

**IMPACT OF BOARD COMPOSITION ON FINANCIAL
PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO
SELECTED LISTED COMPANIES IN BSE**

MINOR RESEARCH PROJECT

[12TH PLAN]

MRP[H]-1264/13-14/KLMG027/UGC-SWRO

Submitted to

UGC, New Delhi

By

BINOY CHACKO

**ASSISTANT PROFESSOR, P.G DEPARTMENT OF COMMERCE &
RESEARCH CENTRE, ST.THOMAS COLLEGE, PALA, KERALA**

(Principal Investigator)

Dr G.S GIREESH KUMAR

(Co-Investigator)

**ASSOCIATE PROFESSOR, PG DEAPRTMENT OF COMMERCE & RESEARCH
CENTRE, NIRMALA COLLEGE, MUVATTUPUZHA, KERALA-686 661**

May 2016

Authors:
Binoy Chacko
Assistant Professor
St. Thomas College, Pala

Supervisor:
Dr. G.S Gireeshkumar
Associate Professor
Nirmala College, Muvattupuzha

Topic: *“IMPACT OF BOARD COMPOSITION ON FINANCIAL PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO SELECTED LISTED COMPANIES IN BSE”*

MG University
Kottayam
Kerala, India

DECLARATION

I, Binoy Chacko, Assistant Professor of PG and Research Department of Commerce, St. Thomas College, Palai hereby declare that the project work on ***“IMPACT OF BOARD COMPOSITION ON FINANCIAL PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO SELECTED LISTED COMPANIES IN BSE”*** is the record of bonafide research carried out by me with the whole-hearted support of Dr. G.S Gireeshkumar, Associate Professor of PG and Research Department of Commerce, Nirmala College, Muvattupuzha for completing this project work.

Place:

Binoy Chacko

Date:

Date: 30 May 2016

CERTIFICATE

This is to certify that the Minor Research Project entitled “***IMPACT OF BOARD COMPOSITION ON FINANCIAL PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO SELECTED LISTED COMPANIES IN BSE***” MRP[H]-1264/13-14/KLMG027/UGC-SWRO submitted to University Grants Commission is a bonafide work by Binoy Chacko of our institution.

Principal

Principal Investigator

ACKNOWLEDGEMENTS

First of all, we are really thankful to almighty God who embraces us with the kind, encouraging, helping and cooperative supervisor, *Dr. Gireeshkumar G.S* whose great knowledge and skills were the basic ingredients for making this piece of research a reality.

We also have a strong wish to express special gratitude to our sweet and loving family who are the real motive. The special moral support and love for me make this research possible.

More-over we should mention our special thanks and gratitude to all others whose continuous moral support helped me in completing this huge work with in the standard time limit.

CONTENTS

CHAPTER	TITLE	PAGE NO.
1	INTRODUCTION	1-9
2	LITERATURE REVIEW	10-21
3	ANALYSIS OF DATA AND INTERPRETATION	22-51
4	FINDINGS, CONCLUSION AND RECOMMENDATIONS	52-56

ANNEXURE

BIBLIOGRAPHY

LIST OF TABLES

TABLE NUMBER	PARTICULARS	PAGE NUMBER
1	THE DESCRIPTIVE STATISTICS OF BOARD COMPOSITIONS.	22
2	THE DESCRIPTIVE STATISTICS OF FINANCIAL PERFORMANCE.	27
3	THE SPEARMAN CORRELATION TEST FOR BOARD COMPOSITION AND RETURN ON ASSET.	33
4	THE SPEARMAN CORRELATION TEST FOR BOARD COMPOSITION AND EARNING PER SHARE.	34
5	THE SPEARMAN CORRELATION TEST FOR BOARD COMPOSITION AND CALCULATED ROA.	35
6	THE SPEARMAN CORRELATION TEST FOR BOARD COMPOSITION AND CURRENT RATIO.	35

7	THE SPEARMAN CORRELATION TEST FOR BOARD SIZE AND RETURN ON ASSET.	37
8	THE SPEARMAN CORRELATION TEST FOR BOARD SIZE AND EARNING PER SHARE.	38
9	THE SPEARMAN CORRELATION TEST FOR BOARD SIZE AND CALCULATED ROA.	38
10	THE SPEARMAN CORRELATION TEST FOR BOARD SIZE AND CURRENT RATIO.	39
11	THE SPEARMAN CORRELATION TEST FOR NUMBER OF INDEPENDENT DIRECTORS AND RETURN ON ASSETS.	41
12	THE SPEARMAN CORRELATION TEST FOR NUMBER OF INDEPENDENT DIRECTORS AND EARNING PER SHARE.	42
13	THE SPEARMAN CORRELATION TEST FOR NUMBER OF INDEPENDENT DIRECTORS AND CALCULATED ROA.	42
14	THE SPEARMAN CORRELATION TEST FOR NUMBER OF INDEPENDENT DIRECTORS AND CURRENT RATIO.	43
15	THE SPEARMAN CORRELATION TEST FOR CEO DUALITY AND RETURN ON ASSET.	45

16	THE SPEARMAN CORRELATION TEST FOR CEO DUALITY AND EARNING PER SHARE.	46
17	THE SPEARMAN CORRELATION TEST FOR CEO DUALITY AND CALCULATED ROA.	46
18	THE SPEARMAN CORRELATION TEST FOR CEO DUALITY AND CURRENT RATIO.	47
19	THE SPEARMAN CORRELATION TEST FOR NUMBER OF BOARD MEETING AND RETURN ON ASSET.	49
20	THE SPEARMAN CORRELATION TEST FOR NUMBER OF BOARD MEETING AND EARNING PER SHARE.	49
21	THE SPEARMAN CORRELATION TEST FOR NUMBER OF BOARD MEETING AND CALCULATED ROA.	50
22	THE SPEARMAN CORRELATION TEST FOR NUMBER OF BOARD MEETING AND CURRENT RATIO.	51
23	SUMMARY OF RESEARCH FINDINGS (RETURN ON ASSET AS DEPENDENT VARIABLE)	52

24	SUMMARY OF RESEARCH FINDINGS (EARNING PER SHARE AS DEPENDENT VARIABLE)	52
25	SUMMARY OF RESEARCH FINDINGS (CALCULATED ROA AS DEPENDENT VARIABLE)	53
26	TABLE 26- SUMMARY OF RESEARCH FINDINGS (CURRENT RATIO AS DEPENDENT VARIABLE)	53

LIST OF FIGURES

CHART NUMBER	PARTICULARS	PAGE NUMBER
1	CHART SHOWING THE BOARD COMPOSITION	23
2	CHART SHOWING THE BOARD SIZE	24
3	CHART SHOWING THE NUMBER OF INDEPENDENT DIRECTORS	25
4	CHART SHOWING THE CEO DUALITY	26
5	CHART SHOWING THE NUMBER OF BOARD MEETINGS	27
6	CHART SHOWING THE RETURN ON ASSET	29
7	CHART SHOWING THE EARNING PER SHARE	30
8	CHART SHOWING THE CALCULATED ROA	31
9	CHART SHOWING THE CURRENT RATIO	32
10	CHART SHOWING THE ASSOCIATION BETWEEN BOARD COMPOSITION AND FINANCIAL PERFORMANCE VARIABLES	33
11	CHART SHOWING THE ASSOCIATION BETWEEN BOARD SIZE AND FINANCIAL PERFORMANCE VARIABLES	37

12	CHART SHOWING THE ASSOCIATION BETWEEN NUMBER OF INDEPENDENT DIRECTORS AND FINANCIAL PERFORMANCE VARIABLES	40
13	CHART SHOWING THE ASSOCIATION BETWEEN CEO DUALITY AND FINANCIAL PERFORMANCE VARIABLES	44
14	CHART SHOWING THE ASSOCIATION BETWEEN NUMBER OF BOARD MEETING AND FINANCIAL PERFORMANCE VARIABLES	48

IMPACT OF BOARD COMPOSITION ON FINANCIAL PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO SELECTED LISTED COMPANIES IN BSE

Abstract

“Well began half done” is a very good phrase as it is compared to the implementation of good corporate governance system in an organisation. Loop holes in governance structure, ignorance of implementing a good corporate governance system, managerial inefficiency towards governance etc will definitely leads to the failure of corporations as we witnessed in the scandals of major corporations such as Enron, Worldcom, Satyam computers in India. These kinds of scandals and malpractices are happened in all over the world. Board inefficiency, fraudulent dealings, corruption etc. act as major diseases of these corporations.

The subject of corporate governance and its role to build good relation with the participants of corporate society is so important in the harmless operation of the business world. This paper tends to explore the impact of board composition on the financial performance of the company particularly in Indian economy, this impact has been analyzed by various researchers in different parts of the world and they found positive, negative and mixed results. In Indian point of view, very limited research work has been done. Therefore it is necessary to do more in-depth study for this topic.

For this research, we reviewed not only the previous literatures from global source but also examined the local studies on the impact of the board composition on the firm performance in the listed companies of Bombay Stock Exchange (BSE). The relationships between governance variables and firm performance of the 50 BSE listed companies were analysed using the SPSS software package.. A positivist, deductive and quantitative approach has been adopted to analyse the impact of board composition on the financial performance of the companies. This study investigated how the board structure of companies in India could impact firm performance. The variables, considered important in affecting firm performance as measured by return on asset and current ratio, were board composition, board size, outside directors, number of independent directors, CEO duality and number of board meeting.

On the basis of our correlation results; it is reported that for the board composition factors, we find significant correlation between board size, number of independent directors on the board, CEO duality and number of board meetings with the firm's financial performance, where as we could not find any significant correlation of the board composition compliance as per Clause 49 of SEBI with the financial performance of the company in India.

INTRODUCTION

Economic development of the country mainly depends on industrial growth and development. Industrial development needs a well performed organizations and reducing the growth of sick and other unviable units. Long term growth of any organization primarily depends on its good corporate governance mechanism. Good corporate governance is essential for Indian companies to access domestic as well as global capital at competitive rates. A key component in governance implementation is the role of the board of directors. The board monitors the management and set the strategic direction for the organization.

The biggest financial scams and scandals in the business world, for example, World Com, Enron, (in USA), Northern Rock (in UK), Parmalat (in Italy), and Satyam (in India) and other scams in many other countries have a similar mistake i.e. role of board of directors of these companies which finally influenced the financial results of these companies. Therefore, board plays a very important role in the efficient conduct of business. India is one of the growing capital markets in Asia with prevalence of large number corporations, so there is a much research potential about the impact of the board composition on the financial performance of the companies in the Indian economy.

All the above cited financial scandals increased not only the demand for the research studies related to the impact of board composition on the financial performance of the company, but also increase the motivation for the research about the solution to eradicate all types of financial scandals in the future.

STATEMENT OF THE PROBLEM

For a long time, the topic of corporate governance has received comparatively less attention as compared to other research topics such as derivatives, e-commerce etc. After the financial crisis, the world economy has seriously enquired into the various aspects of corporate governance framework. The corporate governance has been investigated by researchers as a major failure behind the financial crisis. The Board of Directors stands at the heart of many systems and structures

encompassing the nature of corporate governance because they are the policy makers, take serious decisions etc. Boards of directors one of the essential ingredients of corporate governance have been largely criticized for the decline in shareholders' wealth and corporate failure. The composition of the Board is as important as it determines the ability of the board to collectively provide leadership and ensures that no individual or a group is able to dominate the board and it act as a mechanism for effective governance. This has undergone a change in the boards comprise of a diversity board.

Board of Directors occupies a greater control over organizations. Therefore Board has the power to take any decisions and can act according to their own interest whether it is personally or not. This will lead the board to operate the institution according to their own personal interest. Some of the existing studies revealed through the researchers literature review that the board composition impacts the financial performance of firms. The present study is intended to know the impact of board composition and its size on financial performance companies in the Indian context. The study also oriented toward exploring the influence of the Chairman Duality, Number of Board meetings convened and attended, independence of directors, non executive directors etc. The problem is stated as ***“IMPACT OF BOARD COMPOSITION ON FINANCIAL PERFORMANCE: A STUDY WITH SPECIAL REFERENCE TO SELECTED LISTED COMPANIES IN BSE”*** and is an attempt to unearth the impact of board composition and its size on financial performance followed of Indian companies listed in BSE.

RESEARCH QUESTION

“Is there any significant relation between the board composition and the financial performance of the listed companies in India?”

The study also attempts to find answers to the following specific questions:

- Does board of directors' composition have any relationship with corporate financial performance?
- To what extent does board size affect corporate financial performance?

- To what extent does number of independent directors affects corporate financial performance?
- Is there any relationship between CEO duality and corporate financial performance in India?
- In what direction the number of board meeting and firm's performance are related?

SCOPE OF THE STUDY

This study is intended to know whether the companies give due importance on SEBI's Clause 49 of Listing Agreement regarding board composition matters. The study is limited to the impact of board composition on financial performance of listed companies in India. It covers composition of board of directors and disclosure framework. The study is an attempt to examine the relationship between five board characteristics or variables such as board composition, board size, number of independent directors, chairman duality and number of board meetings and financial performance variables such as Return on Assets, and Return on Equity. The study covers 50 Indian companies listed in BSE.

OBJECTIVES OF THE STUDY

The present study is conducted with the following cardinal objectives:

1. To determine the extent to which *board size* affects corporate financial performance of listed companies.
2. To examine the relationship between *board composition* and corporate financial performance of listed companies.
3. To study the impact of the number of *independent directors* and outside directors on financial performance of listed companies.
4. To investigate the relationship between *CEO duality* and corporate financial performance of listed companies.
5. To find out the relationship between *numbers of board meeting* and firm's performance.

RESEARCH HYPOTHESES

Based on the above objectives, the following hypotheses have been formulated and tested:

1. H0:- There is a no significant relationship between board composition and organizational performance.
2. H0:- There is a no significant relationship between board size and organizational performance.
3. H0:- There is a no significant relationship between independence of board and organizational performance.
4. H0:- There is a no significant relationship between chairman duality and organizational performance.
5. H0:- There is a no significant relationship between number of board meetings and organizational performance.

SIGNIFICANCE OF THE STUDY

Corporate Governance is one of the emerging topics attracting the attention of researchers' academicians and all over the world. Corporate Governance covers different dimensions like business ethics, corporate transparency and disclosure, corporate social responsibility (CSR), corporate accountability, corporate reporting, etc. The study on corporate governance is significant because the collapse of major corporations have been connected with corruption and other frauds on the part of boards as well as ignorance of business ethics.

It was already established that Board characteristics has a significant impact on performance of a firm. There are various developments in the industrial sector at national and international level which shows that a comprehensive study is required on the topic corporate governance. The number of corporate frauds have been blamed on the inefficiency on the part of the company board members in carrying out their oversight functions in the various companies. Thus it is important to carry out a study which investigates the impact of board composition on corporate financial performance. The study on board composition

and financial performance is of much essential in the present era of ever increasing complicated problems of all industry.

