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WOMEN ON BOARDS OF DIRECTORS: EFFECTS ON THE FINANCIAL PERFORMANCE OF COMPANIES IN CHILE AND PERU

FRANCISCO JAVIER VÁSQUEZ-TEJOS[1]* ✉, JULIO HERNÁNDEZ-PAJARES[2]

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Abstract: This study examined the relationship between the presence of women on corporate boards and the financial performance of publicly traded companies in Chile and Peru. The sample included seventy companies from various fields, and the panel-corrected standard errors technique was used to evaluate the effect of the percentage of women on boards on key financial indicators such as return on equity, return on the total of assets, EBIT margin, and net margin. The results showed a generally positive association between gender diversity on boards and financial performance, especially among Peruvian companies, where the effect was more consistent and significant. However, in the Chilean case, although a favorable association was also observed, the evidence was less robust. These differences suggest that cultural, economic, and regulatory factors may influence the impact of gender diversity. Although the findings coincide with regional and global trends highlighting the value of diverse leadership, they also reinforce the need for further research. Overall, the study provides evidence supporting the promotion of implementation of voluntary policies to foster gender equity in the corporate governance of emerging economies.

Keywords: Diversity on boards of directors, corporate governance, financial performance, listed companies, Chile, Peru.

[1]Associate Professor, Facultad de Ingeniería y Negocios; Universidad de las Américas; Av. Antonio Varas 929, Providencia, Santiago, Chile; fvasquez@udla.cl; https://orcid.org/0000-0002-5341-1415*Corresponding Author
[2]Full Professor, Universidad de Piura, Facultad de Ciencias Económicas y Empresariales; Lima, Perú; julio.hernandez@udep.edu.pe; https://orcid.org/0000-0002-7481-2912

Mujeres en los consejos de administración: efectos en el desempeño financiero de las empresas en Chile y Perú

Resumen: Este estudio analiza la relación entre la presencia de mujeres en los directorios y el desempeño financiero de empresas que cotizan en bolsa en Chile y Perú. La muestra incluye setenta empresas de distintos sectores, y se utiliza la técnica de errores estándar corregidos por panel para evaluar el efecto del porcentaje de mujeres en los directorios sobre indicadores financieros clave, como el retorno sobre el patrimonio, retorno sobre los activos, el margen EBIT y el margen neto. Los resultados muestran una asociación generalmente positiva entre la diversidad de género en los directorios y el desempeño financiero, especialmente en las empresas peruanas, donde el efecto es más consistente y significativo. En el caso chileno, aunque también se observa una relación favorable, la evidencia es menos sólida. Estas diferencias sugieren que factores culturales, económicos y regulatorios pueden influir en el impacto de la diversidad de género. Si bien los hallazgos coinciden con tendencias regionales y globales que destacan el valor de un liderazgo diverso, también refuerzan la necesidad de profundizar en la investigación. En conjunto, el estudio aporta evidencia que respalda el impulso de políticas voluntarias para fomentar la equidad de género en la gobernanza corporativa en economías emergentes.

Palabras clave: Diversidad de directorios, gobierno corporativo, desempeño financiero, compañías listadas, Chile, Perú.

1 INTRODUCTION

The composition of the board of directors is a key element in the corporate governance structure and influences companies' financial performance. It plays a role in determining corporate governance policies that affect economic decision-making within firms, with the aim of reducing agency risks and costs, as discussed by Baysinger & Butler (1985), Fama & Jensen (1983), and Zahra & Pearce (1989).

In developed economies such as the United States and European countries, the literature suggests a strong association between diversity on corporate boards and financial performance. This is partly due to the moderate institutional influence of regulations, public policies, and shareholder activism, which have brought increased public attention to the promotion of gender equality. As a result, gender diversity in corporate leadership is increasingly viewed as part of a company's corporate culture (Giannetti & Wang, 2023; Soare et al., 2022; Xie et al., 2024). However, female representation on boards remains low in most companies worldwide and is growing slowly, particularly in emerging markets where regulatory influence is weaker (Almarayeh, 2023; Chen et al., 2023; Miao et al., 2023).

