



# **IMPACT OF THE BOARD OF DIRECTORS' FINANCIAL EXPERTISE ON CORPORATE FINANCIAL SUSTAINABILITY: THE ROLE OF FEMALE REPRESENTATION**

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<b>Article history:</b>	<b>Abstract:</b>
<b>Received:</b> 24 <sup>th</sup> November 2025 <b>Accepted:</b> 20 <sup>th</sup> December 2025	The research aims to test the impact of accounting and financial expertise and female representation in financial sustainability, and the research in the analysis was based on the financial reports of a sample of companies listed on the Iraq Stock Exchange amounted to (10) banks for the period 2013-2023, and it was concluded that the accounting and financial expertise and female representation on the board of directors does not affect and is not related to the financial sustainability of the companies sample study, and as for the size of the board of directors, we have found that there is a positive impact of the board of directors in financial sustainability, which means that large boards of directors contribute to drawing policies and making financial decisions that have an impact on the wealth of the company and its sustainability. The research recommends the need to comply with local and international governance controls because of their role in the growth and sustainability of companies and emphasize the need to support the demographic diversity of the board of directors.

**Keywords:** Financial sustainability ,Financial expertise, Characteristics of board of directors

## **1. INTRODUCTION**

Modern companies and their boards of directors face new responsibilities related to protecting stakeholders and developing policies that go beyond financial performance to include social and environmental issues (Jaturat et al., 2021). All these initiatives fall under the framework of organisational sustainability (Hussain et al., 2018). On a complementary side, financial sustainability has emerged as an urgent issue in various fields, especially in light of the increasing global economic uncertainty, environmental changes, and social tensions. This does not solely apply to the companies; it also applies to non-profit organisations, governments and individuals as long term financial stability holds significance in promoting sustainable growth. Financial sustainability is the capability of an entity to balance finances without overdepending on external funding, and still fulfilling future requirements and obligations. It was also determined as the maximum rate of growth of operating income that would be obtained should the company have the goal of maintaining its goals of operating efficiency and financial policies without issuing new shares (Destriana et al., 2024).

One of the corporate sustainability dimensions is financial sustainability and it is receiving more momentum because of its direct relationship to the ongoing of the organization. It is about creating long-term value, reaching a stable profit, and fast growth to address the needs of different stakeholders (Alshareef and Sulimany, 2024). Research has demonstrated that financial sustainability is concerned with the correlation between expansion plans and corporate financial guidelines (Barriga & Escandon-Barbosa, 2024). Furthermore, it is also established that the lack of this synergy can contribute to the deterioration of financial practices of companies, which will lead to the inability to be financially sustainable (Shakil et al., 2024).

Financial sustainability measures are very expensive in terms of investments and complicated efforts; however, the board of directors can closely monitor them and ensure the company develops the best performance strategies. In addition, it is possible to appoint very qualified board members who have good networks to help improve the quality of



monitoring and transparency in decision-making (Pellegrini et al., 2016). The body that greatly facilitates the interests of all stakeholders is the board of directors, which is authorized to make decisions, and its composition and structure could significantly influence the sustainability and value of the company (Rossi et al., 2021). One of the internal mechanisms of corporate governance, the board of directors may be critical in leading sustainability efforts and strike the balance between financial and non-financial objectives, thus, influencing the company image and worth. Also, the supervisory role is absent in the role of the board, which it must perform successfully in order to improve shareholder value (Brennan, 2020; Burke, 2019). Such an optimality of the activities of board members in the tasks assigned to them is the contribution to the financial sustainability of the company (Sajwani et al., 2024; Naciti, 2019; Díaz -Fernández et al., 2020). The diversity of the board of directors is categorized into a structural type, specifically board independence (Aggarwal et al., 2019). And the functional and demographic classification, which includes things like gender, age, education level, nationality, and length of service (Hosny & Elgharbawy, 2022). The multidimensional role of the board of directors includes supervisory and advisory responsibilities to enhance business performance within the framework of agency theory and resource-based perspectives. (Pham & Ho, 2024). Moreover, the characteristics of the board of directors are crucial factors in achieving a higher level of financial sustainability.

