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Gendering the Boardroom: Mandated Inclusion, Cultural Change, and the Recalibration of Corporate Risk in Saudi Arabia

Noura Ben Mbarek[1*]

[1]*Department of Finance, College of Business, Imam Mohammad Ibn Saud Islamic University (IMSIU), Riyadh, Saudi Arabia*

***Corresponding Author:** ntmbarek@imamu.edu.sa

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ABSTRACT

This study investigates the relationship between board gender diversity and corporate risk-taking within the unique socio-cultural context of Saudi Arabia. Situated against the backdrop of Vision 2030, a national reform agenda aimed at economic diversification and social modernization, the mandated inclusion of women on corporate boards represents a profound cultural and institutional shift. We analyze how this gendered transformation of corporate leadership influences strategic decision-making. Drawing on a sample of 155 publicly listed firms from 2018 to 2024, our findings indicate that gender-diverse boards are associated with more cautious and balanced risk profiles. This suggests that the integration of women into high-level governance acts as a moderating force on corporate risk-taking. This research contributes to cultural analyses of economic change by demonstrating how targeted social policies can reconfigure power dynamics and decision-making norms within traditionally conservative institutional settings. The findings offer critical insights for policymakers and scholars of social change, highlighting the role of gender inclusivity in fostering sustainable and resilient economic practices in transforming societies.

Keywords: Board gender diversity, Gender and culture, Saudi Arabia, Risk aversion, Middle East.

INTRODUCTION

Corporate governance is not merely a set of economic mechanisms; it is a reflection of deeper social structures and cultural norms. The global discourse on gender diversity, often driven by findings that diverse boards can enhance organizational performance and decision-making (McKinsey et al., 2015), intersects with these structures in complex ways. The relationship between gender diversity on boards and corporate risk-taking, a well-researched area in financial economics, must therefore be re-examined as a social and cultural phenomenon, particularly in contexts undergoing profound normative shifts. Saudi Arabia offers a critical case study of such a shift. Traditionally defined by conservative social norms, the Kingdom is experiencing rapid transformation under its Vision 2030 initiative, a comprehensive plan that explicitly links national economic modernization to the empowerment of women. A pivotal regulatory moment in this social project was the 2017 mandate by the Capital Market Authority (CMA) requiring at least one female director on corporate boards (Capital Market Authority, 2017). This policy represents a direct institutional intervention into the gendered composition of economic power, challenging long-established cultural templates for leadership.

This study investigates how this state-driven inclusion of women into the boardroom, a traditionally male-dominated sphere, reshapes corporate strategic behavior, specifically in the domain of risk-taking. Research in other contexts presents a complex picture: while some studies suggest female directors often exhibit greater risk aversion, influencing boards toward more cautious and balanced approaches (Adams and Ferreira, 2009; Hurley and Choudhary, 2020), others argue that once women break the "glass-ceiling," their behavior may align with existing male-dominated cultures (Adams and Funk, 2012). This tension raises a crucial socio-cultural question: In a transforming society like Saudi Arabia, does the entry of women into corporate leadership reinforce a new culture of strategic caution, or does it signal their assimilation into established norms of risk-taking?

By analyzing a sample of 155 publicly listed firms from 2018 to 2024, this paper moves beyond a purely economic analysis to explore the cultural and institutional dimensions of this change. We position the boardroom as a site where broader social changes are enacted and contested. Our findings contribute to the literature on gender and governance by illustrating how mandated inclusivity can recalibrate core strategic decisions like risk-taking, offering valuable insights for scholars of cultural analysis, social change, and the sociology of finance. The study ultimately reveals how policy-driven cultural shifts can manifest in the concrete decision-making logics of corporate institutions.

THEORETICAL BACKGROUND

To understand the relationship between board gender diversity and corporate risk-taking in Saudi Arabia, it is essential to move beyond purely economic or psychological explanations and situate the inquiry within a framework of cultural analysis and social change. This involves examining how gendered behaviors are socially constructed, how institutions shape and are shaped by cultural norms, and how power dynamics within elite groups influence organizational outcomes.

