Report on **Bachelor / Master Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	**Bc. Eva Parlásková**
Advisor:	**Jaroslav Pavlíček M.A.**
Title of the thesis:	**Board Diversity and Firm Performance: Evidence from the Czech Republic**

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

While women and minorities are still under-represented in corporate decision-making bodies, many researchers have shown that such diversity may be beneficial for a company. This thesis analyzes the impact of corporate board diversity on firm performance between 2010 and 2018 in the Czech Republic.

Contribution

I recognize the contribution of this thesis as threefold. First, author creates a new database by manually collecting data on each director of included companies. Second, Eva builds on quite extensive literature about the impacts of board diversity on firm performance. However, similar studies using the data from companies located and operating in the Czech Republic is a scarcity. Therefore, this thesis shed new light on this phenomena in our country. Three, I found that the Eva presents an overview of the problematic of the Czech board diversity which stands as a contribution on its own.

Methods

To examine the hypotheses, the author performs regressions using three models: pooled OLS, fixed effects (FE), and random effects model (RE), an appropriate approach when using panel data. To determine the best of these models, the author uses the standard methods, such as the F-test, the Hausman test, and the Breusch-Pagan LM test. The author also tests for heteroskedasticity and serial correlation.

Regarding the data, the author explains well all variables included in the analysis and discusses descriptive statistics providing basic information about the sample. However, in my opinion, the measure for age diversity used in the analysis, i.e. the average age, does not represent well the diversity. I would appreciate more thorough discussion about the data limitation, namely explaining some possible issues when presenting the results. Also, I was missing the reasoning for providing the analysis for 4 different dependent variables and what are the expectations and differences in these expectations for those regressand.

Literature

The author provides complex literature review covering the theoretical research on corporate diversity as well as the studies analyzing the relationship of gender and non-gender diversity on firm performance. Eva did aslo a good job illustrating the current situation of board gender diversity in the Czech Republic and places her work relatively well into the most relevant existing literature. However, one of few papers studing the effects of board gender diversity in the Czech Republic (Černík, D., 2016. Gender board diversity and its impact on Firm performance in the Czech Republic) is completely omitted in the thesis.

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Manuscript form

The thesis is well written, and the author uses appropriate language and style. The structure is standard and makes the manuscript easily readable and understandable. However, I have some remarks regarding the manuscript form below:

- The rerereferces to all figures in the main body of the thesis are incorrect (e.g., in section 3.3.2, the authors refers to Figure 3 while it's should be a reference to Figure 1).
- For many figures and tables, the author does not state the source.
- The description of Figure 3 does not fully correspond to the provided figure (page 24).
- In Table 2, it's not very comprehensive at first what columns 4 and 6 („% of total") represent. Moreover, it's not clear to me what is the purpose of reporting these numbers. I believe that more useful would be to show that for example in manufacturing 71% of included companies have at least one woman in board while only 50% in Electricity, Gas,... etc.

Summary and suggested questions for the discussion during the defense

To sum up, I enjoyed reading the thesis, and I believe that it fulfills the requirements for a master thesis at IES, FSV UK. Assuming that the student will present the thesis in front of the committee properly and address potential questions, I recommend grade B. Below, I provide some questions that might be discussed by the author during the defense:

- To discuss and explain possible shortcomings of the limited dataset.
- To explain how the average age represents the age diversity and to discuss whether there is a better measure to represent it.
- To relate and compare the author's findings to existing literature.

The results of the Urkund analysis indicate 39 % similarity which is very high. However, this high level of simililarity is caused by the document "Parlaskova_firstpart.pdf" which was the first draft of Eva's thesis. Therefore, I conclude that the plagiarism was not discovered.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	25
Methods (max. 30 points)	26
Literature (max. 20 points)	17
Manuscript Form (max. 20 points)	15

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TOTAL POINTS	*(max. 100 points)*	**83**
GRADE	**(A – B – C – D – E – F)**	**B**

NAME OF THE REFEREE: Mgr. Tereza Palanská, M.A.

DATE OF EVALUATION: 9.9.2020

Digitally signed (9.9.2020):
Tereza Palanská

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	**A**
81 - 90	**B**
71 - 80	**C**
61 – 70	**D**
51 – 60	**E**
0 – 50	**F**