

## Directors' Observable Characteristics and Firms Performance in Nigeria: A Panel Analysis

<sup>1</sup>Professor Demaki, G.O. <sup>2</sup>Imasuen Osasere Festus <sup>3</sup>Dr. Eromafuru, E.G.

Department of Business Administration, Faculty of the Social Science, Delta State University, P.M.B.  
1 Abraka, Delta State, Nigeria

Corresponding Author & Email: **Imasuen Osasere Festus** [imasuenfestus2012@yahoo.co.uk](mailto:imasuenfestus2012@yahoo.co.uk)

Received: 13 April 2022 Accepted: 18 May 2022 Published: 15 June 2022

---

---

### Abstract

*This study looked at the observable characteristics of directors and the performance of publicly traded companies on the Nigerian stock exchange floor. Secondary data on observable features such as board size, board gender diversity, non-executive director, and board independence, as well as Tobin's Q performance measure, were used in a cross-sectional research design. The disproportionate random sampling technique using a sample of 100 firm-year observations covering 25 active listed firms in the periods of 2015 to 2018 was employed. The researchers used a disproportionate random sampling technique with a sample of 100 firm-year data from 25 active listed companies from 2015 to 2018. The panel least squares analysis was employed as the estimation method. The unit root and co-integration test for panel data were used as pre-estimation tests to determine the long-term convergence status of the variables. The findings revealed that, among the directors' qualities studied, board size and non-executive directors had a significant impact on firm performance; more importantly, only non-executive directors have a positive impact. On the basis of the findings, it was suggested, among other things, that females be given more opportunities in the board composition because of their natural role of being meticulous, while the board size be reduced to decrease agency costs.*

**Keywords:** 1. Corporate Governance; 2. Board size; 3. Board gender diversity; 4. Board independence; 5. Tobin's Q; 6. Firms performance; 7. Observable factors

**JEL Classification:** G34; L25; M19

---

---

### 1. Introduction

In recent years, Nigeria's business environment has been tainted by fear and uncertainty, resulting in the failure of certain businesses. Despite the anxieties and uncertainties, the range of opportunities and low prices make developing countries like Nigeria an appealing investment destination, and corporate governance is undoubtedly essential for successful investment. Corporate governance is the way corporations are governed; it is the process by which corporations are directed and managed.

Fundamentally, organizational success depends on its corporate governance. Corporate governance is considered a way of running a business. This is the way or strategy of governing and

managing a company (Imasuen, Okoro & Yahaya, 2022; Saidu, 2019; Al-Matari, Al-Swidi & BtFadzil, 2014). The company is controlled via the board and relevant committees to safeguard the interests of the company's stakeholders and the performance. High-quality corporate governance has become very important to protect investors and strengthen and stabilize capital markets (Shettima & Dzolkarnaini, 2018; Atty, Moustafasoliman & Youssef, 2018; Borlea, Achim & Mare, 2017; Catalyst, 2010)

Previous studies (Al-Matari, Al-Swidi, BtFadzil & Al-Matari, 2012; Akpan & Amran, 2014; Fujianti, 2018) have shown that high-quality corporate governance can improve company performance, thereby attracting investment. Despite the company's efforts to establish a high-quality management mechanism and the regulatory framework of the companies has played a fundamental role in formulating a diversified corporate governance code for the company, there are still cases of bankruptcy of companies, which have attracted more people's attention. Corporate governance research is increasing; therefore, it is imperative to study the nexus between board of directors' characteristics and firms' performance.

Al-Matari, *et al.*, (2012) states that since the 1930s, global organizational experts have made assumptions related to corporate governance, including board characteristics, transaction costs, one-to-one institutional correspondence, agent behavior, professional communities, resource dependency and stakeholder management. The Board of Directors (BoD) is an important mechanism for any company whose characteristics and behaviors influence the performance of the company. The board of directors plays a vital role in corporate governance because its main responsibility is to oversee management to ensure due accountability to shareholders and other stakeholders. They are responsible for leading and guiding the company, as well as protecting and planning the interests and investments of the shareholders.

To be precise, BoDs perform many direct and indirect functions in a corporation which include deciding company's strategies; supervising and controlling managers; appointing, supervising and stating the salaries and allowances of senior managers; linking the corporation to outside environment. These functions make the BoDs one among the foremost vital inside corporate governance control strategy in a corporation which directly or indirectly impact on organizational performance. When these functions are done well, the organization's performance is positive otherwise negative. Contrarily, BoDs are criticized for organization's downfall and reduce or reduction in shareholder investment value, especially when their functions are seemed to be poorly executed (Atty, *et al.*, 2018) which negatively affect firm performance.

