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THE IMPACT OF FEMALE DIRECTORS ON FIRM VALUE IN SHARIAH AND NON SHARIAH COMPLIANT FIRMS: A SCOPING REVIEW

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Abstract: *The Interest in the relationship between female board representation and firm value has increased in recent years, including within shariah compliant firms. Nevertheless, the existing literature remains dispersed across countries, industries, theoretical perspectives and methodological approaches. This study examines the development and main characteristics of research on female directors and firm value, with particular emphasis on shariah compliant firms. A scoping review was undertaken using articles identified through systematic searches of Scopus and Web of Science. The search yielded 247 records. Of these, 178 were excluded for failing to meet the eligibility criteria, six because the full texts were unavailable, two as duplicates, and seven because they were unrelated to the research focus. The final review included 54 publications published between 2014 and 2025, 27 from each database. Publication activity grew significantly towards the conclusion of the review period with 32articles (59.3%) between 2023 and 2025. Indonesia was the most studied country (14.81%), followed by Malaysia (11.11%), and MENA was the dominating region. General listed firms represented the largest study category, accounting for 23 articles. Nine articles examined banking institution, while eight focused on non-financial listed firms. Quantitative, regression-based designs predominated and panel regression was employed in 26 articles. Agency Theory was employed as the main theoretical framework in 33 investigations either independently or in combination with other theories. Considerable variation was also found in geographical coverage, sectoral focus, measurements of female board representation and firm value indicators. Although this field has developed rapidly, the evidence remains concentrated within certain countries, sectors and research designs. Future studies should extend the analysis to underexplored markets and institutional context, particularly shariah compliant firms, to clarify the conditions under which female directors may contribute to firm value.*

Keywords: *female directors, firm value, scoping review, shariah and non shariah complaint's firms, corporate governance*

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Introduction

Female directors have become a major topic in corporate governance research because board composition can influence monitoring, strategic decision-making, risk control, disclosure practices and firm outcomes. Recent research has moved away from seeing women's involvement on boards as a symbolic indicator of diversity and has begun to explore the impact of women to firm value, sustainability, reporting quality and organizational resilience. This issue is especially relevant for shariah compliant firms which are expected to operate on ethical conduct, transparency, accountability and protection of stakeholders. Existing data suggests that gender-diverse boards can increase monitoring, enhance sustainability disclosure, affect cash-holding and investment decisions, and contribute to business performance (Alazzani & Jones, 2019; Ismail et al., 2022; Ardianto & Sulaiman, 2024; Chaiprasit et al., 2025).Studies from ASEAN and Malaysia also indicate that female directors could enhance the performance of organizations through ESG-related mechanisms and prevent the negative impacts of ESG disputes (Ab Aziz et al., 2025; Sahu et al., 2025). These findings place female directors in a larger governance context rather than as a standalone board attribute.

Further evidence from Islamic and emerging market contexts demonstrates the significance of this matter. The studies on Islamic banking and shariah governance show that board attributes, board independence, shariah supervisory boards, and governance quality impact disclosure, risk management, and earnings management (Elamer et al., 2019; Wijayanti & Setiawan, 2023; Musa et al., 2025). Studies of Indonesian shariah listed firms have associated governance committees with Tobin's Q and female leadership with lower firm risk, improved accrual quality, and corporate sustainability (Robiyanto et al., 2022; Dewi et al., 2023). Evidence from Malaysia and Vietnam also links board gender diversity and female leadership to performance, CSR disclosure, profitability, stability and risk-taking, although results vary between measures and organizational settings (Hasan et al., 2023; Vo et al., 2023; Shafai et al., 2024; Thu, 2024; Lien & Thuy, 2024). These investigations collectively indicate that female directors might affect business value both directly and indirectly via governance quality, transparency, sustainability, and risk management.

The impact of female directors may also be related to their characteristics and roles in the organization rather than numbers. Their professional experience, educational background, independence, leadership power, demographic features, and committee memberships may influence their contribution to governance and firm outcomes (Issa & Fang, 2019; El-Dyasty & Elamer, 2022; Elnahass et al., 2024; Ur Rahman et al., 2024). For example, female directors' characteristics have been associated with better sustainability disclosure quality and lower bank risk, while women serving as both chief executive and board chair may have a greater impact on firm performance (Elnahass et al., 2024; La et al., 2024; Ur Rahman et al., 2024). However, tokenism, family ownership, and lack of decision-making power may offset such benefits (Shukeri & Alfordy, 2022). Therefore, a critical mass may be necessary as the presence of multiple female directors may have stronger performance effects than a few (Chijoke-Mgbame et al., 2020).

