DOI : 10.18843/ijms/v6i2(3)/02
DOI URL :http://dx.doi.org/10.18843/ijms/v6i2(3)/02

An Empirical Analysis of Relationship Between Variables of Board Composition and Corporate Performance of Indian Firms

Prof. J.K. Sharma,
Head,
Department of Business Administration,
University of Lucknow, India.

Sukhmani Gandhi,
Assistant Professor,
Navyug Kanya Mahavidyalaya,
Lucknow, India.

ABSTRACT

This paper examines the relationship between the board composition and market as well as accounting-based indicators of corporate performance. The sample for the study consisted of 153 BSE listed firms, having a market capitalization of 100000 million rupees or more for the year 2017. Board size, presence of independent directors and executive directors are treated as independent variables, whereas return on equity (ROE), return on assets (ROA), return on capital employed (ROCE) and growth in the market capitalization of a company are treated as dependent variables to evaluate the corporate performance. The results portray that performance of the firm is independent of the presence of executive directors on the board. On the other hand, significant impact of independent directors was observed on corporate performance, when measured through return on equity (ROE) and return on assets (ROA). Board size was found to be significant while determining performance through return on assets (ROA). Independent variables did not influence the compound annual growth rate of market capitalization of sample firms, but board size had a significant impact only in the determination of market value of professionally managed firms. The correlation analysis of the predictors used for the study revealed that board size had a moderate and significant correlation with board independence and least significant correlation with executive directors. This study aims to contribute to the extant literature regarding the impact of corporate governance variables on the performance of listed Indian firms.

Keywords: board size, independent directors, executive directors, professionally managed, market capitalization.

INTRODUCTION:

The series of recurrent corporate scandals that occurred mainly due to governance failures, in many countries including India turned the heat on the need for strengthening the corporate governance mechanisms in the country. The definitions on the Corporate Governance, (OECD, 1999; Cadbury, 1992; CII, 1998) imply that governance mechanisms are supposed to ensure avoidance of agency conflicts and preservation of the stakeholders' rights. It is here that the board of directors act as a link to bring congruity among different classes of stakeholders. Sarkar (2009) identified board as a governance mechanism to align or balance the interest of the stakeholders. An effective governance system of a firm helps in boosting the investors' confidence and also to utilize the resources of the firm efficiently and effectively. The Indian Companies Act, 2013 and clause 49 of the Listing Agreement by the SEBI Regulations contain mandate provisions and regulations with respect to corporate governance, which are required to be strictly complied by the firms. Ghosh (2006) points out that board size, presence of outside and inside directors on the board, constitute the board structure and also act as proxies of corporate performance. Clause 49 of the SEBI Regulations, mandates the importance of having a balanced board, which has the optimum mixture of inside and outside directors. It has also laid down regulations regarding board independence, wherein, independent directors are required to be present in the board as well as

different committees of the board. In the emerging economies like India, the existence of family controlled firms in majority has highlighted the importance of board independence. It can play a significant role to prevent any misuse of resources or expropriation of money by the owners of the firm. It is expected that they are more effective monitors of the firm than inside directors. On the other hand, executive or inside directors assists the firm in managing its business operations on a routine basis. They are considered as 'credible source of information' (Sarkar, 2009) since they are well versed with the details of the business, technical specifications and other relevant information of the firm. In some instances, inside directors might be involved in insider-trading or misuse of power (in case of CEO duality). Overall, firms with well governed boards are believed to outperform the boards that are poorly governed.

Sufficient research has been done on corporate governance in developed nations but void of research exists in the developing nations, particularly in the Indian corporate sector, to explain how governance structure influences the performance of the firms. Also, limited empirical research in this area in the past decade, is a motivation to perform this study.

Till so far, either the companies of a particular sector or the companies listed on a particular stock exchange have been considered for the sample in this area of research. To test the widely believed notion, that companies with larger market capitalization owe their performance to their governance structures, this study categorizes the sample firms on the basis of market capitalization and only Large Cap companies are treated in sample size for the study.

Thus, the objective of the paper is to examine whether any relationship exists between the board composition variables/structure and different accounting as well as market based indicators of corporate performance.

The second part of the paper deals with the review of literature on various board composition variables used for the study as well as hypotheses formulation. The third part describes the research design. The last section explains the results, findings and conclusions of the study.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT:

The board of directors has been recognized as one of the key factors of the corporate governance mechanisms. It is believed that if they work in an efficient manner, they can contribute positively to board effectiveness and performance of the firm. Board composition and board size have been pointed out as the important components of board structure (Bachiller et al, 2015). The pivotal role of the board, is contained in the Agency Theory, which is to dampen the conflicting interests, arising between the owners and the stakeholders.

