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«What About Corporate Board Diversity?»

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Contents

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1. INTRODUCTION

The board of directors plays a pivotal role in steering a firm's strategic direction, with two critical responsibilities: monitoring and advising top management. By actively participating in board meetings, directors engage in the firm's strategic decision-making processes (Judge & Zeithaml, 1992). For decades, boards of directors were predominantly homogeneous, typically comprising top executives like CEOs, CFOs, or retired executives from large companies (Hillman et al., 2002) and appeared as "good old boys' clubs" (Lorsch & MacIver, 1989). However, corporate scandals in the early 2000s, such as those involving Enron, WorldCom and Tyco, exposed significant weaknesses in corporate governance. This led to major regulatory changes, such as the Sarbanes-Oxley Act of 2002 in the US, which imposed stricter requirements on financial reporting, internal controls and board responsibilities to strengthen governance.

The early 21st century has also seen critical developments in corporate board diversity in an attempt to prevent groupthink and enhance oversight. This period marked significant changes in regulatory actions, such as the introduction of gender quotas, and growing attention to the benefits diverse corporate boards can bring, reflecting shifts in societal views. Institutional investors, such as pension funds, asset managers, and other shareholders, began pressuring companies to improve diversity on their boards.

2. THEORETICAL UNDERPINNINGS FOR BOARD DIVERSITY

According to Van der Walt & Ingley (2003), boardroom diversity combines human and social capital that benefits the board's governance functions. The *Resource Dependency Theory* and the *Agency Theory* are the primary frameworks for understanding board diversity. They explain how diversity enhances board effectiveness by providing valuable external resources and networks while improving oversight and reducing conflicts of interest through varied perspectives.

The *Resource Dependence Theory* (Pfeffer & Salancik, 1978) hinges on the advisory role of corporate boards. Hillman et al. (2009) posit that the performance of corporations depends on the resources available to them. A diverse board can bring a broad range of resources, knowledge, and connections, improving its advisory function (Carter et al., 2010). This will help the company navigate complex environments while offering access to varied resources. Hence, the diversity of resources brought about by diverse boards can improve strategic decision-making and the company's performance.

The *Agency Theory* (Jensen & Meckling, 1976) addresses the conflict of interests arising from the separation between principals (shareholders) and agents (management). These conflicts give rise to agency costs, which are the costs associated with ensuring that management acts in the best interests of shareholders rather than pursuing personal objectives. Indeed, one of the key roles of a corporate board is to oversee and monitor management to ensure that their actions align with the best interests of shareholders. A diverse board is particularly effective in this monitoring role because it brings varied perspectives and is less susceptible to groupthink – a phenomenon where a homogenous group may make decisions without critically evaluating alternatives due to their shared perspectives. By including members with different backgrounds, experiences, and viewpoints, a diverse board can offer a wider range of insights and question management's decisions more rigorously. Hence, board diversity can lead to a more effective monitoring function and lower agency costs.

3. DIFFERENT DIMENSIONS OF DIVERSITY

Despite the definition of a precise theoretical framework, there is no consensus regarding the benefits and drawbacks of board diversity or the most appropriate method for measuring it. This section gives an overview of board diversity's most common dimensions and potential benefits or drawbacks, as shown in the literature to date.

Studies on board diversity typically focus on the representation of directors with specific characteristics, the heterogeneity of these characteristics within the board, or a combination of both. Capturing differences in opinions, information, and other factors that influence director interactions is inherently challenging as there is little data on how directors communicate information and collaborate in making decisions to address challenges and identify growth opportunities.

Harjoto et al. (2018) distinguish between task-related diversity, which refers to differences in aspects like educational, functional backgrounds and expertise directly related to the work being done and relation-related diversity, which includes characteristics such as gender, age, race, or nationality. The literature has generally focused on expertise, age, culture/race/ethnicity, and, above all, gender diversity. We discuss each in turn below.