Financial expertise is one of the essential elements in forming the board of directors, and it has received increasing attention in recent years, as it is expected that directors with financial expertise will enhance corporate governance (DeFond et al., 2005). Financial expertise is essential for the board's oversight duty, particularly concerning financial reporting and performance (Nipper, 2021). Accordingly, financial expertise may reflect the future oversight performance for potential investors. The knowledge and experience of board members enhance their ability to understand the needs and interests of stakeholders and provide wide range solutions to the company's problems, thereby contributing to the enhancement of the company's value. (Sajwani et al., 2024). There is a positive correlation between company performance and board experience as demonstrated in the course of experimental studies (Lu et al., 2024). The analysis reveals that the presence of experienced directors in other boards in the American market increases the quality of disclosure of sustainability, which results in the improved performance of the company .In line with this, the current research will offer an in-depth examination of how the financial expertise of the board members can influence the financial sustainability. In the female representation in the board of directors, it has been revealed that diversity leads to a better harmonization between the shareholders and management interests that in turn reduces the agency costs as described in the agency theory (Jensen and Meckling, 1976). Additionally, having both men and women in the boards of directors also help in ensuring that the ideas, knowledge, perspectives and experiences available are diversified and hence contribute to the decision making process. It is believed that this diversity is valuable to improve the performance of the company by supporting basic strategic activities, including advising and monitoring (Khosla, 2017).

This research paper presents profound understanding of the area of financial sustainability that is yet to be expanded. This growing concern is an attempt to work towards making the financial sustainability practices more effective and eventually win the confidence of the stakeholders and owners. Stakeholders generally believe that financial sustainability is achieved through fulfilling the company's vision and mission and increasing shareholder wealth. Several factors have influenced sustainability reports and financial sustainability; however, the relationship between the board's financial expertise and financial sustainability has not been fully understood. Therefore, the following question arises: Does the financial expertise of board members affect financial sustainability, and does this impact increase or decrease when there is a high representation of women on the board?

Therefore, this research paper aims to analyses the impact of the board's financial expertise on financial sustainability in the presence of high female representation within the board. We assume there is a relationship between these variables, and our study can be used to enhance company performance, particularly sustainable performance and financial sustainability, and provide descriptive information linking board characteristics to financial sustainability. We used the Iraq Stock Exchange as a database that provides the necessary information to measure the variables.

## **2. Literature review and hypotheses**

### **2.1. Financial expertise and financial sustainability**

The board of directors is considered the primary tool for corporate governance, responsible for protecting the interests of stakeholders by directing operations and supporting decision-making. Generally, the company's board of directors is considered the entity that sets management policies and makes decisions regarding key cases (Naciti, 2019). The composition and structure of the board of directors, as an part of corporate governance, in terms of skills, backgrounds, and experience, enable more effective oversight of sustainability-related risks and opportunities, which is linked to improved sustainability performance (Lu & Wang, 2021). Due to the growing significance of board of directors, it is imperative to establish the attributes that make a specific board more effective than others. It has been highlighted by many studies that the board of directors should have qualified



members with financial experience in to improve the performance of the company (Gîrbină et al., 2012). Financial expertise has been viewed as one of the critical components of the board of directors and this has been given more weight over the years as it is thought that directors who possess financial expertise will improve corporate governance (DeFond et al., 2005). It is undeniable that specialised consulting services increase the capacity of companies to establish effective management principles and practices to guarantee continuity of business. Having qualified and highly experienced board members assists in the creation of a pool of expertise that leads to a reflective sharing of suggestions in the company, hence increasing its value and performance (Carpenter and Westphal, 2001) .