The functions of BoDs are driven by some unique characteristics of the administrators. There are two (2) variants of board characteristics which affects directors' performance, namely: observable and non-observable factors. A number of the observable factors are BoDs size, BoDs independence, BoDs education level, BoDs gender diversity then on, while the unobservable factors are emotions, royalty, interpersonal relation, communication, then on; this paper focused on four (4) observable characteristics namely board size, gender diversity, non-executive director, and independence

### **1.1 Problem**

One of the legal requirements for incorporation of an organization has BoDs which is why most corporate firms are governed by BoDs. Also, most non-incorporated organization features a board that supervises and monitors the activities of the organization. Given the countless BoDs in situ now, it's rational to ask, why numerous BoDs? What do they exist for? And why do they exist?

What do they do? Can they be improved? What's their relationship with firm's achievement? These many questions et al. are at the centre of corporate governance and management researches.

BoDs are widespread everywhere the world, during a sort of for-profit and nonprofit organizations; more importantly, the existence of BoDs preexist these legislations. In fact, the available signal suggests the opposite: were boards are deadweight cost to the firm; it's expected of them to all or any be at minimum size as fixed by legislation. Yet, actually, BoDs are normally much larger than required by legislation.

A more conceivable theory is that BoDs are a market and financial password to a company design problem, an endogenously determined institution that assists with improving the agency challenge that plague large corporation and generally improve firm performance. If this theory is to be accepted, the large question is then, what are the observable characteristics of the BoDs which will be a market and financial solution, help to amend the agency problems and generally improve performance of a firms?

## **2. Literature review**

### **2.1 Board Size**

Board size is that the number of directors on board. There are two schools of thoughts – small and enormous board size, but there's no agreement on which of them is best. Scholars within the first school of thought are of the view that tiny board size contributes more to the achievement or performance of a firm (Jensen, 1993; Yermack, 1996). Additionally, Yermack (1996) claimed that slow deciding and time consuming are some attributes of huge board. The second hypothesis believes that company performance is often improved through large board size because it allows the gathering of more information and data which hence quality and good deciding (Klein, 1998). Nevertheless, board size is probably going to inspire firm achievement or productivity consistent with the view of Abor (2007) that there's a positive nexus between BoDs size and firm's leverage.

### **2.2 Board Independence**

BoDs independence refers to a company board with majority of out of doors directors. It's believed that subjugated by external or independence directors are more watchful in monitoring behaviours and deciding of the firm (Fama & Jensen, 1993). The rationale is that shareholders' interest might be well protected by external directors than the interior directors. They bring in additional skills and knowledge to the corporate which increases expertise necessary for strategy implementation. For Independent directors to hold out their obligations well they ought to be liberated from management's influence. The effective monitoring by independent directors reduces agency costs and increase company performance (Fama, 1980). The existence of independent BoDs gives superior quality to board's negotiation, discussion and decision (Heravia, Saat, Karbhari & Nassir, 2011). However, in completing their function of monitoring, and supervisor independent BoDs face abundant task as they're indirectly affiliated with the organization's management (Weisbach, 1998).

The fact that independent directors are on board doesn't promise upright corporate governance control. It's going to be possible some independent BoDs are hired to only fulfill the slightest legislative necessities. a number of the BoDs might not be actually independent from the organization's executives who hire them or they could have developed strong acquaintance

with the highest management over the amount they need served on the board. In order to preserve BoDs independent, Nigerian stock market spelt out conditions for selecting of independence BoDs as follows:

- Is one that's free from any relation with the corporate which will affect his ability to form independent judgments;
- Is not an accomplice or a pacesetter of the organization's legal review firm, equivalent or counseling firms that partner with the organization for a really while going before his arrangement
- Should haven't any business dealings that would impair his capacity to act in an autonomous manner
- Should not be a vendor, supplier or customer of the company;
- Is one who isn't a member of the direct family of the one that is or has been within the employment of the corporate for the past three years;
- Has not served the corporate in any capacity or been employed by the corporate for the preceding 3year financials;
- Should not be one whose shareholdings both direct and indirect do not go above 1% of the firms' paid-up-capital.

John and Senbet (1998) pronounced that a board is more independent if it's significant non-executive directors. Another study by Agrawal and Knoeber (1996) have shown nexus between independent BoDs and performance of firms.

