

Abstract

This master thesis is focused on an analysis of the impact of corporate board diversity on firm performance using evidence from the Czech Republic. Return on assets, EBIT margin, EBITDA margin, and net profit margin were used as the performance measures. Three types of board diversity were examined in this thesis – gender, nationality, and age. Gender and nationality diversity were both represented by the percentage of women or foreigners on board, and by a dummy variable indicating the presence of women or a foreigner on board. The age diversity was measured by the average age of all board members. Some additional control variables were included in the models such as firm age, firm size, liquidity, etc. Our research is using data from 114 Czech enterprises between the years 2010 and 2018. The fixed-effects or the random-effects method was used to determine the relationship between board diversity and firm performance. The results show that there is a significant and positive relationship between the presence of women on board and firm performance. The average age of board members has a significant negative effect on all dependent variables. Nationality diversity has a mixed effect on firm performance.

JEL Classification

D22, G32, G34, J15, J16

Keywords

Board diversity, firm performance,
determinants of firm performance, diversity
impact, Czech Republic