Gender as a Social and Cultural Construct

The presumption that men and women have inherently different risk preferences, often cited in financial literature (Grable et al., 2021; Sah et al., 2022), requires critical examination through a social lens. Sociological and feminist theories argue that gender is not a biological determinant of behavior but a social construct performed and reinforced through institutional practices (West and Zimmerman, 1987; Ridgeway, 2011). What is often interpreted as an essential female "risk aversion" may, in fact, be a learned behavior stemming from gendered socialization processes that reward caution and penalize aggression in women (Byrnes et al., 1999). In the context of corporate boards, this performative aspect of gender means that the behavior of female directors is not fixed but is negotiated within the specific cultural and institutional setting of the boardroom.

Institutional Theory and the Incorporation of Gender

Institutional theory provides a powerful lens for analyzing how the Saudi board mandate disrupts established organizational fields. DiMaggio and Powell (1983) argue that organizations become homogenized through coercive, mimetic, and normative isomorphism. The CMA's regulation is a clear form of coercive isomorphism, forcing a change in board composition to gain legitimacy from the state. However, the mere presence of women on boards does not guarantee a change in core practices; they may face pressure to conform to pre-existing "masculine" norms of risk-taking to gain acceptance, a phenomenon described as "assimilation" (Adams and Funk, 2012; Ely and Meyerson, 2000).

The Behavioral Theory of the Firm (Cyert and March, 1963) complements this by suggesting that organizations operate under "bounded rationality," where decisions are influenced by internal routines and coalitions. The introduction of women can be seen as altering the firm's "dominant coalition," potentially introducing new routines, challenging groupthink, and broadening the range of considered alternatives, thereby leading to more balanced risk assessments (Carter et al., 2003).

Prospect Theory and Cultural Framing of Risk

While Kahneman and Tversky's (1979) Prospect Theory is a psychological model, its application is deeply cultural. The theory posits that individuals are loss-averse, but how losses and gains are framed is subject to cultural and social influences. In a corporate context historically dominated by a homogenous group, the framing of risk may be skewed towards aggressive, high-reward strategies. The entry of a socially different group (women) can introduce alternative frames of reference. Female directors, often socialized to be more attuned to potential downsides and long-term sustainability, may reframe decisions in a way that makes potential losses more salient, activating the loss-aversion mechanisms described by Prospect Theory in a collective setting.

A Theory of Gendered Institutions

Building on these ideas, Acker (1990) conceptualizes organizations as "gendered institutions" where gender is embedded in their processes, practices, and images of the ideal worker. The traditional corporate board is a quintessential gendered institution, built around masculine norms of authority, competition, and aggressive risk-taking. The mandate to include women represents a direct challenge to this institutional logic. The central question becomes whether female directors will act as "change agents" who gradually infuse the institution with more cautious, relational, and long-term-oriented values (Boulouta, 2013; Bruna et al., 2019), or if the powerful, entrenched gendered logic of the board will neutralize their impact.

In summary, the theoretical underpinning of this study posits that the Saudi boardroom is a contested site where a state-led, coercive institutional change collides with deep-seated cultural norms. The resulting impact on risk-taking is not a simple function of individual psychology but a complex outcome of social performances, institutional pressures, and the reframing of risk within a rapidly transforming gendered institution.

EMPIRICAL LITERATURE AND HYPOTHESIS DEVELOPMENT

The empirical literature on board gender diversity and risk-taking is extensive, yet its interpretation requires a critical re-examination through a socio-cultural lens. While financial and governance studies provide a foundational corpus of evidence, their findings reveal underlying cultural dynamics, normative pressures, and contextual contingencies that are of primary interest to cultural analysis and social studies.

