

The relationship between women's presence in corporate positions and firm performance: The case of Colombia

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Abstract

Purpose: The purpose of this paper is to analyze, in the Colombian developing context, the relationship between the presence of women in corporate positions and the financial performance of the company and to know if there are differences between family and non-family firms. **Design/methodology/approach:** Building on the contingency theory of leadership, which emphasizes that leader's personality and the situation in which that leader operates influences corporate decision-making, the authors use panel data models on a sample of 54 Colombian public businesses for the period 2008-2015 to test the proposed hypotheses on the relationship between women's presence in corporate governance positions and financial performance, as well as the difference between family and non-family firms. **Findings:** The results support that women's presence in corporate governance positions is positively associated with firm performance. More concretely, the authors find a relationship between women at the top corporate governance structure (as part of the board of directors, top management team and chief executive officer) and firm profitability. Results also indicate that family business, as a type of organization, (negatively) moderates the positive relationship between female participation in top executive positions (board and top executive team) and firm performance. **Research limitations/implications:** First, this study is limited to women in corporate positions in large companies listed on the Colombia Stock Exchange, and thus, generalizability for smaller entities may be limited. Second, data limitations do not allow us to investigate ways in which women's presence in corporate governance structures contributes to improve firm goals. **Practical implications:** The authors provide support to the hypothesis that positively relates women's presence in corporate governance positions and firm performance for the case of Colombia. This serves as a guidance to Colombian regulators, corporate decision-makers and policy-makers to promote the inclusion of women in top hierarchical structures through either mandatory laws or recommendation. **Originality/value:** Few studies have addressed the women's presence in corporate governance positions and contribution to firm performance in developing economies. This study contributes to better understand how women impact performance in contexts where women are underrepresented in corporate governance structure and where there are no laws that pressure firms to appoint women in corporate governance positions. © 2018, Emerald Publishing Limited.

Keywords

Board of directors, Business performance, Contingency theory of leadership, Corporate governance, Top management team, Women