

From the review of the manuscript titled “Effect of Gender Diversity on the Performance of Non-Financial Listed Firms in Ghana”, I hereby advice that the following should be considered.

1. First paragraph of page 1 should observe the following:

Women representation on boards and top management has become an **on-going** debate and an emerging area of research in various parts around the world. This is mostly evident in countries where the share of women on boards and top positions are low. The feminist conflict theory argues “women have been systematically oppressed by men in the society because of control over limited natural and man-made resources enjoyed wholly by men” (Skjelsbaek, 2001; Dahlerup, 2001). The theory holds that, wealth, power or position and status are valuable resources but scarce; the **inherent** nature of men and the scarcity of these resources means domestication of the role of women in society (**source**). This is against the background that women on board of companies are essential assets. According to Robinson (2008), participation by women in top management **has** a positive impact on firm performance. However, Herring (2009) asserted **that** diversity at top level management may create conflict, lower group cohesiveness, increase employee absenteeism and turnover and lower quality and performance thus causing a decrease in the value of business.

2. Beginning with Last sentence in second paragraphs of page 2 through first paragraph of page 4 should observe this:

It is also evident **that** female directors tend to hold advance degrees and shift from one firm to another faster than their male counterparts (Hillman, Cannella & Paetzold, 2000).

In developing economies, females are not much encouraged to participate in the decision-making process (**source**). Factors contributing to this are beliefs regarding risk aversion, lack of confidence and mental instability in female instinct (**source**). Ghana’s ethnic, cultural and agro-ecological diversity makes a generalization about gender relations and their consequences for women’s access to resources, decision making and status extremely difficult (Bortey & Dodoo, **n.d.**).

With no formal social security system in Ghana, men are perceived as the main source of livelihood for their families (**source**). They are nurtured to lead their households and to take responsibility for the welfare of all household members (**source**). In the process, they are given control over the resources required to effectively discharge their responsibilities (**source**). The Ghanaian male is encouraged to be brave, aggressive and not to display emotions openly (**source**). Values developed through this nurturing process include assertiveness, independence, achievement orientation, confidence and self-esteem (Bortey & Dodoo, **n.d.**). There is a general belief **that** the Ghanaian race will be lost if its cultural values undergo changes and that the Ghanaian traditions must be closely guarded in order to preserve the Ghanaian race (Loth, 1999). The World Bank’s (1999) report and the 2000 population and housing census by the Ghana Statistical Service (2002) revealed **that** women were pushed into female stereotyped careers, secretarial work and nursing than engineering, accounting and management.

However, the views of people are changing with the passage of time due to the driving force to utilize the female segment of work force and some evidence of stunning female performances on top managerial positions (**source**). With all these, women are still not considered as equal competitors of men. A number of studies in workforce diversity have established a relationship

between gender diversity and firm performance (Campbell & Vera, 2008; Smith, Smith & Verner, 2006; Terjesen & Sing, 2008; Dejardin, 2009). Studies have shown **that** a gender-diverse organisation is characterized with innovation, creativity and quality decision-making process of the board. Such firms experience quality problem-solving, effective leadership; better understanding of the market place **and** benefits from global relationships (Gregoric, Oxelheim, Randoy & Thomsen, 2009; Broome, Conley & Krawiec, 2011b; Campbell & Vera, 2010). Most of these studies have been conducted in the developed countries (Bonn, 2004; Gul, Srinidhi & Ng, 2011), with very few conducted in the developing countries (Prihatiningtias, 2012; Mirza, Mahmood, Andleeb & Ramzan, 2012) especially in the context of Ghana.

Meanwhile, in Ghana, there has been an amendment of the Local Government Act 1993, Act 462 and enactment of the Affirmative Action Act, to provide a framework for addressing historical gender-related injustices as a global requirement for member countries of the United Nations (UN). This is to ensure that conventions on these matters are implemented to the full for the benefit of women. If having a positive effect on firm performance is as a result of having more women as top executives or members of boards of directors (**source**), then this may be a strong argument for having more women in top management.