In Latin America, where women's participation on boards of directors is not a policy promoted by corporate governance, there is little institutional influence on corporate policies (Torres Zapata & Borges Quintanilla, 2022). In Latin America, women's participation in top management has increased by eight percentage points from 2019 to 2022, making it a region of outstanding growth (Women CEO Perú et al., 2023). Therefore, we consider this research a contribution to previous studies to assess the relationship between gender diversity and financial performance in the context of emerging markets such as Peru and Chile, which have similar economic and social factors, in contrast to research on differences in companies from developed countries markets with more institutional influence.

Given the importance of boards of directors in governance, the literature has extensively addressed the study of the relationship between board composition and corporate performance. Board composition-related features, such as the number of board members and the presence of women and independent directors on boards, influence the company's value (Carter et al., 2003; Kim & Lim, 2010; Rosenstein & Wyatt, 1990). This composition also contributes to improving board effectiveness and decision-making, with an important influence on financial performance (Dalton et al., 1998; Grace et al., 1995; Kang et al., 2007).

One of the most studied features of the composition of corporate boards is the presence of women and their relationship with the financial results of companies. Women's contributions in knowledge, experience, innovation, and values, according to resource dependence theory, are decisive for performance (Post & Byron, 2015; Lückerath-Rovers, 2013; Pucheta-Martínez & Gallego-Álvarez, 2020; Shrader et al., 1997).

Studies indicate that gender diversity is a factor that has gained relevance in the assessment of the composition of corporate boards. Since a bigger presence of women

implies benefits in terms of human capital, which results in a rise in knowledge, views, new practices, and better relationships with stakeholders, which allows the creation of value and improvement of the company's performance on a long-term basis (Carter et al., 2003; Chen et al., 2023; Gordini & Rancati, 2017; Pucheta-Martínez, 2015; Song et al., 2020).

With respect to the Latin American context of the study, little research has been developed compared to other regions, which is why this study seeks to contribute to its theoretical development as well as to the improvement of gender diversity-related governance policies on boards of directors.

The studies do not show a consensus on the outcome of the gender diversity influence on corporate boards regarding companies' performance. Améstica Rivas et al. (2021), Arenas-Torres et al. (2021), Mastella et al. (2021), and Moreno-Gómez and Calleja-Blanco (2018) in Brazil and countries of the MILA market found a connection between such variables, while Marquez-Cardenas et al. (2022), Rosas Rodríguez et al. (2023), and Tresierra Tanaka et al. (2016) did not verify such a relation because there was a lack of critical mass of female CEOs in Mexico, Peru, and other countries. Accordingly, this work aims to determine whether the presence of women on boards of directors is crucial for the financial performance of the companies listed in Chile and Peru for the period between 2020 and 2022.

2 THEORETICAL FRAMEWORK

Literature over the last decades has explained how gender diversity on boards influences corporate performance, with three main theories: agency theory, institutional theory, and resource dependence theory. and resource dependence theory. These theories explain performance of directors in improving governance, providing improved resourcing, influencing performance, and satisfying shareholder interests of listed companies (Carter et al., 2003; Daily et al., 1999; Post & Byron, 2015; Shrader et al., 1997; Terjesen et al., 2009).

More recent studies point to the relevance of gender diversity on boards as a relevant research topic in economies with more developed institutional influence of pro-diversity regulation to evaluate corporate performance with a positive effect on reducing agency costs and the proportion of strategic resources for better business performance (Hazaea et al., 2023; Joecks et al., 2024; Nguyen et al., 2021; Rahman et al., 2023).

According to agency theory, the presence of women on boards of directors contributes to efficient corporate governance that allows for reduction of agency costs regarding shareholders, with greater control and monitoring of senior management. This enables better quality in decision-making, provides knowledge in the formulation of strategies and resolution of issues with a positive effect on the performance and market value of the companies, and especially as a key factor in management independence for studies of big corporations in developed markets and with satisfied shareholders (Arvanitis et al., 2022; Campbell & Minguez Vera, 2010; Carter et al., 2003; Gordini & Rancati, 2017; Post & Byron, 2015).