3.1 GENDER DIVERSITY

Board gender diversity refers to diversity among members of different genders. Typically, a gender-diverse board is expected to offer a wider range of perspectives and avoid groupthink, improving the board's monitoring and advisory functions. Many studies investigate the impact of women on boards (Adams & Ferreira, 2009; Ahern & Dittmar, 2012; Carter et al., 2003; Greene et al., 2020), while other studies focus on gender diversity in the broader workforce and female executives. (e.g. Faccio et al., 2016). Specifically, when examining board gender diversity outcomes, some of the most significant benefits include stimulating creative thinking and incorporating novel perspectives. A 2022 survey of US corporate directors found that board gender diversity ranked highest in introducing new ways of thinking to the boardroom (PwC Report, 2022). The same research shows that female directors help broaden firms' access to external resources and stakeholders. Other studies highlight that the presence of women on boards is also associated with improved accounting-based performance and stock market returns (Abdullah et al., 2016). Moreover, board gender diversity plays a crucial role in reducing risks and misconduct (Adams & Ferreira, 2009; Chen et al., 2016).

Among the various diversity dimensions on corporate boards, gender diversity is the most extensively studied aspect for several reasons. First, in recent years, gender diversity in corporate leadership has gained significant attention from regulators, politicians, and investors. This focus is driven by a growing recognition of the importance of equal representation and its benefits to organizations. Second, the investigation of gender diversity has increased thanks to improved data availability and the occurrence of quasi-exogenous events, such as legislative reforms designed to enhance gender diversity on boards. In general, organizations and countries recognize that women remain underrepresented in senior positions, particularly in the private sector, revealing the existence of a “glass ceiling”. This underrepresentation persists despite women having similar access to education and labor market opportunities as men. For this reason, over the past decade, numerous policies aimed at increasing the presence of women in boardrooms have entered into force worldwide.

3.1.1 Is there a better policy?

While there is widespread consensus on the importance of increasing the presence of women in senior positions for reasons ranging from utility and business arguments to justice and equality, the debate remains open on the most effective policies or initiatives to achieve higher gender diversity on corporate boards. These approaches vary widely from mandatory quotas to softer strategies such as voluntary targets or “comply and explain” mechanisms integrated into national codes of good corporate governance.

An important issue regarding the presence of women on corporate boards is the appropriateness of quota laws. According to the European Commission, a quota is a proportion or allocation of positions or resources established to favor a particular group, typically based on specific rules or criteria. It aims to address past imbalances, particularly in decision-making roles or access to training and employment opportunities. The debate on the definition of gender quotas has been particularly prominent in Europe, where a range of approaches is available: on the one hand, the countries that have implemented quotas (such as Austria, Belgium, France, Germany, Iceland, Italy, Netherlands, Norway, Portugal, and Spain) and, on the other hand, the countries that have chosen more voluntary policies (like Sweden and the UK).

The impact of these different policies aimed at increasing corporate gender diversity can vary significantly. Quotas, especially those associated with strict penalties for non-compliance, have been effective. For instance, in Norway, the percentage of women on listed companies’ boards rose from 7% in 2003 to 40% in 2008 after this type of law was implemented. However, countries like Sweden and the UK, which opted for softer, voluntary policies, also improved board gender diversity. On the contrary, Spain, which introduced a quota law (40%) with no sanctions for non-compliance, has not met its goals. After these experiences of the single countries, in November 2022, the European Parliament approved the "Women on Boards" directive, indicating that women must make up at least 40% of non-executive board members at large companies in the European Union from mid-2026. On the other side of the pond, the three most prominent institutional investors launched a campaign to increase board gender diversity in 2017, which led US corporations to add at least 2.5 times as many female directors in 2019 as they had in 2016 (Gormley et al., 2023). These examples outline the importance of understanding the design, context, usefulness, and effects of different policies aimed at increasing the share of women on boards. It is crucial to consider the features of policy design, country-specific corporate governance systems, institutional factors (Terjesen et al., 2016), the role of change advocates, and other factors that can either hinder or facilitate women's access to boards from both supply and demand perspectives (Gabaldon et al., 2015).

3.1.2 Challenges in improving board gender diversity

Board gender diversity can present challenges, like any other forms of board diversity: heightened internal conflicts, lower decision-making quality, impaired board operational efficiency, increased organizational functioning costs, and, ultimately, a potential decrease in corporate value. The social-psychological perspective suggests that diversity can lead to more conflicts, slowing down decision-making (Triana et al., 2014). Moreover, it may lead to in-group and out-group dynamics, reducing communication effectiveness, complicating decision-making, and harming the group.