RESEARCH STRATEGY

For this research, we follow quantitative research and conduct this research with in the idea of positivist philosophy. In order to test the hypothesis on the data of all the companies, and our comments based on the facts, laws and the rules and principles extracted from the empirical analysis, so we can classify our research method as deductive research method.

DATA AND METHODOLOGY OF THE STUDY

The study is mainly based on secondary data. The secondary data were collected from company and other websites, periodicals, journals, books, periodicals etc. With the help of secondary data, various objectives of the study are also reviewed. The sample data is collected from a sample of 50 companies listed in BSE and select randomly. Simple random sampling is used for the study. Companies representing banking and finance selected for the study. Data relating to board size, number of non-executive directors, number of Board meetings convened, Chairman Duality etc. collected from websites and other printed materials of the respective companies. Data relating to firm's financial performance also collected from the respective websites. Unstructured interview conducted among top officials of the firms to have greater glimpse on the relationship between variables.

The data collected analyzed with the help of appropriate statistical and mathematical tools. **Ratio analysis, mean, standard deviation, Spearman rank correlation coefficient** etc. used to analyze data. Statistical software SPSS used to analyze data.

QUALITY CRITERIA

According to Amir et al. (2011) “Reliability and validity are tools of an essentially positivist epistemology.”

RELIABILITY

According to Amir et al. (2011) “Reliability and relevance of its information is the most important aspect of any research. The degree and power of the results to be consistent over time and a truthful demonstration of the complete population under analysis in a research study can be referred to as reliability of that research result. Further if the outcomes of a study can be reproduced under a similar methodology, then the research instrument will be considered as reliable. Replication and reliability of the results demand for the surety that when the research would be repeated the researchers will get the same results, and results of the research would be valid as well. The 50 listed companies from BSE will be representative of listed companies of India and we will use the similar methods to analyze the facts and figures to ensure the reliability and validity of our study. So when any other researcher who would be interested in this research topic if he chooses the same data and period of time, we believe will get the same results on repeating the study.”

VALIDITY

According to Amir et al. (2011) “For this research paper, we have collected the data related to the financial results, and board composition from the annual reports of the listed companies for the year 2014. It is authentic way to collect the relevant information about the research topic in this area, such as Ho, C. A. and Williams, M. (2003) used the same research design for the 286 listed companies, of which 84 companies were taken from South Africa, 94 firms taken from Sweden and 108 firms from UK and Dahya, J. et al (2006) gathered data about the financial performance for the 799 companies in 22 countries.

For the designing of hypotheses of this study, we have consulted the hypothesis built in the previous research papers which was designed to examine the impact of board composition on the financial performance of the firm. Due to normality problem in our data, we adopted spearman rank correlation test to examine the correlation between board composition and the financial performance of the company. All the research articles mentioned in the literature review has given us helpful inspiration for building our hypothesis and research method.”

STRUCTURE OF THE REPORT

The project report will be presented in the following manner and order:

Chapter I: Introduction: - It consists introduction, statement of the problem, scope of the study, objectives of the study, research hypothesis, significance of the study, data and methodology

Chapter II: Literature Review: - This chapter deals with the critical review of previous studies

Chapter III: Board Size and Financial Performance-Data Analysis – This chapter deals with analysis of the board composition variable with financial performance variables. Chapter includes tables and other statistical presentation.

Chapter IV: Summary of Findings and Conclusion. – This is the last chapter deals with the summary of findings and conclusions.

CHAPTER 2

REVIEW OF LITERATURE

Corporate governance "deals with **conflicts of interests** between (a) the providers of finance and the managers; (b) the shareholders and the stakeholders; (c) different types of shareholders (mainly the large shareholder and the minority shareholders) and the prevention or mitigation of these conflicts of interests". Ways of mitigating or preventing these conflicts of interests include the **processes, customs, policies, laws, and institutions** which have impact on the way a **company is controlled**. An important theme of corporate governance is the nature and extent of accountability of people in the **business**, and mechanisms that try to decrease the principal–agent problem. Corporate governance may be described as: *"...the process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control."*

The Organization for Economic Corporation and Development (1999) has also defined corporate governance as a system on the basis of which companies are directed and managed. It is upon this system that specifications are given for the division of competencies and responsibilities between the parties included (board of directors, the supervisory board, the management and shareholders) and formulate rules and procedures for adopting decisions on corporate matters.

AnkitKatrodia conducted a study on the topic “corporate governance practices in the banking sector” with an objective to describe the corporate governance mechanism of Indian banking sector. The conclusion was that sound Corporate Governance would lead to effective & more meaningful supervision and could contribute to a collaborative working relationship between bank management & bank supervisors. Banks need to ensure good Corporate Governance in order to achieve excellence, transparency & for maximization shareholders value & wealth. With elements of good corporate governance, sound investment policy, appropriate internal control systems, better credit risk management, focus on newly-emerging business, commitment to better customer service, adequate automation and

proactive policies, banks will definitely be able to grapple with these challenges and convert them into opportunities.

Jyotsna Ghildiyal et.al (2013) conducted a study on the topic “Corporate Governance Practices, Transparency and Performance of Indian Companies” among 121 companies listed on the Bombay Stock Exchange (B.S.E), India for the period 2010-2011. The sample was selected on the basis of stratified random sampling, which involves two stages. At the first stage, companies listed on the stock exchange were identified on the basis of their capital base as small cap, mid cap and large cap companies. The second stage involves qualified corporate governance report and financial report by way of modification, qualification or adverse opinion. Initially, the sample size was 200 companies listed on the BSE, due to unavailability of appropriate data, the sample size shrunk to 121 companies, out of which 40 companies from large cap, 40 are from mid cap and 41 companies were from small cap category. The data was drawn from Prowess database of Centre for Monitoring Indian Economy (C.M.I.E). The aim of the study was to examine the impact of corporate governance on firm’s financial performance in the Indian context. A self-designed structured questionnaire used for the study. The study used transparency, disclosure and shareholder right and corporate governance codes and initiatives as independent variables, return on capital employed, profit after tax, return on asset and return on equity as dependent variable and three control variables such as size of the firm as represented by total asset (TA), leverage as represented by debt/equity (LEV) and liquidity represented by current asset/current liabilities (COR). Researcher developed an index to measure the transparency and level of disclosure. Tamhane T2 post hoc test was applied to study the corporate governance. It was found that there exists a positive and significant relationship between the level of transparency and firm’s financial performance. The results also showed corporate governance policies and practices of the firms were also found to be positively related to firm’s performance. The study also found a positive and significant correlation between corporate governance policies and transparency and disclosure.

Jatinder Kaur (2014) conducted a study on the topic “Corporate Governance and Financial performance: A Case of Indian Banking Industry” was an attempt to examine the relationship between corporate governance and the performance of

Indian banks. The study used a sample of thirteen banks included in the S & P Bankex for the financial year 2012-2013. Researcher has developed a corporate governance index and form as independent variables. Researcher selected Return on Asset as dependent variable for the study. Based on the regression results, it was found that different committees constituted by the banks are significantly related with their performance.

Sumaira Aslam et.al (2012) conducted a study on the topic “Relating Corporate Governance with Market Valuation and Organisational performance: An Empirical Study on KSE Pakistan” with an objective to empirically test the impact of corporate governance measures on organizational performance of listed companies at 100-index of Karachi stock exchange (KSE). Independent variables for the study include ownership structure, frequency of board meetings, board size, and percentage of external board members, role duality and management remuneration. Dependent variables for the study include Return on Equity, Earning per Share, Net Profit, Sales Growth, Return on Asset and Valuation. The research methodology used was ordinary least square regression analysis. Company valuation is measured through Tobin’s Q ratio. Based on a sample of KSE-100 index, the result revealed that there was a positive and significant relationship between organizational performance and corporate governance practices and there was positive and very significant relationship between company Valuation and corporate governance and the results are consistent with organizational theory and Agency theory of corporate Governance.

NishaKohli (2008) conducted a study on the topic “Corporate Governance and Valuations: Are They Related? A Study of selected Indian Companies” with an objective to analyze the relationship between corporate governance level and market valuation for a period between 2002 -2007. The population of the study consists of domestic and multinational companies from FMCG and IT sectors in India. The sample size and observations was 20 companies and 105 observations. Ordinary Least Square regression model was used for the study and found that an important and statistically strong relation between corporate governance and market valuation.

M. Jayasree (2012) conducted a study on the topic “Corporate Governance and Promoters Equity: The Indian Context” was an attempt to understand the association of promoter’s equity and corporate governance with Indian perspective among 20 companies listed in BSE. Data for the study collected through secondary sources (from companies’ annual reports and websites). The sampling technique adopted for the study was convenience sampling. A corporate governance index consisting of twenty parameters was developed to understand the observation of corporate governance. Karl Pearson co-efficient of correlation was used to understand the association of promoter’s equity on corporate governance and the hypotheses is tested at five percent level of significance. It was found that there is no association of corporate governance and promoter’s equity.

Amarjit Gill et.al (2012) conducted a study on the topic “The relationship between corporate governance and the investment decision of small business firms in India” with an objective to examine the relationships between corporate governance and the investment decision of small business firms in India. The study consisted of the population of owners/the members of board of directors of small business living in Punjab (Ludhiana, Malerkotla, Raikot, Banga, Hoshiarpur, Kaputhala, Phagwara, Jalandhar, and SahidBhagat Singh Nagar) area of India were chosen as a sampling frame. A non-probability (purposive) sampling method was employed to select 800 samples for the study. Measures of central tendency, variance, skewness, and kurtosis were calculated on responses to all of the items. Skewness measures for all of the items were within the range of: +0.995 to +1.067, which was considered to be a good range for most research that requires using statistics appropriate to normal distributions. Overall results showed that the CEO tenure, the CEO duality, board size, total assets of the firm, and small business performance positively impact on the investment decision of the small business firms in India. The study also found the board size and the firm performance positively impact on the investment decision of small business firms in the Indian manufacturing industry.

Adegbemi B.O Onakoya et.al conducted a study on the topic “Corporate Governance and Bank Performance: A Pooled Study of Selected Banks in Nigeria” among a sample of six selected banks listed on Nigerian Stock Exchange market making use of pooled time series data. The objective of the study was to examine

the impact of corporate governance on bank performance in Nigeria during the period 2005 to 2009. The study applied the technique of Pooled-Time Series Ordinary Least Square (OLS) for analysis. From the findings, researcher observed that corporate governance have been on the low side and have impacted negatively on bank performance. The study therefore contends that strategic training for board members and senior bank managers should be embarked or improved upon, especially on courses that promote corporate governance and banking ethics.

Ming-Cheng Wu et.al conducted a study on the topic “The Effects of Corporate Governance on Firm Performance” with an objective to examine the impact of the corporate governance mechanism on firm performance among all listed and over-the-counter firms other than banking, finance and insurance industries in Taiwan over the period from 2001 to 2008. The variables, employed in the study to measure firm performance, include return on assets, stock return and Tobin’s Q. The empirical results indicated that firm performance is in negative and significant relation to board size, CEO duality, stock pledge ratio and deviation between voting right and cash flow right. On the other hand, firm performance is in positive and significant relation to board independence and insider ownership.

Sekhar Muni Amba conducted a study on the topic “Corporate Governance and Firms’ Financial Performance” among 39 companies listed in Bahrain bourse in the Kingdom of Bahrain. The objective of the study was to examine the impact of corporate governance variables on firms’ financial performance. Influence of corporate governance variables CEO duality, Chairman of Audit Committee, Proportion of Non-executive Directors, Concentrated Ownership structure, Institutional Investors, Gearing Ratio on firms’ financial performance “Return on Assets” was researched using the firms traded in Bahrain bourse. Researcher used the Investors Guide published by Bahrain bourse for the years 2010, 2011 and 2012 to collect the data. Statistical technique multiple regression analysis had been employed to test the relationship between firms financial performance measured by Return on Assets and corporate governance variables. It was found that corporate governance variables do influence firms’ performance. CEO duality, proportion of non-executive directors and leverage had negative influence and board member as chair of audit committee, proportion of institutional ownership had positive influence on firms’ financial performance.

Priyanka Aggarwal (2013) conducted a study on the topic “Impact of Corporate Governance on Corporate Financial Performance” among 20 Indian companies, which are non-financial companies listed on the NSE; which had continuously been included in NIFTY 50 Index during 1st April, 2010 to 31st March, 2012. The study was an attempt to investigate the impact of corporate governance on corporate financial performance in an Indian context. Various tests like – regression, correlation, t-test and F-test had been performed using secondary data over a period of two years from FY 2010-11 to FY 2011-12 to study this linkage. Return on Assets (ROA), Return on Equity (ROE), Return on Capital Employed (ROCE) and Profit before Tax (PBT) - had been used as proxies for financial performance. The governance ratings of companies had been used as proxy for corporate governance performance. It was found that governance ratings have positive and significant impact on corporate financial performance.

Rajesh Pathak et.al [2012] conducted a study on the topic “ The Role of Ownership Structure on Firm Performance : A Study of Indian Manufacturing Firms” among seven industries [chemicals, food, machine, metal, non-metal, textiles and transport equipment] for the years 2001 and 2009. The objective was to measure the impact of stake holding by different stakeholders on firms’ financial performance. The study used ROA as dependent variable and promoter’s holding, institutional holding and individual holding as independent variable. Dummy variable multiple regression was employed to analyse the impact of ownership structure on firm performance. The results showed positively significant effect of some stake holders, while negative for others. It was found that promoters holding do not have a significant impact on performance and individual holding was positively and significantly affected to firms’ performance. But institutional holding affects firms’ performance negatively, which means higher the institutional holding lower is the return.

Mousa F. Al Manaseer et al (2012) conducted a study titled “The Impact of Corporate Governance on the Performance of Jordanian Banks” among 15 banks quoted on the ASE. The objective was to investigate empirically the impact of various corporate governance dimensions such as Board Size, Board Composition, Chief Executive Officer (CEO) Status, and Foreign Ownership on the performance

of Jordanian Banks as measured by Return on assets (ROA), Return on equity (ROE), Profit Margin (PM) and Earning per share (EPS). The study was employed pooled data and OLS estimation method to examine empirically the relationship between Jordanian banks performance and corporate governance dimensions selected banks. They found a positive relationship between corporate governance dimensions: the number of outside board members and foreign ownership and Jordanian banks' performance. Whereas, board size and the separation of the role of CEO and chairman have a negative relationship with performance. In addition, the study also revealed that banks benefit from large size in offering services more than granting loans.