Despite increasing scholarly interest, empirical evidence is inconclusive and dispersed. Some studies found a positive relationship between female directors and firm performance, sustainable growth, dividend policy, reporting quality, and governance outcomes (Amin et al., 2022; Hordofa, 2023; Kaluarachchi, 2025). Other authors find negative, insignificant or

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context-dependent effects, especially when performance is measured by Tobin's Q and board appointments are affected by family control or tokenism (Mustafa et al., 2020; Shukeri & Alfordy, 2022). The aim of this scoping review is to systematically map and synthesise the literature on female directors and firm value in shariah-compliant enterprises by identifying key themes, methodological patterns, empirical inconsistencies and objectives for future study. These variances may be attributed to differences in governance quality, ownership structure, institutional environment, leadership authority and outcome measurement. The literature is likewise distributed across countries, sectors, theoretical viewpoints and methodological techniques with research particularly on shariah and non shariah compliant enterprises.

Methods

This scoping review was not pre-registered. The review was conducted using the methodological framework provided by Arksey and O'Malley (2005). The reporting of the review followed the Preferred Reporting Items for Systematic Reviews and Meta Analyses Extension for Scoping Reviews (PRISMA-ScR) to guarantee clarity and completeness of the study (Kalbarczyk et al., 2025). Consistent with the aim and usual practice of scoping reviews, the included studies were not formally critically appraised or assessed for quality. This choice was taken since the primary purpose of the review was to give an overall mapping and synthesis of the existing information and not to appraise the methodological quality of each individual study.

We used a predetermined set of keywords related to female directors, firm value and shariah compliant firms in the literature search. These terms were used in different combinations with the Boolean operators (and/or). The search approach was designed to identify research from any nation that study the relationship between female directors and firm value in the setting of shariah compliant firms. The search included open access peer reviewed journal articles published in English from 2014 to 2025 indexed in Scopus or Web of Science (WoS). There were no restrictions on the research design so quantitative, qualitative and mixed methods studies were eligible for inclusion. To keep the search within the scope of the review, it was restricted to the subject areas of business, management and accounting, economics, econometrics, finance and business finance. We omitted books, book chapters, conference proceedings, early access publication and review article. Following the screening procedure, only those papers meeting all eligibility requirements were included in the final evidence synthesis.

The search results from each database were exported in BibTex format and translated to Microsoft Excel for ease of data management and screening. Data extracted from eligible studies included author's name and year of publication, country, industry or sector, sample characteristics, research design, measure of female board representation and firm value, theoretical framework, main findings, and the conclusion and implications reported by the authors. The information extracted was systematically organized in Microsoft Excel and descriptively analyzed.

Results

The initial searches of Scopus and WoS yielded 247 records. 178 records were excluded after the application of the predetermined qualifying criteria. Full texts of another six articles were not accessible and were excluded. Since the search was carried out in two bibliographic

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databases, duplicate records were also examined and two duplicates were removed. We excluded seven other articles because they were not relevant to the scope of the review. After these stages, 54 viable studies were retained to be included in the scoping review. The detailed selection procedure of the studies is depicted in the PRISMA-ScR flow diagram (Figure 1).

Characteristics of the Included Studies

The 54 articles included in the review were retrieved from Scopus (27) and WoS (27), i.e., each database contributed 50% of the final evidence base. The included publications were published between the years 2014 and 2025. No eligible studies were found for the years 2015 and 2016. The most publication production was in 2024 with 14 articles, followed by 2023 with 11 pieces, and 2025 with seven articles. The number of publications was lower in the earlier years, with one article in 2014, three in 2017, three in 2018, six in 2019, four in 2020, one in 2021 and four in 2022. Among the 54 articles, 32 (59.25%) were published in the period 2023–2025. This pattern indicates that most of the literature included in the review was published in the last three years of the study period (Figure 2).

