

Impact of Corporate Governance Practice on Firm Financial Performance in Listed Manufacturing Firms in Sri Lanka

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The research will focus on the Impact of Corporate Governance practice on Firm financial performance in listed manufacturing firms in Sri Lanka. The study is base on the research question “Do corporate governance practice contribute to firm’s performance significantly in listed manufacturing firms in Sri Lanka”. The main objective of the study is to investigate the impact of corporate governance practices on firm’s performance. Thirty one listed manufacturing firms in Colombo Stock Exchange were selected as sample size for the periods of 2008-2012. Correlation and coefficient is measured the strength and direction of the relationship between two variables. Finding revealed that there is no any relationship between the firm performance among board size and CEO Duality practices. Further findings disclosed that there is a positive relationship between executive compensation disclosure transparency and firm’s performance. Based on analyzed data the study found that there is no any relationship between corporate governance and firm’s performance. This study is recommended that the corporate governance practices should be reviewed in reliable way in Sri Lankan context.

Keywords: Corporate governance, Listed manufacturing firms in Sri Lanka, Board size, CEO duality, Executive compensation disclosure transparency

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