Mohammed, Fatimoh conducted a study titled "The Impact of Corporate Governance on Bank Performance in Nigeria" among banks in Nigeria. The study made use of data obtained from the audited financial reports of 9 banks for a period of ten years. Researcher found a positive relationship between corporate governance and performance of banks. The study also shows that poor asset quality and loan deposit ratios negatively affect financial performance and vice visa.

Joe Duke II et.al [2011] conducted a study titled "Linking Corporate Governance with Organizational Performance: New Insights and Evidence from Nigeria" among a balanced sample of 20 each from quoted and unquoted firms in Nigeria. The study was an attempt to establish a nexus between corporate governance and organizational performance. It was found that all five corporate governance variables such as board size, chief executive officer status, audit committee, code of corporate governance and reliability of financial reporting had positive association with performance. The study also found that there were no material differences between the reliability of financial reporting between quoted and unquoted firms.

QaiserRafique Yasser et.al (2011) conducted a study titled "Corporate governance and firm performance in Pakistan: The case of Karachi Stock Exchange (KSE)-30" among 30 Pakistani listed firms between 2008 and 2009. The objective was to examine the relationship between four important corporate governance mechanisms and two firm performance measures. They found a positive significant relationship between ROE and PM and three corporate governance mechanisms

such as board size, board composition and audit committee. The study, however, could not provide a significant relationship between the two performance measures (ROE and PM) and CEO/Chairman duality.

Joe Duke II et.al (2012) conducted a study titled “Corporate governance as a driver of organizational efficiency in courier service firms: Empirical findings from Nigeria” among 149 courier service companies, randomly selected from the 237 operating in that industry sub-sector of Nigeria. The objective was to examine the relationship between corporate governance and organizational efficiency in courier service firms. The ordinary least square (OLS) regression method was used in testing the degree of relationship between selected corporate governance variables used and organizational efficiency measured by output per staff, cost per service provided and cost per client served. They found corporate governance code, board size, internal audit, separation of board chair from CEO and the number of non-executive directors was positively associated with organizational efficiency.

Nikhil Chandra Shil (2008) makes an investigation into the matter “Accounting for Good Corporate Governance” and an effort was made to uncover the issue and to protect it from such unfounded critics. It covered the concept of corporate governance, its legal framework, its current status and how accounting may be practiced to protect corporate from corruption by establishing governance. According to the researcher, the world should adopt a uniform global accounting standard and better reporting of accounting information to practice good corporate governance.

Sheila Nu Htay(2012) conducted a study titled “Better Boards Towards Higher Profitability” among twelve listed companies whose main activity is banking from 1996 to 2005. The total number of observations was 120 observations. The objective was to examine the impact of corporate governance on the profitability of banks using the agency theory. The profitability of banks is measured by return on assets (ROA) and return on equity (ROE). The complete empirical model was used for the study. The study was employed panel data analysis (generalized least square method).They found Board’s independence and institutional ownership has negative impact on ROE significantly.

D.Hema (2012) conducted a study titled “ Financial Reporting and Corporate Governance – An Empirical Study” and the objective was to check whether the good or bad accounting practices will have similar effects on the corporate governance of an entity or not. An analysis was also conducted how the companies can commit financial shenanigans in their financial statements within the frame work of accounting standards. They found that directors and other stake holders of the business should try to improve their knowledge with reference to financial statements. The regulatory bodies like SEBI, RBI and ICAI must try to educate the investors. Convergence of Indian accounting standards to IFRS will also reduce the fabrication of accounts to a large extent as the treatments should be uniform in different countries.

Xiaochi Lin et.al (2008) conducted a study on the topic “Bank ownership reform and bank performance in China”. The objective of the study was to assess the effect of bank ownership on bank performance. The researchers conduct a joint analysis of the static, selection, and dynamic effects of private, foreign and state ownership. They find the “Big Four” state-owned commercial banks are less profitable, are less efficient, and had worse asset quality than other types of banks except the “policy” banks (static effect). Further, the banks undergoing a foreign acquisition or public listing record better pre-event performance (selection effect); however, the researchers find little performance change in either the short or the long term.

Zahid Irshad Younas et.al (2010) conducted a study on the topic “Effect of firm performance on corporate governance a panel data analysis” among a sample of 52 firms listed on Karachi Stock Exchange from manufacturing sector of Pakistan over the period of 2006-2009. The purpose of the study was to investigate the impact of prior year firm’s performance on subsequent year firm’s corporate governance mechanism. The researcher used board size, CEO–Chairman combined structure and audit expenditure as a firm level corporate governance mechanism. Hypotheses were tested by using fixed effect model and random effect model. Multivariate OLS regression models were used to test the hypothesis of the study. Their results revealed that prior year firm’s performance has positive relationship with board size but negative relationship with audit expenditure. Furthermore, any change in prior year firm’s performance causes change in CEO duality.

Mamta Brahmhatt et.al Patel (2012) conducted a study on the topic “An empirical investigation of corporate governance scenario in public vs. private banks in India” among two banks each from public and private sector banks over the period of 2008-2011. The purpose of the study was to examine and compare corporate governance practices of private and public bank and to study the importance of governance parameters from investors and financial advisors perspective. A survey has been used to collect primary data among investors, fund managers and broking channel members and questionnaires were used in final analysis. In addition to that Corporate Governance Score card was prepared for comparison purpose. Researchers found existence of difference between adherence to corporate governance rate of private and public sectors banks. Different parameters are having been given importance by different private and public sector banks and also within the same sectors, the difference exists. The study also found an existence of ambiguity in correlation between compliance of corporate governance parameters and net profit. Clause 49 as per SEBI rule was not been able to provide numerical value of importance to each parameter as it is debatable issue over years. Primary research revealed the importance of different parameters set from the perspective of investors and financial advisors.

Prashant Kumar et.al (2011) conducted a study on the topic “Corporate governance formulation: Compliance with commercial banks of Nepal” was an attempt to construct corporate Governance Index for Commercial Banks of Nepal because there was no any prescribed and followed Code of Corporate Governance applicable for the concerned except the provision laid down in Banking and Financial Institution act, Companies act and Nepal Rastra Bank act. OECD code of Corporate Governance was taken as major basis for construction of Index. The researchers constructed an Index with 110 questions distributed as 33 to Board Responsibility, 16 to Board Structure, 14 to shareholders rights, 33 to Transparency and disclosures and rest 14 to Audit Committee having yes no pattern with value 1 to yes and 0 values to No.

Lal C. Chugh et al (2009) conducted a study on the topic “Corporate governance and firm performance: evidence from India” among 41 companies listed in NSE in India. The objective of the study was to analyse the relationship between the

financial performance variable such as Return on Asset (ROA) and some characteristics of corporate governance such as board size, board autonomy and CEO duality. In order to make the analysis, the study uses the regression models to test the relationship of a firm's performance and the corporate governance variables and it was found that there is a positive relationship between larger boards and financial performance. The study also found a negative relationship between autonomous board and financial performance and the researches did not found any relationship between CEO duality and financial performance.

Matama Rogers (2008) conducted a study on the topic "Corporate governance and financial performance of selected commercial banks in Uganda" among 4 banks covering 388 sample respondents. The aim of the study was to establish the relationship between the core principles of corporate governance and financial performance in commercial banks of Uganda. CAEL Model was used to measure financial performance. The study made use of independent variables such as financial transparency, trust and disclosure and dependent variables such as capital adequacy, asset quality, earnings and liquidity. The study found that Corporate Governance predicts 34.5 % of the variance in the general financial performance of Commercial banks in Uganda and the significant contributors to financial performance include openness and reliability. Openness and Reliability are measures of trust. The study also found that credit risk as a measure of disclosure has a negative relationship with financial performance.

Adegemi B.O Onakoya et al (2009) conducted a study on the topic "Corporate governance and bank performance: A pooled study of selected banks in Nigeria" among a sample of six banks listed on Nigerian Stock Exchange for a period of 2005-2009. The aim of the study was to examine the impact of corporate governance on bank performance in Nigeria. The study found that corporate governance has impacted negatively on bank performance. The study also proposed that strategic training is essential for board members and senior bank managers on courses that promote corporate governance and banking ethics.

Marek Gruszczyński (2006) conducted a study titled "Corporate governance and financial performance of companies in Poland" among 53 companies listed in Warsaw Stock Exchange. The study confirms that the degree of corporate

governance for listed companies in Poland is to some extent correlated with their financial performance. The significant association has been observed between the governance rating and the operating profit margin and also with the debt leverage ratio. The companies with higher profit margin and lower debt leverage ratio are expected to have better rating of corporate governance.

Shamsi S. Bawaneh (2011) conducted a study on the topic “The Effects of Corporate Governance Requirements on Jordan Banking Sector” seeks to understand how Jordan banking sector is affected by the Corporate Governance (CG) requirements released by Basle Committee on Banking Supervision (BCBS) and Organization for Economic Cooperation and Development (OECD). Case study method was used for the study and data-triangulation approach used to collect data. The study revealed Jordan Banking Sector has been paying CG a great deal of attention. The study also found that banks in Jordan comply with CG requirements by acting in accordance with a request from the CBJ based on BCBS and OECD guidelines and requirements which enhance the CG procedures.

CHAPTER 3

BOARD COMPOSITION AND FINANCIAL PERFORMANCE – DATA ANALYSIS

In our research, we choose board size, board composition, number of independent directors on the board, number of board meeting and CEO duality are taken as board composition variables and return on asset and current ratio are taken as financial performance variables. In our analysis we first plan for a multiple regression analysis, but it is not possible because we have problems of linearity, normality of residuals and presence of outliers in our data set. Therefore we apply a non-parametric test to analyze the correlation between our variables for this research. For this purpose we have used Spearman Correlation test to find out the relation between the two variables under analysis. We will use SPSS software as helping statistical tool. By using SPSS we will find the Spearman rank correlation results for our variables. These results will help us in finding the relation between the board composition and the financial performance of the companies listed in BSE.

DESCRIPTIVE STATISTICS

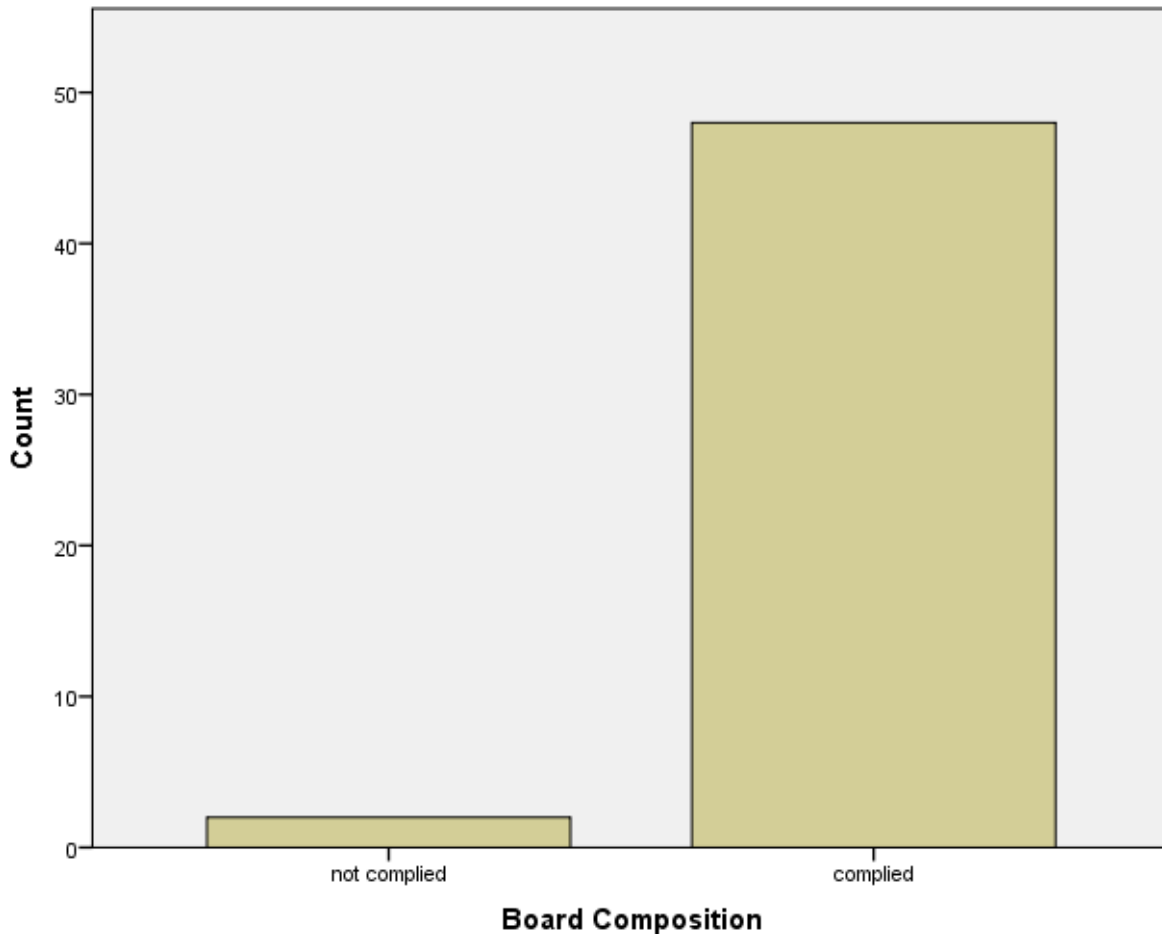
The following table shows the descriptive statistics of independent variables of our sample companies.

		Statistics				
		Board Composition	Board Size	Number of Independent Directors	CEO Duality	Number of Board Meeting
N	Valid	50	50	50	50	50
	Missing	0	0	0	0	0
Mean		.96	10.80	7.92	.52	9.96
Std. Error of Mean		.028	.590	.518	.071	.769
Median		1.00	10.50	8.50	1.00	8.50
Mode		1	10	9	1	4
Std. Deviation		.198	4.175	3.664	.505	5.440
Variance		.039	17.429	13.422	.255	29.590
Skewness		-4.841	.250	-.276	-.083	.566
Std. Error of Skewness		.337	.337	.337	.337	.337
Kurtosis		22.331	.236	-.578	-2.078	-.399
Std. Error of Kurtosis		.662	.662	.662	.662	.662

Range	1	19	15	1	24
Minimum	0	3	0	0	1
Maximum	1	22	15	1	25
Sum	48	540	396	26	498

Table 1: The descriptive statistics of Board compositions.

