

CEO COMPENSATION & FIRM RISK WITH MODERATING ROLE OF CEO DUALITY: A STUDY OF KSE-100 INDEX MANUFACTURING FIRMS

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A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



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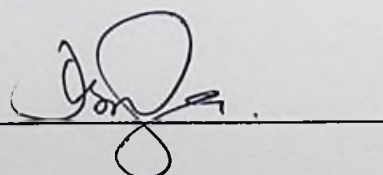
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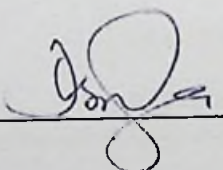
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DECLARATION OF AUTHENTICATION

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

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TABLE OF CONTENTS

DECLARATION OF AUTHENTICATION.....	ii
ACKNOWLEDGMENT.....	iii
PLAGIARISM REPORT.....	iv
LIST OF TABLES.....	vii
ABSTRACT.....	viii
CHAPTER 01: INTRODUCTION.....	1
1.1. Background.....	3
1.2. Problem Statement.....	4
1.3. Research Objective.....	4
1.4. Research Questions.....	5
1.5. Research Gap.....	5
1.6. Scope & Limitations of Study.....	5
CHAPTER 02: LITERATURE REVIEW.....	7
2.1. Theoretical Background.....	7
2.1.1. Agency Theory.....	7
2.1.2. Resource Base Theory.....	7
2.1.3. Stakeholder Theory.....	8
2.2. Relationship between CEO Pay & Firm Risk.....	8
2.3. CEO Duality moderates the relationship between CEO pay & Firm Risk .	10
2.4. Research Framework.....	14
CHAPTER 03: RESEARCH METHODOLOGY.....	15
3.1. Research Approach & Type.....	15
3.1.1. Research Design.....	16
3.1.2. Research Population & Sample.....	16
3.1.3. Research Model.....	17
3.2. Variable Description.....	17

3.2.1. Firm Risk.....	17
3.2.2. CEO Duality.....	18
3.2.3. CEO Pay/ CEO Compensation	19
CHAPTER 04: DATA & RESULTS.....	20
4.1. Descriptive Analysis	20
4.2. Correlation Analysis.....	21
4.3. VIF Test Result	23
4.4. Hausman Test Results	24
4.5. Breusch and Pagan Lagrangian multiplier Results	25
4.6. Regression Results	25
CHAPTER 05: CONCLUSION, RECOMMENDATIONS AND DIRECTIONS FOR FUTURE RESEARCH	29
5.1. Conclusion	29
5.2. Recommendations	30
5.3. Directions for Future Research	30
APPENDIX I.....	32
BIBLIOGRAPHY	34

ABSTRACT

The study proposes to examine the relationship between CEO compensation and firm risk with the moderating role of CEO duality. The study aims to add to the body of knowledge on corporate governance and executive compensation by investigating the relationship between CEO pay and CEO duality, offering useful information to academics and professionals alike. This study sample consists of listed manufacturing firms of the KSE-100 Index from 2015-2023. Using the Feasible Generalized Least Squares (FGLS) test to address the issues of variance heterogeneity and autocorrelation in the data, the results show that CEO pay is negatively associated with firm risk. However, CEO duality does not moderate the relationship between CEO pay and firm risk. Thus, firms may create compensation plans that promote the best possible risk-taking while preventing excessive risk exposure.

Keywords: CEO Compensation, Firm Risk, CEO Duality, KSE-100 Index