3. First and second paragraphs of page 5 should take the following into consideration:

..... Fischer, Reuber and Dyke (1993) posited **that** women are unlikely to realise their full potential because they are often deprived **of** better education and social opportunities. Furthermore, difference between male and female experiences due to socialisation results primarily in dissimilar ways of observation. This is one of the earliest things children learn which shapes and mould their learning (Douglas & Frey, 2005). Traditionally, gender segregation commences **from** tender age where girls are compelled to play mainly with dolls; while boys are made to play with trucks, guns and football (**source**). The male child is trained to be rational, logical and objective and to cope with difficult tasks and situations (**source**). The girl-child is taught to cultivate their emotions and be soft (**source**).

Furthermore, resource-based theory (RBT) maintains: "it is not industry structure that bring about competitive advantage and superior performance". Rather, it is the willingness to exploit firm's internal resources to outwit others in the industry. The RBT frames a rationale for expecting higher performance by companies with more women on their boards. The theory explains a firm's ability to reach sustainable competitive advantage when different resources are employed and these resources cannot be imitated by competitors, which ultimately create a barrier (Mahoney & Pandian, 1992). Varying performance between firms is **as** a result of

4. Third paragraph of page 6 should note the following:

..... Carter et al. (2007) noted **that** having diversity in board membership

5. Last sentence in first paragraph and second paragraph of page 7 should consider the following:

..... Campbell and Vera (2010) concluded **that** a heterogeneous group is

..... become more creative and accepting change.

..... Blackburn et al. (1994) and Rosener (1995) concluded **that** firms with large percentages of women in management enjoy a better advantage of a total pool of managerial resources and perform well financially. Shrader, Blackburn and Iles (1997) argue **that** firms employing a greater percentage of women managers have been successful at acquiring a significant bundle of difficult to obtain resources. Powell (1990) posits **that** women make at least as good, if not better managers than men. There are evidences **that** firms with heterogeneous management teams are able to facilitate strategic change (Wiersema&Bantel, 1992).

6. Paragraph two of page 8 should attract the following observations:

A research conducted by Verboom and Ranzijn (2004) **revealed that** there is a relationship between the number of women at the top management and bottom-line layer of a firm and firm performance. The evidence from the US (Gul, Srinidhi, & Ng, 2011), Australia (Bonn, 2004), Norway (Gregoric et al., 2009), Denmark (Smith, Smith, & Verner, 2006), Spain (Vera & Martinez, 2010), Canada (Francoeur, Labelle, & Desgagne, 2008), the UK (McKinsey & Company, 2011), and The Netherlands (Rovers, 2009; 2011) also confirm that women in the boardrooms' impact positively on financial performance. **However, other studies have found negative, curvilinear, and even no relationship between gender diversity and firm performance (source). The current study explores the situation in Ghana. This is to fill the gap by way of the inconsistencies left by prior studies.**

7. Paragraph two and three of page 9 should observe the following:

..... The calculation for the ROA and Tobins' Q was done **using collected data for** years 2007-2011.

As the paper used **panel data**, it is important..... According to Reyna (**n.d.**) the fixed effect model

..... variables included in the model (**Reyna, n.d.**).

8. Define all your variables and not only dependent variables. Thus, first section of page 10 should include the following immediately after the description of ROA:

BLAU = a proxy for gender diversity in the boardroom

FIRMSIZE = natural logarithm of total assets of the firms

BOARD SIZE = natural logarithm of the total number of board members

LEV = ratio of total assets to total debt

9. Last sentence of second paragraph of page 11 should observe the following:

With respect to gender diversity, data on board members' gender from firms **were** collected **from** the annual reports. None of the boards were found to be female dominated, i.e. there were no boards with more than 50 percent women.