Regarding companies in emerging economies of Asia and Latin America, despite the influence of female representation and its connection with better performance for shareholders, a greater regulatory framework is required to promote gender diversity in corporate governance, as well as better governance and ethics policies that promote gender diversity on boards (Arenas-Torres et al., 2021; Dwaikat et al., 2021; Marquez-Cardenas et al., 2022; Mastella et al., 2021; Ramadan & Hassan, 2022).

The resource dependence theory emphasizes the strategic importance of female representation on boards for corporate performance. Women provide resources for decision-making, including knowledge, experience, and values, which make it possible to take advantage of environmental opportunities or counteract any threat. Gender diversity facilitates access to external resources and enhances organizational legitimacy. It provides information, views, knowledge, and fundamental strategic capacities to effectively interact with the external stakeholders and guarantees optimum access to available resources (Arvanitis et al., 2022; Daily et al., 1999; Hillman et al., 2007; Post & Byron, 2015; Rahman et al., 2023; Shrader et al., 1997).

Finally, institutional theory states that companies value and seek legitimacy for the female presence on boards of directors through policies of corporate governance in order to reach a critical mass of women; they find a connection with women in leadership positions and the performance of companies (Bilimoria, 2006; Gupta et al., 2023; Joecks et al., 2024; Yang et al., 2019). Likewise, studies such as Brahma et al. (2021) indicate that the influence of the government's corporate regulation of a mandatory gender quota on boards of directors, such as in the United States and Europe, relates to a higher financial performance (Brennan & McCafferty, 1997; Campbell & Minguez Vera, 2010; Post & Byron, 2015; Reguera-Alvarado et al., 2017), but not in other cases (Adams & Ferreira, 2009; Iacoviello et al., 2015).

Studies in developed economies are not conclusive; a substantial number of studies have concluded a significant and positive relationship between gender diversity on boards of directors and financial performance, measured by the company value return in the market, due to an institutional influence of the regulation of corporate governance, such as in countries of the European Union (Arvanitis et al., 2022; Campbell & Minguez Vera, 2010; Gordini & Rancati, 2017; Kılıç & Kuzey, 2016; Reguera-Alvarado et al., 2017). Studies conducted in companies from developed countries, based on institutional theory and resource dependence theory, indicate that gender diversity had an impact on boards and influences corporate performance (Carter et al., 2010; García-Meca et al., 2015).

Additionally, in Latin America, the results are not conclusive; however, studies by Améstica Rivas et al. (2021), Coba et al. (2022), Mastella et al. (2021), and Moreno-Gómez and Calleja-Blanco (2018) found that the presence of diversity on boards of directors had improved leadership, reputation, risk reduction, control, and better relationships with interest groups and had an impact on performance. Thus, we propose the following hypotheses:

H1: The percentage of women on boards of directors of companies in Peru and Chile positively influences the return on assets (ROA) and the return on equity (ROE) for the 2020-2022 period.

H2: The percentage of women on the list of boards of directors of companies in Peru and Chile positively influences EBIT margin and net margin for the 2020-2022 period.

3 METHODOLOGY

The research is quantitative, descriptive, and correlational. The sample analyzed included 35 Chilean companies and 35 Peruvian companies that recorded and published their financial statements with the Commission for the Financial Market (CMF) of Chile and the Superintendency of the Securities Market (SMV) of Peru, respectively. The data were from the years 2020, 2021, and 2022.

The small size of the sample was due to the limited numbers of large companies in both countries, as well as the restricted availability of information related to gender participation. Table 1 shows the economic sector of the companies included in the research.

Table 1. Sector of the companies in Chile and Peru

Field	Chile	Peru	Total
Agriculture & Fishing	2	2	4
Energy	3	3	6
Finance and Insurance	15	16	31
Funds	5	4	9
Manufacturing	5	6	11
Services	5	4	9
Total	35	35	70

Source: Authors' own elaboration with Stata

The distribution of sectors of the companies analyzed reflects a significant preponderance of the finance and insurance sector, which concentrates 44.3% of the total observations, with 15 Chilean companies and 16 Peruvian ones. Other sectors, such as manufacturing, funds, and services, showed a more balanced representation between Chile and Peru, with moderate percentages ranging between 12.9% and 15.7% of the total. On the other hand, agriculture & fishing, as well as energy, showed less participation, with only 4 and 6 companies respectively. In general, the sample reflects an appropriate field diversity, although with an inclination toward the financial sector, which could affect the generalization of the results.

