

Board Gender Diversity and Firm Sustainable Investment: An Empirical Evidence

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Abstract : The purpose of this study is to investigate the effects of board room gender diversity on firm sustainable investment. We test the extent to which sustainable investment is affected by the presence of female directors on U.S. corporate boards. Using data of S&P 1500 indexed firms collected from Bloomberg covering the period 2004-2016, we estimate the baseline model to investigate the effects of board room gender diversity on firm sustainable investment. We find a positive relationship between board gender diversity and sustainable investment. We also find that boards with two or more women have a pronounced impact on sustainable investment, consistent with the critical mass theory. Female independent directors have a stronger impact on sustainable investment than female executive directors. Our findings are robust to different identification and estimation techniques. The study offers another perspective of the ongoing debate in the social responsibility literature about the accountability relationships between business and society.

Keywords : sustainable investment, gender diversity, environmental protection, social responsibility

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