Moreover, mandatory quotas for board gender diversity can lead to the selection of less qualified female candidates during the nomination process. This circumstance reduces the quality of female directors and diminishes their positive influence (Ahern & Dittmar, 2012). The *Tokenism Theory* posits that underrepresented minority groups in senior management, such as women and racial minorities, may be perceived as mere "tokens" or isolated individuals. This perception reinforces societal stereotypes, particularly in male-dominated environments where women in leadership roles may be viewed as symbolic figures and marginalized (Kanter, 2008). This is particularly true in the financial market, where most investors are male and often hold negative stereotypes about women in senior management. Bigelow & Parks (2006) found that male investors in the US tend to invest three times more money in corporations led by men than in those led by women. This male-dominant tendency among investors is even more pronounced in emerging economies. Haslam et al. (2010) argued that boards composed solely of men receive higher evaluations than those with female members, which could suggest a negative perception of corporations with high board gender diversity. Some studies support this perception, suggesting that board gender diversity does not necessarily improve performance (Adams & Ferreira, 2009). Having more female board members has been associated with lower performance and accounting returns (Mínguez-Vera & Martin, 2011) and a possible loss of overall shareholder value (Bøhren & Strøm, 2010). Ahern & Dittmar (2012) found that implementing female director quotas in Norway decreased firm value. Furthermore, implementing female director quotas in corporations with strong corporate governance may lead to overregulation, potentially decreasing shareholder value and encouraging management myopia. This myopia can result in reduced investments, especially in long-term, risky ventures such as corporate innovation (Becker–Blease & Sohl, 2011). Additionally, female directors tend to be more risk-averse and less confident (Croson & Gneezy, 2009), making them less likely to undertake high-risk and unpredictable innovation activities (Hirshleifer et al., 2012).

3.2 THE OTHER DIMENSIONS OF DIVERSITY

As board members can be diverse not only in gender but also in age, culture and expertise, now we delve into the other dimensions of diversity recent literature has focused on. First, an age-diverse corporate board has its members from different age groups, ranging from younger to more senior and experienced directors. New ideas and innovative thinking of younger directors, together with older directors' deeper industry knowledge and experience, can enhance an age-diverse board's decision-making processes and overall effectiveness. This could particularly benefit high-tech companies where younger directors' familiarity with new technologies and trends could be highly relevant. While younger directors may be more willing to take risks and embrace change, older directors may be reluctant to change long-standing practices, resulting in difficulties (Hitt & Tyler, 1991).

Second, corporate boards' cultural diversity involves board members from different ethnic groups and nationalities (Frijns et al., 2016; Masulis et al., 2012). This can particularly help multinational companies better understand and navigate the cultural nuances of the global markets. Moreover, companies with culturally diverse boards may be seen as more inclusive and social-oriented. This feature may eventually enhance their reputation and legitimacy in the eyes of the stakeholders, such as employees, customers, and investors. Despite the potential benefits, cultural diversity can also present communication, coordination, cultural sensitivity, and intragroup trust challenges. In the end, a few studies have explored the effects of other dimensions of relation-related diversity, such as those of political diversity (Kim et al., 2013; Lee et al., 2014) and of family, regional, or religious backgrounds.

Third, expertise diversity on a corporate board includes board members with varied professional backgrounds and skills. This diversity enhances the board's advisory function. Expertise can arise from the board members having backgrounds in different industries, such as finance, law, and technology, as well as functional areas, such as risk management, accounting, and regulatory compliance. Hence, diversity in expertise fosters broader strategic perspectives, more robust problem-solving, and more holistic decision-making. However, expertise diversity can also pose challenges, such as inefficient communication and coordination.

In empirical studies, expertise diversity on corporate boards has often been measured through directors' education and experience (e.g., Kang et al., 2018). Other studies have focused on directors' skill sets, such as financial and legal expertise (Adams et al., 2018), and very few have studied military experience. These studies have highlighted the broadness of the dimensions of expertise diversity.

Studies found that the market reacts positively to news regarding improvements in board expertise diversity (Fich, 2005). As anticipated, corporate boards with bankers' experience make improved financing decisions and exhibit improved financial performance (Güner et al., 2008).