The gender statistics were obtained from three official reports on gender indicators in companies in Chile issued by the Ministerio de la Mujer y la Equidad de Género and Fundación ChileMujeres (2021, 2022), and by the Ministerio de Hacienda et al. (2023). For Peru, these were obtained from the II Study on Women on Boards of Directors of Companies of the Stock Market, corresponding to a publication by WOMENCEO Peru, co-edited with CENTRUM PUCP and PwC Peru (Women CEO Perú et al., 2023).

The dependent and independent variables were:

- Dependent variables:

- EBIT margin (EBIT) corresponds to the earnings before interest and taxes divided by the total income.

- The net margin (NM), which was estimated as the net income divided by the total income.

- Return on equity (ROE) and

- Return on the total assets (ROA).

- Independent variables:

- Firm size (FS): Measured as the natural logarithm of the total assets.

- Sales Size (SS): Measured as the natural logarithm of the sales (income).

- Net equity (NE): Measured as net equity divided by total assets.

- Tangibility (PPE): Measured as the total tangible assets divided by total assets.

- Gender (G): Percentage of women on boards of directors.

An analysis of descriptive statistics and correlations of variables was conducted to assess and define the panel data models detailed below. Panel data methodologies were used with random and fixed effects, using an unbalanced database. In addition, several tests were carried out to identify and correct possible issues of heteroscedasticity, autocorrelation, and contemporaneous autocorrelation. Based on these tests, the four panel data models were proposed:

$$EBIT = \alpha + \beta_i FS_{i,t} + \beta_i NE_{i,t} + \beta_i SS_{i,t} + \beta_i PPE_{i,t} + \beta_i G_{i,t} + \varepsilon\,, \quad (1)$$

$$NM = \alpha + \beta_i FS_{i,t} + \beta_i NE_{i,t} + \beta_i SS_{i,t} + \beta_i PPE_{i,t} + \beta_i G_{i,t} + \varepsilon\,, \quad (2)$$

$$ROE = \alpha + \beta_i FS_{i,t} + \beta_i NE_{i,t} + \beta_i SS_{i,t} + \beta_i PPE_{i,t} + \beta_i G_{i,t} + \varepsilon\,, \quad (3)$$

$$ROA = \alpha + \beta_i FS_{i,t} + \beta_i NE_{i,t} + \beta_i SS_{i,t} + \beta_i PPE_{i,t} + \beta_i G_{i,t} + \varepsilon\,, \quad (4)$$

4 RESULTS

The analysis showed that the variables for Chile and Peru had similar average values, but with specific differences that might be relevant for the study. ROE particularly stood out, which had a much higher average in Chile (0.60), compared with Peru (0.21), which could indicate a structural difference in the return on equity in both countries. Likewise, we observed that the average participation of women on boards of directors was equivalent in both samples, reaching 16%. However, the maximum values were different: In Peru,

female participation reached a maximum of 43%, while in Chile, it reached 60%, which could reflect greater advances in some Chilean companies about gender equity.

Regarding the rest of the variables, we observed that Peruvian companies had a higher average in firm size (FS) and sales size (SS), suggesting a higher average scale of operation. However, Chilean companies showed higher dispersion in certain metrics such as ROE and EBIT margin (EBIT), indicating more heterogeneity in financial results. This could be an indication of differences in industry composition, economic context, or management strategies of companies in each country, which were key to interpreting the results of the econometric models. Table 2 summarized these indicators and provided a clear view of the characteristics and variability of the variables included in the analysis.

