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MODERATING ROLE OF OWNERSHIP STRUCTURE ON THE WOMEN DIRECTORS' CONTRIBUTION TOWARDS FINANCIAL PERFORMANCE

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ABSTRACT

Despite the increasing recognition of the valuable contributions that women directors bring to corporate performance, their representation on corporate boards remains limited, sparking ongoing debate. This underrepresentation has become increasingly pressing, as insufficient female participation in boardrooms may result in imbalanced decision-making, weaker governance structures and a lack of diverse perspectives essential for sustainable corporate growth. Failure to address this imbalance not only hampers corporate competitiveness and innovation but also posed long-term risks to investor's confidence, corporate reputation and stakeholder trust. This study examines the extent to which women directors contribute to effective stakeholder representation, sound decision-making and enhanced corporate social responsibility (CSR) engagement, and whether these contributions translate into improved financial performance. The study also explores the factors contributing to the persistent underrepresentation of women on the boards of publicly listed companies in Malaysia. Using a mixed-methods approach, the research incorporated quantitative survey to assess the perceived contribution of women directors to financial performance and qualitative interviews with directors of Malaysian listed companies to obtained deeper insights into their experiences, contributions, and challenges. The quantitative results indicated that the contributions of women directors were not statistically significant in improving company financial performance, and the moderating variable, ownership structures, examined in the study, did not produce a significant effect. Qualitative findings revealed that difficulties in identifying suitable female candidates stemming from industry-specific expertise gaps and limited visibility of the female talent pool remain key barriers to increasing women's board representation. This study sheds light on the complexities surrounding women's representation on corporate boards and offers important implications for future research, policy development and organizational practices aimed at advancing gender diversity in corporate governance.

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LISTS OF ABBREVIATIONS

Abbreviations

ASX	Australian Securities Exchange
CMR	Complex Moral Reasoning
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
DOSM	Department of Statistics Malaysia
EBIT	Earnings before Interest and Taxes
FTSE	Financial Times Stock Exchange
ICGN	International Corporate Governance Network
KRI	Khazanah Research Institute
KLD	Kinder, Lydenberg, Domini
KOB	Kobmandsstandens Oplysnings Bureau
LFPR	Labour Force Participation Rate
MCCG12'	Malaysia Code on Corporate Governance 2012
MCCG17'	Malaysia Code on Corporate Governance 2017
MCCG21'	Malaysia Code on Corporate Governance 2021
MSCI	Morgan Stanley Capital International
MSWG	Minority Shareholder Watchdog Group
OECD	Organization for Economic Development
PLC	Public Listed Company
ROE	Return on Equity
ROI	Return on Investment
ROS	Return on Sales
ROIC	Return on Invested Capital
TSR	Total Shareholder Return
US	United States
UK	United Kingdom

CHAPTER 1
INTRODUCTION

1.1 Introduction

In this chapter, the researcher explains the background of the study by focusing on the primary problem of the study, which is the low representation of women on corporate boards, despite the fact that Malaysian policy makers have proposed numerous campaigns and policies to address this problem. Additionally, this chapter discusses the significance of the study, the definition of key terms that are pertinent to the study, the research problems, questions, and objectives. Overall, this chapter aims to outline the major introductory topics of the study and detail out the fundamental information of the problem at hand.

1.2 Background of Study

This study focuses on the contributions made by women directors to the success of the company's financial performance. According to ("More Women at Work", 2018), women participation in the workforce can boost the standard of living and GDP. According to a study called "The State of Households 2018" by the Khazanah Research Institute, women's labor force participation rate (LFPR) has increased to 53.5% from 45.5% in 2010. An increase of 8% for the past 8 years indicated that more than half of women working age are in the workforce, yet there remains a gender gap in LFPR. The study found that the gender gap in the LFPR is still quite large when compared to other developed nations like the US and Japan. The report also noted that about 2.6 million women, the majority of whom are educated and of prime working age, are not employed as a result of household responsibilities. Despite the fact that there are 91.5 million working-age men and 91.8 million working-age women of which both genders account for roughly equal shares of the population. As according to Ova (2024), in year 2023, the LFPR among women is 56.2% and male is 82.3%

