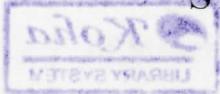




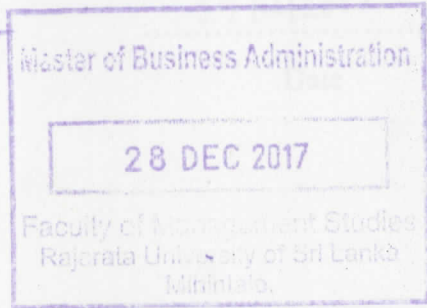
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# IMPACT OF CORPORATE GOVERNANCE MECHANISMS ON WORKING CAPITAL MANAGEMENT EFFICIENCY: A STUDY OF LISTED COMPANIES IN SRI LANKA.



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## Abstract

In recent years increased insolvency of the firms around the world, there has been a renewed interest in the impact of corporate governance mechanisms on working capital management efficiency. The few studies concerning corporate governance mechanisms and its impact on working capital management efficiency has been undertaken in developed and developing countries and markets but relatively little evidence is provided in the Asian especially in Sri Lanka. This study investigates the impact of the corporate governance mechanisms on working capital management efficiency of listed companies during the period 2011/12 to 2015/16. Panel data analysis is the main tool of analysis in this study. The statistical method used to test this impact is pooled ordinary least square (OLS). The study is based on 450 firm year observation of 90 sample companies by using proportionate stratified random sample. Empirical investigation reveals overall significant positive impact of corporate governance mechanisms on different working capital measures. Furthermore, our findings report board size; CEO duality and gender diversity are more important mechanisms to create significant impact on working capital measures. Finally, the findings of this study indicate that corporate governance plays some role in improving the efficiency of working capital management.

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