Table 2. Descriptive statistics of the variables

CHILE					
Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
FS	105	13.66	1.91	9.37	17.15
NE	105	0.39	0.27	-0.53	0.94
SS	105	12.66	2.15	6.54	17.24
PPE	105	0.21	0.26	0.00	0.74
EBIT	105	0.16	0.32	-1.96	0.65
NM	105	0.12	0.23	-1.16	0.53
ROE	105	0.60	4.24	-0.45	43.53
ROA	105	0.06	0.10	-0.35	0.41
Gender	105	0.16	0.13	0.00	0.60
PERU					
Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
FS	105	14.34	1.67	10.66	18.00
NE	105	0.34	0.24	0.07	0.87
SS	105	12.97	1.20	10.54	15.21
PPE	105	0.20	0.29	0,00	0.85
EBIT	105	0.23	0.24	-0.35	1.25
NM	105	0.14	0.16	-0.26	0.56
ROE	105	0.21	0.20	-0.35	0.76
ROA	105	0.07	0.09	-0.06	0.46
Gender	105	0.16	0.12	0.00	0.43

Source: Authors' own elaboration using Stata

The analysis of correlations showed that, in general, the relationships between the variables were low, with some instances of inverse correlations. The only notable correlations were observed between the FS, NE, and SS variables, which reached values over 0.66. This suggested a strong connection between these metrics. In Chile's case, female participation on the boards of directors (gender) showed very low correlations with the rest of the variables, suggesting that its direct influence on the financial indicators could have been limited in this context.

On the other hand, high correlations between FS and SS (0.80) and between NE and ROA (0.64) stood out in Peru, which strengthened the expected relationship between size and return on assets. However, more pronounced inverse relationships were observed, such as between FS and NE (-0.72), suggesting that companies with greater assets did not necessarily have a high proportion of net equity in their financial structure. Just as in Chile,

the gender variable showed weak correlations, with the highest being one with ROA (0.41).

In summary, the analysis of correlations (Table 3) highlighted that the size was the most interconnected while gender participation showed limited indirect influence, although these preliminary results required deeper analysis to determine their relevance in the econometric models.

Table 3. Correlations of the variables

CHILE									
	FS	**NE**	**SS**	**PPE**	**EBIT**	**NM**	**ROE**	**ROA**	**Gender**
FS	1.00								
NE	-0.36	1.00							
SS	0.66	-0.10	1.00						
PPE	0.42	-0.07	0.49	1.00					
EBIT	-0.07	0.50	-0.05	-0.15	1.00				
NM	-0.21	0.60	-0.25	-0.34	0.77	1.00			
ROE	0.14	-0.15	0.16	0.17	0.03	0.00	1.00		
ROA	-0.36	0.53	-0.15	-0.24	0.52	0.68	0.06	1.00	
Gender	0.09	-0.01	0.03	-0.03	0.13	0.14	-0.05	-0.18	1.00
PERU									
	FS	**NE**	**SS**	**PPE**	**EBIT**	**NM**	**ROE**	**ROA**	**Gender**
FS	1.00								
NE	-0.72	1.00							
SS	0.80	-0.57	1.00						
PPE	-0.22	0.40	0.06	1.00					
EBIT	-0.02	0.17	-0.29	-0.23	1.00				
NM	-0.06	0.33	-0.37	-0.25	0.69	1.00			
ROE	-0.21	-0.01	-0.12	-0.19	0.58	0.22	1.00		
ROA	-0.64	0.64	-0.48	0.01	0.39	0.43	0.58	1.00	
Gender	-0.22	0.16	-0.20	-0.11	0.25	0.18	0.33	0.41	1.00

Source: Authors' own elaboration using Stata.

The results of the Hausman tests for Chile's models indicated that the methodology of fixed effects should be used. This finding was consistent with Peru's models, where fix effects were also recommended, except for model 1, for which the methodology of random effects was suggested. The Wooldridge's test did not identify issues of autocorrelation in any of the models, except for model 1 in Chile. However, the Breusch and Pagan's test revealed problems of contemporaneous correlation in the residuals of all the models, in both Chile and Peru. In addition, the modified Wald test confirmed the presence of heteroscedasticity in all the models for both countries.