### **2.3 Gender Diversity**

Studies on women on BoDs have received considerable attention and have led to the legislation in some countries making reservations for women in the board of firms. As an example, in Europe, especially, Norway and Sweden imposed gender quota on BoDs of listed companies (Rondoy, Oxelheim & Thomsen, 2006). Also, the USA Security and Exchange Commission mandated all listed companies to encourage diversity within the appointment of board members. The presence of girls on board is increasing within the words (Carter, Simkins & Simpson, 2003) such that "women hold about 15% of board seats in Fortune 500 companies in 2010, while they also occupied 9.4% board seats of French companies.

Most companies select women into the board on the basis that they support the resource aimed at enhancing performance (Hillman, Cannella & Paetzold, 2000). These board members carry resources like prestige, skills, knowledge, and connection to external resources. Several studies are conducted to determine the bexus between board women and company performance but findings of those studies are mixed. Carter and Simkins (2003) and Luckerath-Rovers (2010) found positive significant nexus between women directors and performance of organization. Smith, Smith and Verner (2006) found significant effect of girls' board membership on firm performance.

### **2.4 Non-Executive Member**

Members from inside have an important role in monitoring the overall manager and in exchange, the insiders are under careful observation of the overall manager. In other words inside members may send information to outside members if there's evidence of abuse made by the overall manager. In other words, if inside members play an efficient role to watch and facilitate

information asymmetries, this might increase the firm's corporate governance structure that ultimately will cause better performance.

However, generally within companies of the market inside members are usually aligned with the overall manager and since of their relationship with the latter default, members of the inside cannot contribute to the effective monitoring of head. Therefore, BoDs with many executives doesn't automatically increase firm's performance. Structure of BoDs must ensure equality between executive board members and non-executive board members in order that no group can dominate.

## **2.5 Theoretical Framework**

The theoretical framework of this paper is anchored on the Affective Events and Agency Theories; these theories are briefly discussed as follows:

### ***Affective Events Theory (AET)***

Affect has been defined as how one feels on the work or one's emotional reaction to job events. AET, as postulated by Weiss and Cropanzano (1996), proposed a nexus between job affect and on-the-job behaviors. Affective Events Theory provides a framework for understanding events that produce emotional responses in employees by proposing that these reactions cause long-term consequences for a corporation, including employees' attitude, behaviours, and job performance". Using the affective theory, it then portends that the emotions of a director could have an impact on his/her job performance which translates to the how well/not well a firm does, because the firm value may be a function of the director's effectiveness on the work.

### ***Agency Theory***

The principal-agent framework is employed by Jensen and Meckling (1976) to clarify the conflict of interest between managers and shareholders. The agency problem as espoused by Jensen and Meckling (1976) is an important part of the contractual view of the firm. Directors are contractual agents of the firm, and one among their primary functions is to watch and direct the affairs of the firm. This function by the board is vital due to the potential costs incurred when management pursue its own interest at the expenses of shareholders' interests.

Berle and Means (1932) declared that when ownership and control are separated (as they're in latest firms), managers may pursue their self-interest at the expense of profit maximization, thereby creating "agency" costs. Consistent with scholars like Fama (1980) and Zahra and Pearce (1989), they found that board of directors can reduce agency costs inherent within the separation of control and ownership, during this way, improves firm value and performance.

## **3. Methodology**

The correlation research design was used to assess the BoDs observable characteristics (size, gender diversity, non-executive, and board independence) as independent variables and firm performance (dependent variable - Tobin-Q). The study population consists of 370 active and trading listed stocks in Nigerian Stock market with a breakdown of 92 active listed firms in 2015 and also 92 active listed firms in 2016, 93 in 2017 and also 93 in 2018 ([www.cashcraft.com](http://www.cashcraft.com)). The

study used disproportionate random sampling technique using a sample of 100 firm-year observations covering 25 active listed firms in the periods of 2015 to 2018.

