

**THE IMPACT OF BOARD STRUCTURE ON
CORPORATE FINANCIAL PERFORMANCE
(SPECIAL REFERENCE FROM MANUFACTURING AND
PLANTATION SECTORS LISTED IN COLOMBO STOCK
EXCHANGE)**

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ABSTRACT

The aim of this study is to analyze the impact of board structure on corporate financial performance special reference from Manufacturing and Plantation sector listed in Colombo Stock Exchange period span from 2010 to 2012. This study embraces four board characteristics which are Portion of outside Directors, Board Size, Board Ownership and CEO Duality used as independent variables and Earning per Share and Return on Equity are used as dependent variables to measure the financial performance of firms.

A multiple regression model is designed to test the relationship between the board structure and financial performance. Empirical findings reveal that Board ownership except other selected board characteristics which are CEO Chairman Duality, Proportion of outside Directors and Board Size, rejects the null hypothesis. It means that board ownership only has significant positive impact on finance performance but other selected board characteristics do not appear to have any significant impact on Finance performance.

Keywords: Board Structure, Corporate Financial Performance, Manufacturing Industry and Plantation Industry