Board Size and Performance of the Firm:

Survey of literature reveals that reforming of the board is one of the steps that can be taken in the Indian corporate sector to avoid the recurrence of the corporate scams. The Indian Companies Act, 2013 does not prescribe any ideal board size nor does it mention any maximum number of members to be present on the board, whereas Clause 49 of the SEBI regulations, advocates the formation of a board having balanced proportion of executive and non-executive directors.

An ideal size of the board can be described as the one which expedites the decision-making process and facilitates healthy discussion among members of the board. The board size can be determined on the judgement of the company itself or its shareholders and it can vary from one company to another company on the basis of its requirements. Extant literature reveals mixed results regarding the board size of the firm and its impact on the performance of the firm. An increase in the size of the board has always been a topic of debate among the firms. Majority of the empirical evidence reveals that expansion in the size of the board beyond an acceptable limit, does not increase the value of the firm, indicating an inverse relationship between the two (Ghosh, 2006; Dey & Chauhan, 2009; Kumar & Singh,2013). Expansion of board affects the decision making of the firm in an adverse manner (Kumar & Singh, 2013). According to the Agency Theory perspective, larger boards are more efficient as compare to smaller boards. Mehrotra (2016) point out the reason that the larger boards can monitor the action of board in more vigilant way, but very limited empirical evidence has been found to prove the positive impact of larger board size on the firm performance. Study by Dey & Chauhan (2009) concludes that in case of all listed firms, except the public sector units, smaller boards are found to be more effective.

Survey of empirical literature on board size points out the composition of larger boards in case of family firms in India. The reasons can be explained to be the following, firstly, preference of such firms to appoint more executive directors on board rather than independent non-executive directors and secondly, there may be probable chances of the same person being appointed as the chairperson and CEO (referred as CEO duality-where the same person is in the capacity of CEO and Chairman) so as to concentrate the power in the single

hands. The report by Spencer Stuart, titled as the India Board Index – 2015, revealed in their findings that, for the year 2015 the average board size of BSE – 100 firms was found to be 10.3.

Board Independence and Firm Performance:

Lack of commitment on the part of the board was identified as one of the reasons behind the occurrence of corporate scandals in India. This led to focusing more on balanced boards, containing optimum mixture of outside and inside directors. Clause 49 of SEBI Regulations states,

board of directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors. The number of independent directors would depend whether the Chairman is executive or non-executive. In case of a non-executive chairman, at least one-third of board should comprise of independent directors and in case of an executive chairman, at least half of board should comprise of independent directors.

Survey of literature regarding corporate governance in Indian context, reveals that board independence is one of the essential elements of corporate governance mechanism. It is also one of the determinants of board composition. As per the revised regulations laid down by the Clause 49 of the Listing Agreement, different committees of the board must comprise of majority of independent directors. Independent directors are the outside directors who do not have any kind of affiliation with the company or its board.

The Agency Theory perspective views independent directors as arbitrators, who ameliorate any kind of conflict arising between the owners and the different stakeholders. They act as watchdog and guide the actions taken by the management so as to maximize the wealth of the shareholders. They also work to preserve the interest of the stakeholders of the company. According to Gavin & College (2012), they work in a free manner without any undue influence, which helps them to stay focused on their goals. Presence of majority independent directors on the board, refrains the management from taking any such decisions, which are influenced by their own opportunistic behaviour (Sarkar, 2009; Bammens et al, 2011).

In case of listed firms of Sweden, Russia and East European nations, board independence has a positive influence on the firm performance (Ivashkovskaya & Stepanova, 2010; Palmberg, 2015). On the other hand, survey of literature regarding corporate governance in Indian context, reveals the contradicting results. Board independence has not been considered as an important determinant of corporate performance. No empirical findings show any positive impact of presence of independent directors on the corporate performance (Dey & Chauhan, 2009; Sarkar, 2009; Kota & Tomar, 2010; Gaur et al, 2015).

In emerging economies like India, family controlled corporations are the most pre-dominant form of business. In such firms, the independent directors are mostly the references of the management and opinions and decisions taken by them are usually guided and influenced by the actions and instructions given to them by the management (Dey & Chauhan, 2009). This, in turn does not allow the independent directors to discharge their roles as 'real independent directors'.