Secondary data provides a reliable source of the information needed by researchers to investigate the phenomenon and seek efficient ways for problem solving situations. The data for all the variables were extracted from the annual reports and accounts of the listed companies at the Nigerian Stock Exchange from 2015-2018. Data of observable characteristics obtained were board size, gender diversity, non-executive director and independence while performance measure is Tobin's Q. On the basis of the above, following regression equation was estimated:

$$COP = \beta_0 + \beta_1 Bsize + \beta_2 Bind + \beta_3 Bnex + \beta_4 Bgend + \varepsilon$$

Where:

Cop = company performance measured by Tobin Q (market value/total asset)

Bsize = Number of directors on board

Bind = percentage of independent directors on board

Bnex = percentage of non-executive to size of board

Bgend = percentage of women directors on board

$\varepsilon$  = Error term

### The Estimation Techniques

The estimation technique used in this study is the regression analysis. This is to enable the researchers test the magnitude and direction of the independent variables (size, gender diversity, non-executive, and board independence) as independent variables and firm performance as the dependent variable (Tobin Q). The pre-estimate tests statistic are unit root test via Augmented Dickey Fuller (ADF) and co-integration test.

## 4. Findings

The variables in the model may be non-stationary resulting in the regression model to generate spurious result; and the outcome will be biased towards finding a significant relationship among variables (Granger, 1998; Onodugo, Ikpe & Anowor, 2013). To overcome spurious results, the time-series aggregates are usually subjected to test of stationary by testing for the presence or absence of unit root using via ADF. The test was done at 1, 5 and 10 percentages. The results are summarized in Table 1 below.

**Table 1 - Unit Root Test using ADF**

Variable	1%	5%	10%	t-statistic	Pro	Order of Integration
COP	-3.498	-2.891	-2.583	-10.189	0.0000	I(0)
Bsize	-3.498	-2.891	-2.583	-8.167	0.0000	I(0)
Bind	-3.532	-2.906	-2.590	-6.829	0.0000	I(0)
Bnex	-3.499	-2.891	-2.583	-8.559	0.0000	I(0)
Bgend	-3.498	-2.891	-2.583	-10.445	0.0000	I(0)

*At 5% significant level; Source: Researcher's Computation, 2022*

All the variables are stationary at order zero or origin I(0). This means that the data converged after random walk at origin thereby absencing the data spuriousity and avoiding making nonsense of the empirical model.

**Table 2 – Co-integration Test Result**

Unrestricted Co integration Rank Test (Trace)				
Hypothesized		Trace	0.05	
No. of CE(s)	Eigen Value	Statistic	Critical Value	Prob.**
None*	0.773	186.336	69.819	0.0000
At most 1*	0.486	100.379	47.856	0.0000
At most 2*	0.428	61.804	29.797	0.0000
At most 3*	0.275	29.372	15.495	0.0002
At most 4*	0.169	10.704	3.843	0.0011

Trace test indicates 5 cointegrating eqn(s) at the 0.005 level

\*denotes rejection of the hypothesis at the 0.05 level

\*\*MacKinnon-Haug-Michelis (1999) p-values

Source: Researcher’s Computation, 2022

The result of table 2 shows that there exist at least five (5) co-integrating equations at 5% level of significance. This is because the likelihood ratio is greater than the critical values at 5%. This shows that there is long run relationship between and among variables. The result indicates that, in the long run the dependent variables can be efficiently anticipated using the independent variables.

**Table 3: Fixed and Random Effects Results (DV: COP)**

Variables	Fixed Effect Result	Random Effect Result
C	<b>-0.105</b> (0.971)	<b>2.487</b> (0.221)
Bsize	<b>-0.380</b> (0.284)	<b>-0.539</b> (0.042)*
Bind	<b>0.195</b> (0.676)	<b>-0.259</b> (0.485)
Bnex	<b>0.947</b> (0.042)*	<b>0.948</b> (0.011)*
Bgend	<b>-0.071</b> (0.889)	<b>-0.073</b> (0.872)
Prob(F-statistic)	0.625	0.039
D.W stat	2.129	1.689
Hausman Test		0.565 > 0.05
Cross-sections included	25	25
Number of observations	85	85

Source: researcher’s computation 2021: Note: P values in bracket( ) \* (significant)

From the result of table 3, since the Prob>chi2 (0.565) is greater than 0.05, it means that the result of the random effect is preferred to the fixed effect, hence the random effect result is more desirable. The result of Prob>F which is 0.039 and less than 0.05 showed that all the coefficients in the model are different from zero which makes the empirical model suitable. Again, the result of Durbin Watson (DW) statistic of 1.689 indicated the absence of serial auto correlation in the empirical model of the study.

