Business and Economic Research
ISSN 2162-4860
2020, Vol. 10, No. 3

Boards' Gender Diversity and Firms' Financial and Ethical Performance in Pakistan: A Comparative Analysis

Hafiz Muhammad Awais (Corresponding author)

Research Scholar, Karachi University Business School, University of Karachi, Pakistan

awaisjanjua3194@gmail.com

Dr. Danish Ahmed Siddiqui

Associate Professor, Karachi University Business School, University of Karachi, Pakistan

daanish79@hotmail.com

Received: July 6, 2020 Accepted: August 5, 2020 Published: August 20, 2020

doi:10.5296/ber.v10i3.17309 URL: https://doi.org/10.5296/ber.v10i3.17309

Abstract

Board diversity has lately being a heavily contested topic of research. Women, having a unique pool of resources and human capital, bring unique and diverse skills to the board that could improve board performance which positively impacts firm value. This study aims to investigate board gender diversity and its impact on firms' performance in Pakistan. More specifically, this study compares different performance characteristic of firms with and without gender diversity in boards. We also analyzed the effect of women on board (WOB) on different performance measures in the presence of control variables. These measures included Return to assets, equity and sales, TOBIN Q, and Ethical and Social Compliance (ESCC). For this, panel data of 4 years from 2015 to 2018 were collected from 100 companies, and ANOVA and regression analysis were performed. The comparative analysis showed that non-women component has a significantly higher ROA than women, whereas ROE is higher for women. Moreover, non-women board companies seem to take a higher financial risk by taking more leverage. Surprisingly, the ESCC factor seems to be significantly higher for non-women board companies showing better social compliance. Evidence from regression found remains inconclusive. In fact, the performance measures like Tobin Q, and ROA seems to be negatively affected by WOB, whereas ROE was positively and significantly affected. ESCC seems to have a strong and positive effect on Tobin Q in

companies with WOB, as well as ROA in overall companies. Evidence also suggested that WOB also seems to have a negative effect on ESCC. Hence, in the case of Pakistan, the findings remained inconclusive because women representation on board is not enough to have an influencing role in the board. The size of the female representation on the board needs to be sufficiently large to have an influencing role on corporate boards.

Keywords: Firm Value, Financial performance, Board of Directors, Ethical and social compliance, Tobin's Q, ROA, ROE, ROS

1. Introduction

1.1 Background of the Study

Variety of people with different culture and background can enhance the higher quality absorption of the marketplace, just because the marketplace is also having a variety of people who have cultural differences and different mindsets (Carter et al., 2003). Boards with females indicate that a company is well placed to evaluate the needs of a diverse market and competitive business conditions (Miller and Triana, 2009).

Women represent almost 49% population of the world so firms have to provide an equal opportunity to females at the workplace and also give them the chances to work on corporate board where they utilize their skills, education and abilities for the betterment of the company. The researcher argued that the women's representation at the business board is slowly but steadily move towards the rising trend (Pathan and Faff, 2013). Some of the firms making mandatory have at least one woman in the board room as director. For example, Norway making compulsory for their companies making sure that 40 percent of the members of board rooms must be females.

Variety of people working as a corporate board members leads to heterogeneity, which can be indicated with either insight attributes for example race, age, gender, etc or Invisible attributes like education, occupational background, etc (Rao and Tilt, 2016). Furthermore, when there is more number of women directors including in the board room it can also increase the innovative and creative ideas by imparting new opinions, perspectives, backgrounds, skills and abilities into the boardroom (Burke, 1994); (Miller and Triana, 2009).

Effective corporate governance deals with the creation and execution of a process that ensures company management's transparency and improves the company's efficiency (Brammer et al., 2007). Females on corporate board are one of the essential governance issues and are taking into consideration to be an inherent part of good corporate governance (Gallego-Alvarez et al., 2010). The board of directors is the most important board of a firm's management and portrays, explain its objectives, code of conduct, practices, action plan and strategies, and keep an eye on higher management. It is clear that the attributes of the members of its firm board, such as education, history, age, gender, etc., may influence performance (Mart ńez and Rambaud, 2019).

And the diverse corporate board will improve Board members' capacity and expertise to be mindful of the needs of various stakeholder groups (Harjoto et al., 2014). A diverse board can also help companies to take advantage through the expertise of different individuals who can provide different resources like financing, knowledge, status, authenticity, and heterogeneity (Terjesen et al., 2009).

The literature indicates that corporate board diversity appears to give rise to more creativity , innovation, and improve organizational quality decision-making at the individual and community level. Researchers summarize two key functions for boards in this scenario, which are extremely linked to the organization's performance. First, boards are usually the most authoritative actors in their structural position who establish strategic direction and decision-making that is innate. Secondly, the boards have a monitoring function which may include: representing shareholders and monitoring the proper use of company resources, reacting to threats and retaining good people, properly compensating and empowering workers and monitoring top management behavior (Erhardt et al., 2003).

Variety of people in corporate board increases the potency of board actions which enhances the effectiveness and productivity of the corporation which ultimately increase the profitability and shareholder’s wealth (Stephenson, 2004); (Robinson and Dechant, 1997).

In some countries specific laws have enacted by the government to eliminate the gender inequalities, either female on corporate board are necessary or not, whilst the others have just executed some advice or disclosure necessities to firms (Mart ńez and Rambaud, 2019).

Some view pints in previous studies encourage the definite effect of women directors on firm performance. First, gender diversity indicates that diversity of directors in corporate board rooms will improve their business' competitiveness and reputation by incorporating distinct qualities, expertise and talents to boardrooms. Secondly, females on corporate board can increase the problem-solving capacity of board room by including different opinions into board discussions. Within this concern, a variety of views can offer decision-makers choices and make it more alert about considerations of such choices. Consequently, a board of directors with various skills, different cultural backgrounds and gender generates a strategic resource that ultimately increases firm performance (Kılıç and Kuzey, 2016). Many of the businesses included women in their board rooms to foster good ties with their female customers or clients (Kılıç and Kuzey, 2016).

A diverse corporate board having different people who understand the environment of business in a better way (Shaer and Zaman, 2016). Women directors have different types of leadership than men and are more supportive of a community group and social responsibility initiatives (Shaer and Zaman, 2016). Female executives on corporate boards can introduce stakeholder engagement strategies and increase the reliability of corporate reports (Shaer and Zaman, 2016). Women directors have different backgrounds in education, communication skills, professional experience and temperament than men (Liao, et al., 2015). Female directors fight litigation and loss of credibility (Srinidhi et al., 2011).

The researcher provides some other practical explanations why businesses have to have the eligible female on the company board. He noted there aren't usually enough talented directors to go around recently. CEOs are declining invitations to join boards at higher levels. And male people serve on corporate boards lately, so they have little time for additional responsibilities. It leaves board members increasingly dependent on male CEOs who are less rational and theoretically lower in quality. Therefore businesses will widen their efforts and open their doors to people outside the conventional talent pool. He also noted that having a woman on a corporate board might add considerable symbolic value both within and outside the organization, which connects the business with other constituencies (Burke 2000b).

Applied to the theoretical relationship of gender identity, in a particular viewpoint, females are distinct from their men counterparts. For e.g., women are less risk-taker and less vigilant in the decision-making process than men (Croson and Gneezy, 2009); (Jianokoplos and Bernasek, 1998).

Researcher reports that women have different ethical behaviour than men, and female directors are more stakeholders oriented than male directors and have different values (Adams, 2015).

The arguments support the inclusion of women on corporate boards can be divided into two broad categories: ethical and economic (Pletzer et al., 2015).

From an ethical point of view, the elimination of gender inequality takes into account as a goal itself, for instance, if the number of female members on the corporate board increases, the goal is achieved, autonomously from the profit of the firm. From an economic point of view, the proportion of women based on the law has been widely studied, arguing that women need to be improved on the basis of their technical and educational experience, because, on the other hand, a business may bear a loss in profitability (Mart ńez and Rambaud, 2019).

