CORPORATE GOVERNANCE & FIRM PERFORMANCE DURING COVID- 19 PANDEMIC OF LISTED COMPANIES IN SRI LANKA

Weerasingha W.D.S.D.[1] and Perera P.R.M.R.[2]

[1]shalikadilrukshi1997@gmail.com; [2] malinthar@kln.ac.lk

Abstract

Many nations' economies are at a critical crossroads as a result of the SARS-CoV-2 epidemic, which is being further driven by a novel coronavirus. Corporate governance could be significantly impacted by the COVID-19 external economic shock.World operations have been redefined by COVID-19. The business sector is particularly feeling the effects of the COVID-19 pandemic. The purpose of this study is to ascertain how corporate governance affected firm performance in Sri Lanka during the COVID-19 pandemic. For the period from 2018 to 2022, secondary data were gathered from 40 manufacturing companies listed in the Colombo Stock Exchange (CSE) ''using quantitative methodology''. Results from COVID-19 demonstrated the impact of the pandemic on corporate governance (CG) measures.The effects of board size, board makeup, board committees, corporate reporting, and leadership structure were tested for their impact on business performance.Findings demonstrate how negatively COVID-19 is harming corporate governance traits and business performance. To aid the business sector in recovering from any crisis, corporate management, regulators, and investors should take board size and their qualifications into consideration. The findings further indicated that even in challenging circumstances during COVID-19 pandemic, solid corporate governance procedures were crucial to the success of businesses operating in Sri Lanka. However, boards should consider CSR strategies that are pertinent to the business and in the best interests of all stakeholders if corporate governance procedures are to fully affect firm performance.The literature on COVID-19 and company performance in emerging nations gains valuable insight from this study.

Keywords: COVID19, Corporate Governance, Firm Performance, Sri Lanka, Colombo Stock Exchange