To address the issues of autocorrelation, heteroscedasticity, and contemporaneous correlation, the methodology of panel-corrected standard errors (PCSE) was applied. This technique has been widely used since Beck & Katz's study (1995) panel data allowed correcting these issues effectively. The results were shown in Tables 4 and 5

Table 4. Results of panel data regressions for Chile using the methodology of panel-corrected standard errors

Model	m1xtpcse	m2xtpcse	m3xtpcse	m4xtpcse
Dependent Variable	**EBIT**	**NM**	**ROE**	**ROA**
FS	0.04095088***	0.03145837**	0.7537913	-0.01013418*
NE	0.68142838***	0.54704271***	11.678372	0.20016657***
SS	-0.00941941	-0.01788897*	0.63701793	0.00877442*
PPE	-0.22083031	-0.31260593**	-3.6958482	-0.10777156**
Gender	0.26845272**	0.20092824*	-0.74529456	-0.06529885
cons	-0.55000815	-0.27157669	-21.410434	0.03852056
N	105	105	105	105
r2	0.3137202	0.3857776	0.1183886	0.2881812

Source: Authors' own elaboration using Stata. Significance levels: * p<0.05; ** p<0.01; *** p<0.001

The results for Chile showed the lack of statistical significance for several variables in the ROE model with ROE as the dependent variable, including FS, SS, PPE, and gender. This lack of significance suggested that these factors did not consistently explain the variability of return on equity for Chilean companies, possibly due to greater volatility in financial profitability or the presence of omitted variables that better captured the ROE dynamics. Likewise, in the ROA model, female participation on boards did not demonstrate a significant impact, despite its positive effects on other metrics such as EBIT margin and net margin. This reinforced the idea that the influence of gender diversity on corporate boards could have focused more on operational and efficiency-related aspects, rather than returns on assets or equity.

On the other hand, the female presence on boards of directors did not significantly affect the financial performance (ROE and ROA) of the companies, which was in line with a study conducted in Peru by Tresierra Tanaka et al. (2016) and Marquez-Cardenas et al. (2022) in Latin America. However, a positive and significant relationship was observed between female participation and other indicators of financial performance, such as EBIT margin and net margin. For the EBIT margin, the gender variable had a significant coefficient at 1% (0.268**), while for the net margin, it was significant at 5% (0.200*). This suggested that the inclusion on boards of directors could be related to improvements in operational efficiency and net financial performance, but not necessarily with the metrics of overall return.

The model in which ROE (return on equity) was the dependent variable did not yield significant results for the analyzed independent variables. This indicated that none of the evaluated factors, such as total assets (FS), net equity (NE), income (SS), equity (PPE), or female participation on boards of directors (gender) had a statistically relevant on ROE in Chilean companies. This finding suggested that ROE could have been influenced by other external or internal factors not considered in the model, or it showed high variability not explained by the variables included.

In contrast, the ROA model with ROA as the dependent variable offered more solid and significant results. NE showed a positive and highly significant impact (coefficient of 0.200, significant at 0.1%), reinforcing the idea that a solid capital structure contributed

to financial performance, measured through assets. On the other hand, PPE had a significant negative effect (-0.108, significant at 1%), suggesting that a higher proportion of tangible assets was related to lower return on assets. Regarding female participation on boards of directors, although the coefficient was negative (-0.065), it did not result in statistical significance, indicating that its direct influence on ROA was limited in this context.

In general, the ROA model could explain 28.8% of data variability ($R^2 = 0.288$), a moderate value, indicating that there were still other factors not considered that could have influenced the return on assets of Chilean companies. This analysis highlighted the importance of diversifying the metrics of financial performance to capture different aspects of business performance.

These results regarding the influence of gender-diverse corporate boards on return margins could be explained first by the contribution of resources to improved operational efficiency and profitability (Arvanitis et al., 2022; Shrader et al., 1997) and second by a focus on agency cost reduction and on the formulation of strategies to improve performance for shareholders (Mastella et al., 2021; Post & Byron, 2015). The results for Chile coincided with the findings of Rosas Rodríguez et al., (2023) for non-financial companies in the IPC Index in Mexico from 2011 to 2021, where female participation on boards of directors did not demonstrate significant effects on financial performance (ROA and ROE).