Financial sustainability is a crucial need of companies since it guarantees their survival and prosperity. It helps institutions to come out of the economic recession, use resources to grow, and meet the obligations of their stakeholders by prioritization on sustainable development goals (Majumder et al., 2023). Financial experts in the board are able to play a leading role in the leadership of financial sustainability programs as well as balancing financial and non-financial objectives, which impacts on the reputation and worth of the company. This represents the results of the research by Alshareef and Sulimany (2024), who have verified that the financial sustainability could be enhanced as the number of financial specialists on the boards of directors increases. The theories that it supports are the agency framework, resource dependence, and upper echelons theories. These models affirm that close control, technical guidance and intellectual capability of financial experts can have a positive effect on the organizational performance. Lu et al. (2024) conduct a study that indicates that board experience and performance of a company are positively correlated. It concluded that experience board directors who have experience in other boards in the American market contribute to the transparency of sustainability disclosures, which translate into improved company performance. In the article by Hau and Thum (2009), the authors talked about the correlation between the effectiveness of boards of directors and losses in the banks during the 2008 financial crisis, with special references to the performance of German banks, both the government-owned and the privately-owned ones. The performance of public banks was much worse than that of their privately owned counterparts and this has been partially contributed by the fact that they lack the financial and managerial expertise in the boards of state owned banks. Gardazi et al. (2020) conducted a study and discovered that the attributes of the board of directors played a vital role in the decision-making process, the performance, and the sustainability of the company. The results of the study (Barroso et al., 2011) revealed that boards of directors also provide intangible resources to the company which influence the performance of the company (Abdullah & Rokan, 2022). As such, human and social capital in managers in terms of their skills, experiences, and access to information is seen to be a requirement of effective governance in boards. As one of the studies by Kamenjarska and Ivanovski (2020) demonstrates, profitability is greatly affected by board experience. This supports the fact that the more qualified and highly experienced members the organisation has, the better the decision making process, which on the other hand enhances the performance of the organisation. Board of directors financial expertise is a crucial aspect, which allows companies to better manage their financial policies and increase their financial strength, alleviate financial influence, thus leading to the development of shareholder value and overall successful operation of the company (Mobbs, 2011) . Gilani et al. (2021) revealed that American banks with a higher number of board members with financial expertise choose higher target capital ratios and adjust their capital structure more quickly when it falls below the target level, indicating a positive impact of expertise on their performance.

On the contrary, studies (Francis et al., 2015; Güner et al., 2008) have claimed that board members with financial expertise may not necessarily contribute to enhancing the board's effectiveness and the company's performance. Sharp discussions and misunderstandings may arise between financial and non-financial experts during board deliberations due to cognitive differences. This conflict among members may weaken the council's role in oversight and resource allocation, negatively impacting sustainable performance.

And since most previous studies provide reasons supporting the influence positions regarding the financial expertise of the board of directors, we propose the following hypothesis:

**Hypothesis (H1):** *There is a significant impact of the financial expertise of board members on the sustainability of companies.*

## **2.2. Financial expertise, Female Board Representation, and their impact on financial sustainability**

The role played by gender diversity in corporate boards with respect to financial stability of financial institutions has always been a very critical issue. The debate concerning the presence of women in corporate boards has become more pronounced in the last 20 years. The article (Benkraiem et al., 2017) indicates that the question of women on boards of directors is a strategic concern to firms because gender diversity within boards of directors is a critical



governance tool that has a major impact on strategic decision-making and management behaviour oversight. The inclusion of women in the boards of directors has been viewed as a tool that increases the quality of governance, transparency, supervisions and the safeguarding of the shareholder rights. This supervisory position can be facilitated by the agency theory, which holds that the inclusion of women in the boards of directors checks the execution of the strategy so that the interests of the shareholders and those of the managers are aligned. (Guizani & Abdalkrim, 2022). Among the advantages of having more female managers, one should mention the fact that they are less confident and risk-averse than men, which makes them make decisions that are more practical (Faris et al., 2021). Hence, they should be involved in the financial decision making process of the company. Given that diversity is described as a two-sided sword with potential negative and positive aspects in the intended results, the board of directors with diverse members influences the company performance either positively or negatively. This suggests that the association between female representation in boards and the financial performance of the company is susceptible to the positive and negative impacts of diversity and therefore follows similar pattern as that of the overall association between diversity and performance (Van Knippenberg et al., 2004). In this light therefore, various studies have dealt with the challenge of diversity within the board of directors especially women representation and its connection to financial sustainability in different facets. According to Dang et al. (2023), female representation in the board is positively associated with financial stability of the institution and this has a positive correlation to their financial sustainability and company performance. On the other hand, according to Guizani and Abdalkrim (2023), gender diversity in the boards of directors can lead to a more effective board since it ensures the companies are not subjected to too much exposure to financial distress and bankruptcy as mitigating risk to financial distress and bankruptcy is viewed as a major component in ensuring the long-term financial sustainability of the company. The same research by Reguera-Alvarado et al. (2017) revealed that the growth in the number of women in boards of directors has a positive correlation with better economic performance. It has been discovered that the financial sustainability of companies is enhanced by the presence of female directors in the boards and the positive social acceptance of companies is also realized (Francoeur et al., 2008). According to (Duppati et al., 2020), the increase in the number of women in the boards has a beneficial effect on the financial performance of the Indian and New Zealand markets. According to (Chijoke-Mgbame et al., 2020), gender diversity in the board of directors leads to improved performance in the company. The latter source (Awwad et al., 2023) also resulted in the finding that the inclusion of women in the boards of directors has a positive impact on the financial performance of the company.

