

Addressing the Deficit: An Analysis of Boardroom Diversity Gaps and Progress toward Global Governance Standards in Bahrain

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Abstract— this study aims to identify and describe the level of board diversity in Bahraini firms listed on Bahrain Bourse, also known as the Bahrain Stock Exchange (BSE), and estimate the disparity between the employed diversity in Bahrain compared to international standards. The research seeks to answer two key questions: (1) what is the description of board diversity in Bahraini firms listed on BSE? (2) What is the gap in board diversity levels between Bahraini firms listed on Bahrain Stock Exchange (BSE) and international practices? Hence, content analysis was employed to collect the required data from the annual reports of 114 publicly listed service firms between 2018 and 2022. Through data analysis, the study assessed the representation of diverse directors on the boards of Bahraini firms, focusing on gender diversity. The analysis revealed that Bahraini boards continue to be predominantly composed of male directors. Female directors accounted for only 5 percent of the total directors, with an average of 0.35 female directors per board. Based on the findings, the study recommends a review and revision of laws and regulations pertinent to the board of directors, including corporate law and the corporate governance code in Bahrain. These revisions are necessary to promote and ensure greater board diversification within Bahraini firms. The study goes beyond mere description and estimation by addressing the practical implications of the findings. By recommending a review and revision of laws and regulations related to the board of directors, including corporate law and the corporate governance code, the study offers actionable suggestions to promote greater board diversification in Bahrain.

Keywords—component; formatting; *Bahraini firms, Bahrain Bourse, Bahrain Stock Exchange, content analysis, gender diversity, corporate law, corporate governance code.*

I. INTRODUCTION

The diversity of the boards has been changed from surface demographic characteristics to deep diversity and focusing on knowledge and experience. The intellectual and mental diversity emerged recently as the most influential aspect in the board entity as the Deloitte Company concluded that 85% of the top 500 companies on the fortune magazine list.

The emergence of corporate firms as a form of business has led to the separation between ownership and management. Accordingly, the owners of the firm hire an agent (management) to manage the business on their behalf. In addition, the owners delegate some decision-making authority to the agent. This arrangement between the owners and the management is known as the agency relationship [1, 2]. However, empirical evidence suggests that managers tend to place their personal interest ahead of the owners' interest, thus, creating the agency problem [3,4] This expected opportunistic behavior by management may lead to confiscating the value of the owners' investments by awarding themselves more perquisites, issuing more senior claims, and investing in unprofitable projects. [5], consequently,

if the agency problem is not solved it can harm the functionality of the capital market [6].

Amongst the mechanism recommended by [7] to reduce the agency is to monitor the behavior of management by the board of directors. According to [8], the effectiveness of board in monitoring management is vital for the survival of the firm. Board monitoring ensures that management behaves in the sense of increasing the shareholders' interests. [9] argue that board monitoring improves the quality of managers' decisions. However, the effectiveness of the board monitoring is determined among other things by its diversity [10, 11].

On the other hand, board diversity leads to higher firm financial performance [12]. Empirically, [13] indicated that demographic diversity can increase network connections, innovation, resources, and creativity. [14] found that the number of women on the board, positively, impact corporate reputation. [15] reported that demographic diversity positively affects the firm financial performance. [16] suggested that both female director presence and proportion have a positive impact on financial performance.

To achieve the benefits of diversity, some countries around the world have taken sober actions to assure diversity in corporate boards. For example, a number of European countries such as Norway, Spain, France, and Italy introduced mandatory quotas for female directors [17]. Other countries such as the UK require each listed firm to establish a policy with measurable objectives concerning board diversity. The firm has to disclose in the annual report a summary of its policy and the progress made in achieving the objectives [18]. In contrast, the Bahraini corporate governance code for publicly listed firms does not mention diversity as a desirable quality in the boardroom. In item No. 6, provision 2, the code states, in general terms, that "member of the board of directors should be qualified and enjoys adequate knowledge and experience in administrative affairs" [19]. Furthermore, studies investigating the relationship between board diversity and performance in Bahrain are limited. Accordingly, it would be difficult to portray a picture of board diversity in Bahraini firms. Also, it would be difficult to know whether or not board diversity in Bahraini firms affects their performance. Therefore, the current study seeks to answer the following question: Does board diversity of Bahraini firms listed on BSE affect their financial performance?