Table 5. Results of regressions of panel data for Peru using the methodology of panel-corrected standard errors

Model	m1xtpcse	m2xtpcse	m3xtpcse	m4xtpcse
Dependent Variable	**EBIT**	**NM**	**ROE**	**ROA**
FS	0.1169435***	0.0931126***	-0.07053646***	-0.02751288***
NE	0.39615132***	0.48013474***	-0.18520092**	0.1840254***
SS	-0.13267843***	-0.09301656***	0.0487403**	0.02222853***
PPE	-0.11897481***	-0.14977002***	-0.14442518***	-0.08910252***
Gender	0.43322914**	0.10230566	0.45736265***	0.17284126***
_cons	0.09611213	-0.14492616	0.61024344*	0.1057044
N	105	105	105	105
r2	0.32852093	0.39408599	0.21573523	0.61676756

Source: Authors' own elaboration using Stata. Significance levels: * p<0.05; ** p<0.01; *** p<0.001

The results of the regressions for Peru, presented in Table 5, showed that female participation on boards of directors had a positive and significant impact on most of the metrics of financial performance analyzed, except for the net margin (NM). These results were in line with those obtained in other emerging markets, including Greek companies (Arvanitis et al., 2022) and Palestinian companies (Dwaikat et al., 2021). They also aligned with results from developed markets, such as Brahma et al. (2021), in the UK, as well as Reguera-Alvarado et al. (2017) and Gordini & Rancati (2017) for Spanish and Italian companies, respectively.

5 DISCUSSION

Regarding EBIT margin and ROE (return on equity), female participation showed a positive and significant impact, indicating that gender diversity on boards of directors contributed to operational efficiency and return for shareholders. ROA (return on assets) also had a positive effect, further strengthening the relationship between diversity and the efficient use of resources.

On the other hand, variables such as FS and NE had a positive impact on all the performance metrics, highlighting the importance of firm size and financial solidity. In contrast, the proportion of tangible assets (PPE) had significant negative effects. In summary, the analysis for Peru showed that the incorporation of women on boards of directors was related to better financial performance in several key aspects. These results demonstrated the relevance of promoting gender diversity as part of better provision of external resources, better knowledge, and efficient corporate strategies, in the performance of companies, especially in emerging markets (Arvanitis et al., 2022; Rahman et al., 2023).

When compared with other recent studies, we observed that the study by Sunny and Hoque (2025) in the textile industry of Bangladesh found an unexpected negative connection between female representation on boards and the return on assets (ROA), in contrast to the positive results observed in Peruvian companies. Meanwhile, the study by Al-Matari (2024) highlighted that board size and female participation with a background in accounting and finance had a significant connection with firm performance, measured by ROE, which is like the findings in Peruvian firms. Similarly, studies by Rojas Molina and Sánchez Villamil (2024) and Arenas-Torres (2021) showed that the presence of women on corporate boards has a positive impact on financial profitability measured by ROA in companies of Colombia and Peru, although ROE shows a significant and positive relationship only in the Peruvian case.

Finally, the gender variable did not demonstrate a significant effect only on the net margin (NM), in contrast to its positive influence on the EBIT margin, ROE, and ROA. This exception suggested that female participation might not directly translate into net earnings, possibly due to other factors such as non-operational costs, taxes, or external factors. Additionally, the ROE model revealed that variables such as FS and NE, while statistically significant, displayed negative signs, suggesting a capital structure or size that, under certain conditions, did not optimize shareholder returns. This finding highlighted the complexity of the determinants of financial performance in emerging markets and emphasized the need to incorporate additional contextual or strategic variables in future research to improve the explanatory power of the models.

To enhance policies for diversity in top management in companies, the results also indicated that a higher institutional and regulatory influence from the stock markets was needed (Gupta et al., 2023; Yang et al., 2019). Developing better corporate governance policies and greater institutional influence from regulatory bodies was necessary to strengthen the presence of professionally qualified women on boards to reduce agency costs, provide better strategic resources for decision-making, and influence performance

to benefit shareholders. This, along with the promotion of gender diversity policies on boards of directors (Brahma et al.,2021; Campbell & Minguez Vera, 2010; Pucheta-Martínez, 2015).

