

The Board Structure of Public and Private Sector Companies and Its Impact on Firm Performance: A Study of Fortune 500 Indian Companies from 2006 to 2015

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Abstract : The focus of this study is to identify whether the board structure has any significant impact on the firm performance and finding out any evidence of being listed in the Fortune 500 list compiled and published by the American business magazine, Fortune and published globally by Time Inc., as the world's wealthiest companies. The list has been released based on the ranking obtained for the total revenues for the respective fiscal year which has ended on or before March 31st. The study has been conducted on the Indian companies that were listed in the Fortune 500 list for the past 10 years. This study employs a logical regression between the variables, firm performance and board composition as mentioned in the clause 49 of companies act 1956 and 2013. For getting the firm performance, ROA has selected as the key performance metric, as it focuses the management attention on the assets required to run the business. The highlight of the study is that the tools had been applied between public and private sector firms so that, it reveals whether the board composition is helping out to maintain the position in the list. In addition, the findings reveal that apart from independent directors, all other variables have significant impact on firm performance.

Keywords : board structure, Fortune 500 company, firm performance, India

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