The relationship between observable characteristics and firm performance has generated debate in developed nations of the world; however, there is dearth of empirical studies in this area in developing nations like Nigeria. Given the dearth of studies, this study assessed the relationship

between observable characteristics and firm performance in Nigeria. Findings of the study showed that out of the four observable characteristics investigated; only two such as board size and non-executive membership significantly affect firm performance. Moreover, all the observable characteristics have negative coefficient except non-executive membership which has positive effect on firm performance.

Specifically, the coefficient result of board size revealed that a unit increase board size will decrease corporate performance by 0.539 and it significantly affects corporate performance because the p value (0.042) is less than 5%. This means that an increase in board size will reduce company performance by 54%. This goes to mean that large board size is not good for a company and it is significant. In the same vein, a unit increase in board independence will decrease corporate performance by 0.259 but it is insignificant.

Impliedly, this means that an increase in board independence will reduce company performance by 26%. This goes to mean that the more independent board membership is, the more it is detrimental to the company but not significant. In addition, a unit increase in board non-executive membership will increase firm performance by 0.948 and is significant. This means that an increase in board non-executive membership will increase company performance by 95%.

This goes to mean that more independent board membership is good for a company and it is significant and lastly, a unit rise in gender diversity will reduce the performance of firms by 0.073 but it is insignificant. This means that an increase in gender diversity will decrease company performance by 7.3%. This goes to mean that diversity of board membership is not good for a company but insignificant. The result of our study agrees in part with the findings of (Imasuen, Okoro & Yahaya, 2022; Saidu, 2019; Atty, *et al*, 2018; Somathilake, 2018; Moss, 2018; Fujianti, 2018).

## 5. Conclusion

This study investigated directors' observable characteristics and firm's performance using twenty five (25) listed companies in the Nigerian Stock Exchange for a period of four years spanning from 2015 to 2018. A cross-sectional research design was used and secondary data of observable characteristics (board size, board gender diversity, non-executive director, and board independence) and performance measure (Tobin's Q) were obtained.

Findings indicated that out of the four directors characteristics (size, gender diversity, non-executive, and board independence) studied, only two (board size & non-executive membership) significantly affect company performance. Also, all the independent variables have a negative coefficient except non-executive membership which has positive effect on company performance. Given the findings of the study, it was recommended that female directors should be given more opportunity in the board composition because of their natural role of being meticulous and diligence in their various assignments while size of the board should be cut-down; this may go a long way in boosting firms' performance.

In fact, the findings of this study apart from being the few studies in Nigeria with unique business climate, will provide the chief executive officers, shareholders as well as investors some insights into how the performance of a firm is a function of directors' characteristics. In general, this study provided academics and practitioners with a clear view about the relationship between board characteristics and firm performances in Nigeria. Again, future researchers may consider conducting a comparative analysis of certain directors' observable characteristics and firms'

performance in Nigeria to ascertain whether there is any difference between in the period of four years and beyond.