The studies examined were widely geographically distributed, from single country studies to regional groupings and cross-country samples. Indonesia was the most studied national context with eight articles followed by Malaysia with six articles. Vietnam, Pakistan and Nigeria were the subject of four studies each, and Saudi Arabia of three. Egypt and India were represented by two studies each, whereas Ethiopia, Iraq, Jordan, Sri Lanka and Thailand each appeared in one study. The overall largest national share of the evaluated literature was for Indonesia (14.81%) and Malaysia (11.11%). Both countries are of great interest to the study of shariah compliant enterprises and Islamic finance, due to the existence of developed Islamic capital markets and financial systems. Some studies also explored Islamic banks, firms included in shariah stock indexes, shariah listed firms and corporations operating in Muslim majority nations or Islamic financial ecosystems.

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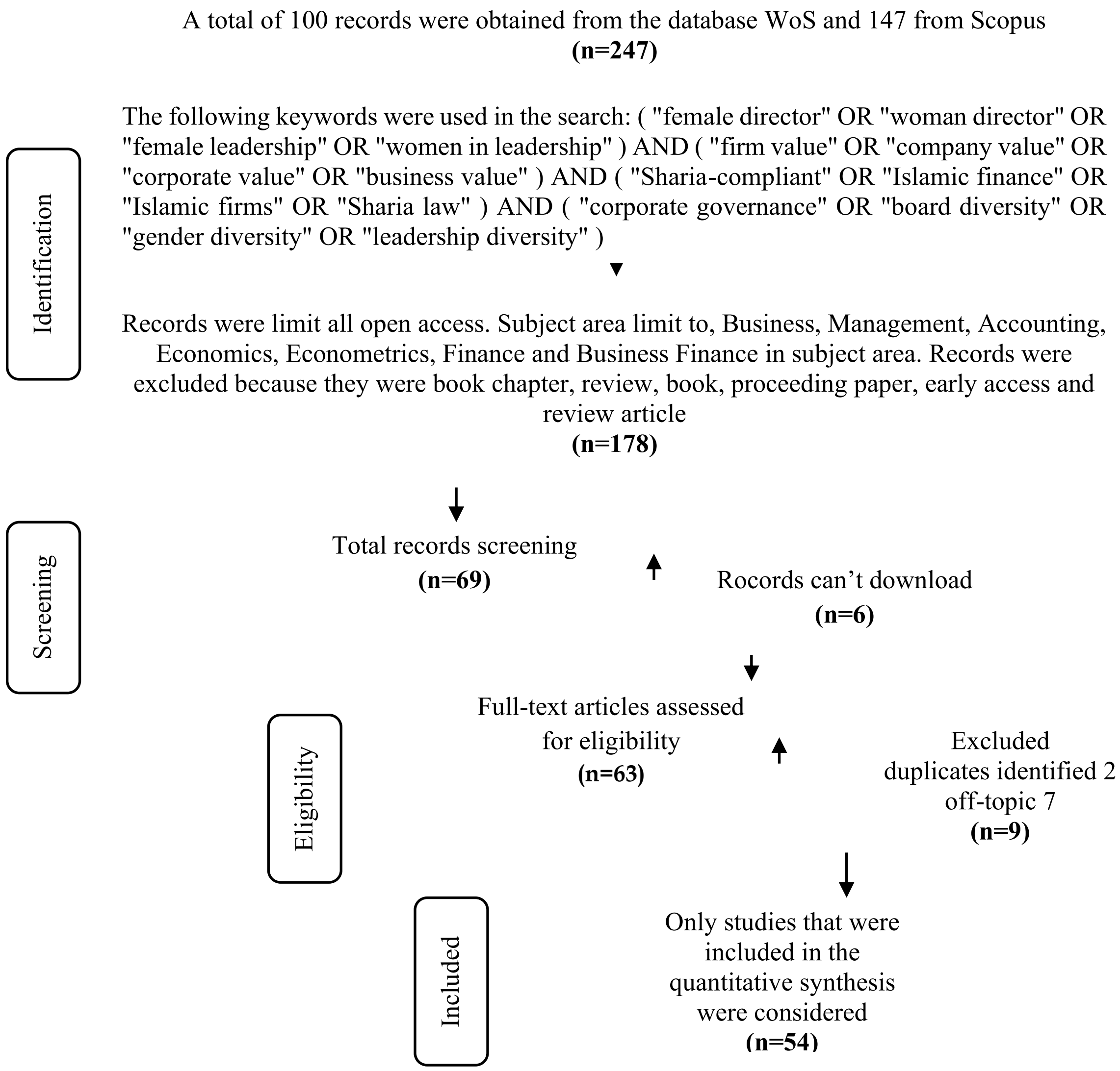