Not only are female directors portrayed, they are different from their male counterparts and have different goals (Adams and Ferreira, 2009); (Adams and Funk, 2012). The researcher found that of the top 100 US companies in terms of profitability, of which 97 US companies had at least one female member on board (Catalyst, 1995). Likewise, the researcher interviewed top U.S Companies female board members and notes that by including women in the firms and their corporate boards, they quickly integrated diversity into their perceptions and values. She found that having a female on a board of directors would positively influence a board's "questioning culture" (Selby, 2000).

We are living in an age of modernity right now. Companies should provide equal opportunities for the female workforce; they must include in their boardrooms female representation which has a positive impact on their firm value, financial performance, and ethical and social compliance. And this representation of female on boards is beneficial as they help in coming up with more innovative and creative ideas by imparting new opinions, perspectives, educational backgrounds, skills and abilities all of this act as a game-changer for organizations in a favourable manner as it is seen in developed countries. Companies with no female representation on board are seen that they are less progressive. Companies must have females on corporate board that will contribute to heterogeneity, diverse individuals proposed variety of opinions produced by a variety of abilities, talents and experiences they carried that ultimately enhance the firm's value. This study tries to determine the role of women on the corporate board with respect to firm interest, financial results and ethical and social compliance with Pakistan.

1.2 Problem Statement

The Board plays an important role in the company. A board is responsible for defining, articulating and transmitting the principles and practices of the company and ensuring that the policies , processes and controls in place serve to embed, rather than obstruct, ethical values within the company.Boards take actions that have far-reaching effects and directly impact the lives of their workers and other stakeholders, with tax avoidance being a recent example. There is no way the company will be prosecuted or kept responsible for criminal activity. A company feels no shame or regret for hurting its staff or clients. Hence, the corporate board can play their role in this regards. As board size has been found to have a positive relationship with firm results. Larger board size facilitates strategic decision taking that in effect impacts company efficiency (Gomez et al., 2017). Larger board size allows the company to create a separate ethics and social responsibility committee. Larger board size providing more opportunities to females working as corporate board members.

There are several good reasons on boards to improve gender diversity: improved decision making, better results and better customer base representation. Women have a better chance of maintaining relationships than men, and feeling responsible for the needs of others. Of this reason, female directors can only add value if they have an active position within the board and are not merely present to fulfill female quota requirements for corporate boards, either for political or legal purposes. Second, the size of the female quota needs to be sufficiently high to impact corporate boards.

Given all this, there's insufficient representation of women on board. The smaller number of women on the corporate board can be regarded as sexism in the light of an ethical perspective. This view holds that the absence of women directors from the business world's top level is largely due to gender biases (Brammer et al., 2007); (Campbell and Minguez-Vera, 2008). The negligible number of females working as corporate board members just because of the alleged glass ceiling, that is, an intangible cultural hurdle which stays away from the capable, deserving and trained females from hold on the authority in company’s top positions. Similar changes in all the societal and economical areas of life are the primary right of humans. In addition, the coherent elimination of women, who make up half of society, leads to sub-optimal boards of directors (Mart ńez and Rambaud, 2019).

1.3 Gap Analysis

Throughout previous studies, the majority of primary issues were examined for the impact of gender diversity on the company's CSR and financial results and most notably for developing countries, as analyzed throughout various papers (Mart ńez and Rambaud, 2019); (Isidro and Sobral, 2015);(Carter et al., 2008); (Richard, 2000); (Galbreath, 2016); (Hyun et al., 2016); (Kılıç and Kuzey, 2016); (Erhardt et al., 2003); (Shaer and Zaman, 2016); (Sajjad and Rashid, 2015); (Webb, 2004).

Most of the arguments on boards in favor of gender diversity rely on the idea that greater female representation enhances firm value. Academic research, however, provide mixed conclusions about the Board 's relationship with firm value among women. Some studies have found that companies with gender boards perform better because of the unique pool of resources and human capital that women bring to the business (Campbell and Mı´nguez-Vera, 2008); (Erhardt et al., 2003), whereas other studies have the opposite effect (Bohren and Strom, 2010); (Adams and Ferreira, 2009), And some still don't consider any valuation implications (Carter et al., 2010); (Rose, 2007). Hence, the evidence largely remained inconclusive. However, these studies were limited to firms' financial performance. They fall short in explaining how they affect performance. One theory is that gender diversity brings more social and ethical compliance, this would, in turn, increase firms' value. Ethical and social also seem to directly impact firm value (Rodgers et al., 2013); (Jo and Harjoto2011); (Donker et al., 2008).

In this regards, Isidro and Sobral (2015) model the direct but also indirect effect on firm value of women on board. They indicated that the indirect effects of valuation derive from changes in financial performance and improvements in the business' non-financial aspects, which included compliance with ethical and social standards by the company. However, their study was limited to European firms operating in 16 European countries. These countries face different regulatory regimes, as well as culture and demographics, which are different from developing countries.

This research makes various contributions to previous studies. First, there is insufficiency of evidence-based studies that support the association of female directors in developing countries with firm value , financial performance, and ethical and social compliance. Most of the researchers have done their researches on this topic on the data from developed countries. In Pakistan there is only one study conducted on this issue for the banking industry of Pakistan (Sajjad and Rashid, 2015), that too directly related to performance. The current paper is developed on the basis of finding the gap that no literate found in Pakistan that works on multi sectors regarding this issue.

This study fills this void in the literature by defining the relationship between a female's presence on corporate board and firm value, financial results, and ethical and social compliance with the Pakistani industries. And also research the indirect impact of women on corporate board on financial results by having a positive effect on ethical and social policy.

1.4 Research Objective

Women have been included on the corporate board in recent past years for many different reasons in developed and developing countries. For example, females have different skills, abilities and different educational background.

The aim of this paper is to examine the impact of female inclusion on the corporate board on the firm value calculated as Tobin's Q, financial performance as measured by asset return (ROA), equity return (ROE) and sales return (ROS), and ethical and social compliance.

On the corporate board, we make the proportion of women an independent variable and the rest of all three and also the control variables as dependent variables.

This research is collected top 100 companies' data of "PSX" from 2015 to 2018 (4 years) to identify the relationship between females on corporate board and firm value, financial performance, and CSR. This paper covers the impact of women on corporate board on firm value, financial performance and ethical and social compliance. The main objective of this study is to investigate whether the no of women on Pakistani companies' corporate boards has increased which ultimately leads to higher firm value , financial performance, and increased CSR rate. If so, a business case may be claimed to legislate gender laws that are more immediately and effectively recognized to achieve gender homogeneity.

1.5 Research Question

1) Does the inclusion of females on corporate board improve the firm value?
2) Does the inclusion of females on corporate board improve the firm's financial performance?
3) Inclusion of females on corporate board is in the best interest of ethical and social compliance?

1.6 Significance

This research aims to examine elements and their consequences for the inclusion of women on the corporate board. At the end, this will help firms to improve their decision in the formation of a corporate board. This will be a superior sign for society. Whether the no of females on corporate boards increased firms will have the capacity to earn higher profits and this will attract most of the investors. And also making the firm more towards the corporate CSR that will attract the customers which ultimately increase the firm profitability. This study focuses in particular on the role of women on Pakistani companies' corporate board, but general conclusions can be drawn for the worldwide companies.

1.7 Definition of Terms

Firm Value: "The value of a firm can be defined as the amount of utility/benefits can be derived from the shares of a firm by the shareholders" (Rashid and Islam, 2008).

Various definitions of a firm's worth such as intrinsic value, social value, and hedonic value exist. Due to market imperfection, global markets and diseconomies and market non-existence, social value may be different from the consumer value of an item.

"Tobin's Q is widely used to value a firm in both developing and developed financial markets. The variable shows the financial strength of the company and serves as a proxy for a company's performance in the financial market. Tobin's Q is defined as the ratio of the market value of assets (Equity & Debt) to the replacement value of assets" (Rashid and Islam, 2008).