10. Section 3.6 of page 12 should be introduced like this:

The dependent variables used in the current research were:

11. Section 4.0 of page 13 should be introduced like this:

Table 1 presents the statistics of the number of women and men on boards of listed non-financial firms in Ghana. From Table 1, the numbers of women in 2007 were 22 out of 190 board members representing 11.58%. In 2008, the number of women decreased to 21. There were 24 in 2009, 26 in 2010, a decrease to 23 was observed in 2011. In the whole, from 2007 to 2011, the number of women on board was 116 out of 907 representing 12.8%. This implies representation of women on board is still low.

12. The paragraph after table 2 of page 14 should connect with the paragraph before the table thus:

2007 to 2011, the value of the index on average was .97, with a minimum value of .64 and a maximum of 1.0. The minimum value of .64 means that there were firms in which the board members were both men and women, but the men were more than the women. In contrast, the value of 1.0 means there were firms in which all the board members were men. The mean value of 0.97 indicates under representation of women on the boards of Ghanaian listed non-financial firms.

Table 2: Descriptive statistics

13. There is contradiction between mean score of Tobin's Q reported on table 2 (66435.51) and what is stated as per paragraph two of page 14 (2.54). 2.54 from table 2 is median score and not mean score. This error is fundamental, as it is the basis for your conclusions. So, correct appropriately. Furthermore, while table reports minimum score of 8.10 for SIZE, discussion in first paragraph of page 15 stated 8.9. Also while mean of BOARD SIZE from table 2 is 2.06, discussion in second paragraph of page 15 mentioned 2.05. Yet while the mean of DEBT to EQUITY as per table 2 is 0.55, discussion in paragraph three of page 15 stated 0.54. Similarly, while table 3 of page 15 reports a correlation of 0.2 between Blau Index and Tobin's Q, discussions in the first paragraph of page 16 reported 0.16 as correlation figure between Blau Index and Tobin's Q. Why these contradictions? Statistically, these errors are fundamental in making conclusions. Kindly ensure you report reality.

14. Line 2 in first paragraph of page 16 - From the table, there is a correlation between the variables should be deleted.

15. Second paragraph of page 17 should attract the following:

The results of the analysis showed that Blau Index and ROA had no statistical significant relationship. It should be noted that random effect was utilized to analyse the relationship between the Blau Index and ROA.

16. First citation of less than 6 authors in the body of the work should not be associated with et al. Cite these authors normally at the first instance, subsequent citation can now attract et al. Thus refer to : Carter et al. 2007 of page 6, Katzenbach et al. (1995), Blackburn et al. (1994) of page 7, Thomsen et al. (2009) of page 8, Hair et al. 2006 of page 12 among others.

17. To add the suffix a, b... to citations is indicative that more than one article of the same author(s) in a particular year were used. However, your citation of Broome, Conley & Krawiec, 2011b in pages 3 and 6 did not follow the rule. You cited only one work of the above authors and you are

suffixing the citation with b. Even in your reference list, it is just one of their articles you listed. This is suspicious.

18. Typically references are listed with complete details as follows:

“Bonn I. Board structure and firm performance: Evidence from Australia. *Journal of the Australian and New Zealand Academy of Management*. 2004; 10(1): 14-24”

Kindly ensure that your references follow this format as much as possible. In addition there are some citations in your work such as Herring (2009) of page 1, Campbell & Vera, 2010 of page 3, Fischer, Reuber & Dyke, 1993 of page 4, Douglas & Frey, 2005 of page 5, Jianakoplos and Bernasek (1998) among others that are not included in your list of references. Others such as Powell 1999 among other are included in the list of references but not cited. Kindly, perform a reconciliation between articles cited and their listing in the reference section Please ensure to arrange your list of references alphabetically. For instance, the listing of “Kassing L, Beesley D, Frey L. Gender role conflict, homophobia, age, and education as predictors of male rape myth acceptance. *Journal of Mental Health Counseling*. 2005; 27:311-328” on page 21 is abnormal.