Indonesia and Malaysia provide prominent settings for such research due to their sizeable Muslim populations and established Islamic financial sectors. Their formal shariah screening procedures, relatively accessible corporate information, and identifiable samples of shariah-compliant firms facilitate empirical investigation. Nevertheless, the concentration of studies in these two countries indicates that evidence from other Muslim-majority economies and emerging Islamic capital markets remains scarce.

Numerous papers embraced a regional viewpoint, analysing entities like the ASEAN-5 Arab Gulf states, MENA countries, European countries and developing economies. Among these geographical contexts, MENA garnered the most focus and was analyzed in three publications (Elamer et al., 2019; Aljughaiman et al., 2023; Maside-sanfiz et al., 2024). . Other research utilized extensive international samples encompassing 12 developing economies or sample comprising 15 countries, 18 countries, 31 countries, 33 countries, 73 countries and 76 countries. One study had a global sample, and the other investigated China, Malaysia, Pakistan

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and India together. Overall, the evidence covered a wide geographical area, although a large part of the studies included in the review focused on emerging capital markets.

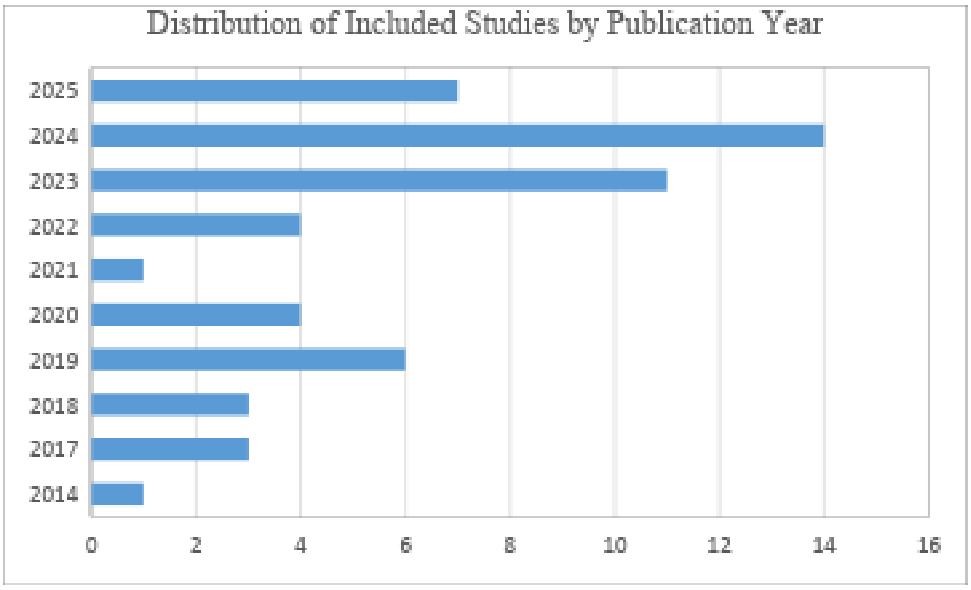

Figure 2: Distribution of included studies by publication year

Industrial and Organisational Contexts

The studies selected examined female directors and corporate governance within a variety of industrial and organisational settings. General listed firms were the most common type, with 23 studies. Nine research investigated banking institutions, which include commercial banks, Islamic banks and banking sample from many nations. A further eight articles focused specifically on non-financial listed firms. Two studies used large cross country samples to investigate microfinance institution, one with 73 countries (Strom et al., 2014) and the other with 76 countries (Adusei et al., 2017). Manufacturing firm in Vietnam, Indonesia and Nigeria were also studied especially in relation to corporate social responsibility and environmental disclosure (Emmanuel et al., 2018; Robiyanto et al., 2022; Thi & Thu, 2024). Sustainability reporting and environmental innovation were addressed in the energy industry (Hassanein et al., 2024; Mansour et al., 2025). Other organisational context included family-owned firms, state owned enterprises, publicly listed companies and firms undergoing initial public offerings. Though the evaluated literature covered a broad range of industries and organisations, relatively few studies specifically defined their samples as shariah listed corporations or enterprises featured in shariah stock indices.

