null hypothesis cannot be rejected. Although the coefficient is – 0. 66, the board size is not a significant determinant of executive compensation for ZSE listed companies. The result is consistent with findings by (Gong, Yue Li, et al., 2010) who concluded that there was no significant relationship between board size and executive compensation. These results contradict other studies. One study found out that larger boards are associated with greater agency problem and eventually tend to inflate compensation awards (Elkinawy & Stater, 2011). The study by Elkinawy and Stater suggests that there is a significant and positive relationship between these two variables. On the other hand, a study by (Tariq, 2011) concluded that there was a significant negative relationship between board sizes and executive compensation. The contradictions in these studies could be a result of research methodologies used.

Board Independence

H_0: Board independence has no influence on executive compensation

H_1: Board independence has influence on executive compensation.

Based on the decision rule, null hypothesis cannot be rejected since p-value of 0.315 is greater than 0.05. This means that board independence is not a significant determinant of executive compensation. This results contradicts the observation by PwC that board independence is a key determinant (PwC, 2015). Another study found out that board independence strengthens the relationship between compensation and performance leading to lower pay for executives(P. Shaw, 2012) The results by Shaw indicate a negative relationship between executive compensation and board independence. Shaw's result agrees with the result of this study. The coefficient is (0.879) also showing a negative relationship between board size and executive compensation. However, the result in this study indicates that the relationship is insignificant.

Board independence is expected to contribute to a better pay-performance link through the oversight that it brings. More non-executive directors suggest that boards have better control over processes including compensation schemes but this is not the case.

CONCLUSION

- There is a positive significant relationship between revenue and executive compensation. The relationship is very strong. Revenue is a powerful predictor of executive compensation in of ZSE listed companies. Increased revenue levels drive executive compensation levels.
- There is a negative but statistically significant correlation coefficient between profit for the year and executive compensation. Net profit has direct influence on executive compensation despite the weak

relationship. The inverse relationship was contrary to the expectations for the study. Though it may suggest that losses or lower net profits lead to higher executive compensation, the study results indicate that higher executive compensations reduce net profit resulting in the negative and inverse relationship.

- EPS has a significant influence on executive compensation. Variations in EPS influence executive compensation. The relationship is weak. EPS measures performance and the positive relationship with executive compensation shows that EPS is a determinant of executive compensation.
- Total assets have a significant positive relationship with executive compensation. Increase in total assets leads to increases in executive compensation. Increased complexity of activities and responsibilities associated with firm expansion through assets acquisition require more compensation to the executives.
- Board size is not a significant determinant of executive compensation. Studies in other countries have found out that there is a significant relationship which this study failed to establish. The results show that board size is insignificant in explaining compensation for executives of ZSE listed companies.
- Board independence is not a significant factor of executive compensation. The expectation drawn from literature was that a positive relationship existed between board independence and executive compensation. The significance of this relationship could not be found established in this study although the coefficient is - 0.879.
- The pay-performance link improved from 2013 to 2016 after the much-publicized salary gate scandals of 2013. Media reports provided information on information that had not been available to stakeholders. In line with stakeholder theory, stakeholder groups like government intervened and influenced executive compensation to levels closer to performance.
- The relationships presented and discussed do not suggest of disproportionate executive compensation. Results indicate that executive compensation for ZSE listed companies is related to key performance and size metrics. This contradicts reports that the executive compensation was not justified.

RECOMMENDATIONS

- ZSE listed companies to rebase executive compensation from revenue to net profit to improve the link with value creation since net profit represents net value added to wealth.
- ZSE listed companies to strengthen the net profit – executive compensation relationship to determine appropriate levels of executive compensation.
- Companies should foster and strengthen the relationship between EPS and executive compensation to improve the pay-performance link since EPS is a performance indicator.
- Companies should broaden the director evaluation metrics to include the balanced scorecard and economic value-added techniques to reduce dependence on total assets as a determinant.
- Companies to strengthen boards by inclusion of more independent non-executive directors who will provide more and better oversight on the companies and to ensure that executive director' remunerations are kept in check.
- ZSE listed companies to improve executive compensation reporting by itemizing remuneration by form per director to provide adequate information to stakeholders who include investors as this will increase shareholder awareness and eventually their participation and say on executive pay.

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