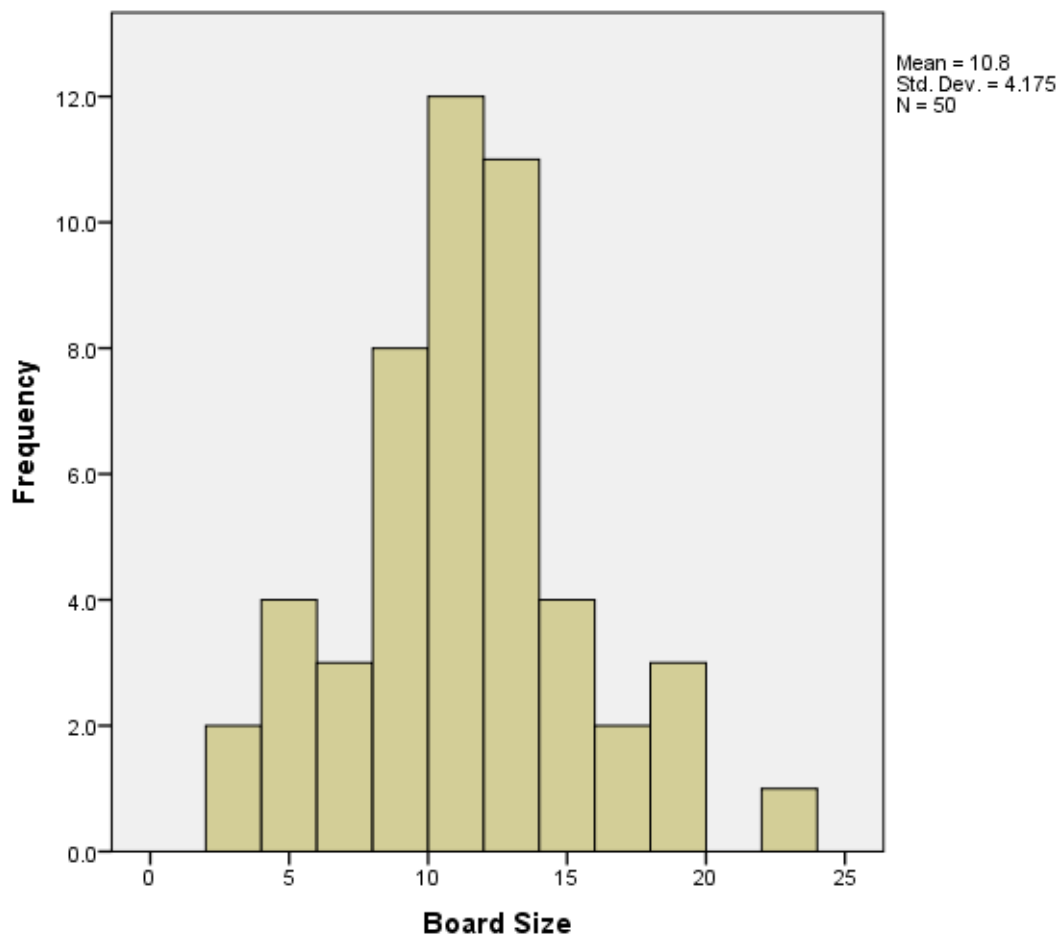
The previous table (table 1) explains that the range of the board composition in BSE listed companies is 1, (Minimum 0 and Maximum 1), standard deviation is 0.198, and the Median is 1, the above descriptive statistics table also shows that the board composition has the mean equal to 0.96 and has the standard deviation of 0.198. Skewness of the data is -4.841 (standard value of normal distribution is “0”) and the Kurtosis is 22.331 (standard value of normal distribution is “3”) both value of the board composition variable shows that the data is not fully normally distributed and have skewness in it. The following diagram (1) explains our analysis;



The above diagram shows the data distribution has some scenes, which means data does not give any normal distribution pattern.

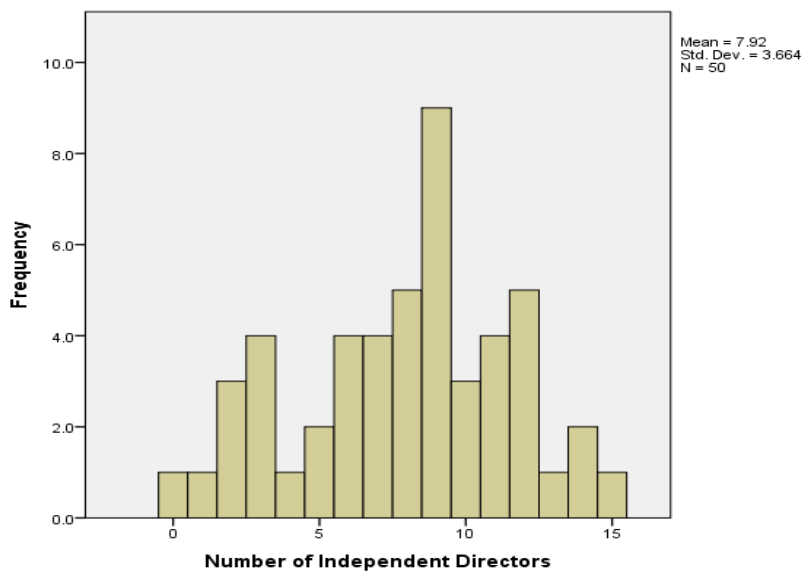
The previous table (table 1) explains that the range of the board size in BSE listed companies is 19, (Minimum 3 and Maximum 22), standard deviation is 4.175, and the Median is 10.50, the above descriptive statistics table also shows that the board size has the mean equal to 10.80 and has the standard deviation of 4.175. Skewness of the data is 0.250 (standard value of normal distribution is “0”) and the Kurtosis is 0.236 (standard value of normal distribution is “3”) both value of the board size variable shows that the data is approximately normally distributed.

The following diagram (2) further explains our analysis;



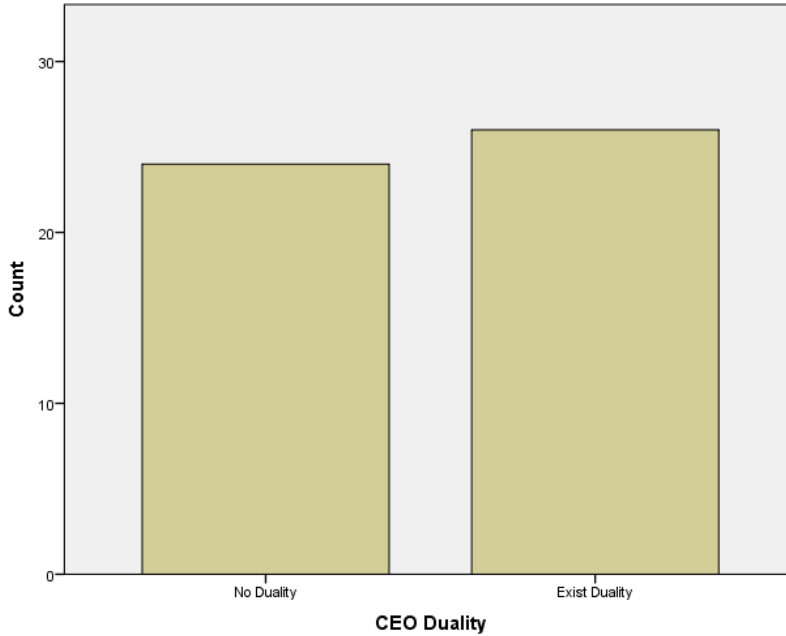
The above diagram shows the data distribution approximately give any normal distribution pattern.

The previous table (table 1) explains that the range of the number of independent directors in BSE listed companies is 15, (Minimum 0 and Maximum 15), standard deviation is 3.664, and the Median is 8.50, the above descriptive statistics table also shows that the number of independent directors has the mean equal to 7.92 and has the standard deviation of 3.664. Skewness of the data is -0.276(standard value of normal distribution is “0”) and the Kurtosis is- 0.578 (standard value of normal distribution is “3”) both value of the number of independent directors’ variable shows that the data is approximately normally distributed. The following diagram (3) further explains our analysis;



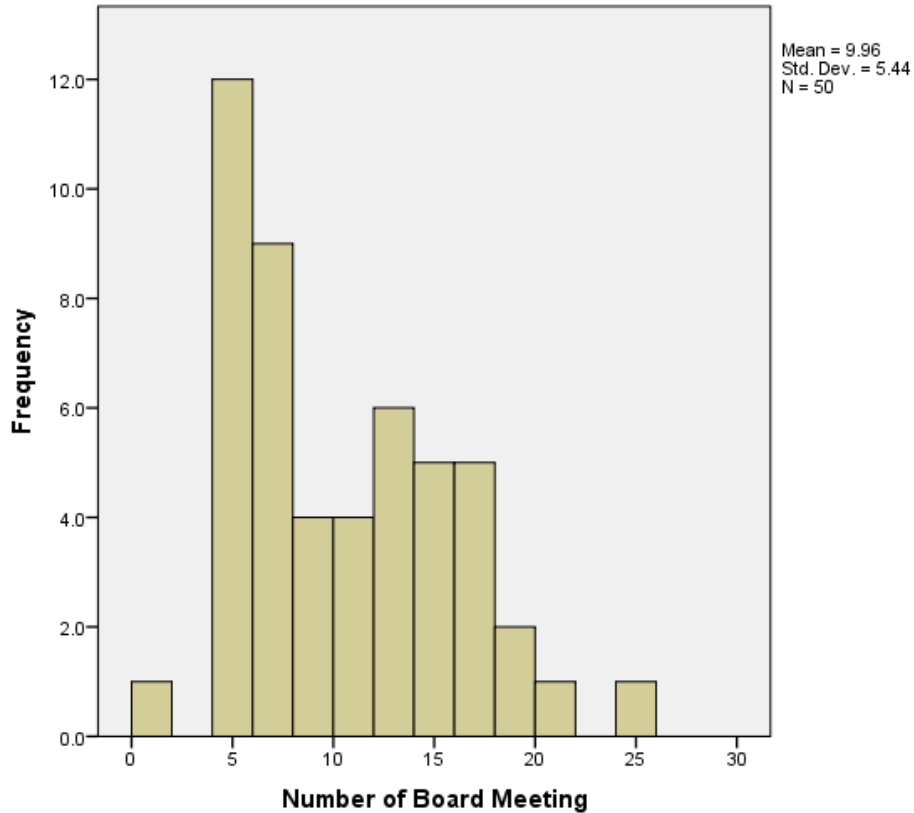
The above diagram shows the data distribution approximately give any normal distribution pattern.

The previous table (table 1) explains that the range of the CEO duality in BSE listed companies is 1, (Minimum 0 and Maximum 1), standard deviation is 0.505, and the Median is 1, the above descriptive statistics table also shows that the CEO duality has the mean equal to 0.52 and has the standard deviation of 0.505. Skewness of the data is -0.083(standard value of normal distribution is “0”) and the Kurtosis is- 2.078 (standard value of normal distribution is “3”) both value of the CEO duality variable shows that the data is approximately normally distributed. The following diagram (4) further explains our analysis;



The above diagram shows the data distribution approximately give any normal distribution pattern.

The previous table (table 1) explains that the range of the Number of board meeting in BSE listed companies is 24, (Minimum 0 and Maximum 1), standard deviation is 5.440, and the Median is 8.50, the above descriptive statistics table also shows that the Number of board meeting has the mean equal to 9.96 and has the standard deviation of 5.440. Skewness of the data is 0.566 (standard value of normal distribution is “0”) and the Kurtosis is- 3.99 (standard value of normal distribution is “3”) both value of the Number of board meeting variable shows that the data is approximately normally distributed. The following diagram (5) further explains our analysis;



The above diagram shows the data distribution approximately give any normal distribution pattern.

DESCRIPTIVE STATISTICS OF PERFORMANCE MEASURES

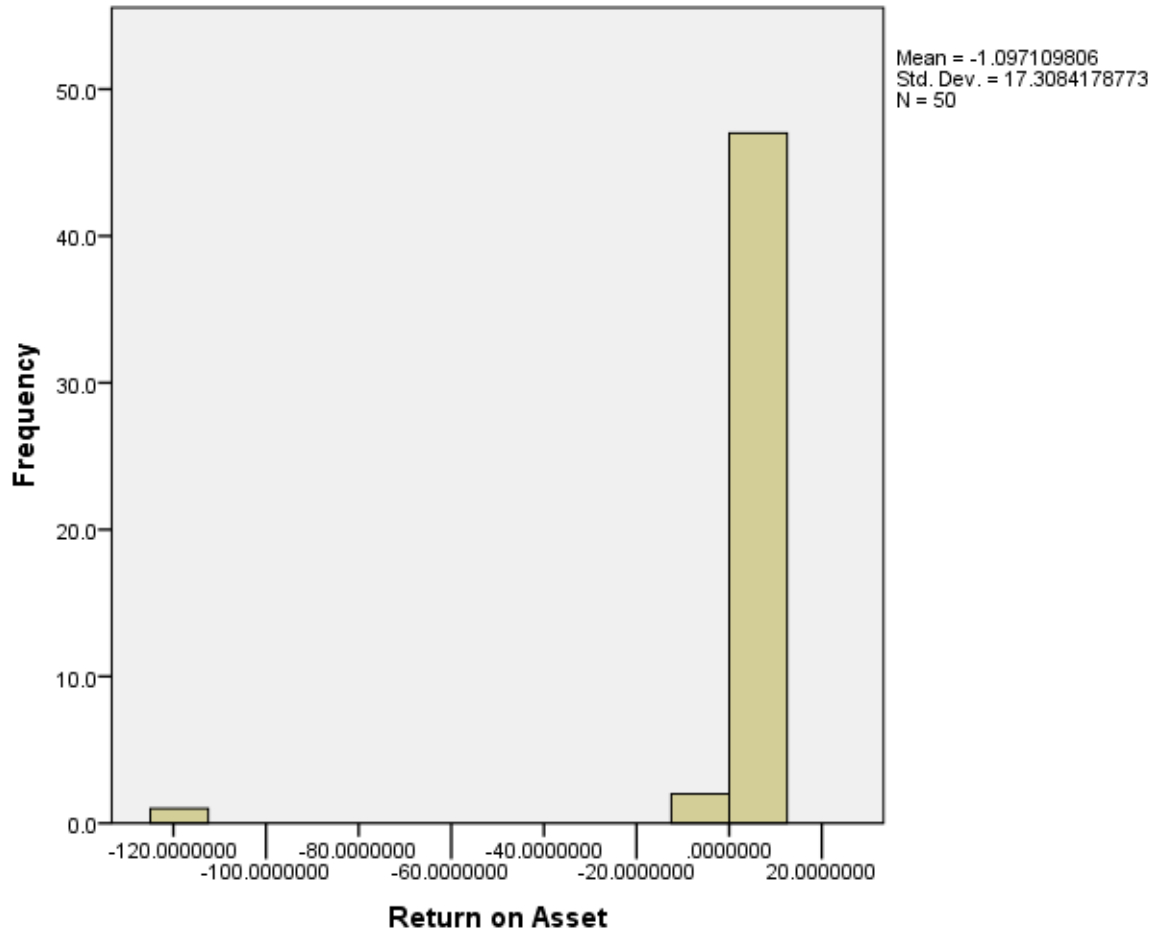
The following table shows the descriptive statistics of dependent variables of our sample companies.