ROA: "The return on assets (ROA) compares income with total assets (equivalently, total liabilities and equity capital). It can be interpreted in two ways. First, it measures the management's ability and efficiency in using the firm's assets to generate (operating) profits. Second, it reports total return accruing to all providers of capital (debt and equity)" (White et al., 2003).

ROE: "Ultimately the most important or 'bottom line' accounting ratio is the ratio of net income to common equity, which measures the return on equity. Shareholders invest to get a return on their money and this ratio tells how well they are doing in the accounting sense" (Brigham and Ehrhardt, 2013).

ROS: "One measure of profitability is the relationship between the firm's costs and its sales. The ability to control costs in relation to revenue enhances earnings power" (White et al., 2003).

Ethics: According to Philip Wheel Wright "Ethics is the branch of philosophy which is the systematic study of selective choice, of the standards of right and wrong and by which it may ultimately be directed" (Paliwal, 2006).

2. Literature Review

Numerous scholars have highlighted the importance of a female's role in corporate boards on firm value, financial performance, and ethical and social compliance in their study work around the developed world over the decades. This relationship between women on the corporate board and firm value has been the focus of remarkable, theoretically and in empirical study, level-headed debate.

2.1 Females on Corporate Boardroom and Firm Value and Financial Performance

In the banking industry reference frame the relation between company-wide diversity, corporate strategy, and firm efficiency was challenged. The performance of the company as calculated in this study by profitability return on equity (ROE), and business performance calculated from sixty-four banks in three states. Findings have shown that diversity on the corporate board is positively linked to firm profitability and has been seen as a relative competitive advantage for banks (Richard, 2000). Some researchers find that businesses that have women in their corporate boards are superior because businesses have a range of tools that are special in nature and human capital that women bring to the firm (Campbell and Mınguez-Vera, 2008); (Erhardt et al., 2003), Whereas other researchers find the opposite relationship that is the involvement of women on the company board negatively affects the company's performance (Bohren and Strom, 2010); (Adams and Ferreira, 2009). And the research finds no connection between on-board females and firm value (Carter et al., 2010); (Rose, 2007). Diverse corporate boards can affect decision-making, since diverse people have different viewpoints and non-traditional approaches to problem solving (Adams et al., 2015).

Burke (2000a) found a substantial relationship for Canadian companies between the number of women on the corporate board and their sales, assets, number of employees and profit margins. Consequently, the findings of the above section suggest that successful companies can be correlated with different appointments to the director.

The researcher concludes that there is a surprisingly positive relationship between women's presence in the business board room and firm value (Carter et al., 2003). Ultimately, the findings show that the positive effect on financial performance and ethical and social compliance of the inclusion of women on the corporate board has an indirect influence on firm valuation. Conclusively, the findings indicated that by having more women on the company board, firm value could be improved through better financial performance and greater ethical and social compliance (Isidro and Sobral, 2015). The researcher also reported a positive correlation between female directors and firm value with the Spanish business sample (Campbell and Minguez-Vera, 2008). Studies investigating the effect of gender diversity on financial performance at the firm level such as stock price informativeness, earnings management, earnings efficiency and earnings accuracy forecast by analysts indicate that board diversity brings clarity to financial reporting and eliminates knowledge asymmetry (Shaer and Zaman, 2016).

The researcher examined that the presence of women in senior management has a positive impact on firm results with the Danish business sample; thus, this positive correlation relies heavily on the female directors' expertise, qualifications and abilities (Smith et al., 2006).

The researcher found that there is no correlation between the proportion of female corporate board members and the profit margin, (ROA, or ROE) (Shrader et al., 1997). There is no clear positive correlation between social diversity and firm performance, according to researchers (Richard, 2000).

2.2 Females on Corporate Board and Firm's CSR

Therefore, women are more mindful of social and ethical problems (Shaer and Zaman, 2016). More stakeholders are the female directors; they are more concerned with socially responsible actions and ethical practices and are often prepared to take steps to reduce potential risks (Carter et al., 2003); (Adams and Ferreira, 2009).

Research shows that, more female directors on corporate board companies perform better in CSR compared to their competitors with fewer women in the room. The findings of this research indicate that the proportion of female independent directors is positively linked to the CSR ratings of a business, and support the argument that female directorship improves the CSR efficiency of a organization (Hyun et al., 2016). Other researchers have indicated that there is a positive correlation between gender diversity and CSR performance at the board (Webb, 2004); (Bernardi et al., 2006). A researcher found an inverse association between performance of CSR and diversity of gender (Molz, 1995); (Zahra and Stanton, 1988). A researcher found no CSR success and diversity in gender relationships (Stanwick and Stanwick, 1998).

2.3 Theories on the Relationship between Women on Corporate Board and Firm Value

2.3.1 Agency Theory

Within the contemporary firm described by (Bearle and Means, 1932) the division of ownership and control is the basis of the theory of agencies. The theory takes the company's contractual view: shareholders and managers sign a contract defining how shareholder funds will be used by managers and how turns are divided between them (Jensen and Meckling, 1976). Yet as contracts are incomplete the contractor ends up with considerable rights of residual power. The board of directors plays the vital role of supervisory managers in preventing undue residual ownership rights (Fama and Jensen, 1983). Effective control by the board will reduce the misallocation of funds and thereby increase the value of the shareholder. The positive influence of successful board monitoring on firm value was recorded in large part in academic literature (for a review see, for example, Gillan, 2006).

The theory of agencies is the main theory used to explain the positive relationship on corporate board between females and firm performance. Gender diversity in the boardroom, in the light of agency theory, is the most relevant corporate governance tool for companies (Gallego-Alvarez et al., 2010). The theory of the agencies anticipates that strengthening control can lead to improved organizational behaviour. As the involvement of individual ethics and social responsibility committees reflects the extraordinary monitoring of ethical and social values, we expect that firms with that committee will comply with the criteria more ethically and socially (Isidro and Sobral, 2015).

2.3.2 Resource Dependence Theory

The theory of resource dependency indicates that boards have the essential task of promoting access to resources which are critical to the company's success (Pfeffer and Salancik, 1978). The primary roles of the Board are: (a) providing guidance and counsel, (b) establishing credibility for the company in the external world, (c) developing lines of contact between the company and external bodies, and (d) establishing preferential access to commitments or assistance from important elements outside the company. To maximize the performance of these functions.

The corporate board reflects as an significant link between the company and the compulsory tools that contribute to its financial performance (Aldrich and Pfeffer, 1976); (Johnson et al., 1996); (Pfeffer, 1973). Diverse people in the corporate board will add more resources to the business, such as wider consumer and industry knowledge, different credit sources, etc, which results in the better organizational performance (Stiles, 2001).

Hillman and Dalziel (2003) consider that the female directors offer varied skills and expertise to the boardrooms in top US firms. Bilimoria (2000) suggests that having a diverse gender board shows that the company respects the success of its women workers.

2.3.3 Human Capital Theory

The theory explores how the information and skills stock of the employee will support the organization (Becker, 1964). Because women historically have less education and work experience than men, board selectors (often male) believe that women lack adequate human resources to serve as members of the board (Burke, 2000). But empirical evidence does not substantiate the point. Singh et al . (2008) are researching UK boards and finding that female directors are giving the board more foreign experience and are more likely to have an MBA. Although male directors typically have more board experience, female directors have more experience on boards of smaller companies. Overall, the evidence shows that women and men are equally eligible for board roles, and that women are giving the board a valuable pool of resources. The theory of human capital assumes that board performance will be influenced by board diversity as a result of the varied and special human capital each person has, and that board performance changes are likely to have a positive effect on firm value.