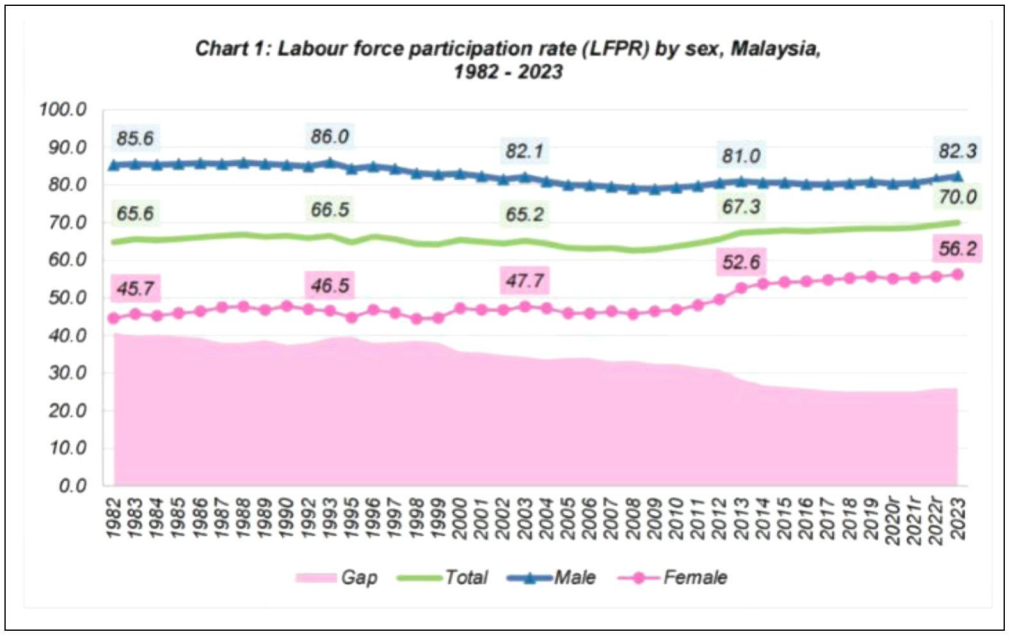


Figure 1.1 Women's Labor Force Participation from Year 1982 – 2023
Source: Labor Force Survey Report, 2024, DOSM

Women are believed to be able to make significant contributions to Malaysia's economic, social, and political development. In terms of the economy, women can indirectly improve the stability of the Malaysian economy by making wise business decisions within an organization ("More Women at Work", 2018). It has been widely debated that women are able to generate better ideas than men due to their making decisions skills, as women are considered more educated than men and thus able to seize opportunities that will bring benefits to all mankind (Linggih & Wiksuana, 2018; Roberts &Whiting, 2015; Nielsen & Huse, 2010; Abbas & Frihatni, 2023). Previous studies such as Mehnaz and Yang (2024), Loho (2017), Ciappei et al. (2023), Azuar (2022) and García et al. (2021) have highlighted that women often face the stereotype that they are weak and should not be working because to care for their families at home will be broken by the inclusion of women in the workforce. Legislative changes in Malaysia are gradually adapting to the situation and creating rules that cover women in the workforce in order to draw in more potential female labor pool such as 98-days maternity leaves, protection from termination during pregnancy, removal restrictions on women's work and sexual harassments (Ames, 2022).

1.3 Gender Diversity Globally and in Malaysia

Gender equality is a global issue that encompasses various sectors, including the economic domain. Promoting gender diversity on corporate boards is a significant focus of corporate governance reforms. Embracing gender diversity can confer several benefits, including a competitive edge and enhanced corporate value, as it brings forth a wider range of knowledge, skills, perspectives and experiences. However, it is important to acknowledge that gender diversity can also introduce certain challenges, such as an increased likelihood of conflicts arising during the decision-making process (Valls et al., 2019).

Davies (2011) and Low et al. (2015) have provided some evidence showing that companies with more women representatives on their corporate boards tend to perform better financially and non-financially than companies without such representation. In addition, Low et al. (2015) further argued that the culture of a country will most likely affect the number of women representatives on its corporate boards as they found that the benefits of having women directors on financial performance increased when there was a culture that encouraged and welcomed women's empowerment. However, the practice of tokenism is more severe in Southeast Asian countries than elsewhere in the world. In addition, a board with more gender diversity will make wiser decisions when a variety of viewpoints from various backgrounds, educational levels, and life experiences are taken into accounts.