		Statistics			
		Return on Asset	Earning Per Share	Calculated ROA	Current Ratio
N	Valid	50	50	50	50
	Missing	0	0	0	0
Mean		-1.097109806	42.35540	.662665904	1.8318
Std. Error of Mean		2.4477799305	7.340521	3.1103572532	.38050
Median		.645000000	26.46000	.625296459	.9204
Mode		.2900000	-.270 ^a	-120.4092219 ^a	.50 ^a
Std. Deviation		17.3084178773	51.905319	21.9935470566	2.69057

Variance	299.581	2694.162	483.716	7.239
Skewness	-6.952	1.971	-1.876	3.495
Std. Error of Skewness	.337	.337	.337	.337
Kurtosis	48.888	4.137	25.732	12.945
Std. Error of Kurtosis	.662	.662	.662	.662
Range	127.9041200	244.190	215.2003475	14.27
Minimum	-120.4041200	-.270	-120.4092219	.50
Maximum	7.5000000	243.920	94.7911256	14.77
Sum	-54.8554903	2117.770	33.1332952	91.59

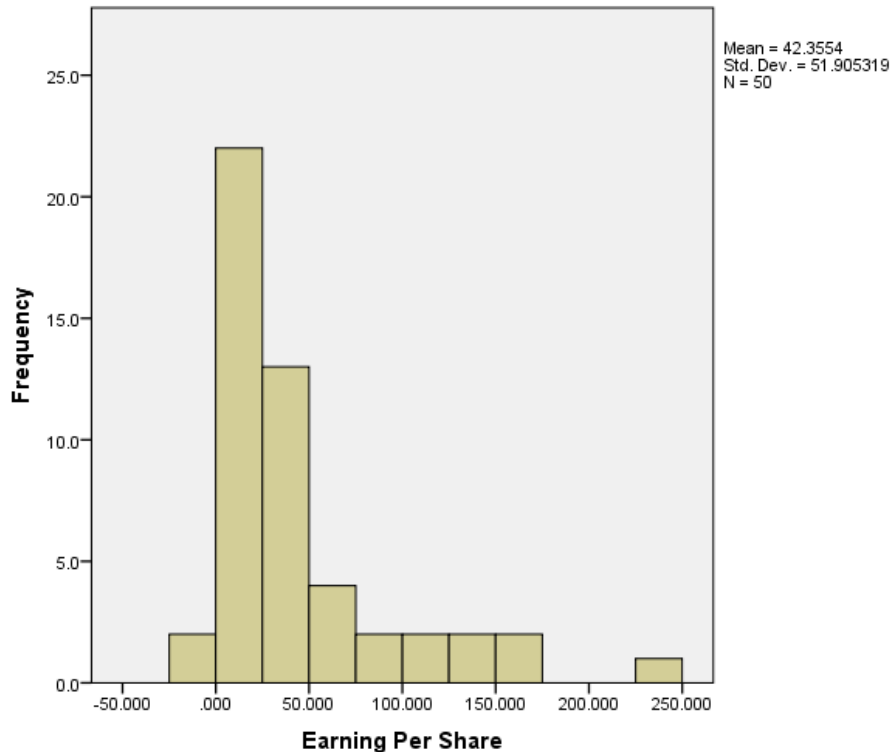
Table 2: The descriptive statistics of financial performance.

The previous table (table 2) explains that the range of the Return on Asset in BSE listed companies is 127.9041200, (Minimum -120.4041200 and Maximum 7.5000000), standard deviation is 17.3084178773, and the Median is .645000000, the above descriptive statistics table also shows that the Return on Asset has the mean equal to -1.097109806 and has the standard deviation of 17.3084178773. Skewness of the data is -6.952 (standard value of normal distribution is “0”) and the Kurtosis is 48.888 (standard value of normal distribution is “3”) both value of the Return on Asset variable shows that the data is not normally distributed. The following diagram (6) further explains our analysis;



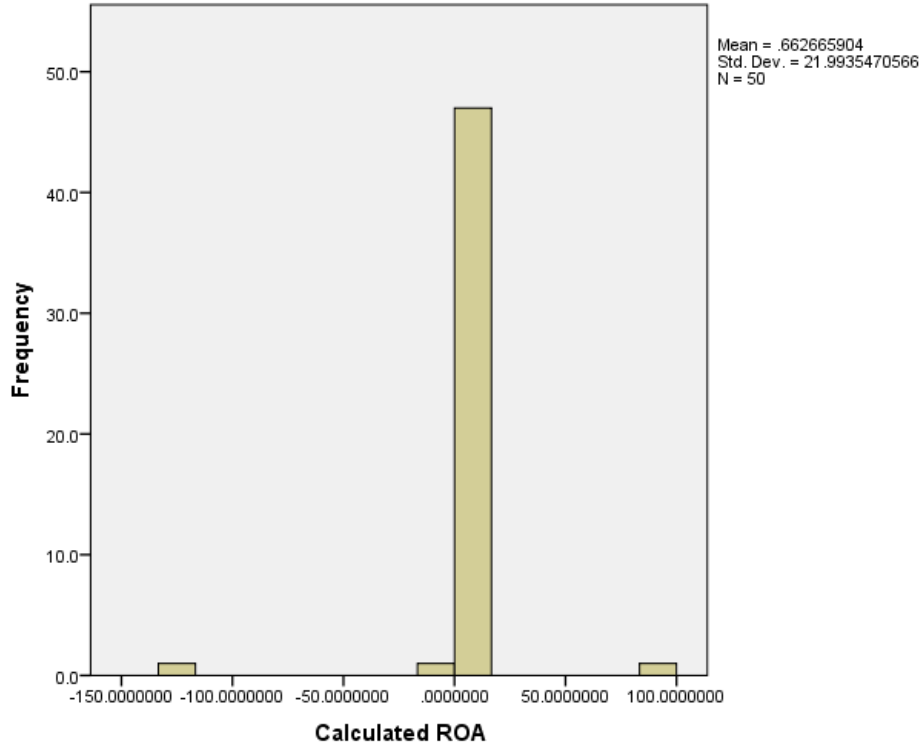
The above diagram shows the data distribution is not normally distributed.

The previous table (table 2) explains that the range of the Earning Per Share in BSE listed companies is 244.190, (Minimum -.270 and Maximum 243.920)standard deviation is 51.905319, and the Median is 26.46000, the above descriptive statistics table also shows that the Earning Per Share has the mean equal to 42.35540 and has the standard deviation of 51.905319. Skewness of the data is 1.971 (standard value of normal distribution is “0”) and the Kurtosis is 4.137 (standard value of normal distribution is “3”) both value of the Earning per Share variable shows that the data is not normally distributed. The following diagram (7) further explains our analysis;



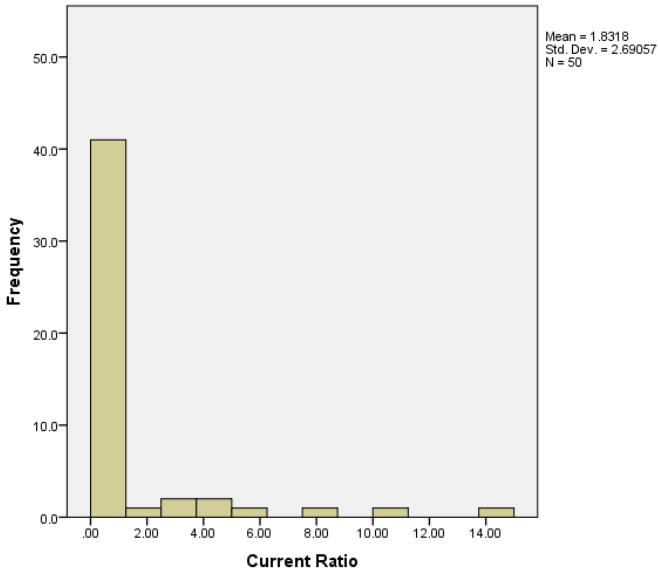
The above diagram shows the data distribution is not normally distributed.

The previous table (table 2) explains that the range of the Calculated ROA in BSE listed companies is 215.2003475, (Minimum -120.4092219 and Maximum 94.7911256) standard deviation is 21.9935470566, and the Median is .625296459, the above descriptive statistics table also shows that the Calculated ROA has the mean equal to .662665904 and has the standard deviation of 21.9935470566. Skewness of the data is -1.876 (standard value of normal distribution is "0") and the Kurtosis is 25.732 (standard value of normal distribution is "3") both value of the Calculated ROA variable shows that the data is not normally distributed. The following diagram (8) further explains our analysis;



The above diagram shows the data distribution is not normally distributed.

The previous table (table 2) explains that the range of the Current Ratio in BSE listed companies is 14.27, (Minimum .50 and Maximum 14.77) standard deviation is 2.69057, and the Median is 0.9204, the above descriptive statistics table also shows that the Current Ratio has the mean equal to 1.8318 and has the standard deviation of 2.69057. Skewness of the data is 3.495 (standard value of normal distribution is “0”) and the Kurtosis is 12.945 (standard value of normal distribution is “3”) both value of the Current Ratio variable shows that the data is not normally distributed. The following diagram (9) further explains our analysis;



The above diagram shows the data distribution is not normally distributed.

Results of Correlation for the Board composition and the Firm's financial performance:

[A] Relation between Board composition and financial performance

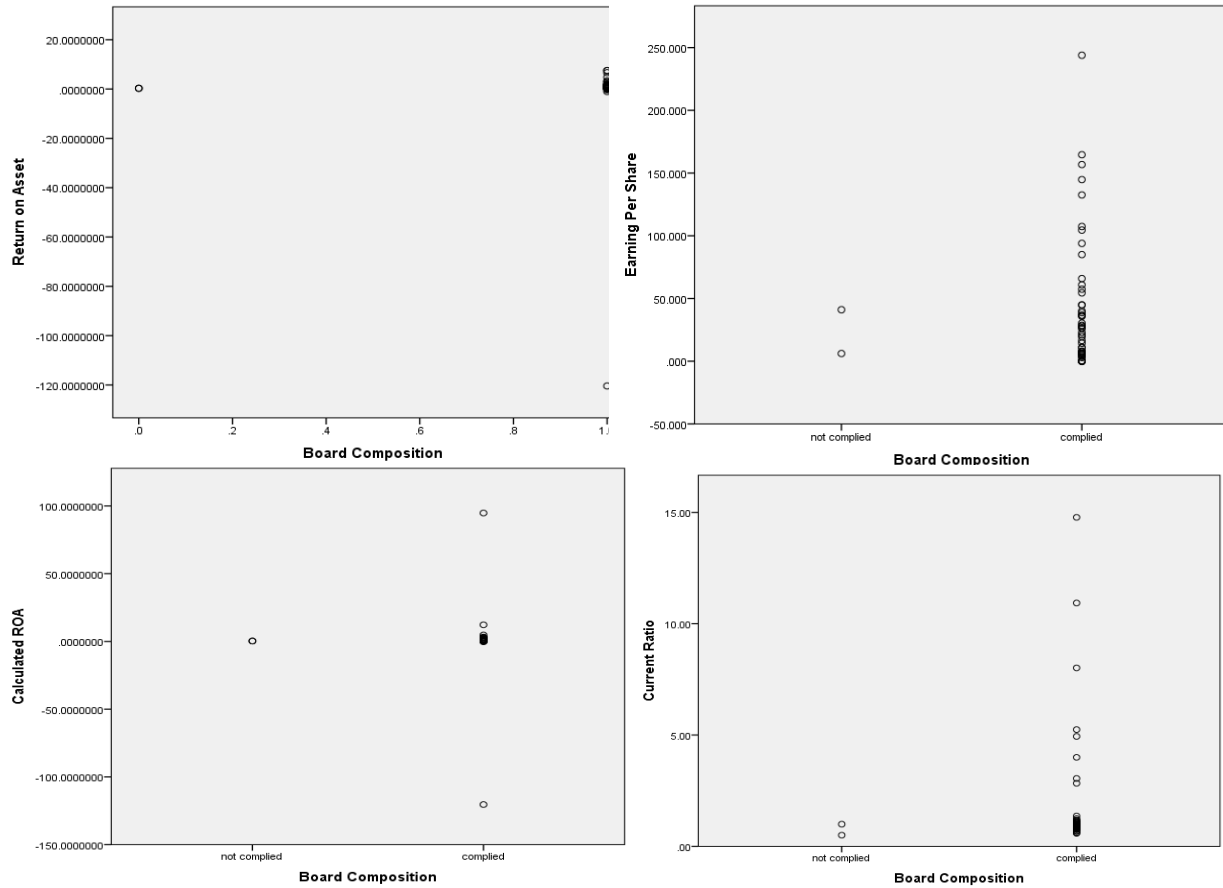
H0:- There is a no significant relationship between board composition and organizational performance.

H1:- There is a significant relationship between board composition and organizational performance

The above hypothesis statement denoted statistically as follows

H0: $r = 0$:H1: $r >, < 0$

Here 'r' is the level of correlation between the two variables. If value of 'r' will become '0' zero then as stated above, the null hypothesis is Ho: $r = 0$ will prove to be true and we will accept our hypothesis with 95 % confidence level. Otherwise the alternative hypothesis H1: $r > 0$ or H1: $r < 0$ will apply. (Amir ShehzadBajwa, 2011)



The above four scattered point's charts (10) showing the association between board composition and financial performance variables (Return on Asset, Earning per Share, Calculated ROA and Current Ratio). The R2 (coefficient of determination) value for relation between the board composition and return on asset is 0.017, for board composition and earnings per share is 0.075, for board composition and calculated ROA is 0.004 and for board composition and current ratio is 0.083, which states the level of strength for this linear relation.

Further we applied Spearman rank correlation coefficient test on the values of both variables calculated for our sample of 50 companies. For the relation between board composition and return on assets we found the following results of Spearman correlation test.

Correlations					
		Board Composition	Return on Asset		
Spearman's rho	Board Composition	Correlation Coefficient	1.000	.241	
		Sig. (2-tailed)	.	.092	

	N	50	50
	Correlation Coefficient	.241	1.000
Return on Asset	Sig. (2-tailed)	.092	.
	N	50	50

Table 3: The Spearman correlation test for Board composition and Return on Asset.

As we can see from the correlation results that there is a weak positive relation between the board composition and the return on assets, the significance level of our Spearman correlation coefficient test is 0.092 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board composition and the return on assets of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board composition and the earning per share of the sample companies.

Correlations			
		Board Composition	Earnings Per Share
	Correlation Coefficient	1.000	.028
Board Composition	Sig. (2-tailed)	.	.845
	N	50	50
Spearman's rho	Correlation Coefficient	.028	1.000
Earnings Per Share	Sig. (2-tailed)	.845	.
	N	50	50

Table 4: The Spearman correlation test for Board composition and Earning per Share.