2.3.4 Social Psychology Theory

Social psychology acknowledges that minority group status and effects depend on the social context and community dynamics. That is, the Board's diversity can have positive or negative consequences depending on the board's dynamics (Westphal and Milton, 2000). Some research indicates that members of minority boards, such as women executives, promote divergent thought and inspire other board members to explore a broader variety of potential solutions (Moscovici and Faucheux, 1972); (Nemeth, 1986). Yet the viewpoint of social psychology often predicts that members of the majority party can exert undue control on decision taking and frequently resist the control of minority members (Tanford and Penrod, 1984). Tsui et al. (1992), for example, found that gender and race diversity are related to lower group participation and greater absence. Earley and Mosakowski (2000) suggest that there is less contact between groups with more minority members because they don't share similar ideas. Williams and O'Reilly (1998) say less cooperation between members of heterogeneous groups and witness more emotional disputes. These claims indicate that the presence of minority female directors on the board makes board decision making more time-consuming and less efficient, with potentially negative effects on firm value. Generally, the theory of social psychology suggests that women on the board will positively or negatively impact firm interest, depending on the nature of the board. For example, Westphal and Milton (2000) argue that minority directors have more control than majority directors on board decisions, but only if they have minority experience on other boards or if they have good social ties with majority directors.

2.3.5 Stakeholder Theory

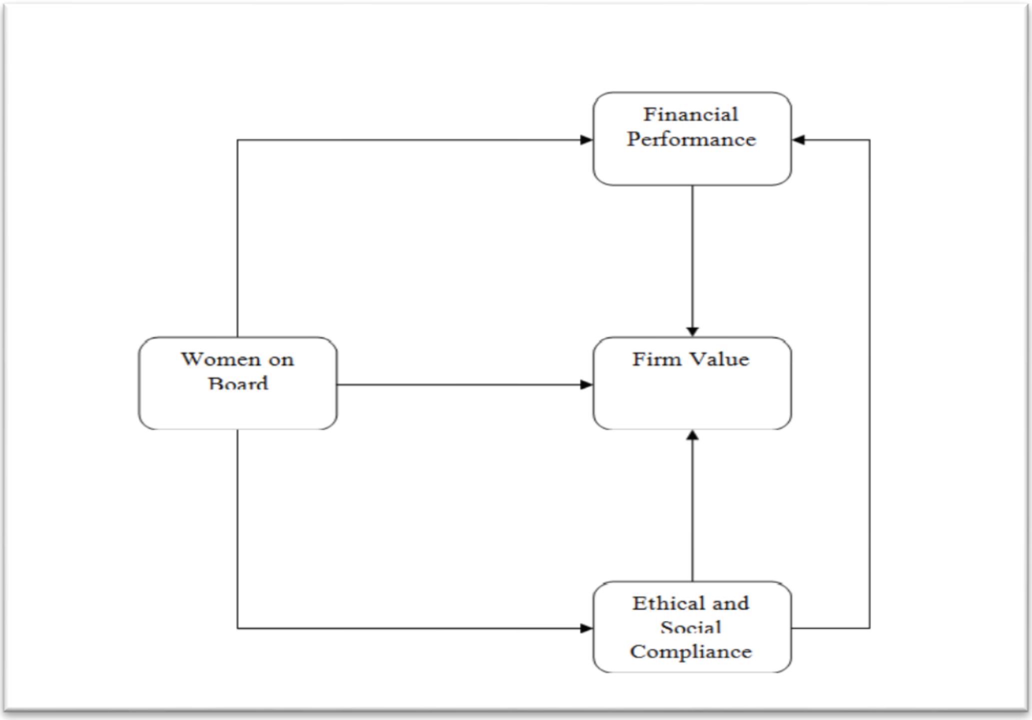
The theory of stakeholders suggests that the business should not only consider the interests of the shareholder, but that the business must pay heed to the needs of other stakeholders, as well as suppliers, clients, staff, banks and, generally speaking, others who interact with the company in some way, as they are all committed to building firm value (Hillman and Keim, 2001); (Huse, 2003). In this context, the internalization of females in higher management is considered as an integrative signal which increases the tendency of the firm to societal obligations, which enhances its value (Kaufman and Englander, 2011); (Oakley, 2000).

Females are more focused on a relationship that creates confidence than males and can therefore pay more attention to a greater engagement with stakeholders and to the knowledge imbalance (Gul et al., 2013). A better and more systematic decision-making process for companies is created by the participation of women directors as women typically expend more time on their tasks compared to men. In fact, the presence of female directors in the board rooms and their appearance in the board room has a significant and remarkable effect on the role of male directors (Dang et al., 2013).

3. Model

Our analysis clearly shows that if women are included on the corporate board then a shift in firm value, financial performance, and ethical and social compliance will occur, the dependent variables will respond to those changes with respect to Pakistani industries. How will firm value, financial performance, and ethical and social compliance (either increase or decrease) respond? What will be the nature of that relationship (either positive/negative)? To clarify whether or not women at the corporate board have an indirect impact on the firm's value? All of these questions will be tested and answered in the later analysis and concluding sections of this research report.

Following framework explains the entire subject and was taken from past work performed on the same subject in the context of different European Union companies by (Isidro and Sobral, 2015).



3.1 Variables

There are different variables which have been included for conducting this research which is as follows.

3.1.1 Independent Variable

The independent variable is the number of the female directors; the women on board are calculated in two ways: Firstly, an indicator variable (dummy variable) is used which is coded as 1 when at least one female director is present on the corporate board and when there is no female director on the corporate board coded as 0 and secondly the percentage of female directors. The proportion of women on board is an indicator widely used in literature (e.g., Isidro and Sobral, 2015; Kılıç and Kuzey, 2016 Hafsi and Turgut, 2013; Adams and Ferreira 2009).

3.1.2 Dependent Variables

Firm value is calculated as Tobin's Q is defined as the sum of the stock market value (share price multiplied by the number of common shares issued at the end of the fiscal year) and the debt book value divided by the total asset book value. In economics Tobin's Q was widely used as a proxy for firm value (e.g., Isidro and Sobral, 2015; Carter et al., 2010; Adams and Ferreira, 2009)

Three accounting-based ratios are calculated for the financial performance: (i) ROA: "The ratio of net income to total assets measures the return on total assets", (ii) ROS: "Profit margin on sales calculated by dividing net income by sales, gives the profit per dollar of sales" (Brigham and Ehrhardt, 2013) and (iii) ROE: "The return on total shareholder's equity (ROE) excludes debt in the denominator and uses either pretax income (after interest cost) or net income as nominator" (White et al., 2003).

Ethical and social compliance is measured as an indicator variable coded 1 if the organization has a separate ethics or social responsibility committee and if the organization has no separate committee then the variable is coded as 0.

3.1.3 Control Variables

Within this study we also provide the following control variables which are as follows.

Size is defined as the natural logarithm of total assets.

Leverage is the ratio between the long-term debt and total assets. Debt is an important way of pressuring managers to collect cash flows to pay finance cost and its principal, (Shleifer and Vishny, 1997). Therefore we expect the leverage to be negatively connected to firm value and firm financial performance (Campbell and Mı´nguez-Vera, 2008).

Age of the firm is measured as the Company's average logarithm of years. Organizations like humans will lose their ability to compete and evolve over time.

The Size of the board is the normal logarithm for number of board members. We believe companies with larger boards would have a better chance of getting separate ethics or social responsibility committee.

4. Methodology

4.1 Sample Size

Pakistan Stock Exchange (PSE). Probability sampling technique has been used in this research. I have chosen this study based on the sample size of top 100 Pakistani firms which are listed on the sample size by using convenience sampling method in this research. This research is mainly focused on Pakistan.

4.2 Source of Data Collection

This report has focused on the presence of a female on corporate board, firm value, and financial performance, ethical and social compliance and also included some other control variables as well in Pakistan and I'll pick top 100 listed companies of Pakistan. Data was collected from the annual reports of the firm sourced from the websites of the firm and "PSX" for a time of four years 2015 to 2018.