Studies specifically based in a shariah environment examined a variety of governance and performance outcomes. Bayuny and Haron (2023) studied the Indonesian non-financial enterprises by comparing shariah compliant and non shariah compliant firms. The study indicated that female directors were significantly relevant in the shariah compliance subsample. Fauzi et al. (2017) studied Indonesia sharia listed corporations and explored the association between board committees, Tobin's Q and return on assets. Halim et al., (2024) examined firms in a shariah stock index, and found that Islamic social reporting mediated the effect of board governance on market performance. In banking, Aljughaiman et al. (2023) compared conventional and Islamic banks in MENA countries and found that the presence of women on the board improved the financial position of both groups. Elamer et al. (2019) conducted a

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study on Islamic banks in the MENA region and explored the role of shariah supervisory boards and governance frameworks in the disclosure of operational risk. Similarly, Musa et al. (2025) analysed Islamic banks across 15 countries, focusing in the relationship among shariah supervisory boards, board characteristics and real earnings management. Wijayanti and Setiawan (2023) investigated the role of boards of directors and shariah supervisory boards in sustainability reporting. The shariah-related literature included studies on firm performance directly as well as on reporting methods, risk disclosure, capital structure, governance arrangements and earnings management.

Research Designs and Theoretical Foundations

Quantitative methods dominated the reviewed literature, and panel regression was the most common research design used in 26 studies. We found a wide range of its application from standard panel data analysis, quantitative panel analysis, content analysis with panel regression, fixed-effects models, GLS estimation, robust random effects models, empirical panel analysis to cross-country panel techniques. The remaining investigations employed a wide range of methodologies, including: correlation and multiple regression, empirical regression analysis, FEM, REM, GLS, 2SLS, fixed-effects path analysis, GMM, logistic regression, OLS regression, PLS-SEM/WarpPLS, quantitative content analysis, and Tobit regression. One study used a mixed-methods approach combining quantitative analysis and interviews. Hussain et al. (2019), Sarhan et al. (2019), Ardianto and Sulaiman (2024) performed robustness tests to confirm the stability of their results, whereas Elamer (2022), Ismail et al. (2022), Mansour et al. (2025) specifically tested for endogeneity. Some authors employed GMM as the main estimating approach or blended it with additional methods. For example, for example, GMM (Bayuny & Haron, 2023; Godbole et al., 2024) and random-effects regression, GMM and 2SLS (Ab Aziz et al., 2025). Thu (2024) used FEM, REM and GLS. Sahu et al. (2025), Lien and Thuy (2024) used GLS regression. Content analysis was most prevalent among studies addressing outcomes of disclosure including corporate social responsibility disclosure, sustainability reporting, operational risk disclosure, environmental and social performance, and sustainability disclosure quality. One study employed structural equation modelling while the other used multiple regressions and Hayes' moderation analysis. Thus, although the research reflects a variety of methodological choices, the primary analytical approach involves regression-based techniques.

Panel regression is widely used because most studies examine multiple firms across several years, combining cross-sectional and time-series observations. It enables researchers to control for unobserved firm-specific characteristics and capture changes over time, resulting in more robust estimates than cross-sectional analysis alone. This approach is therefore appropriate for evaluating the effects of female board representation on firm value and other corporate outcomes across firms and periods.