As we can see from the correlation results that there is a weak positive relation between the board composition and the earning per share, the significance level of our Spearman correlation coefficient test is 0.845 which is beyond the standard

level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board composition and the earning per share of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board composition and the calculated ROA of the sample companies.

Correlations			Board Composition	Calculated ROA
Spearman's rho	Board Composition	Correlation Coefficient	1.000	.248
		Sig. (2-tailed)	.	.083
		N	50	50
	Calculated ROA	Correlation Coefficient	.248	1.000
		Sig. (2-tailed)	.083	.
		N	50	50

Table 5: The Spearman correlation test for Board composition and Calculated ROA.

As we can see from the correlation results that there is a weak positive relation between the board composition and the calculated ROA, the significance level of our Spearman correlation coefficient test is 0.83 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board composition and the calculated ROA of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board composition and the current ratio of the sample companies.

Correlations			Board Composition	Current Ratio
Spearman's rho	Board Composition	Correlation Coefficient	1.000	.134
		Sig. (2-tailed)	.	.352
		N	50	50
	Current Ratio	Correlation Coefficient	.134	1.000
		Sig. (2-tailed)	.352	.

	N	50	50
--	---	----	----

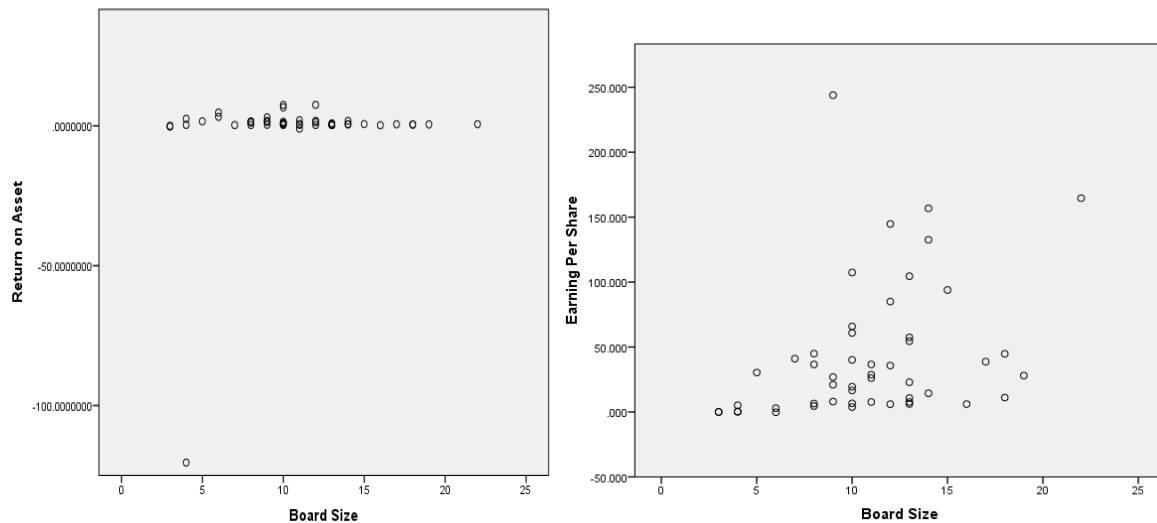
Table 6: The Spearman correlation test for Board composition and Current Ratio.

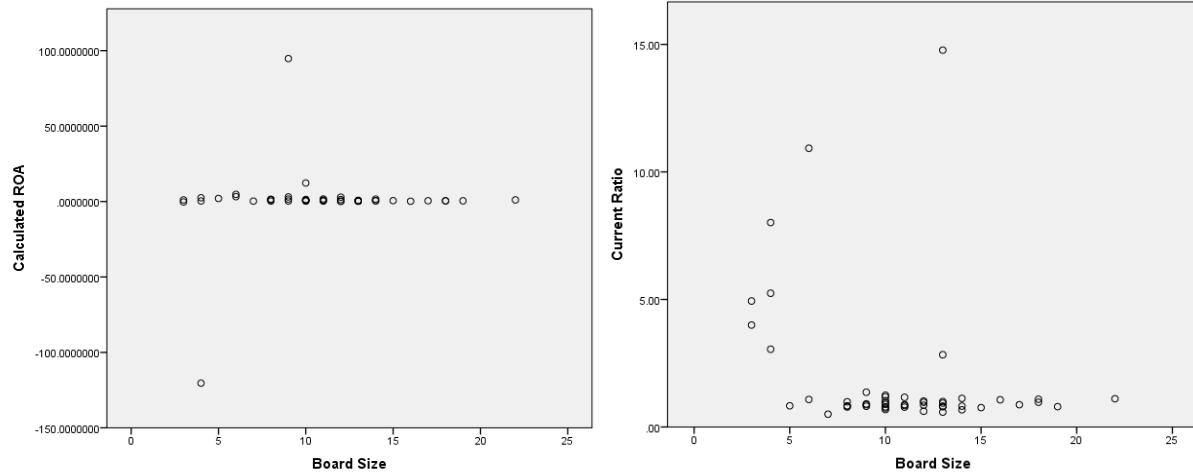
As we can see from the correlation results that there is a weak positive relation between the board composition and the current ratio, the significance level of our Spearman correlation coefficient test is 0.352 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board composition and the current ratio of the company.

[B] Relation between Board size and financial performance

H0:- There is a no significant relationship between board size and organizational performance.

H1:- There is a significant relationship between board size and organizational performance.





The above four scattered point's charts (11) showing the association between board size and financial performance variables (Return on Asset, Earning per Share, Calculated ROA and Current Ratio). The R² (coefficient of determination) value for relation between the board size and return on asset is 0.217, for board size and earning per shares 0.339, for board size and calculated ROA is 0.130 and for board size and current ratio is 0.288, which states the level of strength for this linear relation.

Further we applied Spearman rank correlation coefficient test on the values of both variables calculated for our sample of 50 companies. For the relation between board size and return on assets we found the following results of Spearman correlation test.

Correlations				
		Board Size	Return on Asset	
Spearman's rho	Board Size	Correlation Coefficient	1.000	
		Sig. (2-tailed)	-.137	
		N	.	
		N	50	
	Return on Asset	Correlation Coefficient	-.137	1.000
		Sig. (2-tailed)	.342	.
	N	50	50	

Table 7: The Spearman correlation test for Board size and Return on Asset.

As we can see from the correlation results that there is a weak negative relation between the board size and the return on assets, the significance level of our

Spearman correlation coefficient test is 0.342 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board size and the return on assets of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board size and the earning per share of the sample companies.

Correlations			Board Size	Earnings Per Share
Spearman's rho	Board Size	Correlation Coefficient	1.000	.452**
		Sig. (2-tailed)	.	.001
		N	50	50
	Earnings Per Share	Correlation Coefficient	.452**	1.000
		Sig. (2-tailed)	.001	.
		N	50	50

** . Correlation is significant at the 0.01 level (2-tailed).

Table 8: The Spearman correlation test for Board size and Earning per Share.

As we can see from the correlation results that there is a significant positive relation between the board size and the earning per share, the significance level of our Spearman correlation coefficient test is 0.001 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between the board size and the earning per share of the company and accept alternative hypothesis that there exist a significant relation between board size and earnings per share of a company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board size and the calculated ROA of the sample companies.

Correlations			Board Size	Calculated ROA
Spearman's rho	Board Size	Correlation Coefficient	1.000	-.253
		Sig. (2-tailed)	.	.077

	N	50	50
	Correlation Coefficient	-.253	1.000
Calculated ROA	Sig. (2-tailed)	.077	.
	N	50	50

Table 9: The Spearman correlation test for Board size and Calculated ROA.

As we can see from the correlation results that there is a weak negative relation between the board size and the calculated ROA, the significance level of our Spearman correlation coefficient test is 0.077 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board size and the calculated ROA of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the board size and the current ratio of the sample companies.

Correlations			Board Size	Current Ratio
	Correlation Coefficient		1.000	-.223
Board Size	Sig. (2-tailed)		.	.119
	N		50	50
Spearman's rho	Correlation Coefficient		-.223	1.000
Current Ratio	Sig. (2-tailed)		.119	.
	N		50	50

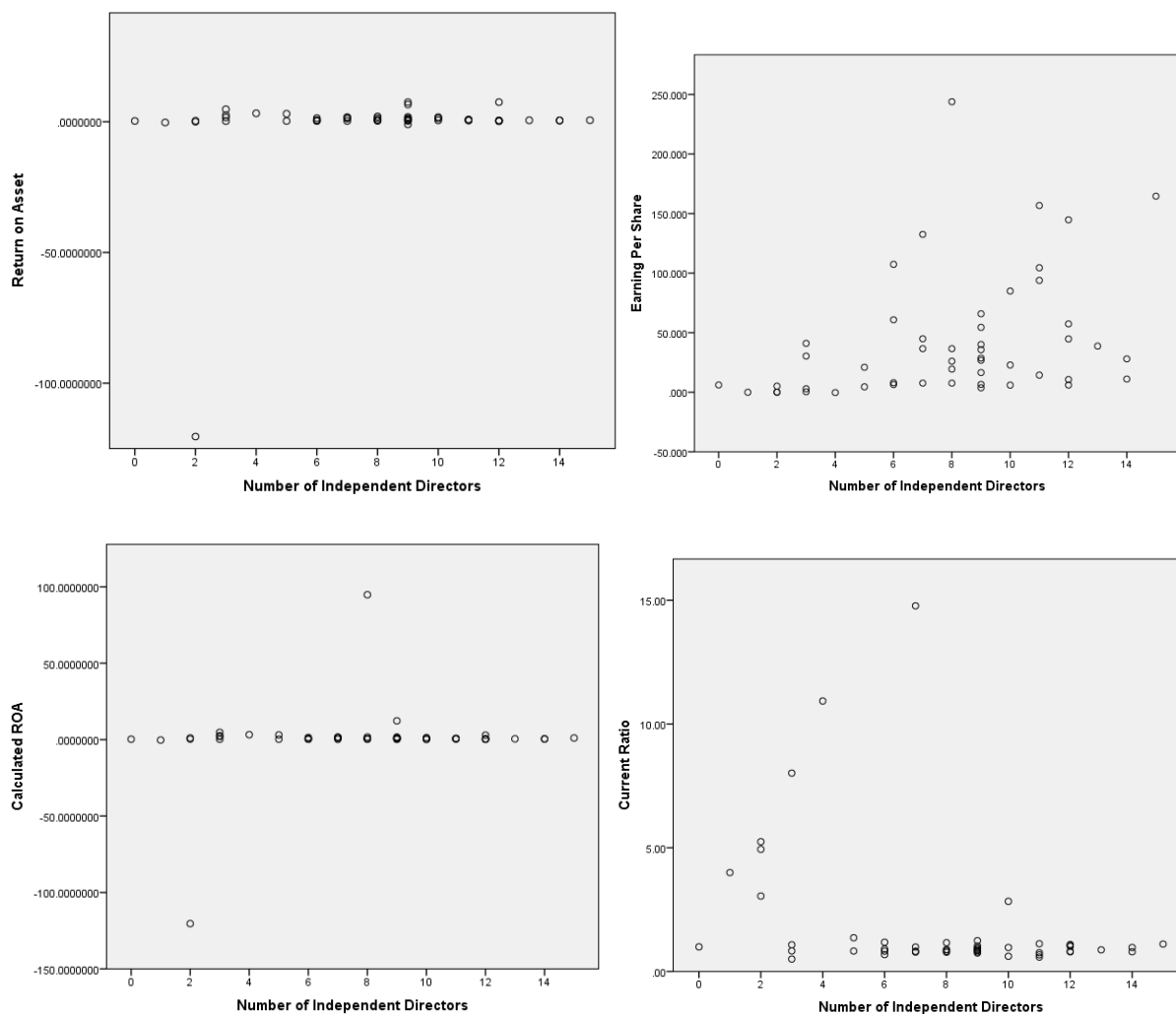
Table 10: The Spearman correlation test for Board size and Current Ratio.

As we can see from the correlation results that there is a weak negative relation between the board size and the current ratio, the significance level of our Spearman correlation coefficient test is 0.119 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the board size and the current ratio of the company.

[C] Relation between Board independence and financial performance

H0:- There is a no significant relationship between independence of board and organizational performance.

H1:- There is a significant relationship between independence of board and organizational performance.



The above four scattered point's charts (12) showing the association between number of independent directors and financial performance variables (Return on

Asset, Earning per Share, Calculated ROA and Current Ratio). The R2 (coefficient of determination) value for relation between the number of independent directors and return on asset is 0.231, for number of independent directors and earning per share is 0.354, for number of independent directors and calculated ROA is 0.177 and for number of independent directors and current ratio is 0.345, which states the level of strength for this linear relation.

Further we applied Spearman rank correlation coefficient test on the values of both variables calculated for our sample of 50 companies. For the relation between number of independent directors and return on assets we found the following results of Spearman correlation test.

Correlations			Number of Independent Directors	Return on Asset
Spearman's rho	Number of Independent Directors	Correlation Coefficient	1.000	.054
		Sig. (2-tailed)	.	.707
		N	50	50
	Return on Asset	Correlation Coefficient	.054	1.000
		Sig. (2-tailed)	.707	.
		N	50	50

Table 11: The Spearman correlation test for Number of Independent Directors and Return on Assets.

As we can see from the correlation results that there is a weak positive relation between the number of independent directors and the return on assets, the significance level of our Spearman correlation coefficient test is 0.707 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the number of independent directors and the return on assets of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of independent directors and the earning per share of the sample companies.

Correlations

		Number of Independent Directors	Earnings Per Share
Spearman's rho	Number of Independent Directors	Correlation Coefficient	1.000
		Sig. (2-tailed)	.461**
		N	50
	Earning Per Share	Correlation Coefficient	.461**
		Sig. (2-tailed)	1.000
		N	.001
		50	50

** . Correlation is significant at the 0.01 level (2-tailed).

Table 12: The Spearman correlation test for Number of Independent Directors and Earning Per Share.

As we can see from the correlation results that there is a significant positive relation between the number of independent directors and the earning per share, the significance level of our Spearman correlation coefficient test is 0.001 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between the number of independent directors and the earning per share of the company and accept alternative hypothesis that there exist a significant relation between number of independent directors and earnings per share of a company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of independent directors and the calculated ROA of the sample companies.

Correlations

		Number of Independent Directors	Calculated ROA
Spearman's rho	Number of Independent Directors	Correlation Coefficient	1.000
		Sig. (2-tailed)	-.064
		N	.660
	Calculated ROA	Correlation Coefficient	-.064
		Sig. (2-tailed)	1.000
		N	.660
		50	50

Table 13: The Spearman correlation test for Number of Independent Directors and Calculated ROA.

