

## **The Relationship between Board Structure & Firm Performance**

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### **Abstract**

This study is examine the association between board structure and firm financial performance of companies in Sri Lanka and describes the attributes of these firms and their boards. Various aspects of the board such as board independence, board size, board meeting, board attendance and aspects of leadership with role duality are addressed in this study the connection between board structure and firm performance has attracted much attention, especially in emerging economies. Related prior studies have found mixed empirical evidence depending on research methodologies or research periods employed. Moreover, almost all prior studies provide evidence in relation to developed and emerging countries. Given the contextual differences of developed, emerging and developing countries, the findings of this study offers a better understanding on the status of the relationship between Board Structure and Firm Performance in Sri Lanka. Board structures of 44 companies sector in Food, Beverages & Tobacco listed on Colombo Stock Exchange (CSE) have been studied for their impact on performance of companies. Panel data regression methodology has been used on data for five financial years from 2015to 2019 for the selected companies. Performance measures considered are Return on Equity (ROE) and accounting-based measure (return on assets [ROA]). The findings of the study will provide useful insights to the interest parties for purpose of decision making and companies deployed cost for the maintained their board of directors. Companies expected the return from their boards than their cost. Therefore this study providing information for the interest parties to the how to affected board of director's firm financial performance.

**Keywords:** Board structure, Firm performance, Board independence, Board size, Role duality, CSE.