Conversely, other reports suggest that greater gender diversity in the board of directors can lead to a negative change in financial sustainability or no change at all and a negative effect of financial success of the company. Ghafoor et al. (2022) observed that the negative effect of gender diversity is significant on financial performance. According to (Provasi & Harasheh, 2021), there is no significant difference between female representation in both boards with respect to financial performance. According to (Kateb, 2025), women are not on the board, and this is not enough to have improved financial outcomes or sustainability.

Previous studies have separately addressed both the financial expertise of board members and its impact on achieving financial sustainability, in addition to the role of diversity and female representation on boards. However, the research problem emerges when studying the triadic relationship, specifically whether high female representation within the board enhances the impact of members' financial expertise on achieving financial sustainability. Which makes the relationship inconclusive and in need of further empirical testing. And after studying the aforementioned results, we formulated the following hypothesis:

**Hypothesis (H2):** *The impact of financial expertise on sustainability increases when there is high female representation.*

### **3. Data and Methodology**

#### **3.1. Variables Definition**

**Measuring the Dependent Variable (Financial Sustainability):** Contemporary financial literature has clarified that the sustainable growth rate provides an in-depth analytical window for both management and investors regarding the company's performance, as well as the related factors influencing the sustainability of wealth growth. Higgins (1977) is considered the first to propose and develop the concept of the sustainable growth rate according to the following equation: (Alshareef & Sulimany, 2024)

$$SGR(\%) = PM * AT * FL * ERR$$

SGR : represents a sustainable growth rate

PM : stands for profit margin = net income after tax/revenue,

AT: stands for asset turnover, calculated as revenue/total assets



FL: denotes financial leverage = total debt/total assets

ERR: represents the earnings retention rate, computed as retained earnings/net income after tax.

According to Higgins' assumption regarding the constancy of the components of the sustainable growth rate, growth management relies on the relationship between the actual sales growth rate and the sustainable growth rate. The problem of maintaining the balance in this relationship arises when the two rates do not equal each other, and the company is unable to sell a sufficient amount of additional shares or borrow at a reasonable cost to finance the increase in assets due to the actual sales growth rate exceeding the sustainable growth rate. If the sales growth rate is less than the sustainable growth rate, the company faces a surplus beyond its investment needs, necessitating one or more solutions related to the use of surplus cash, such as increasing the dividend payout ratio, repaying part of its debts to alleviate the burden and risks of leverage, or opting to invest in liquid assets. This model focusses on the synergy between growth objectives and corporate financial policies, and the absence of this synergy is likely to lead to a decline in the financial conditions of companies, resulting in unsustainable performance (Al-Tamimi & Issa, 2020).

**Measurement of the independent variable (Board of Directors' financial expertise):** The number of board members holding at least a university degree in finance or accounting or having work experience as a financial manager or auditor, divided by the size of the board (Dobija & Puławska, 2022; Ćirbiň et al., 2012).

**Measurement of the interactive variable (Female Board Representation):** It was measured according to the ratio of female members on the board of directors to the total number of board members (Reguera-Alvarado et al., 2017; Kamenjarska & Ivanovski, 2020).

**Control Variables:** To estimate the assumed relationships, some variables were integrated for control purposes, which included company size, company age, board meetings, and board size. Previous studies, including the study by Njuguna (2016), have shown that the size of the company, measured by total assets, affects the financial performance of companies both positively and negatively, with size having statistical significance on all financial performance indicators. The study by Orzalin et al. (2019) showed that company characteristics, including the age of the company, are among the key factors that affect the degree of financial distress and financial stability. Regarding board meetings, Haque et al. (2025) found that changes in the number of board meetings affect company performance, as poor performance leads to more meetings, and thus the increase in meetings contributes to improved performance. On the other hand, the size of the board has a positive and significant impact on financial sustainability according to Uchenna et al. (2017).