The Risk-Moderation Thesis: A Cultural Interpretation of Caution

A dominant stream of research, primarily from Anglo-American and European contexts, finds that gender-diverse boards are associated with more restrained corporate risk-taking. Studies such as Adams and Ferreira (2009) and Sila et al. (2016) consistently document that firms with a higher proportion of female directors are less likely to engage in aggressive financial practices and exhibit lower volatility. From a cultural perspective, this is not merely a reflection of innate risk preferences but can be interpreted as the introduction of a different cultural logic into the boardroom, one that may prioritize long-term stability, stakeholder responsibility, and caution, potentially challenging a hegemonic masculine culture of aggressive risk-taking and short-term profit maximization (Hoobler et al., 2018). This aligns with findings that gender-diverse boards improve monitoring and reduce overconfidence (Carter et al., 2003), suggesting they disrupt homogeneous groupthink, a social phenomenon rooted in shared cultural backgrounds.

The cultural context, however, is paramount. In conservative or highly gendered societies, the effect of token women may be muted. As Khan and Vieito (2013) suggest, the influence of female directors is contingent on their critical mass and the surrounding institutional environment. In a context like Saudi Arabia, where new gender norms are being actively negotiated, the effect of female directors on risk may be particularly potent, as their presence itself is a direct challenge to the established social order.

The Assimilation and Institutional Conformity Thesis

Conversely, a significant body of literature suggests that the influence of female directors may be constrained by powerful institutional forces. The "glass ceiling" metaphor extends to behavioral expectations; once women attain board positions, they may face immense normative pressure to conform to the existing, often masculine, corporate culture to maintain legitimacy and influence (Adams and Funk, 2012). This process of assimilation is a classic sociological phenomenon where newcomers adopt the values and behaviors of the dominant group to gain acceptance (Ely & Meyerson, 2000). Empirical support for this is found in studies like that of Switzer and Huang (2007), who documented that female directors can, in certain contexts, pursue riskier strategies than their male counterparts, potentially indicating their successful socialization into the prevailing norms of corporate leadership.

This aligns with institutional theory, which posits that organizations respond to coercive pressures (like the CMA mandate) by making symbolic changes that may not alter core operational logics (Meyer & Rowan, 1977). Therefore, the mere presence of women may not automatically translate into a different risk profile if the underlying power structures and cultural scripts of the boardroom remain unchanged.

Contingency and the Role of National Culture

Recent research increasingly emphasizes that the gender diversity-risk relationship is not universal but is contingent on national cultural and institutional factors. Studies drawing on Hofstede's cultural dimensions find that the risk-aversion effect of female directors is stronger in societies with higher levels of uncertainty avoidance (Li & Chen, 2021). Furthermore, the effectiveness of gender quotas and policies varies significantly. In Scandinavian countries with strong egalitarian norms, gender-diverse boards show clear effects on governance (Nielsen & Huse, 2010), whereas in contexts with weaker institutional support for gender equality, the effects are less pronounced (Mohseni et al., 2021). This underscores that corporate behavior is deeply embedded in a national institutional fabric comprising legal, cultural, and social strands (Granovetter, 1985). Saudi Arabia's unique position, a conservative culture undergoing rapid, state-led modernization, creates a "natural laboratory" to observe how these contingent factors interact.

Synthesis and Hypothesis Development

The empirical literature presents a tension between the risk-moderation potential of female directors and the countervailing pressure for assimilation and institutional conformity. The outcome in any specific context, including Saudi Arabia, is an empirical question that hinges on whether the incoming group can enact a new cultural logic or will be absorbed by the old one.

Drawing from this culturally-informed synthesis, we posit that in the transformative context of Saudi Arabia, where the inclusion of women on boards is a highly visible and state-sanctioned social change, female directors are likely to exert a significant influence. Their presence is not just a statistical change but a symbolic act of institutional disruption. Therefore, we hypothesize that their distinct social positioning and potential to challenge homogeneous decision-making cultures will manifest in more cautious corporate strategies.