6 CONCLUSIONS

The inclusion of women on boards of directors of companies in Chile and Peru had a positive impact on financial performance, particularly when measured by operational indicators such as EBIT margin (EBIT) and net margin (NM). However, this effect was more significant in Peruvian companies, where gender diversity in leadership seemed to contribute more substantially to financial success. In Chile, although a positive impact was also observed, the results were less consistent. This suggested that cultural, economic, and regulatory conditions might influence how gender diversity benefited companies in each country.

The sustained growth of female participation in top management in Latin America, in a context where there was no mandatory legislation to include women on boards of directors, strengthened the relevance of these findings. The ability of women to generate a positive impact on financial performance, without being subject to obligatory quotas, highlighted their intrinsic contribution to corporate leadership in emerging economies.

These findings suggested that companies should promote gender diversity not only as a matter of equity but also as a strategic asset to improve corporate governance and financial performance. This was due to the ability of female directors to provide resources for better governance, contribute to financial outcomes, and reduce agency costs for shareholders. Organizations could benefit from integrating a gender perspective into decision-making processes, evaluations of boards of directors, and leadership development programs.

Nevertheless, a key limitation of the study was the small size of the sample, limited by the limited number of large companies in the analyzed markets, as well as by the lack of availability of specific data, especially on female participation in boards. Additionally, the limitation of the study years restricted the generalization of the results. These limitations emphasized the need to enhance data collection in both countries and to conduct further research with broader temporal coverage, along with the incorporation of a larger number of companies, to obtain more robust and representative conclusions.

Future research could explore whether the effect of gender diversity on financial performance varied significantly across sectors. This differentiation could help clarify the contexts in which female representation on corporate boards had the greatest impact and could lead to specific diversity strategies for each sector. A future line of research could focus on identifying the factors that explained the differences observed between Chile and Peru regarding the impact of female participation on corporate boards. It was relevant to analyze whether these differences were mediated by organizational variables such as the adoption of corporate social responsibility (CSR) practices, leadership styles, corporate

governance structures, or institutional contexts that could enhance or restrict the effect of gender diversity on financial performance.

In summary, this study provided valuable evidence on the positive impact of gender diversity in corporate leadership in Chile and Peru, although it highlighted significant differences between the two contexts. Simultaneously, it emphasized the importance of overcoming current barriers to data availability to deepen the understanding of this phenomenon and maximize the potential of gender diversity in emerging economies.

AUTHORS' CONTRIBUTIONS

Julio Hernández-Pajares contributed to the conceptualization, formal analysis, writing original draft, and writing review & editing. Francisco Javier Vásquez-Tejos contributed to the data collection, data analysis, modeling, methodology design, estimations, interpretation of results, discussion, and conclusions. Both authors reviewed and approved the final version of the manuscript.

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DATA AVAILABILITY STATEMENT

The data from this study are available on:
https://www.chilemujeres.cl/reporte-de-indicadores-de-genero-de-empresas-en-chile/
https://womenceoperu.org/ii-estudio-sobre-mujeres-en-directorio-de-las-empresas-del-mercado-de-valores/
https://www.cmfchile.cl/portal/principal/613/w3-channel.html
https://www.smv.gob.pe/SIMV/Frm_InformacionFinanciera?data=A70181B60967D74090DCD93C4920AA1D769614EC12

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CONFLICTS OF INTEREST:

The authors declare that they have no conflict of interest.

ETHICS STATEMENT

This study uses exclusively publicly available secondary data from financial databases, corporate annual reports, and official market disclosures. No personal or confidential information was collected, and no human or animal subjects were involved. Therefore, ethical committee approval was not required. The research was conducted in accordance with academic integrity principles and for strictly scholarly purposes.

AI USE STATEMENT

The authors declare that no artificial intelligence (AI) tools, generative AI systems, or automated bots were used in the design, data collection, analysis, or writing of this manuscript. All analyses and interpretations were conducted exclusively by the authors.

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