5. Results Analysis

5.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	400	-122.74	53.10	6.2901	13.67151
ROS	400	-144.45	415.81	15.4574	35.61426
ROE	400	-402.660	1037.160	2.27036E1	84.406053
TQ	400	-4.212	1258.620	1.01622E1	85.360703
ESCC	400	0	1	.83	.376
TA	400	112832	3.E9	1.77E8	4.239E8
Size of Board	400	5	15	8.45	1.859
Age of Company	400	3	158	35.82	22.972
L	400	-5.799	3.835	.54330	.531984
Presence of women on Board	400	0	57	8.63	11.917

5.2 Comparative Analysis

		N	Mean	Std. Deviation	Std. Error	Test of Difference of Mean
ROA	Non Women	200	7.6483	8.10864	.57337	F (Sig.)
	Women	200	4.9319	17.47288	1.23552	Welch (Sig.)
ROS	Non Women	200	17.5799	35.76306	2.52883	F (Sig.)
	Women	200	13.3348	35.42700	2.50507	Welch (Sig.)
ROE	Non Women	200	1.6879E1	20.727144	1.465630	F (Sig.)
	Women	200	2.8527E1	117.417060	8.302640	Welch (Sig.)
Tobin Q	Non Women	200	1.85148E1	120.271820	8.504502	F (Sig.)
	Women	200	1.80958	1.992508	.140892	Welch (Sig.)
ESCC	Non Women	200	.82	.272	.019	F (Sig.)
	Women	200	.74	.440	.031	Welch (Sig.)
TA	Non Women	200	1.71E8	3.700E8	2.617E7	F (Sig.)
	Women	200	1.84E8	4.725E8	3.341E7	Welch (Sig.)
L	Non Women	200	.57202	.336296	.023780	F (Sig.)
	Women	200	.51459	.672818	.047575	Welch (Sig.)
BS	Non Women	200	8.44	1.850	.131	F (Sig.)
	Women	200	8.46	1.872	.132	Welch (Sig.)
AF	Non Women	200	36.90	20.915	1.479	F (Sig.)
	Women	200	34.75	24.866	1.758	Welch (Sig.)

The table shows that sig values of ROA and ROE are less than 0.05 which means values for ROA and ROE are different for both categories of firms either firms with women on board and firms with no women on corporate board. Similarly, the table shows that sig value of Tobin's Q, ethical and social compliance and leverage are also less than 0.05 which means values for these variables are different for both categories of firms either firms with women on board and firms with no women on corporate board. Sig value of ROS as well as total assets, board size and age of firm is greater than 0.05, meaning no significant difference among women and non-women category in these variables.

The results suggested that non-women component have a significantly higher ROA than women, whereas ROE is higher for women. Moreover, non-women board companies seem to take a higher financial risk by taking more leverage. This could result in higher ROE, however, women on board companies seem to have significantly better performance (ROA). Mean value shows that Tobin's Q for a firm with no women on board is greater so we can say that women on board have an impact on firm value Tobin's Q is the indicator of firm value. Surprisingly, the ESCC factor seems to be significantly higher for non-women board companies showing better social compliance. Hence, we can say that presence of women on a corporate board can impact the ethical and social compliance negatively.

This is the correlation analysis in which we are checking the relationship of the presence of women on the corporate board with other variables. The table shows that ROA, ROS and ROE have a significant relationship with the presence of women on the corporate board. ROA and ROS are weekly and negatively correlated with women on corporate board but ROE has a weekly positive relationship with women on the corporate board. Tobin's Q which is the indicator of firm value has a significant negative relationship with women on board. The table also shows that ethical and social compliance has a significant negative relationship with women on board. Significance values showed total assets, the board size, age of firm and leverage have a significant relationship with women on board. The table shows that ROA, ROS, ROE and ethical and social compliance have an insignificant relationship with Tobin's Q. Ethical and social compliance has significant but weekly positive relationship with women on board.

5.3. Correlations

	ROA	ROS	ROE	TQ	ESCC	TA	Size of Board	Age of Firm	L	WOB
ROA										
ROS	.393**	1								
ROE	.125*	.119*	1							
TQ	0.006	-0.026	-0.011	1						
ESCC	.230**	0.082	-0.079	0.047	1					
TA	-.101*	.147**	-0.034	-0.043	.165**	1				
Size of Board	0.04	0.078	0.002	-0.075	.138**	.102*	1			
Age of Firm	.131**	0.051	-0.002	-0.059	.232**	.229**	0.059	1		
L	.209**	0.02	0.006	-0.057	.169**	.218**	.154**	0.052	1	
WOB	-.181**	-.108*	.141**	-0.072	-.336**	-.099*	-.219**	-.127*	-.106*	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

5.4 Regression Analysis

We employ panel least square regression in this research and the data values we take for checking the relationship dependent and independent variables and the results are as follows.

MODEL 1: These are the results of those 50 firms which have women on their corporate board. The table indicates that ROA, ROE, and ROS have a significant impact on firm value and coefficient values show that ROA and ROE have a positive relationship with firm value but ROS has a negative relationship with firm value. ROA, ROE and ROS are the indicators of financial performance so, on the basis of ROA and ROE, we can say that financial performance has a positive impact on firm value. This table also shows that firm value has a significant relationship with ethical and social compliance, total assets and age of firm and coefficient values show that ethical and social compliance and age of firm have a positive relationship with firm value and total assets have a negative relationship with firm value. This table also shows that leverage and board size have an insignificant relationship with firm value.

MODEL 2: These are the results of those 50 firms which have no women on their corporate board. The table that ROA, ROE, and ROS have an insignificant impact on firm value. This table also shows that firm value has an insignificant relationship with ethical and social compliance, total assets, board size and age of the firm. However, leverage has a significant effect on firm value and coefficient value shows that leverage has a negative relationship with firm value in the absence of women on the corporate board.

		Companies with WOB	Companies without WOB	All Companies				
		Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Dependent Variable:		TQ	TQ	TQ	ROA	ROE	ROS	ESCC
WOB	Coefficient			-0.653807	-0.130738	0.972295	-0.2241	-0.00903
	t-Statistic			-1.654419	-2.245644	2.541654	-1.39728	-6.04998
	Prob.			0.0988	0.0253	0.0114	0.1631	0
ROA	Coefficient	0.049974	-1.323516	0.068504				
	t-Statistic	5.838482	-0.653771	0.182722				
	Prob.	0	0.514	0.8551				
ROE	Coefficient	0.005481	0.125861	0.009041				
	t-Statistic	5.622472	0.174349	0.173531				
	Prob.	0	0.8618	0.8623				
ROS	Coefficient	-0.011794	-0.095718	-0.076525				
	t-Statistic	-3.02145	-0.369061	-0.563861				
	Prob.	0.0029	0.7125	0.5732				

ESCC	Coefficient	0.58762	30.92067	13.19175	6.081557	-10.19286	3.608044	
	t-Statistic	2.058863	0.924182	1.034024	3.229831	-0.823834	0.695568	
	Prob.	0.0409	0.3566	0.3018	0.0013	0.4105	0.4871	
TA	Coefficient	-5.83E-10	-1.21E-08	-3.50E-09	-6.78E-09	-5.86E-09	1.14E-08	6.06E-11
	t-Statistic	-2.100332	-0.471908	-0.312344	-4.23989	-0.557855	2.583497	1.420236
	Prob.	0.037	0.6375	0.7549	0	0.5773	0.0101	0.1563
L	Coefficient	0.288949	-60.8593	-9.18723	5.444513	4.398725	-2.23127	0.078703
	t-Statistic	1.533347	-2.094489	-1.060359	4.328921	0.532263	-0.64399	2.352214
	Prob.	0.1269	0.0375	0.2896	0	0.5948	0.52	0.0192
BS	Coefficient	0.00637	-6.901712	-3.96623	-0.190596	1.590584	0.954918	0.007698
	t-Statistic	0.100748	-1.449783	-1.657563	-0.532832	0.676726	0.969051	0.804013
	Prob.	0.9199	0.1488	0.0982	0.5945	0.499	0.3331	0.4219
AF	Coefficient	0.010803	-0.61547	-0.26675	0.069123	0.106172	0.004796	0.002743
	t-Statistic	2.21322	-1.464736	-1.352893	2.357738	0.55114	0.059376	3.547783
	Prob.	0.0281	0.1446	0.1769	0.0189	0.5819	0.9527	0.0004
C	Coefficient	0.657921	117.7858	54.09111	-0.253649	4.228808	5.257583	0.692856
	t-Statistic	1.170949	2.191155	2.253361	-0.070499	0.178873	0.530441	7.713151
	Prob.	0.2431	0.0297	0.0248	0.9438	0.8581	0.5961	0
R-squared		0.393666	0.055333	0.024857	0.138386	0.02415	0.034977	0.170814
Adjusted R-squared		0.368136	0.015558	0.002296	0.125198	0.009213	0.020206	0.160264
F-statistic		15.41981	1.391139	1.101757	10.49338	1.616844	2.367987	16.19174
Prob(F-statistic)		0	0.202574	0.360349	0	0.141044	0.029332	0
Durbin-Watson stat		0.918308	1.055626	0.946442	0.970041	1.725634	1.927273	0.538952