The most common theoretical underpinning in the literature studied was agency theory, which was included in 33 investigations, either alone or in conjunction with other views. Of these, 14 articles employed only agency theory, whereas 19 studies combined agency theory with other theoretical views. The theories considered were resource dependence theory (Amin, A. et al., 2023; Bayuny & Haron, 2023), corporate governance perspectives (Mustafa et al., 2020; Shukeri & Alfordy, 2022), stakeholder theory (Elaigwu et al., 2024), stewardship theory (Hasan et al., 2023), gender diversity perspectives (Robiyanto et al., 2022), contingency theory

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(Hordofa, 2023) and shariah governance (Musa et al., 2025). Three publications independently applied stakeholder theory and associated stakeholder-oriented viewpoints, apart from its integration with agency theory. Resource dependence theory was used in seven studies to explain the knowledge, expertise, professional networks and access to external resources that female directors bring to corporate boards. Three studies employed upper echelons theory to investigate the influence of the demographic and personal characteristics of senior decision-makers on organisational results. Critical mass theory was also applied in three studies, mostly to differentiate between tokenism and the existence of a sufficient number of female directors to make a real impact on board decisions. Shariah governance was officially adopted in three articles, especially those related to Islamic banking and shariah supervisory boards. Other theoretical approaches included social categorisation theory, human capital theory, gender socialisation theory, institutional theory, legitimacy theory and wider corporate governance viewpoints.

However, despite this theoretical diversity, agency theory remains the most dominant paradigm within the body of evidence evaluated. This is because the majority of studies frame female representation on boards of directors within the context of oversight effectiveness, managerial accountability, agency conflicts, and firm value. Female directors are often regarded as strengthening board independence and oversight, thereby reducing managerial opportunism and safeguarding shareholders' interests. Consequently, the theory provides a well-established foundation for explaining how women's participation on boards may shape corporate decisions and firm outcomes.

Measurement of Female Directors and Firm Value

The measurement of female board representation differed between the analysed research. Some articles used the proportion or percentage of women on the board as a metric of female directors (Hordofa, 2023; Shafai et al., 2024; Ab Aziz et al., 2025). Other studies have used a binary indicator to measure their presence by distinguishing firms with at least one female director from firms without female board representation (Elnahass et al., 2024). Other metrics of board gender diversity were also used such as Blau Index (Ismail et al., 2022), Shannon Index (Singh et al., 2019). Several articles have looked at women's participation in top leadership positions (Thu, 2024), such as female chief executive officers (Godbole & R.L., 2024), board chairs (La et al., 2024), chief financial officers(Chijoke-Mgbame et al., 2020), executives (El-Dyasty & Elamer, 2022) and other leadership roles (Thu, 2024). Other studies focused on specific attributes of female directors such as independence, education, professional expertise and foreign nationality (Elnahass et al., 2024), ethnicity (Sarhan et al., 2019), competence (Shafai et al., 2024), experience and audit committee membership (Ur Rahman et al., 2024). Across the observation period, the most frequently used measure was percentage of women serving on the board (n=13, 24.7%).

The measures of firm value and related outcomes varied substantially across the studies reviewed. Direct measurements of company worth and market performance were Tobin's Q, return on assets (ROA), return on equity (ROE), enterprise value, market performance, corporate performance and financial performance Ab Aziz et al. (2025) and Sahu et al. (2025) for example, employed ROE and Tobin's Q whereas Fauzi et al. (2017) used Tobin's Q and ROA. Tobin's Q was adopted by Shafai et al. (2024), while Jedi and Nayan (2018) and Al-matari et al. (2024) combined Tobin's Q with ROA. Muda et al. (2019) examined enterprise

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value or firm value, whereas Halim et al. (2024) focused on market performance. Other measures of financial performance included net interest margin, profitability, bank stability, financial strength, accounting-based performance and market-based performance. However, much of the studies did not directly assess company value but examined outcomes that are related to value generation and effectiveness of governance. Outcomes include corporate cash holdings, CSR disclosure, capital structure, investment efficiency, real earnings management, accrual quality, ESG and sustainability reporting, operational risk disclosure, bank risk, environmental and social performance, enterprise risk management disclosure, environmental innovation, sustainability disclosure quality, corporate sustainability, dividend policy, financial reporting quality, and sustainable growth. In summary, the articles reviewed captured direct measures of firm value and indirect results by which female directors might affect value creation. The evidence is then market-based, accounting-based, governance-related, disclosure-related, risk-related and sustainability-related dimensions.