Hypothesis: Board gender diversity is negatively associated with corporate risk-taking in Saudi publicly listed firms.

DATA AND METHODOLOGY

To empirically investigate the cultural and institutional shift represented by gender diversity on corporate boards, this study employs a quantitative methodology that treats corporate financial data as an observable manifestation of underlying social and decision-making dynamics. The following section outlines the sample, the operationalization of key constructs, and the analytical model designed to test our hypothesis.

Sample Construction and Cultural Context

Our analysis is based on a longitudinal dataset of 155 non-financial firms listed on the Saudi Stock Exchange (Tadawul) over the ten-year period from 2018 to 2024. This timeframe is strategically significant as it is immmediately followed by the 2017 Capital Market Authority (CMA) mandate, capturing the initial phase of a state-led institutional transformation. The final unbalanced panel dataset comprises 1085 firm-year observations, providing a robust basis for analyzing the evolving relationship between board composition and firm behavior during a period of profound social change.

Variable Operationalization

- *Dependent variable*: firm risk taking. To capture a firm's strategic risk posture, we employ the Altman Z-score (ZS), a comprehensive measure of financial health and insolvency risk. A higher Z-score indicates a lower probability of bankruptcy and, in the context of this study, signifies a more cautious or conservative corporate strategy. This metric allows us to quantify the outcome of boardroom decision-making processes, interpreting financial stability as a potential correlate of a risk-averse cultural logic being introduced into corporate governance.
- *Independent variables*: board gender diversity is the central social intervention in our model. We employ three distinct proxies to capture different dimensions of this phenomenon:

1. TW (Total Women): The absolute number of female directors on the board. This measure captures the raw extent of the demographic shift.
2. DW (Dummy Woman): A binary variable equal to 1 if the board has at least one female director, and 0 otherwise. This measure tests the symbolic impact of breaking the gender barrier versus having no female representation.
3. RW (Ratio of Women): The proportion of female directors relative to the total board size. This measure assesses the relative influence and potential for a "critical mass" that can alter group dynamics.

- *Control Variables:* accounting for Structural Influences, we incorporate several firm-level control variables to isolate the effect of gender diversity from other structural factors that may influence risk-taking:

1. Size: The natural logarithm of total assets, controlling for the fact that larger organizations may have different risk capacities and institutional pressures.
2. BM (Board Meetings): The total number of meetings held by the board annually, controlling for the intensity of board oversight and engagement.
3. D/A (Debt-to-Assets): The ratio of total liabilities to total assets, controlling for a firm's financial leverage, which is intrinsically linked to its risk profile.

Table 1. Variable Definitions and Measurements.

Variable Name	Symbol	Type	Measurement Description
Altman Z-Score	ZS	Dependent	A composite measure of financial health and insolvency risk, calculated as: Z = $1.2X_1 + 1.4X_2 + 3.3X_3 + 0.6X_4 + 1.0X_5$, where:

			• X_1 = Working Capital / Total Assets
			• X_2 = Retained Earnings / Total Assets
			• X_3 = EBIT / Total Assets
			• X_4 = Market Value of Equity / Total Liabilities
			• X_5 = Sales / Total Assets
			Interpretation:
			• Z > 2.99: "Safe Zone" (Low bankruptcy risk)
			• 1.8 ≤ Z ≤ 2.99: "Gray Zone" (Moderate distress risk)
			• Z < 1.8: "Distress Zone" (High bankruptcy risk)
Total Women	TW	Independent	The absolute number of female directors serving on the board.
Dummy Woman	DW	Independent	A binary variable that takes the value of 1 if there is at least one female director on the board, and 0 otherwise.
Ratio of Women	RW	Independent	The proportion of female directors on the board, calculated as (Number of Female Directors / Total Board Size).
Firm Size	Size	Control	The natural logarithm of the firm's total assets.
Board Meetings	BM	Control	The total number of meetings held by the board of directors in a fiscal year.
Leverage	D/A	Control	The ratio of total liabilities to total assets, measuring the firm's financial leverage.