Ultimately, considering multiple dimensions of board diversity is often more effective than examining them individually, as it provides a more comprehensive understanding of how diversity influences organizational outcomes (Harjoto et al., 2018). For this reason, many studies examine multiple dimensions of board diversity simultaneously. For instance, Song et al. (2020) study female and foreign directors, as well as diversity in director age, tenure, and industry experience. Carter et al. (2003) focus on female and minority directors on corporate boards, and Field et al. (2020) investigate their appointments to board leadership roles. Bernile et al. (2018) employ a multidimensional measure of board diversity that includes gender, ethnicity, age, educational background, financial expertise, and breadth of board experience.

4. EFFECTS OF DIVERSE BOARDS ON FIRMS

The literature that uses board diversity as an independent variable primarily examines its impact on four key areas: (i) firm performance, (ii) strategy and innovation, (iii) the composition, structure, and practices of boards of directors, and (iv) governance and control.

4.1 FIRM PERFORMANCE

Empirical evidence suggests that board characteristics directly or indirectly affect firm performance through the board's actions. Research has frequently demonstrated a positive relationship between board diversity and firm performance. For example, Miller & Triana (2009) found that board diversity positively impacts firm innovation, while Dezső & Ross (2012) suggest that board diversity enhances performance only when a firm's strategy focuses on innovation. Furthermore, Francis et al. (2015) highlight that including academic directors can improve various performance metrics, including merger and acquisition outcomes, innovation, stock price informativeness, reduced earnings management and CEO remuneration. While politically diverse boards are associated with better performance and lower agency costs (Kim et al., 2013), political alignment between the CEO and the board can decrease firm value and profitability (Lee et al., 2014). Despite these findings, a positive relationship between board diversity and financial performance lacks consensus. Some studies have found a non-significant and negative relationship (Adams & Ferreira, 2009; Carter et al., 2010), suggesting that the impact of board diversity on financial outcomes is not universally agreed upon.

4.2 STRATEGY AND INNOVATION

Focusing on the second key research area, you can outline that, according to the *Upper Echelons Theory*, directors can have different cognitive frames, which could influence firm outcomes (Hambrick, 2007). Specifically, demographic attributes of directors such as age, educational background, gender, nationality and multiple directorships could shape the decision-making process. For instance, Harrison & Klein (2007) argue that age diversity leads to more balanced decision-making, which increases corporate performance. Hafsi & Turgut (2013) show that younger directors could be more concerned about ethical and environmental issues and that, according to Luthar et al. (1997), female directors could enhance, in general, CSR activities compared to male directors.

In addition, the *Resource Dependence Theory* (Pfeffer & Salancik, 1978) and *Social Identity Theory* (Ashforth & Mael, 1989) suggest that female directors are more committed to social activities and more concerned about health and environmental risks than their male counterparts. Empirical evidence supports these theoretical perspectives. Nielsen & Huse (2010) argue that women directors demonstrate greater concern for environmental issues and can significantly impact environmental policies. Braun (2010) further notes that female directors are more actively involved in green initiatives and contribute to improving board efficiency regarding a firm's environmental policies. Similarly, Bear et al. (2010) establish positive connections between board diversity, CSR, and firm reputation, highlighting the beneficial impact of female directors on corporate governance and social performance.

Another dimension of diversity worth investigating is the directors' nationality. For example, Oxelheim & Randoy (2003) argue that appointing foreign directors addresses the demands of globalization, enabling firms to navigate better and compete in the international market. In addition, the presence of foreign directors brings new resources, perspectives and networks by allowing firms to fulfill their CSR goals. Lau et al. (2016) provide evidence that foreign directors are positively associated with CSR, suggesting that their diverse backgrounds and experiences foster a stronger commitment to socially responsible initiatives. Harjoto et al. (2018) find that increased nationality diversity on boards enhances social performance by reducing biases and expanding the perspectives considered in decision-making.

Strategic decisions and, above all, involvement in CSR activities can also be influenced by board members' academic and professional backgrounds (Hambrick & Mason, 1984). Goll & Rasheed (2004) identified a significant positive relationship between educational level and rational decision-making. Gadenne et al. (2009) found that higher education levels correlate with a greater commitment to CSR activities. In particular, Panapanaan et al. (2003) identified a positive relationship between business education and CSR because business studies often incorporate ethics, CSR, and sustainability, fostering ethical behavior in companies. Shahgholian (2017) noted that highly educated directors are more likely to possess knowledge of environmental issues and develop environmental initiatives. In the end, directors holding multiple boards are more likely to adopt and share policies from other companies (Dahya et al., 1996) and, hence, to enhance corporate environmental initiatives (Hillman & Dalziel, 2003) and to guarantee higher voluntary environmental disclosure (Rupley et al., 2012). Similarly, Ortiz-de-Mandojana et al. (2012) argue that directors with multiple directorships can access broader information on environmental activities, improving the firm's environmental performance.

