

## **The Relationship between Board Structure and Firm Performance of Listed Plantation Companies in Sri Lanka**

Weerakkodi, W.A.S.L.<sup>1</sup> and Sujeewa, G.M.M.<sup>2</sup>  
waslw12345@gmail.com<sup>1</sup>, mudith@kln.ac.lk<sup>2</sup>

This study investigates the relationship between board structure and firm performance in listed plantation companies in Sri Lanka. The main objective of this study is to find out the relationship between board structure and firm performance. This research discusses the role and the importance of boards and how boards affect firm performance and internal corporate governance mechanisms such as board size, board gender diversity, CEO Duality and proportion of independent non-executive directors. Eighteen listed plantation firms were selected as the sample size in the Colombo Stock Exchange for the periods 2011, 2012, 2013, 2014 and 2015. Multiple regression analysis has been employed to analyze the relationship between board structure and firm performance. It indicates that the board size is positively associated with Return on Assets and Return on Equity. However, the results reveal that the separation of the two posts of CEO and chairman has a positive relationship with the firm performance. It means when separate CEO Duality is existed firm performance will increase. The obtained results report that the board gender diversity has no significant relationship with firm performance and proportion of independent non-executive directors show a positive relationship with firm performance

**Keywords:** Corporate governance; Board structure; Firm performance; ROA; ROE; Board of directors