According to the Resource Based View, presence of independent directors on the board helps the firm to explore new ideas and insights and use them as a means of achieving competitive advantage. They help the firm to leverage its available resources. The diverse knowledge, skills, expertise and valuable external resources and networking of independent directors make the board as more of a learning one. Maseda et al (2015) find that independent directors can add positively to the value of the firm only if their resources complement with the resources of inside directors.

Executive directors and Corporate Performance:

Inside directors or executive directors are those, who are employed on a full-time basis by the organization and assist in the day-to-day administration of the business in an efficient manner. Such directors are assumed to have comprehensive and robust knowledge regarding the business, technical details and operations of the firm (Maseda et al, 2015). They are expected to play a fiduciary role and work for the best interest of the organization. Their functions involve drafting of strategic plans, their successful implementation so as to bring cost and time benefits to the firm. Sarkar (2009) finds out that executive director are essential for effective functioning, since they are credible source to provide information. Usually, the executive directors are placed on the top management positions like the Chief Financial Officer (CFO), Chief Operating Officer (COO) or the Chief Executive Officer (CEO) or the managing director (MD). In most of the cases, they work in the capacity of the Chief Executive Officer as well as the Chairperson (known as CEO Duality), where power is concentrated in single hands. Section 195 of the Indian Companies Act, 2013 restricts the directors to indulge in any insider trading of the securities of the company.

Lodh et al (2014), elucidate 'tunneling of resources' is a common practice among the inside directors of family firms. The expropriation of money from the firm is done for their own use or personal benefits. Hence, inside directors mostly work under the influence of owners or promoters where achievement of self-interest is preferred over organizational interest.

FORMULATION OF HYPOTHESES:

In alignment with the major empirical findings on the different variables of Board composition, we formulate the following set of hypotheses:
H1: Performance of the firm, as measured by ROE is influenced by the elements of Board Composition.
H1a: ROE of a firm is influenced by its Board size.
H1b: ROE of a firm is influenced by the presence of independent directors on the board.
H1c: ROE of a firm is influenced by the presence of executive directors on the board.
H2: Performance of a firm, as indicated by ROA is influenced by the elements of Board Composition.
H2a: ROA of a firm is influenced by its Board size.
H2b: ROA of a firm is influenced by the presence of independent directors on the board.
H2c: ROA of a firm is influenced by the presence of executive directors on the board.
H3: Performance of a firm, measured by ROCE, is influenced by the elements of Board Composition.
H3a: ROCE of a firm is influenced by its Board size.
H3b: ROCE of a firm is influenced by the presence of independent directors on the board.
H3c: ROCE of a firm is influenced by the presence of executive directors on the board.
H4: Performance of a firm, when determined by compound annual growth rate or CAGR of the market capitalization of a company, is influenced by the elements of Board Composition.
H4a: CAGR of the market capitalization of a Company, is influenced by its Board size.
H4b: CAGR of the market capitalization of a Company, is influenced by the presence of independent directors on the board.
H4c: CAGR of the market capitalization of a Company, is influenced by the presence of executive directors on the board.

RESEARCH DESIGN AND METHODOLOGY:

The sample for the study comprised of firms listed on the BSE and data source used in the CMIE's (Centre for monitoring Indian Economy) Prowess database. The market capitalization of the firms for 2017 was used for selection of companies. Companies having the market capitalization of more than 100000 rupees million (categorized as Large Cap Companies) were selected, reducing the sample size to 212 companies. From the sample, banking firms and the public sector units were excluded. Further, firms with non-availability of the required information were deleted. The final sample of study comprised of 153 firms. Other data related to the board of directors and the relevant financial data required for the study was supplemented from the annual reports available on the official websites of the respective companies. Statistical software package, SPSS has been used in the paper to test the stated hypotheses.

DESCRIPTION OF THE VARIABLES:

Dependent Variables:

Market as well as accounting-based indicators have been used as proxies to measure the performance of the firms. The following dependent variables have been used in the paper.

a. **Return On Equity (ROE):** Also known as return on net worth. It is the ratio of net (annual) income to shareholders equity or the ratio of earnings per share to book value of shareholders equity. It can be expressed as –
   ROE= Net income /Shareholders' Equity.
   ROE has been used as a proxy variable to measure the firms' profitability because it analyses how effectively the funds which have been invested by the shareholders, help the firm to generate earnings. It depicts the ability of the management to generate earnings growth with the available equity.
b. **Return on assets (ROA):** It is the ratio between the net operating income and average total assets of the company. It is expressed as-
   ROA= Net income of the firm/ Average total assets.

