

## **Impact of Board Structure on Financial Performance with Reference to Listed Manufacturing Companies in Sri Lanka**

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The boardroom plays a crucial role within a company intending to bolster the performance of the company. Given its significance, many researchers have conducted several studies to investigate the impact of board structure on financial performance. Despite the extensive exploration of this relationship, there is no conclusive idea and there are incongruous findings relating to the topic of board structure and financial performance not only in the global context but also in the Sri Lankan context, especially for manufacturing companies. This study mainly focuses on the impact of board structure on financial performance in listed manufacturing companies in Sri Lanka with the intention of filling the research gap regarding the field of board structure on financial performance. The study relies on secondary data that was gathered from the period from 2016 to 2021. Thirty (30) listed manufacturing companies in the Colombo Stock Exchange were selected as the sample of the study using simple random sampling. In addition, regression analysis was used to analyze the data while employing board size, CEO duality, and independent non-executive directors as independent variables and financial performance as the dependent variable which was measured using Return on assets and return on equity. The findings reveal that board size had a significant negative impact on financial performance in connection with the theory of agency. However, CEO duality and the number of independent non-executive directors reacted perfectly with the financial performance as confirmed by the resource dependency theory. Therefore, this study assists companies in customizing their board structure which suits their requirements and offers valuable insight for enhancing corporate governance practices in Sri Lanka.

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