Having a woman on the board has many advantages. Firstly, it is argued that having a woman director on the board improves board decision-making. This is supported by the findings of Nielsen and Huse (2010), where female representation on boards can lead to higher quality decisions and ideas for company success. This is because female directors are generally more educated than male directors. The presence of women can therefore bring different perspectives to the board and encouraged discussions that lead to better decision making. In line with the findings of Abbas and Frihatni (2023), companies with gender-diverse boards are notably less prone to financial distress. The presence of women at the board level enhances oversight, decision-making, and risk management, positioning gender diversity as a strategic asset for strengthening a firm's financial stability, beyond just ethical or reputational benefits.

Relating to social responsibility, corporate board with a higher proportion of women are more likely to be ethical and actively involved in corporate social responsibility activities (Bernardi & Threadgill, 2010). Hyun et al. (2016) and Terjesen et al. (2009) also supported the claim made by Bernardi and Threadgill (2011), that women tend to be more caring and concerned with moral and social issues as compared to men which most likely focused on economic growth. Meanwhile, Egbunike et al. (2022) argued that the presence of women in the corporate boardroom positively affects corporate social responsibility in two dimensions i.e. economic and environmental. Companies with mixed-gender boards are more likely to conduct and engage in activities related to corporate social responsibility. Other than that, Burke et al. (1993) also argued that women can become mentors and "heroes" for female employees in the organization by monitoring the justice and fairness of recruitment and remuneration policies in the company. This is to ensure that both male and female employees are treated equally and paid fairly.

Women directors are becoming increasingly important in the corporate world, as studies have shown that they can help companies better understand and meet the needs of their customers. According to Huber and O'Rourke (2018), women directors now occupy at least 33% of board seats in the top 50 companies in the US - an increase of 24% since 2005. This is a positive trend, as having more women directors can lead to better decision-making and ultimately, increased business success. In industries that are focused on serving female customers, such as the healthcare or beauty industry, having women directors on the board and in top management positions is critically crucial. The importance of having women directors on the board is critically important. As Davies (2011) pointed out, women make up over 51% of the UK population. This fact alone suggests that having women on the board will lead to a deeper understanding of customer needs. In short, it has been proven that board diversity, particularly in terms of gender, is not just the right thing to do and it is also good for business. By ensuring that women are well-represented on company boards, businesses can expect to see improvements in performance and customer satisfaction.

Not only does the presence of women lead to improvements in business performance, but it also influences other positive outcomes. A study by Mehnaz and Yang (2024), which focused on gender diversity in the accounting field, found that the presence of women on boards, especially on audit committees, can lead to improved corporate performance, audit quality and ESG reporting. However, women still face

systemic challenges such as stereotypes, patriarchal norms and motherhood-related career obstacles, which hinder equitable advancement and workplace inclusion.

Women directors are highly valued in the corporate world, as stated by the Chairman of Top Glove Corp Berhad, Tan Sri Lim Wee Chai. Their unique strengths lie in their ability to manage risks and understand the concerns of various stakeholders. Having worked with women directors himself, he believes that they are sensitive to customer needs and excel in developing quality products. It is clear that having more women directors can lead to better decision-making and improved overall performance for companies (Ho, 2017). Based on Jaafar (2017), research conducted by The Edge Malaysia, found that women are just as concerned about their career growth as their male counterparts. This is particularly relevant when it comes to the role of women directors in companies. Not only do they bring a unique perspective to the table, but companies with greater gender diversity tend to outperform their peers. Women directors not only help promote a more well-balanced work culture but also contribute to a financially stronger company overall. It is therefore crucial for companies to prioritize diversity and inclusion efforts in order to attract and retain top talent, including women directors.

In recent times, the importance of having women directors on the corporate board has been recognized and acknowledged globally. Their presence plays a pivotal role in providing valuable insights and perspectives that can prove to be beneficial for the overall well-being of the company. As representatives of various stakeholders such as customers, employees and shareholders, women directors can assist in making informed decisions that cater to diverse perspectives. Next section explains prior studies that underline the significance of having women directors on the board and their impact on organizational performance

1.3.1 Women Directors on Corporate Boards

Despite the vast amount of empirical studies claiming that women directors contribute to improving a company's financial performance (Mehnaz & Yang, 2024; Phillips, 2012; Azmi & Barrett, 2013; Ijas 2012; Krishnan & Park, 2005; Andersson & Wallgren, 2018) but the reality is that women are still far less likely to be appointed and hold positions on the corporate boards. The slow increase in the number of women on

boards is evident both nationally and globally. Similarly, the percentage of women on boards are continuously upsetting. As according to Lee Eling et al., (2014), women are currently holding 17.3% of all directorships among the MSCI World companies, while in the US, women currently hold 19% of directorships from 16.9% among 500 companies.

