

## CHAPTER V

### CONCLUSIONS AND IMPLICATIONS

#### A. Conclusions

Drawing on the research findings and discussion regarding the effect of board diversity on firm performance in financial sector companies listed on the QSE over the 2022–2024 period, which was examined using panel data regression techniques, the following conclusions can be formulated:

1. Gender diversity does not have a significant effect on firm performance in financial sector companies listed on the QSE during the 2022–2024 period. This result indicates that the presence of female directors on the board does not significantly influence the financial performance of the companies in the sample.
2. Nationality diversity does not have a significant impact on firm performance in financial sector companies listed on the QSE over the 2022–2024 period. The empirical results indicate that the presence of board members from diverse national backgrounds does not significantly influence financial performance, suggesting that differences in nationality may not translate into measurable economic benefits in this context.

3. Board size does not have a significant impact on firm performance in financial sector companies listed on the QSE over the 2022–2024 period. This result implies that the number of board members alone does not determine the effectiveness of corporate governance in enhancing firm performance.

## **B. Implications**

### **1. Implications for Companies**

The findings of this study offer valuable implications for companies, particularly in evaluating corporate governance frameworks. By examining the relationship between board size, gender diversity, nationality diversity, and firm performance, firms can better understand how board composition relates to financial outcomes.

The empirical results indicate that board diversity variables—namely gender diversity and nationality diversity—as well as board size, do not have a statistically significant impact on firm performance. This suggests that merely adjusting the composition of the board may not be sufficient to directly improve financial performance.

However, the absence of statistical significance does not imply that these governance mechanisms lack importance. Rather, it highlights that the effectiveness of corporate governance depends not only on the presence of diverse board structures, but also on how effectively these structures function in practice. The contribution of board

members, their expertise, and their active involvement in strategic decision-making play a crucial role in determining firm performance.

Therefore, companies are encouraged to focus on enhancing the quality of board effectiveness rather than solely emphasizing structural characteristics. Strengthening board competencies, improving internal communication, and ensuring meaningful participation in decision-making processes may yield better outcomes.

In addition, while diversity variables were not found to significantly influence financial performance in this study, companies should still consider the broader benefits of diversity, such as improved corporate image, enhanced stakeholder trust, and better long-term governance practices. The substantive implementation of diversity—rather than symbolic representation—remains important for building sustainable corporate value.

## 2. Implications for Investors

The findings of this study provide useful insights for investors in making investment decisions, particularly when incorporating non-financial factors into their evaluation process. Information related to board structure and diversity can still serve as an important reference in assessing the quality of corporate governance and the strategic orientation of a company.

However, the empirical results reveal that governance variables such as board size, gender diversity, and nationality diversity do not have a statistically significant

impact on firm performance. This suggests that investors should exercise caution in relying solely on these structural governance indicators when predicting short-term financial outcomes.

Nevertheless, understanding governance characteristics remains valuable, especially from a long-term perspective. Governance-related information can help investors assess the sustainability, stability, and risk profile of firms beyond purely financial metrics.

In addition, the findings highlight that firm-specific characteristics, such as firm size and firm age, may play a more prominent role in influencing financial performance. Therefore, investors are encouraged to adopt a more comprehensive evaluation approach by combining financial indicators with key firm characteristics and governance quality.

### 3. Implications for Academics

This study contributes to the academic literature by providing empirical evidence on the relationship between corporate governance—particularly board diversity—and firm performance in the financial sector.

The findings indicate that governance variables, including gender diversity, nationality diversity, and board size, do not have a statistically significant impact on firm performance. This suggests that the effect of governance mechanisms may be

context-dependent and influenced by institutional, economic, or industry-specific factors.

These results open opportunities for future research to further investigate the conditions under which governance variables become significant. Future studies may incorporate additional variables such as board expertise, board independence, ownership structure, managerial characteristics, and institutional frameworks.

Moreover, researchers are encouraged to explore different sectors, extend the observation period, or apply alternative methodological approaches to better capture the dynamic relationship between governance and performance.

Overall, this study contributes to the growing body of literature on corporate governance by highlighting that board diversity alone may not be sufficient to influence firm performance, particularly in emerging market contexts such as the Qatar Stock Exchange.

### **C. Research Limitations**

This study is subject to several limitations that should be acknowledged when interpreting the findings:

1. The research focuses exclusively on financial sector companies listed on the Qatar Stock Exchange (QSE) during the period 2022–2024. As a result, the

findings may not be generalizable to other sectors or to firms operating in different economic or institutional environments.

2. The study relies entirely on secondary data obtained from annual reports, corporate governance disclosures, and official QSE publications. Although these sources are considered reliable, the analysis is limited by the availability and accuracy of publicly disclosed information. Any inconsistencies or omissions in reporting may affect the results.
3. The measurement of gender diversity is simplified using a dummy variable that captures only the presence or absence of female director.
4. nationality diversity is measured quantitatively as the proportion of foreign directors; however, this measure does not capture qualitative aspects such as cultural differences, professional background, or the actual contribution of foreign board members to decision-making processes.
5. The study uses only two financial performance indicators, namely ROA and ROE. Although these are widely accepted measures, they may not fully capture other dimensions of firm performance, such as market-based performance or long-term sustainability.