As we can see from the correlation results that there is a weak negative relation between the number of independent directors and the calculated ROA, the significance level of our Spearman correlation coefficient test is 0.660 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the number of independent directors and the calculated ROA of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of independent directors and the current ratio of the sample companies.

Correlations			Number of Independent Directors	Current Ratio
Spearman's rho	Number of Independent Directors	Correlation Coefficient	1.000	-.296*
		Sig. (2-tailed)	.	.037
	N	50	50	
	Current Ratio	Correlation Coefficient	-.296*	1.000
		Sig. (2-tailed)	.037	.
		N	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

Table 14: The Spearman correlation test for Number of Independent Directors and Current Ratio.

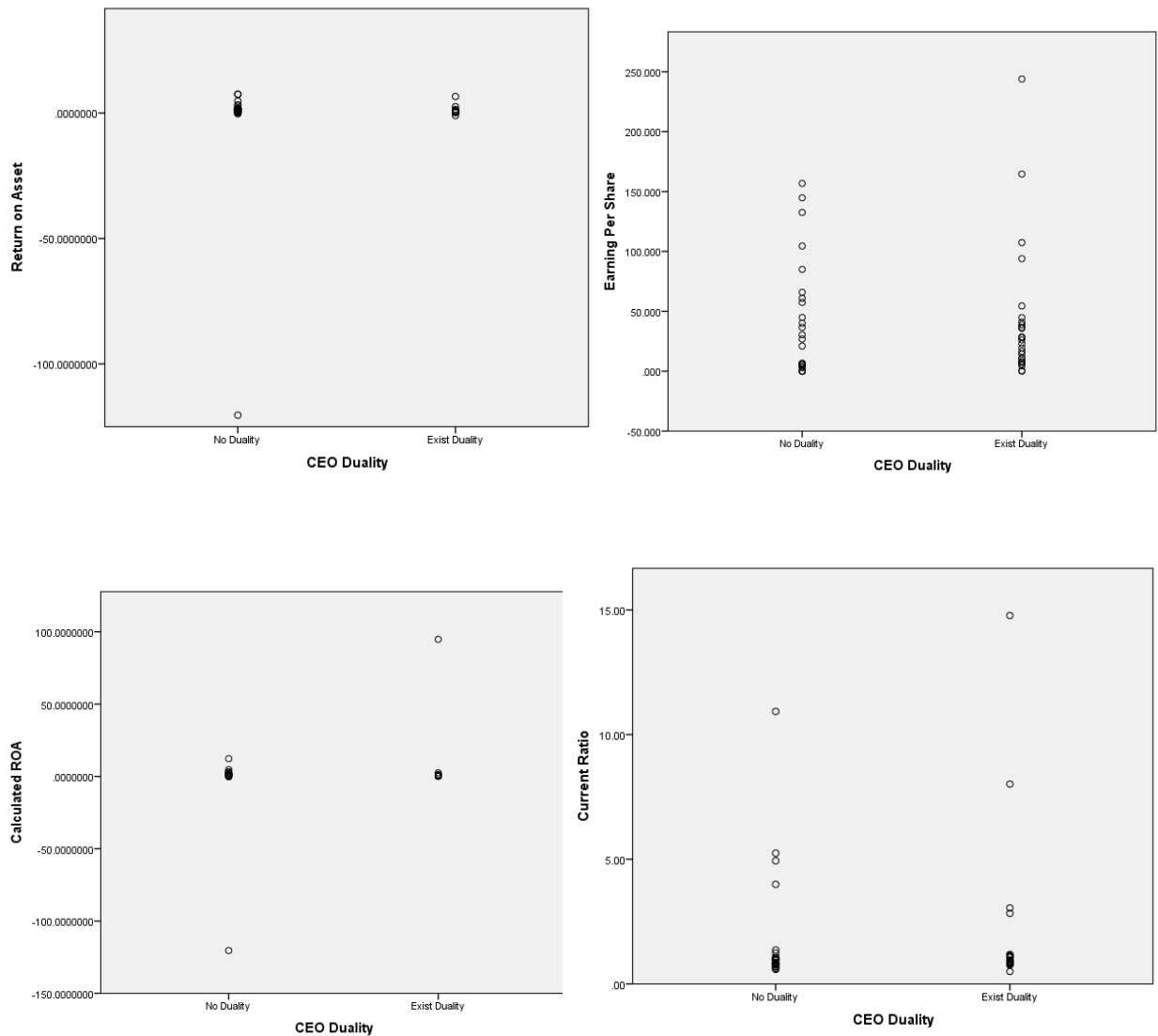
As we can see from the correlation results that there is a significant negative relation between the number of independent directors and the current ratio, the significance level of our Spearman correlation coefficient test is 0.037 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between the number of independent directors and the calculated ROA of the

company and accept the alternative hypothesis that there exist a significant relationship between the number of independent directors and the current ratio.

[D] Relation between Chairman Duality and financial performance

H0:- There is a no significant relationship between chairman duality and organizational performance.

H1:- There is a significant relationship between chairman duality and organizational performance.



The above four scattered point's charts (13) showing the association between CEO duality and financial performance variables (Return on Asset, Earning per Share, Calculated ROA and Current Ratio). The R² (coefficient of determination) value for relation between CEO duality and return on asset is 0.115, for CEO duality and earnings per share is 0.22, for CEO duality and calculated ROA is 0.170 and for CEO duality and current ratio is 0.015, which states the level of strength for this linear relation.

Further we applied Spearman rank correlation coefficient test on the values of both variables calculated for our sample of 50 companies. For the relation between CEO duality and return on assets we found the following results of Spearman correlation test.

Correlations			CEO Duality	Return on Asset
Spearman's rho	Correlation Coefficient		1.000	-.377**
	CEO Duality	Sig. (2-tailed)	.	.007
		N	50	50
	Return on Asset	Correlation Coefficient	-.377**	1.000
		Sig. (2-tailed)	.007	.
		N	50	50

** . Correlation is significant at the 0.01 level (2-tailed).

Table 15: The Spearman correlation test for CEO duality and Return on Asset.

As we can see from the correlation results that there is a significant negative relation between CEO duality and the return on asset, the significance level of our Spearman correlation coefficient test is 0.007 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between CEO duality and the return on asset, and accept the alternative hypothesis that there exist a significant relationship between CEO duality and the return on asset.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between CEO duality and earnings per share of the sample companies.

Correlations			CEO Duality	Earnings Per Share
Spearman's rho	CEO Duality	Correlation Coefficient	1.000	.022
		Sig. (2-tailed)	.	.878
		N	50	50
	Earnings Per Share	Correlation Coefficient	.022	1.000
		Sig. (2-tailed)	.878	.
		N	50	50

Table 16: The Spearman correlation test for CEO duality and Earning Per Share. As we can see from the correlation results that there is a weak positive relation between CEO duality and earnings per share, the significance level of our Spearman correlation coefficient test is 0.878 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between CEO duality and earnings per share of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between CEO duality and Calculated ROA of the sample companies.

Correlations			CEO Duality	Calculated ROA
Spearman's rho	CEO Duality	Correlation Coefficient	1.000	-.352*
		Sig. (2-tailed)	.	.012
		N	50	50
	Calculated ROA	Correlation Coefficient	-.352*	1.000
		Sig. (2-tailed)	.012	.
		N	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

Table 17: The Spearman correlation test for CEO duality and Calculated ROA.

As we can see from the correlation results that there is a significant negative relation between CEO duality and the Calculated ROA, the significance level of our Spearman correlation coefficient test is 0.012 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between CEO duality

and the Calculated ROA, and accept the alternative hypothesis that there exist a significant relationship between CEO duality and the Calculated ROA.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between CEO duality and current ratio of the sample companies.

			Correlations	
			CEO Duality	Current Ratio
Spearman's rho		Correlation Coefficient	1.000	.044
	CEO Duality	Sig. (2-tailed)	.	.760
		N	50	50
		Correlation Coefficient	.044	1.000
	Current Ratio	Sig. (2-tailed)	.760	.
		N	50	50

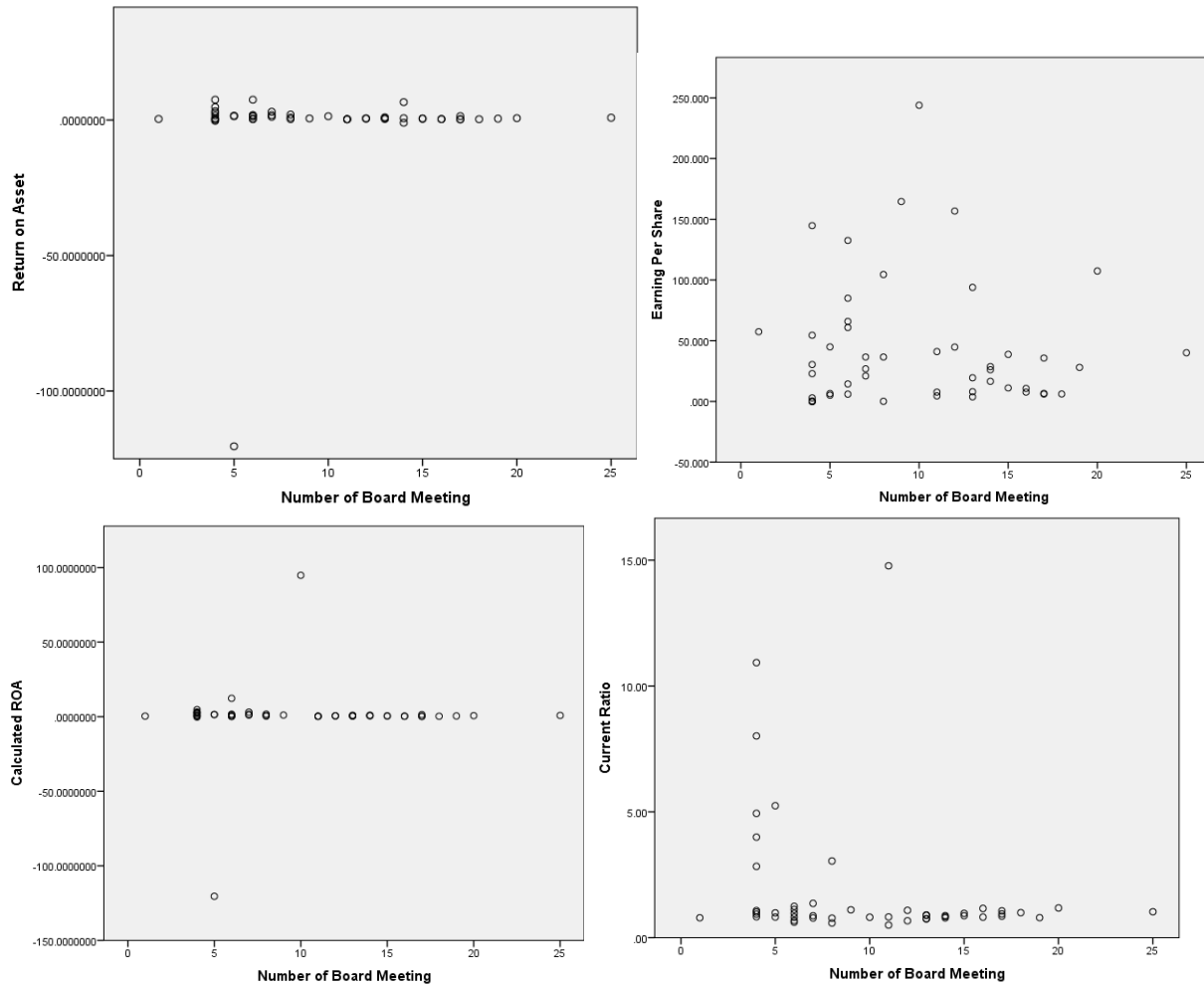
Table 18: The Spearman correlation test for CEO duality and Current Ratio.

As we can see from the correlation results that there is a weak positive relation between the number of CEO duality and current ratio, the significance level of our Spearman correlation coefficient test is 0.760 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between CEO duality and current ratio of the company

[D] Relation between Number of Board Meeting and financial performance

H0:- There is a no significant relationship between number of board meetings and organizational performance.

H1:- There is a significant relationship between number of board meetings and organizational performance.



The above four scattered point's charts (14) showing the association between Number of board meeting and financial performance variables (Return on Asset, Earning per Share, Calculated ROA and Current Ratio). The R² (coefficient of determination) value for relation between Number of board meeting and return on asset is 0.101, for Number of board meeting and earnings per share is 0.045, for Number of board meeting and calculated ROA is 0.78 and for Number of board meeting and current ratio is 0.228, which states the level of strength for this linear relation.

Further we applied Spearman rank correlation coefficient test on the values of both variables calculated for our sample of 50 companies. For the relation between Number of board meeting and return on assets we found the following results of Spearman correlation test.

Correlations			Number of Board Meeting	Return on Asset
Spearman's rho	Correlation Coefficient		1.000	-.270
	Number of Board Meeting	Sig. (2-tailed)	.	.058
		N	50	50
	Correlation Coefficient		-.270	1.000
	Return on Asset	Sig. (2-tailed)	.058	.
		N	50	50

Table 19: The Spearman correlation test for Number of Board Meeting and Return on Asset.

As we can see from the correlation results that there is a negative relation between the number of board meetings and return on asset, the significance level of our Spearman correlation coefficient test is 0.058 which is little beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the number of board meetings and return on asset of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of board meetings and Earning per share of the sample companies.

Correlations			Number of Board Meeting	Earnings Per Share
Spearman's rho	Correlation Coefficient		1.000	.063
	Number of Board Meeting	Sig. (2-tailed)	.	.662
		N	50	50
	Correlation Coefficient		.063	1.000
	Earnings Per Share	Sig. (2-tailed)	.662	.
		N	50	50

Table 20: The Spearman correlation test for Number of Board Meeting and Earning Per Share.

As we can see from the correlation results that there is a weak positive relation between the number of board meetings and earnings per share, the significance

level of our Spearman correlation coefficient test is 0.662 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the number of board meetings and earnings per share of the company.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of board meetings and Calculated ROA of the sample companies.

Correlations			Number of Board Meeting	Calculated ROA
Spearman's rho	Correlation Coefficient		1.000	-.316*
	Number of Board Meeting	Sig. (2-tailed)	.	.025
		N	50	50
	Calculated ROA		-.316*	1.000
		Sig. (2-tailed)	.025	.
		N	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

Table 21: The Spearman correlation test for Number of Board Meeting and Calculated ROA.

As we can see from the correlation results that there is a significant negative relation between the number of board meetings and the Calculated ROA, the significance level of our Spearman correlation coefficient test is 0.025 which is below the standard level of 0.05. So we can say this relation as significance. Hence the null hypothesis can be rejected, which states that there is no significant relation between the number of board meetings and the Calculated ROA, and accept the alternative hypothesis that there exist a significant relationship between the number of board meetings and the Calculated ROA.

