

ABSTRACT

Members of the board play a crucial role in the development of any organization. The major responsibility of board members is to increase shareholder wealth. Board members play a crucial role in banks because of their lack of transparency. Their responsibility extends beyond just formulating policies and includes working to ensure that the banking industry is sustainable. Women's representation on boards is encouraged by corporate governance laws everywhere in the world. The main purpose of this study is to examine the impact of board's gender diversity on profitability of banks. Additionally, the study emphasizes investigating the significance of board gender diversity in the Indian banking sector. A sample of publicly trading 13 public and 13 private banks from 2013 to 2022 is examined for this purpose with the help of Panel data analysis by using STATA 12.

This study contributes to the understanding of the association between gender diversity and profitability of banks by elucidating multi-dimensional aspects such as risk performance, lending practices, market price performance and comparative analysis of relationship between the gender diversity of board members and profitability of public and private sector banks. The results indicate towards risk taking attitude of the women directors. The findings suggest that the gender diversity has negative impact on lending practices of the banks. Further, market price performance is positively associated with gender diversity. The results also indicate that gender diversity has a positive impact on the profitability of public and private banks. The results will be helpful for the present and potential market investors. The findings might also help policymakers to boost the proportion of female board members so that they can act as capable decision-makers and enhance the performance of the firm.