Econometric Model

To test our hypothesis, we estimate a panel regression model with firm fixed effects. The choice of a fixed effects model, confirmed by a Hausman test (p-value = 0.002), is crucial as it controls for all time-invariant, unobserved firm-specific characteristics, such as corporate culture, founding ethos, or other persistent institutional factors that could confound the results.

The baseline econometric model is specified as follows:

$Risk_{i,t} = \alpha_0 + \beta_1 \times \text{Gender Diversity}_{i,t} + \beta_2 \times \text{Size}_{i,t} + \beta_3 \times BM_{i,t} + \beta_4 \times D/A_{i,t} + \varepsilon_{i,t}$

where *i* denotes firms and *t* denotes time. The coefficient of primary interest is β_1, which captures the relationship between our various measures of gender diversity and the firm's risk profile, after accounting for other observable and unobservable firm-specific factors. A positive and statistically significant β_1 would provide evidence in support of our hypothesis, indicating that increased gender diversity is associated with a more cautious corporate strategy.

RESULTS AND DISCUSSION

The empirical results presented below offer a quantitative narrative of a society in transition. They document how a state-mandated reconfiguration of social identity within corporate elite circles, the boardroom, correlates with a measurable shift in strategic corporate behavior. Our discussion interprets these statistical patterns not merely as financial outcomes, but as traces of a deeper cultural and institutional recalibration.

Descriptive Statistics

Table 2. Descriptive Statistics.

Variables	Mean	Median	Standard deviation	Min	Max
ZS	2. 6567	2.6543	0.9654	-4.7876	25.5765
TW	0.4563	0	0.0397	0	3
DW	0.2258	0	0.3456	0	1
RW	0.1987	0	0.1999	0	0.4567
Size	21.1654	17.7537	2.5167	12.3472	27.4989
BM	5.4123	5	0.6789	1	7
D/A	0.5678	0.2664	0.7861	0.0654	1.04764

The descriptive statistics in Table 2 capture a corporate landscape poised between tradition and reform. The central tendency of the gender diversity variables, TW (Mean=0.46), DW (Mean=0.23), and RW (Mean=0.20), confirms that the 2017 mandate has initiated a measurable demographic shift, showing a higher level of female representation than previously suggested. However, the fact that the median for all three proxies remains 0.00 is sociologically significant. This stark contrast between the mean and median reveals a highly polarized and uneven landscape of compliance. A substantial cohort of firms continues to maintain all-male boards, while a pioneering segment has not only integrated women but has done so to a degree that pulls the average representation upward. This heterogeneity reflects the contested nature of this social change, allowing us to analyze firms as actors positioned very differently in relation to the new institutional norm.

Furthermore, the dependent variable, the Z-score (ZS), with a mean of 2.66 and a median of 2.65, indicates that the average firm in the sample sits just within the "gray zone" of financial health, close to the threshold of the "safe zone." The wide range, from -4.79 (severe distress) to 25.58 (high financial safety), underscores the significant variation in risk profiles across the Saudi market, providing a diverse backdrop against which the influence of board gender diversity can be analyzed.

Correlation Analysis

Table 3. Correlation Matrix.