Method: Panel Least Squares, for years (2015-18), 50 companies with women on board (WOB), and 50 without women on board, Total 100 Companies

MODEL 3: These are the results of all 100 firms including firms with and without women on their corporate board. This model indicates that women onboard have a significant negative impact on firm value. This model shows the other independent variables i.e. ROA, ROE, and ROS have an insignificant relationship. This model also shows that firm value has an insignificant relationship with ethical and social compliance. This model also shows the relationship of total assets, leverage and age of firm have an insignificant relationship. The board size, however, has a significance but negative relation to firm value.

MODEL 4: This model indicates that women on board have a significant negative impact on ROA. ROA has a significant and positive relationship with ethical and social compliance. The model also shows that total assets have a significant negative relationship with ROA. Whereas, leverage and age of the firm has a significant positive impact on ROA. The effect of Board size remained insignificant.

MODEL 5: Model 5 shows the relationship among ROE which is dependent variable with other independent variables which indicate that women on board have a significant and positive impact on ROE. Other predictors remained insignificant in explaining ROE.

MODEL 6: Model also shows that total assets have a significant but negative relationship with ROS. The effect of all other variables remained insignificant.

MODEL 7: Model7 shows the relationship between ethical and social compliance which is the dependent variable with other independent variables. Women on board have a significant but negative impact on compliance with ethical and social standards. Whereas leverage and age of the firm has a significant impact on compliance with ethical and social standards. Coefficient values show that these relationships are positive with ethical and social compliance.

5.5 Discussions

Some researchers have found in previous studies a positive relationship between on-board women and firm value, financial performance and ethical and social compliance (Carter et al., 2003); (Kılıç and Kuzey, 2016); (Campbell and Mınguez-Vera, 2008); (Erhardt et al., 2003); (Hyun et al., 2016). Several studies have found that women on board have an inverse association with firm value, financial performance and ethical and social compliance (Bohren and Strom, 2010); (Adams and Ferreira, 2009); (Molz, 1995); (Zahra and Stanton, 1988). And some researcher found no relationship (Carter et al., 2010); (Rose, 2007); (Stanwick and Stanwick, 1998). Women on board indirectly affect firm value through financial performance and ethical and social compliance (Isidro and Sobral, 2015).

The findings indicate that women's participation on a corporate board has a detrimental effect on firm value and compliance with ethical and social norms. It may be that some businesses have fewer women on board. There is maximum 1 or 2 females are part of the board of the sample firms that have been included in this study, which is almost 10 to 20 percent representation of the board which is not enough to have an influencing role in the board. Therefore, even if female directors continue to control positions within the board, the size of the female quota needs to be high enough to be effective on corporate boards, will add value. It is suggested that the mere presence of a single female director may not be sufficient to directly influence firm performance, as the minority group member is often seen as a token and may find it harder to speak out and be heard (Konrad et al., 2008). In this study, women on board model (I) showed that women on the company board had an indirect impact on firm value through the positive effect of financial performance and ethical and social compliance, but the combined data model (III) described women on the company board that had no indirect impact on firm value.

6. Conclusion

The present paper presents the idea of women's direct effect on corporate board (WOB) in the context of control variables on firm value, financial performance and ethical and social compliance. The current paper also offers some concepts of the indirect impact women have on corporate board on firm value through financial performance and ethical and social compliance that have never been previously studied, and shares the results of recent female presence on corporate board in Pakistan. Previous studies on female presence were limited to the banking industry of Pakistan. This paper investigates on larger parameters to provide different concepts regarding multiple industries of Pakistan.

This study will help companies improve their corporate board decision making. If the number of women is increased on corporate boards companies would have the capacity to earn higher profits and this would draw more investors. And also making the firm more towards the corporate CSR that will attract the customers which ultimately increase the firm profitability. This study focuses in particular on the presence of women on Pakistani firms' corporate board, however broad conclusions will be drawn for the worldwide firms. For this reason, panel data of 4 years were collected from 100 companies from 2015 to 2018, and ANOVA and regression analysis were performed. After completion of this study, we find that comparative analysis showed performance measures like Tobin Q and ROA seems to be negatively affected but ROE is positively affected and ethical and social compliance (ESCC) also negatively affected by the presence of women on corporate board, women on board have an insignificant impact on total assets, the board size, and age of firm but having a negative relationship with leverage. Evidence from regression analysis found Tobin Q, and ROA seems to be negatively affected by women on board (WOB). Whereas ROE was positively and significantly affected. Ethical and social compliance also seems to be negatively affected. As far as the WOB model is concerned, ROA, ROE and ESCC have a positive influence on the Tobin Q which means that women on board have an indirect impact on firm value through the positive effect of financial performance and ethical and social compliance. Ethical and social compliance have a positive and significant impact on the ROA but have a negligible impact on ROE and ROS, meaning that women on board have no indirect impact on financial performance through ethical and social compliance. Leverage and age of firm tend to have a positive impact on both ROA and ESCC.

Overall evidence remained inconclusive as women's representation on the corporate board is not sufficient to play an influential role in the board, the size of the female representation on board needs to be sufficiently large to have an influential role on the board of directors. There is maximum 1 or 2 females are part of the board of these sample firms which is almost 10 to 20 percent representation of the board which is not enough to have an influencing role in the board. Consequently, female directors will only add value if they control positions within the board.

Gender diversity can impact social and ethical performance either positively or negatively. It is proposed that the mere existence of a single female director may not be enough to directly influence firm outcomes. Female directors may be more concerned with issues related to the social dimension of CSR than with other performance aspects or environmental and business dimensions.

References

Abdullah, S. N. (2004). *Board composition, CEO duality and performance among Malaysian listed companies*. Corporate Governance: The international journal of business in society. https://doi.org/10.1108/14720700410558871

Adams, R. B. (2015). Myths and facts about female directors. *IFC Private Sector Opinion, 37*.

[Online] Available: https://ssrn.com/abstract=2603108

Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of financial economics*, *94*(2), 291-309. https://doi.org/10.1016/j.jfineco.2008.10.007

Adams, R. B., & Funk, P. (2012). Beyond the glass ceiling: Does gender matter. *Management science*, *58*(2), 219-235. https://doi.org/10.1287/mnsc.1110.1452

Adams, R. B., de Haan, J., Terjesen, S., & van Ees, H. (2015). Board diversity: Moving the field forward. *Corporate Governance: An International Review, 23*(2), 77-82. https://doi.org/10.1111/corg.12106

Aldrich, H. E., & Pfeffer, J. (1976). Environments of organizations. *Annual review of sociology*, *2*(1), 79-105. https://doi.org/10.1146/annurev.so.02.080176.000455

Al-Shaer, H., & Zaman, M. (2016). Board gender diversity and sustainability reporting quality. *Journal of Contemporary Accounting & Economics, 12*(3), 210-222. https://doi.org/10.1016/j.jcae.2016.09.001

Bear, S., Rahman, N., & Post, C. (2010). The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of business ethics*, *97*(2), 207-221. https://doi.org/10.1007/s10551-010-0505-2

Bearle, A., & Means, G. (1932). The Modern Corporation and private property. New York: Macmillan.

Becker, G. (1964). *Human capital: A theoretical and empirical analysis, with special reference to education*. Chicago: University of Chicago Press.