**Table (1) : Measurement of Research Variables**

Variable	Variable type	Symb ol	Measurement
<b>Financial sustainability</b>	Dependent	FS	$SGR(\%) = PM * AT * FL * ERR$
<b>Financial expertise</b>	Independent	BFE	The number of board members holding at least a university degree in finance or accounting, or having work experience as a financial manager or auditor, divided by the size of the board.
<b>Female Representation</b>	Interactive	GB* BFE	It was measured according to the ratio of female members on the board of directors to the total number of board members
<b>Firm size</b>	Control	FSIZE	Measured in logarithm of the company's total assets
<b>Board size</b>	Control	BS	The total number of directors

### 3.2. Study Model

Our current study aims to find out the relationship between the accounting experience of board members and the financial sustainability of companies in the stock exchange of Iraq. The role of gender representation is also used as an interactive variable with the introduction of company size and board size as control variables to the model, the following equations provide regression models for this study, which were developed separately for each of the hypotheses of the study:

**Model 1 for (H1):**  $FS = \beta_0 + \beta_1 BFE + \beta_2 BG + \beta_3 BS + \beta_4 Size + e$

**Model 2 for (H2):**  $FS = \beta_0 + \beta_1 BFE + \beta_2 BG + \beta_3 BFE * BG + \beta_4 BS + \beta_5 Size + e$

### 4. Study Results



#### 4.1. Descriptive Analysis

It is noted from Table (2) that the average financial sustainability (FS) over the studied period has reached a percentage of (0.024), which is a value greater than zero among companies, but the standard deviation was large, and this indicates the disparity of the Financial Sustainability Index at the corporate level, as for the financial experience (BFE), it reached a value of (0.397), which means that a third of the members of the board of directors have experience in accounting and finance, while the average female representation reached a value of (0.061) with a high standard deviation, which indicates that feminist (BG) exists in some companies and others where it is not available, As for the average size of the board of directors (BS) is about (6.9), equivalent to 7 members, and this meets the required limit according to the Iraqi companies law and the governance manual issued by the central bank.

**Table (2): descriptive statistics**

Variables	The sample	Minimum	Maximum	Mean	Std. Deviation
<b>FS</b>	<b>100</b>	<b>0.002</b>	<b>0.053</b>	<b>0.024</b>	<b>0.012</b>
<b>BFE</b>	<b>100</b>	<b>0.143</b>	<b>1.000</b>	<b>0.397</b>	<b>0.154</b>
<b>BG</b>	<b>100</b>	<b>0.000</b>	<b>0.333</b>	<b>0.061</b>	<b>0.090</b>
<b>BS</b>	<b>100</b>	<b>4.000</b>	<b>9.000</b>	<b>6.950</b>	<b>1.077</b>
<b>FSIZE</b>	<b>100</b>	<b>25.436</b>	<b>28.234</b>	<b>27.157</b>	<b>0.458</b>
<b>BFE*BG</b>	<b>100</b>	<b>0.000</b>	<b>0.278</b>	<b>0.030</b>	<b>0.057</b>

#### 4.2. Variables Correlation

This study uses the least squares (OLS) method in hypothesis testing. Prior to the regression analysis, Preliminary tests were performed, including the correlation Test between the variables. Table (3) shows the Pearson correlation results, which indicate that the relationship between the variables is relatively small and that the highest correlation value is (0.365), which is lower than the correlation level (0.80) at which the problem of multilinearity is expected to appear. The results show that the correlation between the financial experience variable and the financial sustainability variable was weak, reaching (-.069) is immaterial, and this is a preliminary indicator of the lack of an impact relationship.

**Table (3): correlation between study variables<sup>(1)</sup>**

Variables	FS	BFE	BG	BS	FSIZE
<b>FS</b>	<b>1</b>				
<b>BFE</b>	<b>-.069</b>	<b>1</b>			
<b>BG</b>	<b>-.063</b>	<b>.379**</b>	<b>1</b>		
<b>BS</b>	<b>.365**</b>	<b>-.285*</b>	<b>-.067</b>	<b>1</b>	
<b>FSIZE</b>	<b>-.047</b>	<b>-.207**</b>	<b>-.105</b>	<b>-.017</b>	<b>1</b>

#### 4.3. Testing of normal distribution and linear interference

Several tests have been used to test the dataset. In this study, the torsion test ( $\pm 1.96$ ) and the flatness TEST ( $\pm 3$ ) were adopted to verify the normal condition. The results of twisting and flattening in Table (4) indicate that the data assume a normal distribution. To examine the problem of multilinearity, the variance amplification factor (VIF) test was used to detect whether the data suffers from multilinearity or not. Where (Gujarati, 2009) indicates, if  $VIF > 10$ , it means that there is a high multilinearity between the search variables. The results presented in Table (3) indicate that the values of VIF are significantly lower than the acceptable value of 10. This means that multilinearity is not a problem in this study.