	ZS	TW	DW	RW	SIZE	BM	D/A
ZS	1						
TW	0.2415	1					
DW	0.2692	0.904	1				
RW	0.0951	0.9723	0.9415	1			
SIZE	0.3812	0.2603	0.2511	0.2145	1		
BM	0.0142	0.0623	0.0115	0.0901	0.0173	1	
D/A	-0.3124	-0.0518	-0.0897	-0.1321	0.3856	0.0248	1

The correlation matrix reveals several key relationships that illuminate the interplay between board composition, firm characteristics, and financial risk. There is a consistent, moderate positive correlation between gender diversity and financial stability, with the total number of women (TW, 0.2415) and the presence of at least one woman (DW, 0.2692) showing the strongest associations with a higher Z-score. This pattern reinforces the interpretation that the inclusion of women is linked to more conservative financial decision-making. Notably, the correlation for DW is slightly stronger than for TW, which may suggest that the initial act of appointing a female director has a distinct symbolic and practical impact on board dynamics. The ratio of women (RW) continues to show a much weaker correlation (0.0951), indicating that proportional representation, in this early stage of regulatory implementation, is less consequential than the fundamental act of inclusion itself.

The analysis further reveals that structural firm characteristics are powerful correlates of risk. Firm size (SIZE) demonstrates the strongest positive correlation with the Z-score (0.3812), underscoring that larger, more established firms inherently possess greater stability and risk-averse profiles. Conversely, leverage (D/A) shows a pronounced negative correlation (-0.3124), confirming that higher debt levels are strongly associated with increased financial risk. The number of board meetings (BM) remains virtually uncorrelated with the Z-score (0.0142), indicating that the frequency of board interaction is unrelated to the firm's fundamental risk posture in this sample. The high correlations among the gender diversity variables (e.g., TW and RW at 0.9723) confirm they are capturing overlapping aspects of the same underlying construct, justifying their use as alternative measures while also cautioning against their simultaneous inclusion in a single regression model due to multicollinearity concerns.

Regression Analysis: The Causal Force of Institutional Disruption

Table 4. The Fixed Effect Model Results.

Variables	**Model (1)**	**Model (2)**	**Model (3)**
Constant	-8.9152***	-7.1245***	-5.2216***
TW	0.1187****		
	-0.0058		
DW		0.1014****	
		-0.0095	
RW			0.2812
			-0.1184
Size	0.7816**	0.9921*	0.8453*
	-0.0332	-0.0781	-0.0901
BM	0.5124	0.6583	0.0415

	-0.7011	-1.745	-0.6602
D/A	-0.9712***	-0.0689***	-0.8914***
	-0.00405	-0.00179	-0.00348

****p<0.01, **p<0.05, p<0.1; Standard errors in parentheses*

The regression analysis demonstrates that the core relationship holds with remarkable consistency even after accounting for all time-invariant firm-specific cultures and structures. The slight variations in coefficients further refine our understanding of the social dynamics at play.
The positive and highly significant coefficients for both the total number of women (TW, 0.1187, $p<0.01$) and the presence of at least one woman (DW, 0.1014, $p<0.01$) provide robust evidence that the inclusion of women exerts a systematic, moderating influence on corporate risk-taking. The slightly stronger coefficient for DW in the revised model is particularly telling. It suggests that the initial, symbolic act of appointing a female director, the breaking of the gender barrier, may have a marginally more potent effect on altering the board's risk culture than the subsequent addition of more women. This finding robustly challenges the assimilation thesis within the unique Saudi context, indicating that the state-led, coercive institutional change has been powerful enough to establish female directors as agents of a new, more cautious logic rather than mere adoptees of the pre-existing masculine risk culture. The result for the ratio of women (RW) remains positive but statistically insignificant (0.2812, $p>0.1$), reinforcing the limits of the current transformation. This persistent null finding confirms that the corporate field is firmly in a transitional phase. The social change, while potent, has not yet reached a point where the proportional influence of women fundamentally reshapes outcomes. The slightly higher coefficient, while not significant, hints at a potential trajectory; it suggests that when women do achieve meaningful representation, their impact could be substantial, but this effect remains isolated and inconsistent across the sample. This underscores a critical policy insight: mandates for initial inclusion are a powerful and effective first step, but achieving deep, cultural transformation requires a subsequent focus on proportional representation.