4.3 COMPOSITION AND STRUCTURE OF BOARDS

The effects of board diversity on subsequent board composition or structure are poorly understood. However, a diverse board often leads to a larger board. This can benefit complex firms that require a greater advisory capacity, as Coles et al. (2008) noted. Studies also show that board diversity influences the composition of key committees such as audit, nominating, compensation, and executive committees (Kesner, 1988). Given the limited and homogenous pool of suitably qualified candidates available for senior and executive positions, as Powell (1999) discussed, Brammer et al. (2007) find a positive correlation between the number of non-executive directors and board diversity.

Since board diversity affects the composition of nomination committees, it is likely to influence future board diversity as well. Hillman et al. (2002) have tracked a sample of white male, white female, African-American female, and African-American male directors who serve on Fortune 1000 boards. The authors find that further diversity becomes easier once initial diversity is achieved. This finding also suggests that achieving one form of diversity can make boards more receptive to other forms of diversity.

4.4 GOVERNANCE AND CONTROL

Regarding the fourth area of analysis, governance and control, there is a large consensus on the positive relationship between board diversity and governance. Adams & Ferreira (2009) suggest that while boardroom diversity negatively impacts a firm's financial performance, it positively influences governance. Similarly, Srinidhi et al. (2011) found a positive relationship between board diversity and earnings quality. Gul et al. (2011) showed that diverse boards positively affect share price informativeness through greater public disclosure.

It is evident from the works cited above that board gender diversity has been a topic of considerable discussion and research. Despite the potential advantages, increasing female representation on corporate boards has been sluggish, with significant growth recorded only in the past decade. This disparity raises important questions about the factors driving gender board diversity and the deterrents to achieving it. Drivers and deterrents will be the topic of the next section.

5. INSTITUTIONAL DETERMINANTS AND DETERRENTS OF BOARD GENDER DIVERSITY

Even though a lack of comprehensive theoretical frameworks has often characterized the debate on the main dimension investigated, board gender diversity, the literature highlights that board gender diversity is not solely an internal corporate choice but is significantly shaped by external and contextual factors, ranging from firm-specific strategies and industry characteristics to national legislation and institutional norms.

Early research often investigates a single institutional setting and focuses on firm and industry characteristics to identify the main drivers of board gender diversity. Brammer et al. (2007) found that both competitive pressure and the regulatory context influence board gender diversity: firms operating in dynamic and competitive environments may seek diverse boards to better navigate challenges and opportunities. Additionally, Brammer et al. (2009) indicated that firms in industries closely connected to final consumers may prioritize board gender diversity to align with their customer base and enhance their public image. Beyond industry, other firm characteristics can influence the presence of female directors on boards. According to Hillman et al. (2007), larger firms with extensive networks and strategic ambitions might be more inclined to diversify their boards to gain broader perspectives and resources. Other studies suggest that the inclusion of female directors on boards is not driven by a genuine commitment to gender diversity and inclusion from executives but rather by external pressures (Grosvold & Brammer, 2011; Terjesen et al., 2009).

As a result, several authors have called for a deeper understanding of the institutional factors to select more effective strategies for promoting board gender diversity. For instance, Grosvold & Brammer (2011) identify that legal, political, economic, and social institutions at the national level play a crucial role in shaping it, as these institutions can create an environment that either supports or hinders board gender diversity. In addition, Terjesen & Singh (2008) suggest that a country's broader social, political, and economic structures shape the representation of women on corporate boards. Interestingly, they note that countries with a long history of women's political representation tend to have lower levels of female board representation. Moreover, their findings indicate that countries with higher female board representation tend to have women in senior management positions and more equitable gender pay ratios. Furthermore, Terjesen et al. (2015) highlight that the institutional framework, composed of legislative measures and governance policies, can mandate or encourage the inclusion of diverse members on corporate boards. Using a longitudinal country-comparative approach, Seierstad & Huse (2017) examine the influence of civil society, business, state, and international actors on the percentage of women on boards in Norway, the UK, Germany, and Italy. Grosvold et al. (2016) identify several institutional characteristics positively correlated with female board representation, such as divorce rates, female labor force participation, female managerial participation, government spending on daycare facilities, and legal protection of mothers' right to return to their original work position after childbirth.