Bernardi, R. A., Bosco, S. M., & Vassill, K. M. (2006). Does female representation on boards of directors associate with Fortune's “100 best companies to work for” list?. *Business & Society, 45*(2), 235-248. https://doi.org/10.1177/0007650305283332

Bilimoria, D. (2000). Building the business case for women corporate directors. In R. J. Burke & M. C. Mattis (Eds.), *Women on corporate boards of directors: International challenges and opportunities*. Dordrecht: Kluwer Academic Publishers. https://doi.org/10.1007/978-90-481-3401-4_3

Bohren, O., & Strom, R. (2010). Governance and politics: Regulating independence and diversity in the board room. *Journal of Business Finance & Accounting, 37*(9-10), 1281-1308. https://doi.org/10.1111/j.1468-5957.2010.02222.x

Brammer, S., Millington, A., & Pavelin, S. (2007). Gender and ethnic diversity among UK corporate boards. *Corporate Governance: An International Review, 15*(2), 393-403. https://doi.org/10.1111/j.1467-8683.2007.00569.x

Brigham, E. F., & Ehrhardt, M. C. (2013). Financial management: Theory & practice. Cengage Learning.

Burke, R. (2000). Company size, board size and the number of women directors. In R. J. Burke & M. C. Mattis (Eds.), *Women on corporate boards of directors: International challenges and opportunities*. Dordrecht: Kluwer Academic Publishers. https://doi.org/10.1007/978-90-481-3401-4_1

Campbell, K., & Mı´nguez-Vera, A. (2008). Gender diversity in the boardroom and firm financial performance. *Journal of Business Ethics*, *83*(3), 435-451. https://doi.org/10.1007/s10551-007-9630-y

Carter, D. A., D'Souza, F., Simkins, B. J., & Simpson, W. G. (2010). The gender and ethnic diversity of US boards and board committees and firm financial performance. *Corporate Governance: An International Review, 18*(5), 396-414. https://doi.org/10.1111/j.1467-8683.2010.00809.x

Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate governance, board diversity, and firm value. *Financial review, 38*(1), 33-53. https://doi.org/10.1111/1540-6288.00034

Carter, D., D'Souza, F. P., Simkins, B. J., & Simpson, W. G. (2008). *The diversity of corporate board committees and financial performance*. Available at SSRN 1106698. http://dx.doi.org/10.2139/ssrn.972763

Catalyst, inc. (1995). The CEO view: Women on corporate boards. Catalyst.

Croson, R., & Gneezy, U. (2009). Gender differences in preferences. *Journal of Economic literature*, *47*(2), 448-74.

Dang, R., Nguyen, D. K., & Vo, L. C. (2013). Women on corporate boards and firm performance: A comparative study.

Donker, H., Poff, D., & Zahir, S. (2008). Corporate values, codes of ethics, and firm performance: A look at the Canadian context. *Journal of Business Ethics, 82*(2), 527-537. https://doi.org/10.1007/s10551-007-9579-x

Earley, P., & Mosakowski, E. (2000). Creating hybrid team cultures: An empirical test of transnational team functioning. *Academy of Management Journal, 43*, 26-49. https://doi.org/10.5465/1556384

Ehrhardt, M. C., & Brigham, E. F. (2011). Financial management: theory and practice. South-Western Cengage Learning.

Erhardt, N. L., Werbel, J. D., & Shrader, C. B. (2003). Board of director diversity and firm financial performance. *Corporate governance: An international review, 11*(2), 102-111. https://doi.org/10.1111/1467-8683.00011

Fama, F., & Jensen, M. (1983). Agency problems and residual claims. *Journal of Law and Economics*, *26*(2), 288-307

Farrell, K. A., & Hersch, P. L. (2005). Additions to corporate boards: The effect of gender. *Journal of Corporate finance, 11*(1-2), 85-106. https://doi.org/10.1016/j.jcorpfin.2003.12.001

Galbreath, J. (2016). *Is board gender diversity linked to financial performance?* Bus Soc, The mediating mechanism of CSR. https://doi. org/10.1177/0007650316647967

Gallego-Álvarez, I., García-Sánchez, I. M., & Rodríguez-Dominguez, L. (2010). The influence of gender diversity on corporate performance. *Revista de Contabilidad-Spanish Accounting Review, 13*(1), 53-88. https://doi.org/10.1016/S1138-4891(10)70012-1

Gillan, S. (2006). Recent developments in corporate governance: An overview. *Journal of Corporate Finance*, *12*, 381-402. https://doi.org/10.1016/j.jcorpfin.2005.11.002

Gómez, J. I. M., Cortés, D. L., & Betancourt, G. G. (2017). Effect of the board of directors on firm performance. *International Journal of Economic Research, 4*(6).

Gul, F. A., Hutchinson, M., & Lai, K. M. (2013). Gender-diverse boards and properties of analyst earnings forecasts. *Accounting Horizons, 27*(3), 511-538. https://doi.org/10.2308/acch-50486

Harjoto, M., Laksmana, I., & Lee, R. (2015). Board diversity and corporate social responsibility. *Journal of Business Ethics, 132*(4), 641-660. https://doi.org/10.1007/s10551-014-2343-0

Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: What's the bottom line?. *Strategic management journal*, *22*(2), 125-139. https://doi.org/10.1002/1097-0266(200101)22:2<125::AID-SMJ150>3.0.CO;2-H

Hillman, A. J., Cannella Jr, A. A., & Harris, I. C. (2002). Women and racial minorities in the boardroom: How do directors differ?. *Journal of management, 28*(6), 747-763. https://doi.org/10.1177/014920630202800603

Hillman, A., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review, 28*(3), 383-396. https://doi.org/10.5465/amr.2003.10196729

Huse, M. (2003). Renewing management and governance: new paradigms of governance?. *Journal of Management and Governance, 7*(3), 211-221.

Hyun, E., Yang, D., Jung, H., & Hong, K. (2016). Women on boards and corporate social responsibility. *Sustainability, 8*(4), 300. https://doi.org/10.3390/su8040300

Isidro, H., & Sobral, M. (2015). The effects of women on corporate boards on firm value, financial performance, and ethical and social compliance. *Journal of Business Ethics*, *132*(1), 1-19. https://doi.org/10.1007/s10551-014-2302-9

Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305-360. https://doi.org/10.1016/0304-405X(76)90026-X

Jianakoplos, N. A., & Bernasek, A. (1998). Are women more risk averse?. *Economic inquiry, 36*(4), 620-630. https://doi.org/10.1111/j.1465-7295.1998.tb01740.x

Jo, H., & Harjoto, M. (2011). Corporate governance and firm value: The impact of corporate social responsibility. *Journal of Business Ethics, 103*(3), 351-383. https://doi.org/10.1007/s10551-011-0869-y

Johnson, J. L., Daily, C. M., & Ellstrand, A. E. (1996). Boards of directors: A review and research agenda. *Journal of management, 22*(3), 409-438. https://doi.org/10.1177/014920639602200303

Kabir, R., & Thai, H. M. (2017). Does corporate governance shape the relationship between corporate social responsibility and financial performance?. *Pacific Accounting Review*. https://doi.org/10.1108/PAR-10-2016-0091

Kaufman, A., & Englander, E. (2011). *Behavioral economics, federalism and the triumph of stakeholder theory*. In Corporate Social Responsibility and Corporate Governance (pp. 73-98). Palgrave Macmillan, London. https://doi.org/10.1057/9780230302112_4

Kılıç, M., & Kuzey, C. (2016). The effect of board gender diversity on firm performance: evidence from Turkey. Gender in Management: An International Journal. https://doi.org/10.1108/GM-10-2015-0088

Konrad, A. M., Kramer, V., & Erkut, S. (2008). The impact of three or more women on corporate boards. *Organizational dynamics, 37*(2), 145-164.

