

IMPACT OF GENDER DIVERSE BOARDS ON CORPORATE PERFORMANCE - THE CASE OF INDIAN FIRMS MAKING ACQUISITIONS

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ABSTRACT

Existing studies on gender diversity in the boardroom present ambiguous results on the association between appointing women directors and firm performance. These studies have till date focused on western countries. This paper uses a random effects model and tests the theory of gender diversity in the Indian context by measuring the performance of 746 firms that made acquisitions during the period of 2005-2012. It is observed that even though having a female on board adds positively to firm performance and market sentiment, the dependence of performance measures on gender diversity in the boardroom is very low. No significant link is found between the two. Till date, no research has exclusively demonstrated the effect of the gender of directors on firm performance in the Indian context; this study attempts to fill this gap in the empirical literature.