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Paper: Transformability

Analysis of methodologies adopted in empirical Corporate Governance research: An exploratory effort to select the appropriate methodology for Sri Lanka.

Identifying the components and measuring them to ascertain the effectiveness of Corporate Governance has been a phenomenal and perennial issue. A major reason for this is that recent literature suggests diverse dimensions of Corporate Governance such as ethics, transparency, accountability, directors' intellectual capital, auditor effectiveness, degree of democracy in the board, magnitude of the independence of the directors, etc. Measuring these elements poses a challenge to any researcher due to the abstract nature of the components and the complexity of the behavioural attributes of the directors.

Hence this research paper is designed to critically analyse the different types of methodologies adopted by researchers in identifying and measuring the Corporate Governance construct. This research is exploratory in nature as it resorts to existing and available literature from given disciplines such as Corporate Governance, Strategic Management, Sustainability and Business Performance, etc.

The analysis reveals that components of Corporate Governance have been identified mainly through triangulation that has been mapped out by validating the literature with practicing directors. The hypothetico deductive method has been the most commonly adopted research approach in Corporate Governance. Questionnaires designed to gather data have been on quantitative terms with a Scale of Likert to measure such components. Another revelation is that the companies that are active in the respective stock markets during the preceding 2-3 years have been selected for the sample.

This paper focuses on the techniques used to identify the components of Corporate Governance and the methodologies adopted in empirical research to measure such components.