It helps to analyze how efficiently the management has leveraged its assets to generate profits.

c. **Return on capital employed (ROCE):** This measure is an indicator of the profitability of the firm and analyzes the decision making ability of the management to generate earnings by investing the capital available with it during a given period. It is usually the ratio of EBIT to the capital employed by the company and can be expressed as-
ROCE= EBIT/capital employed by the firm.

d. **Growth in market capitalization:** Besides the conventional proxies of corporate performance, the paper examines the performance of a firm in terms of the market value attached to it. The market capitalization of a company has been used to assess the value of the business in terms of stock prices. Usually, the results derived from financial ratios are based on historical cost, thereby limiting the entire dependency on financial statements of a company. Hence, market value is also used as a proxy of firm's performance.
Due to volatility in the market capitalization, CAGR or Compound Annual Growth Rate has been calculated for the last 5 years, from 2013 to 2017. The formula used is as follows:
CAGR = [(Ending Value - Beginning Value) ^ (1/N)] – 1.
Ending Value = market capitalization of the year 2017
Beginning Value = market capitalization of the year 2013
N = number of periods/years taken for study

Independent Variables:

a. **Board Size:** It refers to the total number of directors constituting the board of a company at the end of a financial year.
b. **Independent directors:** Independent directors are those directors of the company who are neither the employees of the company nor are they affiliated to the organization in any manner.
c. **Executive directors:** Also known as inside directors. They are full time directors or employees of the firm and assist in the administration of firms' business and operations (Sarkar & Sarkar, 2009).

The paper attempts to determine the following:

(i) The correlation between the various predictors, Board Size, presence of independent directors and executive directors, using the Karl Pearson's correlation method.
(ii) The relationship between independent and dependent variables using the Simple Linear regression method.

FINDINGS AND DISCUSSION:

Results of the Karl Pearson's correlation matrix :

Table 1: Correlation Matrix

		Board Size	Executive Directors	Independent Directors
Board Size	Pearson Correlation	1	.283**	.636**
	Sig. (2-tailed)		.000	.000
	N	153	153	153
Executive Directors	Pearson Correlation	.283**	1	.288**
	Sig. (2-tailed)	.000		.000
	N	153	153	153
Independent Directors	Pearson Correlation	.636**	.288**	1
	Sig. (2-tailed)	.000	.000	
	N	153	153	153
**. Correlation is significant at the 0.01 level (2-tailed).				

The table 1 presents the correlation results between the predictors used for the study. The strength of the relationship between predictors is either low or moderate (maximum and minimum coefficient of correlation being .636 and .283 respectively), which indicates that the independent variables are not auto-correlated. Further, analysis of the correlation matrix reveals that the predictors are positively correlated with each other, implying a direct positive correlation. Board size and presence of independent directors show a moderately significant association whereas the least significant relationship was observed between board size and presence of executive directors on the board.

One of the reasons for positive association between the board size and board independence might be that the compliance of mandatory provisions laid down by the Clause 49 of the SEBI regulations, with respect to board composition, and forcing the firms to attain a balance of independent directors and maintain their required percentage on the board.

Regression Results:

Table 2 depicts the regression results for the first hypothesis of the study, that is, H1 (H1a, H1b, H1c), which explains the relationship between the Board Composition Variables used in the study and corporate performance, as measured by the accounting indicator of profitability, ROE.

Table 2: Regression Results of Impact of Predictors on Return on Equity

Independent variable	Beta coefficient	t-statistic	p-value
Constant	22.795	1.941	.054
Board Size	1.749	1.651	.101
Executive Directors	-.385	-.246	.806
Independent Directors	-4.269	-2.515	.013
R^2 = .043			
F-value = 2.236			

Note: Significance level is .05; N=153

Analysis of the table reveals that number of independent directors on board has a significant influence (since p< .05) on the firm's ROE. It can be interpreted that majority presence of independent directors on the board, can ensure improved earnings. On the other hand, the predictors account for an approximate 4% variance only in the estimation of ROE. Hence, the other predictors are not significant in determining the ROE. Therefore, hypothesis H1b is supported.

Table 3 shows the results for the second hypothesis formulated for the study, that is, H2 (H2a, H2b, H2c), which analyzes the relationship between the Board Composition Variables used in the study and corporate performance, as reflected through ROA.