Table (4) Multilinear test

Variables	Collinearity Statistics		Skewness	Kurtosis
	Tolerance	VIF		
<b>BFE</b>	<b>.342</b>	<b>2.921</b>	<b>0.508</b>	<b>-0.362</b>
<b>BG</b>	<b>.140</b>	<b>7.119</b>	<b>1.510</b>	<b>2.535</b>
<b>BS</b>	<b>.907</b>	<b>1.102</b>	<b>1.222</b>	<b>0.454</b>

<sup>1</sup> The two asterisks (\*\*) shown in the table indicate a morale level (0.01) while (\*) indicates a morale level (0.05)



<b>FSIZE</b>	<b>.949</b>	<b>1.054</b>	<b>0.002</b>	<b>0.688</b>
<b>BFE*BG</b>	<b>.093</b>	<b>10</b>	<b>0.161</b>	<b>1.541</b>

#### 4.4. Regression analysis and hypothesis testing

**The results of the first model (Model 1):** the results of Table (5) indicate that the regression model (Model 1) is generally considered to be significant based on the value (F), which is (3.843) at a significant level below the reference level (0.01) and this result is supported by the value (R2), which is (0.103), which means that there are effects of independent variables on the dependent variable, but this effect seems weak .

**Table (5): results of regression analysis**

Variables	Model 1			Model 2		
	Coefficien t	t-Statistic	Sig.	Coefficien t	t-Statistic	Sig.
(Constant)	0.020	0.289	0.773	0.022	0.314	0.754
BFE	0.004	0.497	0.552	-0.017	-0.512	0.610
BG	-0.008	-0.597	0.000	0.004	3.726	0.000
BS	0.004	3.772	0.713	-0.001	-0.378	0.706
FSIZE	-0.001	-0.369	0.773	0.019	0.297	0.767
BFE*BG				0.022	0.314	0.754
N	100			100		
Adjusted R2	0.103			0.094		
F-statistic	3.843			3.062		
			0.000			0.013

Considering the rest of the regression analysis tests, it becomes clear that the estimated regression coefficient of financial experience (BEF) has reached (0.004) at an unacceptable moral level and greater than the reference value(0.05) and the value (t) of (0.497), which means that the financial experience of the board members is not the decisive factor, but the change is due to other factors. As for the estimated regression coefficient of female representation(BG), which reached (-0.008), which is not significant, this means that the female representation, although it is at the level of a third according to the average sample, but it has no significant effect. While the estimated regression coefficient of the variable board size (BS) has reached (0.004) and is at an acceptable moral level, this indicates that the size of the board has an impact on the financial sustainability of companies.

Due to the weak effect of the BFe variable and the lack of significance of the regression coefficient and as a result of the low coefficient of interpretation (R2), we infer the rejection of the first hypothesis(H1), which states that" there is a moral impact of the financial experience of board members on the sustainability of companies."

**The results of the second model (Model 2):** the results of Table (5) indicate that the regression model (Model 2) is generally considered significant based on the value (F), which is (3.062) at an acceptable moral level and lower than the reference value (0.01). This result is supported by the value of the interpretation coefficient(R2), which amounted to (0.094), which means that there are effects of independent variables on the dependent variable. The results of the regression analysis showed that all variables had a weak effect except for the board size variable (BS), while the reactive variable (BFE\*BG) had no significant effect. Based on the results of the above model, **we infer the rejection of the second hypothesis (H2), which states:** the impact of financial expertise on sustainability increases when there is a high female representation.

#### 5. CONCLUSION

The characteristics of the members of the board of directors were examined: accounting and financial experience and female representation on the board of directors. The financial sustainability variable was measured by the Higgins Model,1977, which expresses the main factors in the formation of a company's wealth . We also introduced control variables represented by the size of the company and the size of the board of directors.we found that the financial sustainability index was very low at the level of the study sample, reaching an average of (0.024). we found that there was no impact on the characteristics of the board of directors, especially the accounting experience of board members in financial sustainability. The size of the board of Directors has shown a positive impact on the financial sustainability of companies, and we conclude from this that large boards have a major role in making financial decisions that serve in the growth and sustainability of companies.

The study contributes to the literature on the characteristics of the board of directors and the elements of financial sustainability, as it sought to find out the extent of board diversity and demographic characteristics in enhancing the



wealth of companies. The results of this study provide important evidence on the Iraqi environment that contributes to the literature on the impact of manager diversity on financial performance and thus sustainable performance.

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