Therefore, the aim of this study is to identify and describe the level of boards' diversity in Bahraini firms listed on BSE and estimate the difference between the employed diversity in Bahrain according to the standard international practice. . The current study is expected to contribute to the literature in different ways. For example, the context of most of the existing studies is confined to the US and European countries. This study provides empirical evidence on the level of diversity in the boards on the financial performance in a developing country, namely, Bahrain. Furthermore, understanding the relationship between board diversity and the firm performance provides evidence on the adequacy of the board of director's guidelines in the corporate governance code and the corporate law in Bahrain. This in turn, may assist Bahraini and GCC regulators in improving these regulations.

This study expect to add value to the current literature by increasing the researcher's knowledge, targeting the scarcity of studies that investigate the reality of board diversity in Bahrain. The current study examines dimensions of board diversity, namely, demographic and cognitive characteristics. The majority of previous studies tends to ignore the cognitive diversity as they are difficult to measure [20].

II. CONCEPTUAL FRAMEWORK

Diversity in the board of director's context can be defined as the variety in the composition of board [21]. There are two categories of board diversity according to visibility, namely, (i) demographic diversity (observable) and (ii) cognitive diversity (non-observable or less visible). Observable diversity consists of detectable attributes such as gender, nationality and age. Non-observable diversity is about background of the directors, such as, previous experience, education and tenure [22]. According to [23], most research on board diversity and their impact on firm performance focus on demographic diversity. A possible

explanation could be that demographic attributes are easier to measure.

The potential advantages of board diversity are countless. Such as, identifying and selecting directors from a larger pool of candidates, as new ideas and perspectives, diversity may lead to increase creativity and innovation [24]. In addition, board diversity can enhance corporate governance practices [25]. Moreover, board diversity may improve the quality of decision making and mitigate groupthink [24, 25]. Finally, diverse board can take a more comprehensive approach towards problem solving [26]. Despite those potential benefits, diversity adversely impacts group dynamics. For instances, [27] argue that diverse groups are more likely to weaken team consensus. In addition, decision-making in diverse groups is more time consuming, which reduces performance [28].

Age diversity in board is considered as an advantage for firms. The older directors provide the knowledge, networks and experience, the middle-aged directors are usually in charge of the executive responsibilities, and the younger directors contribute to fresh views while developing knowledge about the company. Such diversity in age might lead to increase performance [29]

Gender diversity in boards is likely to bring benefits to the firm [30]. Firms with a higher representation of women hold more meetings, experience greater participation in decision making, and have higher attendance rates [31]. Furthermore, gender diversity may lead to increasing creativity and innovation (Carter et al., 2003), and thus, increasing firm performance [1, 32, 33]

It is argued that foreign board members bring benefits to their firms by international networks, and commitment to shareholder rights. In addition, they tend to be more independent and have different perspectives and norms compared with other board members. Empirically, [34, 35, 36] reported a positive relationship between nationality diversity and firm performance.

Board members education may be more relevant than demographic attributes in explaining firm performance. Moreover, board members graduated from western universities are expected to have wider perspective and to be more familiar with international environment, which might bring competitive advantage to the firm they serve [37].

Education represents the level of skill and knowledge of board member [38]. Board knowledge could improve firm's ability to exercise control over external resources, hence increasing firm value. [9] suggest that higher level of education is associated with open-mindedness, capacity for information processing, and tolerance to changes.

Experience diversity in boardroom likely provides board members with a deeper and wider perspective in monitoring and advising management. According to [39], experience diversity is an example of cognitive diversity. Cognitive diversity would be conducive to creativity in board decision-making processes [40].

Hence, the objective of this study is to identify and describe the level of boards' diversity in Bahraini firms listed on BSE and estimate the difference between the employed diversity in Bahrain according to the standard international practice. Therefore, this study will attempt to answer the following two substantial question:

- What is the board diversity description in Bahraini firms listed on BSE?
- What is the gap of board diversity level in the Bahraini firms listed on BSE comparing to the international practice?