Table 3: Regression Results of Impact of Predictors on Return on Assets

Independent variable	Beta coefficient	t-statistic	p-value
Constant	7.037	1.399	.164
Board Size	1.183	2.605	.010
Executive Directors	.514	.767	.444
Independent Directors	-2.224	-3.058	.003
R^2 = .067			
F-value = 3.546			

Note: Significance level is .05, N=153

Insights into Table 3 reveal that for the estimation of ROA, the total members on the board and presence of independent directors on board are significant predictors (since p< .05). This indicates that firms complying with the mandate corporate governance provisions, as laid down by the Clause 49 of the SEBI Regulations and the provisions laid in the Indian Companies Act, 2013 tend to have larger boards with presence of independent directors. The independent variables account for an approximate 7% variance in the calculation of ROA. Thus, hypothesis H2a and H2b are supported.

Table 4 presents the results for the third hypothesis of the study, that is, H3 (H3a, H3b, H3c), which determines the relationship between the Board Composition Variables used in the study and corporate performance, as measured by the accounting indicator of profitability, ROCE.

Table 4: Regression Results of Impact of Predictors on Return on Capital Employed

Independent variable	Beta coefficient	t-statistic	p-value
Constant	187.478	2.785	.006
Board Size	-5.565	-.916	.361

Independent variable	Beta coefficient	t-statistic	p-value
Executive Directors	-10.962	-1.224	.223
Independent Directors	-.624	-.064	.949
R^2 = .027			
F-value = 1.389			

Note: Significance level is .05, N=153

Empirical results in the table 4 reveal that the predictors account for variance of 3% approximately in the determination of ROCE. Moreover, none of the independent variables, out of the board size, presence of independent directors and presence of executive directors are significant (since p > .05) for determining ROCE. This indicates that these board composition variables are not at all significant for the measurement of a firm's ROCE. Therefore, hypothesis H3 is not supported.

Table 5 depicts the regression results obtained for the fourth hypothesis of the study, that is, H4 (H4a, H4b, H4c), which explains the relationship between the Board Composition Variables used in the study and corporate performance, when measured by the compound annual growth rate (CAGR) of the market capitalization of the company over the last 5 years.

Table 5: Regression Results of Impact of Predictors on the CAGR of Market Capitalization of Companies

Independent variable	Beta coefficient	t-statistic	p-value
Constant	-.970	-3.496	.001
Board Size	.026	1.028	.305
Executive Directors	.039	1.062	.290
Independent Directors	.005	.132	.895
R^2 = .028			
F-value = 1.449			

Note: Significance level is .05, N=153

The table reveals that independent variables used in the study account for an approximate 3% variance while calculating the CAGR of market capitalization of a company. Further, it is evident from the results that, none of the predictors have a significant impact on the growth of market capitalization of the firms (p>.05), which supports the findings given by Arora & Sharma(2016). Thus, hypothesis H4 is not supported.

A further analysis was conducted to study the relationship between CAGR of market capitalization of a company and the board composition. The selected sample was split into professionally managed and family managed companies on the basis of ownership structure of the firms. Firms with promoter holdings of less than 50%, were classified as professionally managed and the rest were classified as family managed. Out of the 153 sample firms, 91 firms were found to be professionally managed and 62 as family managed. The regression results of predictors and CAGR of professionally managed and family managed companies are summarized below:

Table 6: Regression Results of Impact of Predictors on the CAGR of Market Capitalization of Professionally Managed and Family Managed Companies

	Professionally Managed			Family Managed		
Independent variable	**Beta coefficient**	**t-statistic**	**p-value**	**Beta coefficient**	**t-statistic**	**p-value**
Constant	-1.468	-3.948	.000	-.422	-1.007	.318
Board Size	.061	2.097	.039	-.019	-.387	.700
Executive Directors	.010	.206	.838	.083	1.451	.152
Independent Directors	.025	.562	.576	-.014	-.174	.862
R^2 = .090				**R^2 =** .036		
F-value = 2.876				**F-value** = .725		
N = 91				**N** = 62		

Note: Significance level is .05

Results of Table 6 reveal that board independence does not play a significant role in any category of firms. The results show consistency with the findings given by Dey & Chauhan(2009); Goh et. al(2014) and Bachiller et.

al(2015). On the other hand, Board size was the only significant predictor in case of market value of professionally managed firms whereas the board composition did not impact the performance of family managed firms. The independent variables account for 9% and 3.6% variance in computation of CAGR of market capitalization of professionally managed and family managed companies respectively. This implies that, in case of professionally managed firms, an independent board is more efficient in contributing to the market value of a firm.

