

EXPANDED ABSTRACT

Women, Corporate Governance and Economic Efficiency: analysis for the case of Agri-food Family Firms

Objectives

Nowadays, the study of gender diversity in the business environment is becoming considerably relevant, due to the incorporation of women into the working life. Social advances have enabled women to leave behind their limited roles at home, and their inclusion in the labour market has gone beyond the compliance with ethics and legislation.

Family firms have played a key role in the inclusion of women in the workplace, due to, among other reasons, the existence of shared roles and the overlapping of family and business values. However, and surprisingly, there are not many studies investigating the role of women in family firms.

In recent years, the academic interest has been focused on gender diversity, namely on the inclusion of women on boards of directors and in top management positions. Specifically, the latest research analyses how gender diversity on boards of directors and in top management positions affects different measures of firm performance, focusing on profitability measurements. However, the obtained results so far are not conclusive at all, revealing that the presence of women on corporate governance bodies can have a positive, a negative or even a non-significant influence on firm performance.

Therefore, the purpose of this paper is shedding some light on this controversial topic, by analysing whether the presence of women in three corporate governance bodies, i.e. the board of directors, the general meeting of shareholders and the top management team, of agri-food family firms influences the firms' economic efficiency.

Methods

To develop the empirical part of this study, a sample of 147 family firms pertaining to the agri-food industry has been used. The final sample was obtained from a wider study analysing the general characteristics of a representative sample of Spanish family firms. In this regard, the data presented in this article come from two different sources: on the one hand, the financial and economic data were obtained from the SABI (Sistema de Análisis de Balances Ibéricos) database of Bureau Van Dijk; on the other hand, the qualitative data were obtained from the database provided by the Spanish Institute of Family Businesses and the Spanish Network of Family Business Chairs, based on a survey conducted in 2016. The proposed hypotheses were checked by performing ordinary least-squares regression analysis.

Findings

The obtained findings suggest that the presence of women on the boards of directors of Spanish agri-food family firms has a positive and very significant influence on economic efficiency. Moreover, the presence of women at the general meeting of shareholders also has a positive and significant influence on the firms' economic efficiency. However, the presence of women in top management teams does not exert a significant impact on economic efficiency.

Contributions

The present article offers several contributions to the literature. First, this study is pioneering in considering the role exerted by female directors, shareholders and managers in the economic efficiency of family firms. Although women have exerted a fundamental role within business families, their influence in the firm sphere has been very limited. In this vein, our work answers the call for further research on gender issues in family firms.

Second, this study shows that gender diversity on both the board of directors and the general meeting of shareholders of Agrifood family firms has a positive impact on business efficiency, revealing that women influence economic and business development. In this sense, not only is the presence of women attributed to an increase in economic efficiency, but also to an increase in social performance.

Third, with regard to the agri-food industry, this study makes an important contribution at both the theoretical and the empirical level. Studies related to the agri-food industry are usually experimental studies based on comparisons and evaluations to improve production systems, as well as technical studies to achieve sustainable use of natural resources. However, there are few studies aimed at analysing the management of agri-food family firms, with special attention to the participation of a vulnerable stratum, such as women.

As a fourth contribution, we have a sectored study of family firms, which allows to present more precise findings in an important industry for the society and the economy at a global level, which is the agri-food industry.

Practical Implications

The present work contributes to give visibility to those women present in the corporate governance bodies of agri-food family firms, since it reveals that female participation favours the economic and financial results of these firms.

Although it is true that previous studies have analysed the effect of female presence in cooperative firms, to the best of the authors' knowledge, there are not studies addressing this issue in agri-food family firms.

Furthermore, from a legal perspective, this work highlights the level of influence that both the Organic Law 3/2007 of March 22nd 2007, for effective equality between women and men (BOE, 2007), and the Law 35/2011 of October 4th 2011, on shared ownership in agricultural holdings (BOE, 2011), have had on the incorporation of women in ownership and management positions in agricultural holdings.

Therefore, the obtained findings in this study may be an incentive to promote the restructuring of corporate governance bodies of agri-food family firms, increasing the presence of women in them.

Limitations

The contributions of this study are not free of limitations, which, in turn, may provide opportunities for future research. First, we have focused on the economic efficiency of agri-food family firms. Thus, the obtained findings may not be applicable to other industries. However, from our point of view, it is of utmost interest to evaluate the role of women in agri-food family firms to the extent that in southern Spain the agri-food industry is especially relevant for the regional economy, as well as because the issue of gender diversity in the business environment is acquiring special interest in recent years. Another limitation of our study is that we have considered the female presence in three corporate governance bodies, even though the participation of women in any other corporate body can be beneficial to firms. A final limitation would be that the analysed family firms are located in Spain and thus, it would be necessary to determine whether different findings are obtained in other countries or regions.

Originality

The study of gender diversity in the business environment has emerged as a fruitful field of research in recent years, but the current knowledge regarding the influence of women on firms' outcomes is still scarce. This paper contributes to the family business literature, both in terms of corporate governance and in terms of gender, by offering some conclusions regarding the presence of women in different corporate governance bodies. Furthermore, this paper provides new research avenues that will provide a better comprehension for scholars and specialists for future investigations in the field.

KEYWORDS: Family firms, gender diversity, corporate governance, economic efficiency, agrifood industry, board of directors, general meeting of shareholders, management team.