III. LITERATURE REVIEW

One of the most important demographic diversity dimensions is related to age. Director's age reflects the experience of directors and describes their maturity level to run the business [5, 41]. In addition, younger directors have more superior technical knowledge. Older directors on the other hand may provide greater stability and wisdom to board discussions [42]. Furthermore, Studies have shown that younger decision makers tend to be flexible to change, more risk takers. and superior in terms of grasping new ideas and learning new behaviors, while older decision makers tend to be more risk averse, conservative in decision making and more committed to the organizational status quo [43,44]. [45] examined the relationship between board diversity and firm value and they found that the proportion of women and minorities on the board increases with firm size and board size but decreases as the number of insiders increases.

[16] indicates that two conflicting arguments could occur as a consequence of age diversity in a team. The first one is "social categorization", which could lead to less cooperation between different age groups and thus, decrease performance. Second, diversity in age can be associated with different skills and views, which might lead to increase performance. Directors of similar age may not be aware of the opportunities available for the firm, thus resulting in biased decision making [46] argue that age diversity in board is an advantage for companies. The older directors provide the knowledge, networks and experience, the middle-aged directors are usually in charge of the executive responsibilities, and the younger directors contribute to fresh views while developing knowledge about the company.

Mixed results are reported by empirical studies. For example, [47,48] report a significant positive relationship between age diversity and performance measured by ROA. In Thailand, [49] find that diversity in age is positively related to corporate performance when measured by Tobin's Q ratio. On the contrary, [50] reveal that age diversity is not significantly related to firm performance in Nigeria. Similar result is reported by [51].

The potential advantages of national diversity are numerous. For instances, foreign board members bring benefits to their firms by international networks, commitment to shareholder rights, and more qualified candidates would be available for the board selection. In addition, foreign directors tend to be more independent and hold lower numbers of directorships. Also, they

have different perspectives and norms compare with other board members. Furthermore, foreign directors might have unique knowledge on international business issues. However, nationality diversity of a board may increase the likelihood of communication problem and interpersonal conflicts [52, 53]

Members with educational diversity can take a more comprehensive approach towards problem solving. Educational qualification may be used as a proxy for intelligence [54, 55] suggest that higher level of education is associated with open-mindedness, capacity for information processing and tolerance to changes. [56] provide evidence that the type of education affects the firm's strategic decision models. [57] states that a person holding a foreign degree is considered elite in developing countries. Moreover, board members education may be more relevant than demographic attributes in explaining firm performance [58,59] investigated how the education and business experience of directors affect firm performance and they found that graduates of minor Swiss universities are negatively related to Tobin's Q. Also, industrial knowledge and Tobin's Q are negatively correlated if the firm has more divisions.

According to [60], experience diversity is an example of cognitive diversity. Cognitive diversity would be conducive to creativity in board decision-making processes. In this regard, [18, 23] argue that board with diverse experience looks at problems differently and focuses on different aspects of issues under consideration. This leads to innovative decision making. Experience diversity in boardroom likely provides board members with a deeper and wider perspective in monitoring and advising management. In contrast, greater diversity along this dimension may increase communication and coordination costs, thus slowing decision making and decreasing firm performance [30, 58] indicated that gender diversity and foreign directors have a positive influence on insurance firms' performance.

IV. METHODOLOGY

The primary aim of this study is to investigate the board diversity and describe the level of boards' diversity in Bahraini firms listed on BSE then, estimate the difference between the employed diversity in Bahrain according to the standard international practice. To achieve this objective, the explanatory research design is used to investigate the level of board diversity dimensions (age, gender, education, nationality and experience)

A. Population and Sample Selection

The population of the study includes all Bahraini service firms (BSE) listed on BSE during the period 2018-2022. However, the following criteria were employed to guide the choice of the sample of firms:

The firm must be listed on BSE during the period 2018-2022. Complete data about the firm are available for the period 2018-2022.

After applying those criteria on the population, the final sample consisted of 113 firms with 342 firm-year observations. Table 1 shows summary statistics for the sampled firms.