In summary, the findings suggest an increasing academic interest in female directors, corporate governance and business value, especially in the period 2023-2025. But the bulk of the current information is from emerging markets, with Indonesia and Malaysia getting the most attention. The 54 articles covered a broad spectrum of countries, industries and organisational settings but very few specifically addressed Shariah-listed firms or firms represented in the Shariah stock indices. Most research employed quantitative approaches, with panel regression being the most popular method, whereas endogeneity tests and mixed-method designs were less common. The dominating theoretical lens was agency theory, supplemented by resource dependence theory, stakeholder theory, critical mass theory, upper echelons theory and shariah governance. The studies also varied in how the female board representation was measured, including proportions or percentages, binary indicators, gender diversity indices, leadership roles, and personal characteristics of female directors. The outcomes investigated also varied considerably, ranging from market and accounting measurements to governance, disclosure, risk and sustainability indicators. Such variability demonstrates the different ways in which female directors can contribute to corporate decision-making and value generation, but also makes comparison across research challenging. The literature, therefore, provides an illustrative but piecemeal perspective of the issue, indicating the necessity for further examination of the association between female directors and firm value in shariah compliant firms operating in different institutional and market environments

Discussion and Conclution

Female Directors and Firm Value: Synthesising the Current Evidence

This scoping review shows that female board representation has attracted increasing attention in corporate governance research, with the literature generally documenting favourable associations with firm value and performance across diverse markets and organizational settings, including conventional firms, Islamic financial institutions, and shariah-compliant firms (Elamer et al., 2019; Hasan et al. 2023; Elnahass et al., 2024; Ab Aziz et al. 2025; Sahu et al. 2025). However, the mixed evidence remains as some studies found positive effects on accounting-based performance, governance quality and reporting practices but insignificant effects on market valuation (Robiyanto et al., 2022; Dewi et al., 2023; Thu, 2024). In several cases, the presence of female chief executive officers and board chairpersons had more powerful effects on performance than the overall share of women on boards (Vo et al., 2023;

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Kaluarachchi, 2025). Such variances suggest that the contribution of female directors is dependent on performance indicators, leadership roles, governance structures and institutional conditions. Thus, in recent years, the focus of research has shifted away from numerical representation and towards the investigation of directors' educational background, professional expertise, independence, international experience, ethnicity, tenure, committee membership, and executive responsibilities (El-Dyasty & Elamer, 2022; Elnahass et al., 2024; Shafai et al., 2024; Ur Rahman et al., 2024). The literature has gone even beyond financial performance, to include ESG outcomes, sustainability, disclosure quality, environmental innovation, investment efficiency, risk management, bank stability, and sustainable growth (Ardianto & Sulaiman, 2024; Elaigwu et al., 2024; Hassanein et al., 2024; Maside-sanfiz et al., 2024; Chaiprasit et al., 2025; Musa et al., 2025). Another example of the usefulness of female directors in governance systems that integrate financial goals and shariah principles is the increased interest in Islamic governance. The literature currently describes female directors as a fundamental, albeit context-dependent, part of corporate governance, supported by increasingly rigorous methodology, and it offers a foundation for studying the processes through which female directors affect organizational results.

Female Directors as a Corporate Governance Mechanism

The findings suggest that female directors are recognised for their contribution to corporate governance rather than solely for increasing gender diversity within the board. Recent studies have adapted from investigating their direct effect on firm value to investigating their interaction with board effectiveness, independence, audit committees, ownership structure, quality of governance, and executive leadership (Elamer et al., 2019; Bayuny & Haron, 2023; Shafai et al., 2024; Thu, 2024; Ur Rahman et al., 2024). Their contribution is perceived to be stronger in enterprises with efficient governance systems but weaker in firms with concentrated ownership, dominated by family control or restricted governance practices (Singh et al., 2019; Mustafa et al., 2020; Hasan et al., 2023; Hordofa, 2023; Ab Aziz et al., 2025). Female directors were also associated with higher levels of openness, reporting quality, accountability, sustainability, ESG performance and financial governance (El-Dyasty & Elamer, 2022; Dewi et al., 2023; Elnahass et al., 2024; Hassanein et al., 2024; Maside-sanfiz et al., 2024). This research has focused on traditional firms, Islamic banks, shariah-compliant firms, family firms, state-owned enterprises, and multinational corporations, demonstrating that the institutional and organizational conditions affect the outcomes of female board participation (Elamer et al., 2019; Ur Rahman et al., 2024; Sahu et al., 2025). The rising usage of GMM, two-stage least squares, fixed-effects models, and robustness tests also indicate a greater focus on endogeneity and causal inference. Female directors should be seen as part of an integrated governance system which underpins monitoring, accountability, strategic decision-making, organizational effectiveness and the creation of long-term value.

