

## The impact of the board of director's composition on financial performance of LLC's in Kosovo

**Assoc. Prof. Bekim Berisha**  
*University of Prizren*

**MSc. Albolena Morina**  
*University of Prizren*

### Abstract

The purpose of this paper is to identify, analyze and evaluate the potential impact of the Board of director's composition on financial performance of Limited Liability Companies (LLC) in Kosovo. Composition of the Board of Directors of LLC's in Kosovo, in terms of corporate governance, plays a crucial role in two aspects as to the responsibilities for the quality of financial reporting as well as in enhancing financial performance. The research describes the impact of the Board of Directors composition (existence, independence, and meetings of the Board) on the financial performance of LLC's in Kosovo, evaluated by ROA, ROE and ATR. Data has been collected through questionnaires in 99 LLC's within different activities. Data analysis has been conducted through SPSS. Findings of the research is going to help on highlighting the importance of the composition of the Board of Directors and the impact of it on raising the financial performance of LLC's in Kosovo.

**Keywords:** independence of board of directors, corporate governance, financial performance

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