CONCLUSION:

The overall findings of the study reveal that the Board Size and presence of Independent Directors on board have a significant impact on the financial performance of a firm. Also, the presence of independent directors on the board in a moderate proportion contributes positively to the firm (Maseda et al, 2015). This also supports the agency theory perspective that board independence is an important element of corporate governance (Bammens et al,2011; Gavin & College, 2012) and hence play significant role in controlling and monitoring of board (Gaur et al, 2105; Mehrotra, 2016). The findings also reveal that Board composition does not have a significant influence on the market value of the firms, which corroborates to the results reported by Arora & Sharma (2016). Executive directors were found to have no impact on the corporate performance of the firms, indicating that it is not one of the significant variables of board composition for determining performance of the firms. Hence, they are assumed to be mere 'credible source of information' of the company (Sarkar, 2009).
Low values of R square imply that the variability effect of the board composition on the corporate performance is quite low. This also indicates that several intangible factors, such as, the existing political structure and international environment within the country, board effectiveness, quality of the board, competitiveness of a firm, operating efficiency of a firm etc. are also responsible for influencing the market value of a firm.

REFERENCES:

Arora,A. & Sharma,C., (2016). Corporate Governance and firm performance in developing countries: evidence from India, Corporate Governance, Vol. 16(2), 420-436.

Bachiller,P., Giorgino,M.,& Paternostro,S., (2015). influence of board of directors on firm performance: analysis of family and non-family firms, *International Journal of disclosure and governance*, Vol. 12, 230–253.

Bammens,Y., Voordeckers,W., & Gils,V.A. (2011). Board Of Directors In Family Businesses: Literature Review And Research Agenda, *International Journal of Management Review*, 13, 134–152.

Daily,C., Dalton, D.& Cannella,A.,(2003). corporate governance: Decades of dialogue and data, *Academy of Management review*, VOL.28(3), 371-382.

Dey,D. & Chauhan,Y.(2009). Board composition and performance in Indian firms: a comparison, *The IUP Journal of corporate governance*,Vol. 8(2), 7–19.

Gaur S., Bathula H., Singh D.,(2015). Ownership Concentration, Both Characteristics And Firm Performance: A Contingency Framework, *Management Decision*, 53(5), 911–931.

Gavin, J. D., & College, M., (2012). Power In The Corporate Boardroom: A New Dimension In Measuring Board Power, *Journal Of Business And Economics Studies*, 18(2), 1-27.

Ghosh, S. (2006). Do Board Characteristics Affect Corporate Performance? Firm Level Evidence For India, *Applied Economic Letters*, 13(7), 435–443.

Goh,C.; Rasli, A. & Khan, S.(2014). CEO Duality, Board Independence, Corporate Governance and firm performance in family firms: evidence from manufacturing industry in Malaysia, *Asian Business & Management*, Vol. 13(4), 333-357.

Ivashkovskaya,I., & Stepanova,A., (2011). does strategic corporate performance depend on corporate financial architecture? Empirical study of European, Russian and other emerging market's firms, *Journal of management governance*, Vol (15), 603–616.

Kota, H., & Tomar,S.(2010). corporate governance practices in Indian firms, *Journal of management and organisation*, VOL 16, 266–279.

Kumar, N. & Singh, P. J. (2013). Effect Of Board Size And Promoter Ownership On Firm Value: Some Empirical Findings From India, *Corporate Governance*, 13(1), 88–98.

Lodh,S.; Nandy,M.; & Chen,J. (2014). Innovation And Family Ownership: Empirical Evidence From India, *Corporate Governance: An International Review*, 22(1), 4–23.

Maseda,A., Iturralde,T.,& Arosa, B., (2015). impact of outsiders on firm performance over different generations of family – owned SMEs, *Journal of small business management*,Vol.53(4), pp.1203–1218.

Mehrotra,S.,(2016). The nature of corporate board structure and its impact on the performance of USA listed firms, *The IUP Journal of Corporate Governance*, Vol.15(1),30-46.

Palmberg,J., (2015). The performance effect of corporate board of directors, *European Journal of law economics*, VOL 40, 273–292.

Sarkar, J. (2009). Board Independence And Corporate Governance In India: Recent Trends And Challenges Ahead, *The Indian Journal of Industrial Relations*, 44(4), 576–592.