Shariah governance provides a framework for ensuring that an institution's policies, financial products, transactions, and business activities remain consistent with Islamic principles (Elamer et al., 2019; Musa et al., 2025). A distinctive element of this framework is the Shariah Supervisory Board (SSB), which supports the board of directors through specialized religious and ethical oversight (Musa et al., 2025). Whereas the board of directors is responsible for strategic, financial and legal oversight, the SSB reviews contracts, policies, and operational practices from a shariah perspective (Elamer et al., 2019; Musa et al., 2025). Effective Shariah supervision may improve transparency, limit information asymmetry, safeguard stakeholder

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interests and reinforce institutional credibility (Elamer et al., 2019). Its effectiveness depends on several characteristics, including membership size, meeting frequency, financial expertise and members' professional exposure (Musa et al., 2025). shariah governance therefore extends beyond conventional corporate oversight by combining commercial objectives with religious observance, ethical conduct, and accountability to a broader range of stakeholders (Elamer et al., 2019; Musa et al., 2025).

Theoretical and Practical Implications

The reviewed literature reflects a shift from focusing solely on the direct association between female directors and firm value towards examining their wider contributions to board effectiveness, sustainability, transparency, financial governance, and strategic decision-making (Elamer et al., 2019; Maside-sanfiz et al., 2024; Ur Rahman et al., 2024; Ab Aziz et al., 2025; Sahu et al., 2025). Their influence is now evaluated through financial, environmental, social and governance results and within an integrated governance system including board independence, audit committees, ownership structure and executive leadership. Evidence indicates the impact of female directors is more positive when backed by good governance frameworks, and that the impact of female directors varies depending on the institutional and organisational context (Sarhan et al., 2019; Mustafa et al., 2020; Hordofa, 2023). Moreover, this association is important in Islamic banks and shariah-compliant enterprises where gender diversity interacts with Islamic governance systems and ethical norms (Elamer et al., 2019; Elnahass et al., 2024). Therefore, organisations should integrate female representation into broader governance strategies and base appointments on competence, expertise, and leadership experience rather than numerical targets alone (El-Dyasty & Elamer, 2022; Shafai et al., 2024). Regulators should also create context-sensitive policies that take into account differences in governance systems, ownership structures, industries, and institutional environments. Overall, the review integrates evidence from conventional and Islamic contexts and provides a platform to identify gaps in knowledge and future directions for research.

Most studies indicate that female directors enhance firm value by strengthening board monitoring, financial reporting transparency, risk oversight and long-term decision making while reducing agency conflicts and managerial opportunism. However, the mixed findings suggest that this relationship depends on ownership structure, governance systems, organizational culture, institutional conditions and capital market development. The review also identifies a significant research gap concerning shariah compliant firms which remain less examined than conventional firms. Future research should consider female directors' professional experience, education, industry expertise, board tenure and leadership roles rather than focusing only on their number or proportion. Longer panel datasets, cross-country comparisons, robust methods addressing endogeneity, and additional mediating or moderating variables are also recommended. Overall, female board representation should be viewed not only as a matter of gender equality but also as a governance resource that may strengthen oversight and promote sustainable firm value. These findings provide a useful foundation for researchers, policymakers, regulators and corporate leaders seeking to advance women's participation in corporate leadership

Limitation

This study has certain drawbacks. First, only papers in English, open access, and full-text were included from the selected databases. Relevant studies in other databases, subscription

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publications or other languages may have been eliminated. Second, this review mapped and synthesized the literature without rating the quality of the studies or quantifying the magnitude of the association between female directors and business value. Therefore, the findings give an overview and are not conclusive of empirical evidence. Third, direct comparisons were problematic due to the variations in institutional contexts, industries, governance systems, metrics, and procedures. Finally, the small number of studies on Shariah-compliant enterprises limits the conclusions that can be taken for this context.

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