TABLE 1: SUMMARY DESCRIPTIVE STATISTICS FOR THE SAMPLED FIRMS

Item	Mean	S. D.	Min.	Max.
Total assets (in billions)	67	185	0.005	1.800
No. of employees	268	654	1	4,643
Firm age (in years)	16.52	12.55	3	76
Growth	1.04	.87	-3.52	5.23
ROA	.016	.093	-.497	.84

According to Table 1, the sampled firms varies in their size with an average number of employees of 268 and around JD 67 million in total assets.

B. Data collection

In this study secondary data is employed. These data were collected from an existing source, such as Reuters Middle East, and from some online sources, for example, Bayan speculation organization: <http://www.bayaninvest.com> and MENAFN.COM: <http://www.MENAFN.com>. (Collis and Hussey, 2014). The unit of analysis is organizational level. The research geographical setting is Bahrain. The data about the age of directors, their gender, nationality, education, experience, as collected from the firm's annual reports. Content analysis is used to extract the required data from these annual reports. According to [61], content analysis is a method for converting qualitative data to quantitative data for analysis.

C. 4.3 Description of variables

Different dimensions of diversity are investigated (age, nationality, gender, education, experience, independence, and type). Table 2 shows these variables, their codes, and proxies.

TABLE 2: THE VARIABLES OF THE STUDY AND THEIR CODES AND PROXIES

Variable	Code	Definition/Proxy
Age	AGE	Standard deviation for boards director's age
Nationality	NAT	Percentage of non-Bahraini directors on the board.
Gender	GEN	Percentage of female directors on the board.
Education	EDL	Level: Percentage of directors holding postgraduate degrees.
	EDC	Institution: Percentage of directors having their degrees from western universities.
	EDF	Field: percentage of directors holding degrees in business.
Directors Experience	EXY	Years: standard deviation for board director's experience.
	EXS	Sector: percentage of directors with experience in public sector.
	EXC	Country: percentage of directors with international experience.
Board Independence	IND	The percentage of non-executive directors on the board.
Institutional Ownership	INS	The percentage of institutional directors on the board.

V. DATA ANALYSIS AND RESULTS

The statistical techniques used for analysis are descriptive statistics such as mean, minimum, maximum and standard

deviation. The results presented in Table 3 reveal that Board size in BSE ranges between 3 and 13 directors with an average of approximately eight directors per board. Although these firms might appear to be not complying with the minimum number of board size (5 directors) suggested by the Bahraini corporate governance code, however, they are complying with the Bahraini corporate law which states that the number of board of directors should not be less than three and not more than thirteen [62]. Furthermore, Table 3 shows that almost 90% of directors in BSE are non-executive. Apparently, this implies that boards of BSE are highly independent. However, the same Table shows that almost one-quarter of these members are tied with family relationships. In fact, the percentage might be much higher considering the method used to trace these relationships. Only members who shared the same family name were counted as relatives. This means ignoring the relatives on the mother's side of the family or because of marriage. Finally, institutional directors account for around 50% of total directors on BSE boards.

Variables	Mean	S. D.	Min.	Max.
BODS	7.42	2.18	3	13
IND (in number)	6.71	2.26	3	13
IND (in percentage)	0.90	0.10	50%	100%
FAM (in percentage)	0.24	0.26	0	100%
INS (in percentage)	0.49	0.28	0	100%

TABLE 3: DESCRIPTIVE STATISTICS OF BOARD CHARACTERISTICS

Table 4 shows that the age of directors on BSE boards ranges between 22 and 92 years with an average of 52.8 years. Following Darmadi, (2011) the percentage of old directors (age>50 years) is approximately 55% (S.D= 0.27). Furthermore, in 18 firms (5.4%) all the directors on the board are less than 50 years old (Table A-3 in the appendix).

At the board level, the lowest average age is around 36 years and the highest average age is around 72 years old. The standard deviation for age diversity ranges between 2.93 (minimum) and 19.48 (maximum). As this value increases, the age diversity of the board will increase. A high value represents higher variation in age for the members of the board combined. According to the mean value, most of the boards are around 10.82 standard deviation, which is below the average value of 12.984. Lower spread in relation to the mean indicates less age diverse board [1, 22]. When separating director age into eight groups (Table A-1 in the appendix), the results show that from the 2445 directors almost 55% are in the range of 41-60 years old. While the proportion of directors aged 40 or under is approximately 18%, the proportion of directors aged 71 or above is 10.59%. Finally, very few directors (3.31%) are aged under 31 years and above 80 years (1.67%).