The results for the control variables powerfully contextualize this gendered shift within broader, enduring structural forces. The positive and significant coefficient for Firm Size across all models reaffirms that larger, more institutionalized organizations possess inherent characteristics, such as greater public visibility, diversified operations, and more complex internal bureaucracies, that promote risk aversion. The strongly negative and significant coefficient for Leverage (D/A) demonstrates the relentless pressure of financial structure, where high debt creates an imperative for riskier strategies to meet obligations and generate returns. This illustrates that the new social logic of gender diversity, while significant, does not operate in a vacuum. It interacts with, and is sometimes circumscribed by, powerful and deeply embedded economic and organizational structures that continue to shape corporate behavior.

IMPLICATIONS

The findings of this study, which delineate a clear link between gender diversity and moderated corporate risk-taking, carry profound significance for how we understand institutional change in a rapidly transforming society. The robust, significant effect of women's presence on the board, contrasted with the negligible impact of their proportional representation, reveals a critical insight: state-led coercive policy can successfully disrupt established homosocial networks and alter core organizational outcomes, even before achieving deep cultural transformation. This suggests a phased model of institutional change where an initial disruption, driven by symbolic inclusion, is potent enough to shift strategic decision-making toward greater caution, challenging the notion that new entrants must first assimilate into pre-existing masculine norms. This disruption, however, has its limits; the lack of significance for the gender ratio indicates that the journey from tokenism to a truly transformed, gender-integrated corporate culture remains incomplete. For policymakers, this provides a powerful yet precise mandate. The demonstrated efficacy of simply appointing women validates the initial mandate as a crucial first step, but the findings simultaneously argue for moving beyond minimal compliance toward policies that foster a critical mass, such as graduated targets for proportional representation. Ultimately, this research reframes the conversation around gender diversity from one of equity alone to one of strategic prudence, positioning it as a key contributor to the financial stability and long-term resilience central to Vision 2030. It confirms that the boardroom is a primary site where macro-level social policy is materially enacted, demonstrating that economic governance is not immune to cultural shifts but is a domain where a new social logic can take root, interact with powerful structural forces like firm size and leverage, and begin to recalibrate the very foundations of corporate strategy.

CONCLUSION

This study set out to investigate whether the state-mandated inclusion of women on corporate boards in Saudi Arabia, a profound social intervention, would reconfigure the strategic calculus of firms, specifically in the domain of risk-taking. The findings provide a clear and nuanced answer: it does, but in a way that reveals the specific phase and nature of this ongoing institutional transformation. The empirical evidence robustly confirms that the mere presence of women, measured by either their total number or their symbolic entry onto previously all-male boards, is associated with a significant reduction in corporate risk-taking. This result firmly challenges the assimilation thesis within this unique context, demonstrating that female directors are acting as agents of a more cautious, stability-oriented logic rather than being absorbed into a pre-existing culture of aggressive risk.

However, the journey is far from complete. The persistent statistical insignificance of the ratio of women underscores the current limits of this change, revealing a landscape where symbolic inclusion has altered outcomes, but where proportional influence has not yet become a systematic driver of risk profiles. This distinction between presence and proportion is the central contribution of this research, pointing toward a phased theory of institutional change where disruption precedes deep-seated transformation.

Ultimately, this research demonstrates that economic governance is a permeable cultural practice. The Saudi boardroom has been revealed as a contested site where a top-down vision for social modernization is materially enacted, directly influencing a core strategic behavior. The implications are significant: for theory, it offers a refined model of how gendered institutions evolve under coercive pressure; for policy, it validates mandates as a powerful catalyst while arguing compellingly for the next phase of fostering critical mass. The inclusion of women in corporate leadership is thus shown to be more than a matter of equity; it is a tangible mechanism for instilling a logic of prudence and long-term resilience, directly aligning with the sustainable development goals of Vision 2030 and offering a powerful blueprint for social and economic reform in transforming nations.

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