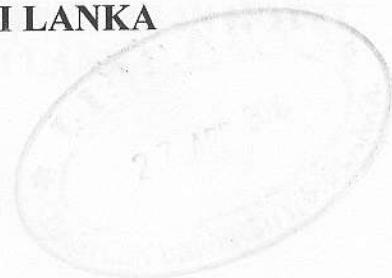


**THE IMPACT OF THE CORPORATE GOVERNANCE ON  
FIRM'S PERFORMANCE OF LISTED COMPANIES IN HOTEL  
AND TRAVEL SECTOR IN SRI LANKA**



**NAKANDALAGE KASUN VIBHUTHIYA**

**1801**



**DEPARTMENT OF COMMERCE  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA**

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## ABSTRACT

The purpose of this study is to examine the relationship between corporate governance practices and firm performance in Sri Lanka. This study is a comparative analysis to identify the changes to corporate governance practices from year 2012 to 2016. A sample of 20 companies was selected from hotel and travel sector in which resided under Colombo stock exchange in Sri Lanka.

The theoretical basis for this study was agency theory, which focuses on the separation of ownership and control. Literature in relation to corporate governance practices and firm performance. The conceptual framework underpinning this study described how the corporate governance practices impacted to the firm performance. In this framework corporate governance variables were board composition, independence of committee, leadership structure and director's remuneration. And performance measure variables are ROA and ROE.

This study used secondary data and data analyzed using SPSS software. As well as descriptive statistics analyzed mean, standard deviation, variance and Spearman rank correlations are applied to analyze data.

Descriptive statistics from the study showed a significant increase in corporate governance practices between year 2012 to 2016 for board composition, independence of committees, leadership structure and director's remuneration.

Findings of this study that corporate governing practices are positive relationship with the firm's performance in Sri Lanka. But it is not significance. Based on the scores obtained by the sample companies those firm's performance reliable for corporate governance practices.

**Keywords:** Corporate Governance, Firm Performance, Sri Lanka

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