This diversified distribution could be attributed to family firms, especially in the first and last groups. Family firms represent a significant part of listed firms in Bahrain and as a

result, the age diversity may reflect the representation of different generations of the same family [63].

TABLE 4: DESCRIPTIVE STATISTICS FOR THE DEMOGRAPHIC-DIVERSITY

Variables	Mean	S. D.	Min.	Max.
AGE (years)	52.83	12.98	22	92
AGE(SD)	10.82	3.68	2.93	19.48
AGE(AVG)	52.20	7.34	35.6	72.2
NJO* (No.)	0.68	1.19	0	6
GEN**	0.35	0.69	0	4
GEN (%)	0.05	0.09	0	0.6

* NJO: non-Bahraini directors, ** GEN: gender.

Regarding the directors' gender, the results in Table A-3 in the Appendix show that almost 28% of the sampled firm do have women on their boards. More precisely, 84 firms have 1 woman, 2 firms have 2 women and only 10 firms have 3 to 4 women on their boards. Table 4 shows that the mean value for the proportion of women is almost 5% (S.D= 0.09). This result is in line with what has been reported by [5, 17]. It implies that women have a minor presence on the corporate boards in BSE. However, the result is fairly higher than the female representation reported in some Arab countries like the United Arab Emirates: 1.1%; Qatar: 0.9% and Egypt: 4.3% [33]. On the other hand, female directors comprised 8.4% of boards at MSCI Emerging Markets Index companies (up from 7.1% in 2019). In developed countries women occupy a higher percentage of board seats compared to their counterparts in the developing countries. For example, in Norway (40.1%), Sweden (33.7%) and France (33.5%).

One possible explanation for the low presence of women on corporate boards in JFS might be the underrepresentation of women in the workforce especially in senior decision-making positions. According to the Department of Statistics (DOS), in 2018, almost 90% of women over 15 are educated. However, only 16% are in the labor market. In addition, 53.9% of women work in the education sector [64]. Other possible explanations might be the appointment process of directors in Bahrain that favor men and the Bahraini conservative culture [65].

The number of non-Bahraini directors ranges between 0 and 6 with an average of 0.68 director per board (Table 4). Out of the 2485 total directors, only 9.3% are non-Bahraini (Table A-2 in the Appendix). Furthermore, these directors are found on the boards of 36% of the sampled firms. Most of these firms (54 %) have only one member, and 21% have two members (Table A-3). This could be explained by the low foreign investment in the service sector (nearly 14%) compared with other sectors. For example, foreign investment in the industrial sector accounts for approximately 47% of total investment [17.40]

Table 5 shows Descriptive statistics for the boards' educational and experience diversity in BSE for 2018-2022. According to the table, around 38% of the directors have degrees from western universities. These directors are found in

71.3% of the sampled firms with an average of 2.85 directors per board. Furthermore, almost 74% of these boards have 4 or fewer directors with degrees from western countries (Table A-4 in the Appendix

TABLE 5: DESCRIPTIVE STATISTICS FOR COGNITIVE DIVERSITY VARIABLES

Variables	Mean	S. D.	Min.	Max.
EDC %	0.38	0.26	0	1
EDC #	2.85	2.22	0	9
EDF business	4.29	1.91	1	10
EDF engineering	1.65	1.42	0	6
EDF law	0.52	0.73	0	4
EDL below bachelor	0.06	0.11	0	40%
EDL bachelor	0.58	0.2	0	100%
EDL postgraduate	0.35	0.2	0	80%
EXS gov.	0.3	0.24	0	100%
EXC local	0.63	0.29	0	100%
EXC Intl	0.05	0.11	0	62.50%
EXC both	0.28	0.24	0	100%
EXY	9.75	4.73	0	26.16

On the other hand, results in Table 5 show that more than half (57.39%) of the directors on the corporate boards of BSE have their education in business. Their number ranges between 1 and 10 directors with an average of 4.2 directors per board. Furthermore, the results of study majors of directors show that all the firms have at least one board member with a business educational background. On the other hand, directors holding degrees in engineering accounts for 21.83%, with an average of 1.64 directors per board. Directors holding degrees in law comprised 7% of the total directors with an average of 0.52 director per board. Furthermore, the results of study majors of directors show that all the firms have at least one board member with a business educational background (Table A-4 in the Appendix).