Lazzaretti, K., Godoi, C. K., Camilo, S. P. O., & Marcon, R. (2013). *Gender diversity in the boards of directors of Brazilian businesses*. Gender in Management: An International Journal. https://doi.org/10.1108/17542411311303239

Liao, L., Luo, L., & Tang, Q. (2015). Gender diversity, board independence, environmental committee and greenhouse gas disclosure. *The British Accounting Review, 47*(4), 409-424. https://doi.org/10.1016/j.bar.2014.01.002

Liu, Y., Wei, Z., & Xie, F. (2014). Do women directors improve firm performance in China?. *Journal of corporate finance, 28,* 169-184. https://doi.org/10.1016/j.jcorpfin.2013.11.016

Mart ínez, M. D. C. V., & Rambaud, S. C. (2019, September). Women on corporate boards and firm's financial performance. In Women's Studies International Forum (Vol. 76, p. 102251). Pergamon. https://doi.org/10.1016/j.wsif.2019.102251

Miller, T., & del Carmen Triana, M. (2009). Demographic diversity in the boardroom: Mediators of the board diversity-firm performance relationship. *Journal of Management studies, 46*(5), 755-786. https://doi.org/10.1111/j.1467-6486.2009.00839.x

Molz, R. (1995). The theory of pluralism in corporate governance: A conceptual framework and empirical test. *Journal of Business Ethics, 14*(10), 789-804. https://doi.org/10.1007/BF00872346

Moscovici, S., & Faucheux, C. (1972). Social influence, conformity bias and the study of active minorities. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (pp. 149-202). New York: Academic Press. https://doi.org/10.1016/S0065-2601(08)60027-1

Nemeth, C. (1986). Differential contributions of majority and minority influence. *Psychological Review, 93*, 23-32. https://doi.org/10.1037/0033-295X.93.1.23

Oakley, J. G. (2000). Gender-based barriers to senior management positions: Understanding the scarcity of female CEOs. *Journal of business ethics*, *27*(4), 321-334. https://doi.org/10.1023/A:1006226129868

Paliwal, M. (2006). Business ethics. New Age International.

Pathan, S., & Faff, R. (2013). Does board structure in banks really affect their performance?. *Journal of Banking & Finance*, *37*(5), 1573-1589. https://doi.org/10.1016/j.jbankfin.2012.12.016

Pfeffer, J. (1973). Size, composition, and function of hospital boards of directors: A study of organization-environment linkage. *Administrative science quarterly*, 349-364. https://doi.org/10.2307/2391668

Pfeffer, J., & Salancik, G. (1978). The external control of organiza-tions: A resource-dependence perspective. New York: Harper & Row

Pletzer, J. L., Nikolova, R., Kedzior, K. K., & Voelpel, S. C. (2015). Does gender matter? Female representation on corporate boards and firm financial performance-a meta-analysis. *PloS one, 10*(6). https://doi.org/10.1371/journal.pone.0130005

Rao, K., & Tilt, C. (2016). Board composition and corporate social responsibility: The role of diversity, gender, strategy and decision making. *Journal of Business Ethics, 138*(2), 327-347. https://doi.org/10.1007/s10551-015-2613-5

Rashid, K., & Islam, S. M. (2008). *Corporate Governance and Firm Value: Econometric Modeling and Analysis of Emerging and Developed Financial Markets*. Emerald Group Publishing.

Rashid, K., & Islam, S. M. (2013). Corporate governance, complementarities and the value of a firm in an emerging market: the effect of market imperfections. Corporate Governance: The international journal of business in society. https://doi.org/10.1108/14720701311302422

Richard, O. C. (2000). Racial diversity, business strategy, and firm performance: A resource-based view. *Academy of management journal, 43*(2), 164-177. https://doi.org/10.5465/1556374

Robinson, G., & Dechant, K. (1997). Building a business case for diversity. *Academy of Management Perspectives, 11*(3), 21-31. https://doi.org/10.5465/ame.1997.9709231661

Rodgers, W., Choy, H. L., & Guiral, A. (2013). Do investors value a firm's commitment to social activities?. *Journal of Business Ethics, 114*(4), 607-623. https://doi.org/10.1007/s10551-013-1707-1

Rose, C. (2007). Does female board representation influence firm performance? The Danish evidence. *Corporate Governance: An International Review, 15*(2), 404-413. https://doi.org/10.1111/j.1467-8683.2007.00570.x

Sajjad, S., & Rashid, K. (2015). The Relationship Between Board Diversity and Firm Performance: Evidence from the Banking Sector in Pakistan. *IUP Journal of Corporate Governance, 14*(3).

Selby, C. C. (2000). From male locker room to co-ed board room: A twenty-five year perspective. In Women on corporate boards of directors (pp. 239-251). Springer, Dordrecht. https://doi.org/10.1007/978-90-481-3401-4_16

Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The journal of finance*, *52*(2), 737-783. https://doi.org/10.1111/j.1540-6261.1997.tb04820.x

Shrader, C. B., Blackburn, V. B., & Iles, P. (1997). Women in management and firm financial performance: An exploratory study. *Journal of managerial issues*, 355-372. https://www.jstor.org/stable/40604152

Singh, V., Terjesen, S., & Vinnicombe, S. (2008). Newly appointed directors in the boardroom: How do women and men differ. *European Management Journal*, *26*(1), 48-58. https://doi.org/10.1016/j.emj.2007.10.002

Smith, N., Smith, V., & Verner, M. (2006). Do women in top management affect firm performance? A panel study of 2,500 Danish firms. *International Journal of productivity and Performance management*. https://doi.org/10.1108/17410400610702160

Srinidhi, B. I. N., Gul, F. A., & Tsui, J. (2011). Female directors and earnings quality. *Contemporary Accounting Research*, *28*(5), 1610-1644. https://doi.org/10.1111/j.1911-3846.2011.01071.x

Stanwick, P. A., & Stanwick, S. D. (1998). The relationship between corporate social performance, and organizational size, financial performance, and environmental performance: An empirical examination. *Journal of business ethics*, *17*(2), 195-204. https://doi.org/10.1023/A:1005784421547

Stephenson, C. (2004). Leveraging diversity to maximum advantage: The business case for appointing more women to boards. *Ivey Business Journal*, *69*(1), 1-5.

Stiles, P. (2001). The impact of the board on strategy: An empirical examination. *Journal of management studies*, *38*(5), 627-650. https://doi.org/10.1111/1467-6486.00252

Tanford, S., & Penrod, S. (1984). Social influence model: A formal integration of research on majority and minority influence processes. *Psychological Bulletin*, *95*, 189-225. https://doi.org/10.1037/0033-2909.95.2.189

Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate governance: an international review*, *17*(3), 320-337. https://doi.org/10.1111/j.1467-8683.2009.00742.x

Torchia, M., Calabrò, A., & Huse, M. (2011). Women directors on corporate boards: From tokenism to critical mass. *Journal of business ethics*, *102*(2), 299-317. https://doi.org/10.1007/s10551-011-0815-z

Tsui, A., Egan, T., & O'Reilly, C. (1992). Being different: Relational demography and organizational attachment. *Administrative Sci-ence Quarterly, 37*, 549-579. https://www.jstor.org/stable/2393472

Velte, P. (2017). Do women on board of directors have an impact on corporate governance quality and firm performance? A literature review. *International Journal of Sustainable Strategic Management, 5*(4), 302-346. https://doi.org/10.1504/IJSSM.2017.089125

Webb, E. (2004). An examination of socially responsible firms' board structure. *Journal of Management and Governance, 8*(3), 255-277. https://doi.org/10.1007/s10997-004-1107-0

Westphal, J., & Milton, L. (2000). How experience and network ties affect the influence of demographic minorities on corporate boards. *Administrative Science Quarterly, 45*(2), 366-398. https://doi.org/10.2307/2667075

White, G. I., Sondhi, A. C., & Fried, D. (2003). The analysis and use of financial statements (Vol. 1). John Wiley & Sons.

Williams, K., & O'Reilly, C. (1998). Forty years of diversity research: A review. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behaviour* (pp. 77-140). Greenwich, CT: JAI Press.

Zahra, S. A., & Stanton, W. W. (1988). The implications of board of directors composition for corporate strategy and performance. *International journal of management, 5*(2), 229-236.

Copyright Disclaimer