## 6. References

1. Abor, J. (2007). *Corporate governance and financing decisions of Ghanaian listed firms: Corporate governance. International Journal of Business in Society*,22(1), 83-92.
2. Agrawal, A., & Knoeber, C.R. (1996). *Firm performance and mechanisms to control agency problems between managers and shareholders. Journal of Financial and Quantitative Analysis*,31(3), 377-397.
3. Akpan, E.O & Amran, N.A.(2014). *Board characteristics and company performance: Evidence from Nigeria. Journal of Finance and Accounting*, 2(3),81-89
4. Al-Matari, E.M., Al-Swidi, A.K., BtFadzil, F.H & Al-Matari, Y.A. (2012). *The impact of board characteristics on firm performance: Evidence from nonfinancial listed companies in Kuwaiti stock exchange. International Journal of Accounting and Financial Reporting*, 2(2),310-332
5. Al-Matari, E.M., Al-Swidi, A.K., & BtFadzil, F.H. (2014). *The effect on the relationship between board of directors characteristics on firm performance in Oman: Empirical study. Middle-East Journal of Scientific Research*, 21(3), 556-574.
6. Atty, A.M.A., Moustafasoliman, M. & Youssef, A.E. (2018). *The effect of board of directors characteristics on firm's financial performance: an empirical study on the most active firms in the Egyptian stock exchange. Open Access Library Journal*, 5: e4993.
7. Berle, A. & Means, G..(1932). *The modern corporation and private property. New York: The Macmillan Corporation.*
8. Borlea, S.N., Achim, M.V. & Mare, C. (2017). *Board characteristics and firm performances in emerging economies. Lessons from Romania. Economic Research-EkonomskaIstraživanja*,30(1), 55-75.
9. Carter, D.A., Simkins, B.J. & Simpson, W.G. (2003). *Corporate governance, board diversity and firm value. The Financial Review*,38(1), 33-53.
10. Catalyst, (2010). *The bottom line: Connecting corporate performance and gender diversity, New York.*
11. Demirag, I. (2005). *Corporate social responsibility, accountability and governance: Global perspectives. Greenleaf Publications.*
12. Fama, E., & Jensen, M.. (1993). *Separation of ownership and control. Journal of Law and Economics*,26(5), 301-325.
13. Fama, E..(1980). *Agency problems and the theory of the firm. Journal of Political Economy*,88, 288-307.
14. Fujianti, L. (2018). *Top management characteristics and company performance: An empirical analysis on public companies listed in the Indonesian stock exchange. European Research Studies Journal*,XXI(2), 62-76.
15. Granger, C.W.J. (1986). *Developments in the study of cointegrated economic variables. Oxford Bulletin of Economics and Statistics*,48(3), 213-228.
16. Heravia, S., Saat, N.M., Karbhari, Y. & Nassir, A.. (2011). *Effective oversight roles of board of directors: The case of listed firms on Bursa Malaysia. World Review of Business Research*,1(1), 231 – 245.
17. Hillman, A.J., Cannella, A.A. & Paetzold, R.L. (2000). *The resource dependence role of corporate directors: Strategic adaptation of board composition in response to environmental change. Journal of Management Studies*,7, 235-255.
18. Imasuen, F.O., Okoro, G.E. & Yahaya, G.H. (2022). *Chief executive officer attributes and the value of the firm: Does firm size play a moderating role? International Journal of Management and Sustainability*, 11(1), 46-57

19. Jensen, M..(1993). *The modern industrial revolution, exit, and the failure of internal control mechanisms. Journal of Finance*,48(3), 831- 880.
20. Jensen, M.C., &Meckling, W.H. (1976). *Theory of the firm: managerial behavior, agency costs and ownership structure. Financial Economics*, 3(4), 305-360, 1976
21. John, K. & Senbet, L.W.. (1998). *Corporate governance and board effectiveness. Journal of Banking and Finance*,22, 371-403
22. Klein, W. (1998). *Firm performance and board committee structure. Journal of Law & Economics, University of Chicago Press*,41(1), 275-303.
23. Luckerath-Rovers, M. (2010).*A comparison of gender diversity in the corporate governance Codes of France, Germany, Spain, the Netherlands and the United Kingdom. Online: www.ssrn.com*
24. Moss, R. (2018). *Does the gender composition of a board of directors affect firm performance?Dissertation at School of Economics, University of Nottingham.*
25. Onodugo, V.A., Ikpe, M. & Anowor, O.F. (2013). *Non-oil export and economic growth in Nigeria: A time series Econometric model. International Journal of Business Management & Research*, 3(2), 115-124.
26. Rondoy, T., Oxelheim, L., &Thomsen, S.A. (2006). *Nordic perspective on corporate board diversity. Working Paper, Nordic Innovation Centre, Oslo, November, 2006.*
27. Saidu, S. (2019). *CEO characteristics and firm performance: focus on origin, education and ownership. Journal of Global Entrepreneurship Research*, 9(29), 1-15.
28. Shettima, U & Dzolkarnaini, N. (2018). *Board characteristics and microfinance institutions' performance: Panel data evidence from Nigeria. Journal of Accounting in Emerging Economies*,8(1), 1-32
29. Smith, N., Smith, V. & Verner, M. (2006). *Do women in top management affect firm performance? A panel study of 2500 Danish firms. International Journal of Productivity and Performance Management*,55(7), 563-599.
30. Somathilake, H.M.D.N. (2018). *The effect of board characteristic on firm financial performance. Global Scientific Journal*,6(5), 117-127.
31. Weisbach, M.S..(1988). *Outside directors and CEO turnover. Journal of Financial Economics*,20(1), 432-460.
32. Weiss, H.M. & Cropanzano, R. (1996). *Affective events theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work. Research in Organizational Behaviour*,18, 1-74.
33. Yermack, D. (1996). *Higher market valuation of companies with a small board of directors. Journal of Financial Economics*,40(2), 185-221
34. Zahra, S.A. & Pearce, J.A..(1989). *Boards of directors and corporate financial performance. A review and integrative model. Journal of Management*,15(2), 291-334, 1989