In terms of the educational level, it is found that only 6% of the directors do not hold a bachelor degree. On the other hand, almost 37% of the directors have a postgraduate degree (Table A-5 in the Appendix). Moreover, all corporate boards in BSE - except for 10%- have at least one board member with a postgraduate degree (Table A-4 in the Appendix). In comparison, the sample of [31] reveals a total of 74.8% of all

directors have a university degree, 28.6% are graduates of business and economics studies, another 19.2% studied law, and 19.7% are graduates of foreign universities. In Switzerland boards in 2008. Bahrain is a leader among Arab countries in educational spending as a percentage of GDP. Bahrain has ten public universities, 18 private universities, and 52 community colleges. According to Department of Statistics, the literacy rate in Bahrain in 2020 for the ages 13 and above is 93.3%.

In sum, BSE's are managed by directors who can be considered as well educated. Academic qualifications obtained from western universities and Business degrees seem to be a competitive advantage for directors in terms of their better opportunities in the job market for board members.

With regard to directors' experience, Table 5 shows that almost 30% of the board members have working experience in the public sector. This could be explained by the large investment of the social security corporation in the service sector. These directors are found on the boards of 72% of the sampled firms. Moreover, almost 63% of the directors have local experience, compared to 28% who have both international and local experience, these directors are found on 82% of the sampled firms (Table A-4 in the Appendix). In comparison, [66] found that 5% of board members are internationally experienced. They are found on the boards of 21% of the sampled firms. According to [67], there are nearly 600,000 Bahrainis working abroad, approximately 50 % of them in the Gulf region [68].

In term of years, the standard deviation of the directors' experience ranges between 0 year and 26.16 years respectively. The mean of 9.75 years indicates that most of the boards are higher than the average value of 6.94, which indicate that the boards are more experience diverse than homogenous.

In sum, the vast majority of directors in BSE could be described as independent. Women and non-Bahrainis have a minor presence in boardrooms. Bahraini Male directors dominate boards' seats. Board members have a balanced mixed of age. About a half of directorships belong to institutional investors. BSE's are managed by directors who can be considered as highly experienced and well educated.

VI. DISCUSSION AND CONCLUSION

Diversity challenges and opportunities impact all nations around the world to one extent or another. Based on findings, the study recommends policymakers to consider reviewing and revising the laws and regulations related to the board of directors such as the corporate law and the corporate governance code to ensure more diversified boards in Bahrain. For example, firms can be required to establish a policy concerning board diversity, including measurable objectives for implementing the policy. Furthermore, they might be required to disclose in their annual reports a summary of the policy and the progress made in achieving the objectives.

Another area that might need more attention from policymakers and shareholders relate to the retirement age for board members. For example, firms may need to consider a mandatory retirement age, with 70 years being the most common age. Moreover, Bahraini firms might consider that education qualification is not always a good proxy for managerial quality or superior advising. There may be many other factors that need to be considered, such as managerial skills, experiences, other skills obtained outside schools and networks.

The findings from this study should be interpreted with caution because they reflect a specific sector in a specific country, namely, the service firms listed on the BSE in Bahrain. If other sectors are also included, the above results on board diversity and firm performance may change. In addition, the findings of this study might also be limited by the possible omission of the mediators' variable, such as board size to examine how the effect of board diversity variables is contingent on board size. Moreover, the thesis has investigated the influence of board diversity variables on firm performance, as measured by financial measures. It may be useful to examine the relationship using nonfinancial measures. Finally, it may be useful to examine the relationship using concentration indices for diversity such as the Herfindahl-Hirschman and the Shannon indices.

