

## **Impact of Board Structure on Financial Performance with Special Reference to Sri Lankan Public Quoted Companies**

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### **Abstract**

Corporate governance received a considerable attention during last 20 years. Good corporate governance practices are regarded as important in order to reduce the risk for investors, attracting investment capital and improving the performance of companies. However, the way in which corporate governance is organized vary from country to country, depending on their economic, political and social context. The security and exchange commission of Sri Lanka is committed to improving and practicing the use of international best practices which is essential for the development capital market improvement of professionalism among market participate and raising the profile of Sri Lankan capital market in keeping with its objectives. The existing studies showed that large board size has a positive effect, CEO duality has a negative impact, appraisal of board performance has positive effect and director's stockholding has a positive impact on firm's performance, but there is conflicting point between them the significance of current research is aimed to clarify this conflicting point among these studies. The main object of this study is to find out the significant impact between board structures on firm performance. To get the efficiency Performance through the best corporate governance 40 public quoted companies were selected as the sample of five years starting from 2014 to 2018 financial years based on higher capitalization. Mainly three corporate governance components were used in this study, Board stockholdings, CEO Duality (CED) and Board Size (BZ). Furthermore, the firm performance is measured by accounting base measurements (ROA and ROE and ROCE). All the data were collected from annual reports of each companies and data were analyzed by using descriptive statistics, Pearson correlation and regression analysis utilized to find out the significance of board structures impacts on financial performance.

**Keywords:** Board Structure, Capital Market, Corporate governance, Firm Performance, Professionalism