

The Impact of Board Gender Diversity on the Use of Knowledge and Skills, and Corporate Performance: A Balanced Scorecard Approach

Nuthawut Sabsombat

Assistant Professor, Department of Accounting, Faculty of Management Sciences, Kasetsart University, Sriracha Campus, Laem Chabang, Thailand

Wiparat Suralai

Lecturer, Hospitality Industry Management (Contemporary Tourism Management), Faculty of Management Sciences, Kasetsart University, Sriracha Campus, Laem Chabang, Thailand

Abstract:

Existing literature on corporate governance and organisational research presents mixed findings, with no consistent evidence linking board gender diversity to corporate performance. This inconsistency may stem from the neglect of potential mediating effects between these variables. Additionally, traditional measures of corporate performance may fail to encompass the comprehensive dimensions of company outcomes. Therefore, this study aims to investigate the influence of board gender diversity on corporate performance, measured through the Balanced Scorecard (BSC), which includes four perspectives: financial, customer, internal business processes, and learning & growth. Moreover, this research examines the mediating role of board knowledge and skill utilisation in shaping the effects of board gender diversity on BSC. A quantitative approach was employed, with data collected via questionnaires from 150 companies in Thailand, and the resulting Structural Equation Modelling (SEM) model demonstrated strong fit and reliability. Complementing this, qualitative insights were obtained from interviews with 10 directors across various companies, following a systematic method to capture nuanced perspectives and experiences. Our findings reveal a negative relationship between board gender diversity and BSC. Nevertheless, gender-diverse boards positively impact task performance through enhanced application of knowledge and skills, which in turn improves corporate outcomes. This suggests that simply adding women to the board for symbolic purposes (tokenism) does not inherently increase corporate performance. Conversely, when female directors actively contribute to board functions, their involvement can significantly enhance corporate value. These results highlight not only the influence of board diversity on firm performance but also underscore the importance of effective board processes, such as knowledge and skill application, in enhancing corporate success. Our findings will encourage companies to establish a well-structured board of directors. Moreover, it can offer recommendations for regulations, serving as a concrete guideline to promote the development of board structures aligned with international standards.

Keywords:

Board gender diversity, Use of knowledge and skill, Balanced Scorecard.