On the other hand, Carrasco et al. (2015) examine cultural characteristics' impact on women's directorship in 32 countries, finding that nations with a higher tolerance for power inequalities and a stronger emphasis on traditional gender roles often exhibit lower board gender diversity. Chizema et al. (2015) explore the relationship between religiosity and board gender diversity, revealing that traditional gender stereotypes associated with religiosity negatively correlate with diversity. Lewellyn & Muller-Kahle (2020) investigate how national cultural forces can either hinder or enhance the positive impact of female empowerment in economic and political spheres on increasing gender diversity on corporate boards. Despite extensive investigation into the relationship between institutional dimensions and board gender diversity, there is limited evidence on the institutional drivers of diversity at the top management team level (Yao, 2023). Focusing on emerging markets, Elango (2018) identifies that a country's wealth, gender egalitarianism, and human orientation increase the likelihood of having a female CEO in a firm. Furthermore, there is a notable absence of empirical research specifically addressing how institutional drivers can either encourage or diminish gender tokenism.

6. FUTURE SOCIAL TRENDS AND ACADEMIC RESEARCH AREAS

Corporate diversity is increasingly becoming a focal point for businesses worldwide and academic research. These two broad areas are driven by both societal pressures and a growing body of evidence linking diversity to improved business outcomes, as well as the regulations, in the case of gender diversity.

As we look to the future, several social trends will likely shape corporate diversity's landscape. Governments and regulatory bodies are progressively implementing policies to promote gender diversity within corporate boards and executive teams. However, while gender diversity has been the primary focus of many diversity law initiatives, there is a growing recognition that diversity encompasses more than just gender. In this regard, we outline that in 2020, California introduced regulatory changes (Assembly Bill 979) to enhance racial and ethnic diversity on boards, similar to prior initiatives for increasing gender diversity. The future of corporate diversity will likely see a broader emphasis on other dimensions such as racial, ethnic, cultural, age, and cognitive diversity. This expanded definition will encourage companies to create more inclusive environments that value various perspectives and experiences.

Moreover, institutional investors and other stakeholders increasingly demand greater corporate diversity, transparency and accountability. This pressure is likely to intensify, with investors using their influence to push for more diverse leadership and inclusive practices across organizations. Despite these positive trends, challenges remain. Resistance to change, unconscious biases, and slow progress may continue to hinder diversity efforts. Ensuring diversity initiatives are genuinely impactful and not merely symbolic will be a key challenge for organizations in the coming years.

Parallel to these social trends, academic research has also been expanding its focus on diversity. Numerous studies have emphasized that the value of board diversity lies in the broad range of perspectives that diverse boards contribute. These perspectives are shaped by numerous demographic attributes that interact with each other. Despite this complex interplay, as we have emphasized in this chapter, much of the existing research on board diversity has disproportionately focused on gender, often overlooking other important demographic factors. While gender diversity is undoubtedly crucial, real-world board diversity is inherently multifaceted. Focusing on a single aspect of diversity, such as gender, can lead to over-simplified conclusions that are insufficient to develop a comprehensive understanding. Directors bring a mix of experiences, backgrounds, and characteristics that collectively shape the board's function. Studies considering multiple dimensions can better reflect this complexity and provide more applicable insights to actual boardrooms. Exploring these areas offers a key opportunity for future research and contributes to a more holistic view of board diversity. For example, investigating the effect of the regulatory change introduced in California in 2020 could yield valuable insights, as it happened for gender diversity.

Looking specifically at gender diversity, future research could investigate, on the one hand, the interplay between board diversity and top management teams, examining how diversity in nomination, election, and other processes affects the relationship between board teams and top management teams. On the other hand, the authors could analyze the effects of board diversity on stakeholders, outlining how diverse boards influence various stakeholders, including customers and employees. There is also a need to better understand the potential contributions of a diverse board in steering businesses towards sustainable business practices in terms of environmental innovations, carbon emissions, and circular business models. Ultimately, a neglected topic is board diversity in non-profit organizations, characterized by unique aspects and implications.

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