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APPENDIX

Table A- 1: Frequency distribution for directors' age

Category	No.	%
Directors between 20-30	81	3.31%
Directors between 31-40	352	14.39%
Directors between 41-50	672	27.48%
Directors between 51-60	679	27.77%
Directors between 61-70	402	16.44%
Directors between 71-80	218	8.91%
Directors between 81-86	38	1.55%
Directors between 90-92	3	0.12%
Total	2445	100%

Table A- 2: Frequency of board demographic diversity (No of directors)

Variable		No.	%
Gender	Total number of directors	2537	100%
	Positions occupied by female directors	121	4.76%

Number of directors whose nationality is disclosed			2485	100%	
Education country	No.	%	Nationality	230	9.25%
Number of directors whose education country is disclosed	1860	100			
Directors with degrees obtained from universities in developed countries	710	38.17			
Education field	No.	%			
Number of directors whose education field is disclosed	2537	100			
Number of directors whose education field is business	1456	57.39			
Number of directors whose education field is engineering	554	21.83			
Number of directors whose education field is law	171	6.74			
Education level	No.	%			
Number of directors whose education level is disclosed	2459	100			
Number of directors whose education level is less than bachelor degree	145	5.89			
Number of directors whose education level is bachelor degree	1415	56.71			
Number of directors whose education level is postgraduate degree	899	36.03			

	Directors with a non-Bahraini nationality		
Age	Number of directors whose age is disclosed	2469	100%
	Directors over 50	1416	57.35%

Table A- 3: Frequency distribution of board demographic diversity (no. of firms)

Variable		No.	%
Gender	Total number of directors	2537	100%
	Positions occupied by female directors	121	4.76%
Nationality	Number of directors whose nationality is disclosed	2485	100%
	Directors with a non-Bahraini nationality	230	9.25%
Age	Number of directors whose age is disclosed	2469	100%
	Directors over 50	1416	57.35%

Table A- 4: Frequency distribution of board educational diversity (no. of firms)

Frequency	Governmental experience	Local experience	International experience	International & local experience
	No.	No.	No.	No.
0	94	13	263	59
1	58	26	42	90
2	64	28	19	75
3	46	38	5	36
4	27	52	3	40
5	15	59	2	15
6	21	38		11
7	4	31		5
8	5	27		2
9	1	13		0
10	4	9		1
Total	339	334	334	334

Table A- 5: Frequency distribution of board education diversity (no. of directors)

Number of directors whose education country is disclosed	1860	100
Directors with degrees obtained from universities in developed countries	710	38.17
Education field	No.	%
Number of directors whose education field is disclosed	2537	100

Number of directors whose education field is business	1456	57.39
Number of directors whose education field is engineering	554	21.83
Number of directors whose education field is law	171	6.74
Education level	No.	%
Number of directors whose education level is disclosed	2459	100
Number of directors whose education level is less than bachelor degree	145	5.89
Number of directors whose education level is bachelor degree	1415	56.71
Number of directors whose education level is postgraduate degree	899	36.03

Table A- 6: Frequency distribution of board experience diversity (no. of firms)

Frequency	Female		Non-Bahraini		Director's age more than 50	
	%	No.	%	No.	%	No.
0	0.719	246	0.639	215	0.054	18
1	0.245	84	0.196	66	0.078	26
2	0.005	2	0.074	25	0.172	57
3	0.02	7	0.05	17	0.121	40
4	0.008	3	0.011	4	0.115	38
5			0.02	7	0.157	52
6			0.005	2	0.127	42
7					0.051	17
8					0.033	11
9					0.045	15
10					0.021	7
11					0.012	4
12					0.009	3
Total	100	242	100%	363	100%	330

Table A- 7: Frequency distribution of board experience diversity (no. of directors)

Governmental experience	No.	%
Number of directors whose experience sector is disclosed	2520	100
Number of directors who have governmental experience	750	29.76
International experience	No.	%
Number of directors whose experience country is disclosed	2404	100
Number of directors who have local experience	1567	65.18
Number of directors who have international experience	117	4.86
Number of directors who have both international and local experience	710	29.96