Now we are presenting the research results for the Spearman rank correlation coefficient test for the relation between the number of board meetings and current ratio of the sample companies.

Correlations			Number of Board Meeting	Current Ratio
Spearman's rho	Number of Board Meeting	Correlation Coefficient	1.000	-.206
		Sig. (2-tailed)	.	.151
		N	50	50
	Current Ratio	Correlation Coefficient	-.206	1.000
		Sig. (2-tailed)	.151	.
		N	50	50

Table 22: The Spearman correlation test for Number of Board Meeting and Current Ratio.

As we can see from the correlation results that there is a weak negative relation between the number of board meetings and current ratio, the significance level of our Spearman correlation coefficient test is 0.151 which is beyond the standard level of 0.05. So we cannot say this relation as significance. Hence the null hypothesis cannot be rejected, which states that there is no significant relation between the number of board meetings and current ratio of the company.

CHAPTER 4
SUMMARY OF FINDINGS AND CONCLUSIONS

The below tables gives a clear idea about our research findings:

Dependent Variable: Return on Asset	Hypothesis	
Independent Variables	Null: H0	Alternative: H1
Board Composition	Accepted	Rejected
Board Size	Accepted	Rejected
Number of Independent Directors	Accepted	Rejected
CEO Duality	Rejected	Accepted
Number of Board Meetings	Accepted	Rejected

Table 23- Summary of Research Findings (Return on Asset as dependent variable)

According to the Spearman rank correlation coefficient test for the return on assets as dependent variable, the entire null hypothesis is accepted except CEO duality. It means there exist a significant relation between CEO duality and return on asset.

Dependent Variable: Earning per Share	Hypothesis	
Independent Variables	Null: H0	Alternative: H1
Board Composition	Accepted	Rejected
Board Size	Rejected	Accepted
Number of Independent Directors	Rejected	Accepted
CEO Duality	Accepted	Rejected
Number of Board Meetings	Accepted	Rejected

Table 24- Summary of Research Findings (Earning per Share as dependent variable)

According to the Spearman rank correlation coefficient test for the earning per share as dependent variable, all the null hypothesis are accepted except board size and number of independent directors. It means there exist a significant relation

between board size with earning per share and number of independent directors with earning per share.

Dependent Variable: Calculated ROA	Hypothesis	
Independent Variables	Null: H0	Alternative: H1
Board Composition	Accepted	Rejected
Board Size	Accepted	Rejected
Number of Independent Directors	Accepted	Rejected
CEO Duality	Rejected	Accepted
Number of Board Meetings	Rejected	Accepted

Table 25- Summary of Research Findings (Calculated ROA as dependent variable)

According to the Spearman rank correlation coefficient test for the calculated ROA as dependent variable, all the null hypothesis are accepted except CEO duality and number of board meetings. It means there exist a significant relation between CEO duality with calculated ROA and number of board meetings with calculated ROA.

Dependent Variable: Current Ratio	Hypothesis	
Independent Variables	Null: H0	Alternative: H1
Board Composition	Accepted	Rejected
Board Size	Accepted	Rejected
Number of Independent Directors	Rejected	Accepted
CEO Duality	Accepted	Rejected
Number of Board Meetings	Accepted	Rejected

Table 26- Summary of Research Findings (Current Ratio as dependent variable)

According to the Spearman rank correlation coefficient test for the current ratio as dependent variable, the entire null hypothesis is accepted except number of independent directors. It means there exist a significant relation between number of independent directors and current ratio.

CONCLUSIONS

We will present our conclusion which we have drawn from the analysis in the empirical part of the research. This part will answer the research question and discuss the purpose of the study that was presented in the introduction part of this thesis.

The purpose of this research is to analyze the correlation between the boards compositions with the financial performance of the company listed in BSE. To fulfill our purpose we draw our conclusions from the results and giving answer to our research question.

Is there any significant relation between the board composition and the financial performance of the listed companies in India?

For finding the answers of our research question, we selected the important factors of board composition namely: board composition compliance as per clause 49 of SEBI, the number of directors, number of independent directors in the board, CEO duality and number of board meetings, as the factors measuring the impact of board composition on the financial performance of the company. The financial performance of the company was measured by the ratios of Return on assets, Earning per share, Calculated ROA and Current ratio. Our study is based on the final sample size of 50 BSE listed companies. Due to normality problem in our data, we use Spearman

Rank coefficient (r) test to examine the relationship between board composition factors and the measures of firm's performance in terms of Return on assets, Earning per share, Calculated ROA and Current ratio. On the basis of our finding we can draw the following conclusion.

As far as considering the relationship between board composition and firm's performance measure (Return on Assets, Earning per share, Calculated ROA and Current ratio), we found no significant relationship between them.

But if we consider the relationship between board size and firm's performance measures, we found significant relationship between the board size and the firm's

earning per share which refers us that the bigger board size help firms to enhance earnings per share of the company. All other firm's financial performance measures do not show any significant relation with board size.

As far as considering the relationship between number of independent directors and firm's performance measures, we found no significant relationship between number of independent directors with return on asset and calculated ROA. But two other variables of financial performance such as earning per share and current ratio show a significant relationship with number of independent directors. There exist a significant positive relationship between number of independent directors and earnings per share whereas there exist a significant negative relationship between number of independent directors and current ratio. It means if the number of independent directors increases, firms earning per share increases and current ratio decreases and vice versa.

But if we considering the relationship between CEO duality and firm's performance measures, we found no significant relationship between CEO duality with earning per share and current ratio. But two other variables of financial performance such as return on asset and calculated ROA show a significant relationship with CEO duality. There exist a significant negative relationship between CEO duality with two financial performance variables such as return on asset and calculated ROA. It means that company show chairman duality that is chairman and CEO/MD both are same, firms return on asset and calculated ROA decreases. Therefore companies should separate the role of chairman from CEO/MD.

As far as considering the relationship between number of board meetings and firm's performance measures, we found no significant relationship between number of independent directors with return on asset, earning per share and current ratio. But one of the financial performance variable such as calculated ROA show a significant relationship with number of board meetings. There exist a significant negative relationship between number of board meetings and calculated ROA. It means that if the number of board meetings increases, firms calculated ROA decreases and vice versa.

RECOMMENDATIONS FOR FURTHER STUDIES

In this part, we will present some limitations of the research and suggestions for further studies. Due to time constraint for this study, we focused on impact of board composition on the financial performance of the BSE listed companies of India for one year i.e. 2014, which is a short period of time to analyze the comprehensive and complex research for the impact of board composition on the financial performance of the firms. We recommend that the researchers should extend this study for more than one year so that they can get more comprehensive results. We focused on the impact of board composition on financial performance of the firm. Several other variables of corporate governance such as audit committee, disclosure practices etc. which should be consider by the researchers while analyzing the corporate governance with financial performance of the companies. So we recommend that any prospective researcher should consider also the other corporate governance factors while analyzing the firm performance so that the study could be more adequate and better representative for corporate market in India.

REFERENCE

- Aggarwal, P. (2013). Impact of Corporate Governance on Corporate Financial Performance. *IOSR Journal of Business and Management (IOSR-JBM)*, 13 (3), 01-05.
- Agil Waqar, K. R. (2014). Board Size and Board Independence : A Quantitative Study on Banking Industry in Pakistan. *The IUP Journal of Corporate Governance (IJCG)* , XIII (2), 60-69.
- Amarjit Gill, S. P., & Harvinder S. Mand, N. M. (2012). The relationship between corporate governance and the investment decision of small business firms in India. *Journal of Finance and Investment Analysis*, 1 (2), 41-59.
- Amba, M. ., (n.d.). Corporate governance and firms' financial performance. *Journal of Academic and Business Ethics (J.A.B.E)* , 1-12.
- Bajwa A, A., & Bashir, A. (2011). *The impact of ownership and board composition on financial performance of the firm- Empirical evidence from Pakistan*. Master Thesis in Finance and Accounting – Spring 2011.
- Bawaneh, S. S. (2011). The Effects of Corporate Governance Requirements on Jordan Banking Sector. *International Journal of Business and Social Science Vol. 2 N o. 9* , 130-140.
- Chilumuri, R. S. (2013). Corporate Governance in Banking Sector: A Case study of State Bank of India. *IOSR Journal of Business and Management (IOSR-JBM)*, 8 (1), 15-20.
- Chugh, L. C., Meador, J. W., & Kumar, S. ., (n.d.). Corporate governance and firm performance : evidence from India. 1-10.
- Gruszczynski, M. (2006). Corporate governance and financial performance of companies in Poland. *Department of Applied Econometrics Working Papers Series, Warsaw School of Economics* .
- Handa, R., & Singh, B. (2014). The Effect of Board Size on Underpricing of IPOs : Indian Evidence. *The IUP Journal of Corporate Governance (IJCG)*, XIII (3), 7-16.
- Hema, D. (2012). Financial reporting and corporate governance - An emprical study. *International Journal of Multidisciplinary Research Vol.2 Issue 2* , 308-319.
- Htay, S. N. (2012). Better Boards Towards Higher Profitability. *World Review of Business Research Vol. 2. No. 2* , 149 - 163.
- Jayasree, M. (2012). Corporate Governance and Promoters Equity : The Indian Context. (R. Singh, Ed.) *The Management Accountant - The Journal for CMAs*, XXXXVII (10), 2-5.
- Jhunjhunwala, S., & Mishra, R. (2012). Board Diversity and Corporate Performance : The Indian Evidence. *The IUP Journal of Corporate Governance (IJCG)*, XI (3), 71-79.

Joe, D. I., & Kechi, K. (2012). Corporate governance as a driver of organizational efficiency in courier service firms: Empirical findings from Nigeria. *Interdisciplinary Journal of Research in Business* ISSN: 2046-7141 Vol. 1, Issue. 11 , 26-38.

Katrodia, A. (n.d.). Corporate Governance Practices in the Banking. *ABHINAV NATIONAL MONTHLY REFEREED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT* SSN 2277-1166 , Volume No 1, Issue No. 4.

Kaur, J. (2014). Corporate Governance and Financial Performance: A Case of Indian Banking Industry. *Asian Journal of Multidisciplinary Studies, II* (2), 91-96.

Kohli, N. (2008). Corporate Governance and Valuations : Are They Related? (A Study of Selected Indian Companies). *Journal of Accounting and Finance*, 22 (2), 31-55.

Latief, R., & Raza, H. ., (2014). Impact of Corporate Governance on Performance of Privatized Firms; Evidence from Non-Financial Sector of Pakistan. *Middle-East Journal of Scientific Research* 19 (3) , 360-366.

Lin, X., & Zhang, Y. (2008). Bank ownership reform and bank performance in China. *Journal of Banking & Finance* , 1-10.

Linking Corporate Governance with Organizational Performance: New Insights and Evidence from Nigeria. (2011). *Global Journal of Management and Business Research* Volume 11 Issue 12 , 46-58.

Madan, J. G. (2013). Corporate Governance Practices, Transparency and Performance of Indian Companies. *The IUP Journal of Corporate Governance (IJCG)*, XII (3), 47-80.

Mamta, B., Rashesh, P., & Swati, P. (2012). An empirical investigation of corporate governance scenario in public vs private banks in India. *International Journal of Marketing, Financial Services & Management Research* Vol.1 Issue 10, October 2012, ISSN 2277 3622 , 10-28.

M.D, Saibaba. (2013). Do Board Independence and CEO Duality Matter in Firm Valuation ?- An Empirical Study of Indian Companies. *The IUP Journal of Corporate Governance (IJCG)*, XII (1), 50-67.

Mohammed, F. (2012). Impact of Corporate Governance on Banks Performance in Nigeria. *Journal of Emerging Trends in Economics and Management Sciences* , 257-260.

Mousa F. Al Manaseer, R. M.-H.-D. (2012). The Impact of Corporate Governance on the Performance of Jordanian Banks. *European Journal of Scientific Research* , 349-359.

Onakoya, A. B., Ofoegbu, I. ., & Fasanya, I. (2009). Corporate Governance and Bank Performance: A Pooled Study of Selected Banks in Nigeria. *European Scientific Journal* Vol.8 No.28 ISSN: 1857-7881 , 155-164.

Pathak, R., Ranajee, & Pradhan, S. (2012). The Role of Ownership Structure in Firm Performance : A Study of Indian Manufacturing Firms. *The IUP Journal of Corporate Governance (IJCG)*, XI (3), 36-47.

Prashant, K., & Tara, P. . (2011). Corporate governance index formulation: Compliance with commercial banks of Nepal. *International Journal of Multidisciplinary Research Vol.1 Issue 5, ISSN 2231 5780* , 106-118.

Qaiser Rafique Yasser, H. E. (2011). Corporate governance and firm performance inPakistan: The case of Karachi Stock Exchange (KSE)-30. *Journal of Economics and International Finance Vol. 3(8)* , 482-491.

Rogers, M. (2008). Corporate Governance and Financial Performance of Selected Commercial Banks in Uganda. *Queen's University Belfast Paper* , 1-18.

Ross, L. (September2004). *The Corporate Governance of Banks: A Concise Discussion of Concepts and Evidence*. University of Minnesota: World Bank Publications.

Saibaba, M., & Ansari, A. . (2013). Audit Committee, Board Structures and Firm Performance : A Panel Data Study of BSE 30 Companies. *The IUP Journal of Accounting Research and Audit Practices (IJARAP)*, XII (2), 19-29.

Shil, N. C. (2008). Accounting for Good Corporate Governance. *Accounting for good corporate governance, JOAAG, Vol. 3. No. 1* , 22-31.

Shukeri, N. ., Shin, W. ., & Shaari, S. . (2012). Does Board of Director's Characteristics Affect Firm Performance? Evidence from Malaysian Public Listed Companies. *International Business Research, 5 (9)*, 120-127.

Sumaira Aslam, M. L. (2012). Relating Corporate Governance with Market Valuation and Organizational Performance : An Empirical Study on KSE Pakistan . *International Journal of Research in Commerce and Management (IJRCM), III (9)*, 22-28.

Uadiale, O. M. (2010). The Impact of Board Structure on Corporate Financial Performance in Nigeria. *International Journal of Business and Management Vol. 5, No. 10* , 155-166.

Wu, C. ., Lin, C. ., Lin, C. I., & Lai, F. . (n.d.). The Effects of Corporate Governance on Firm Performance. *Working Paper* , 1-15.

Yeung, S. (2011). The Role of Banks in Corporate Social Responsibility (CSR). *Journal of Applied Economics and Business Research (JAEBR) 1 (2)* , 103-115.

Zahid Irshad Younas, H. M., & Saeed, A. (2010). Effect of firm performance on corporate governance a panel data analysis. *Asian Journal of Empirical Research* , 1-8.