The MSCI Report 2014 produced by Lee Eling et al., (2014) highlighted the need for more gender diversity on boards in France. The passing of a law requiring French boards to have a minimum of 20% women directors in three years and 40% in six years represented a significant step towards achieving this. Since then, there has been a steady increase in the representation of women directors on boards, with a total of 19.3% from 2009 until 2014. The percentage continued to rise and reached an impressive 28.3% in 2015, proving that gender diversity is not only achievable but also necessary for business success. In spite of the positive developments, there is still a long way to go when it comes to women directors on board seats in French companies. Despite efforts to increase diversity and inclusion, the average percentage of female representation currently stands at a mere 3.5%.

Despite the progress made in recent years, the number of women directors at top companies in the US remains stagnant. While women occupy many board seats across the country, there is no evidence of any significant increase in their representation among Fortune 500 companies since 2014. In comparison to other developed countries, where the number of appointed women on boards has continuously increase, the percentage of women directors in the US remains relatively unchanged (Weisul, 2015).

Besides that, in Japan, Chu and Ito (2015) commented that the appointment of women directors on corporate boards is a crucial aspect of gender equality in the workplace. Unfortunately, Japan has been lagging behind in this area as only 3.1% of board seats were held by women in 2014. However, there is hope for improvement with the plan of Shinzo Abe, the former prime minister of Japan, which plan to empower women in the corporate world. Despite this, the "boys' club" mentality still prevails in Japanese boardrooms, with men dominating the corporate boards. It is essential to break down these barriers and increase the representation of women directors to create a more diverse and inclusive business environment. Shinzo Abe's initiative to increase the number of women directors in Japan represents a crucial move to tackle the declining population faced by the country. As Chu and Ito (2015) explained, the small number of

working-age people has negatively impacted companies. With a target of 30% of women holding leadership positions by 2020, Abe's cabinet passed a bill in parliament that forced companies with 300 employees to disclose their plans and policies for hiring and promoting more female workers. By increasing the number of women directors, Japan benefits from a diverse range of perspectives and skills that will ultimately lead to better decision-making and business success. As according to Nikkei (2023), the percentage of women directors in the corporate board of Japan companies listed on the Prime Market stands at 16.6%. Hence, the target of achieving 30% of women on the board was not met and the target was revised.

The lack of diversity and inclusion in the corporate boardrooms has been a global issue for decades now. According to the article titled "30% Club - Hong Kong Pushes for Gender Diversity in the Boardroom" (2016), despite the launch of 30% Club Hong Kong, companies in Hong Kong have not made any significant efforts towards improving gender diversity. The percentage of women directors on board has remained stagnant at a mere 11.1% since 2016. As according to Community Business (2024), the percentage of women directors on the corporate board of Hong Kong still lags at 18.9%. In contrast, a survey conducted by Deloitte in the United Kingdom in 2016 revealed some interesting findings about board appointments in Fortune 500 companies. The survey found that women and directors from minority ethnic backgrounds were more likely to be appointed and hold positions on the board, as compared to white male directors. This suggests a shift towards more diverse representation on the boards of leading companies, which is a positive development for creating a more inclusive and representative workplace (Deloitte, 2016).

Furthermore, a study by Loho (2017) stated that progress towards increasing female representation in Hong Kong's boardrooms has been sluggish, even after analyzing the "Women on Board Report" of 2017. The report focused on the top 50 listed companies of the Hang Seng Index and found that there has been slow progress in improving women's representation on corporate boards. This highlights the challenges faced by Hong Kong's companies in keeping up with the global trend towards greater gender diversity in leadership positions. Additionally, some companies have resorted to simply hiring women to fill quotas, rather than valuing their skills and qualifications. Additionally, negative stereotypes about women persist, with some male colleagues viewing women as weak or simply a "token" presence.

A similar situation faced by women in Jordan, as reported by Saidat et al. (2020), young professional women in Jordan may face significant pressure from their families, which restricts their ability to work long hours, discourages them from taking evening shifts, and ultimately hampers their opportunities for increased responsibilities and higher management positions. As a result, some women in middle management positions may be compelled to leave their jobs due to family or societal pressures.

Similar to Loho (2017) findings, Russel Reynolds Associates (2017) reported that women face significant obstacles in reaching leadership positions, particularly in the boardroom. Women still experience stereotyping, which makes it difficult for them to pursue directorship opportunities. The study highlighted that senior male directors of the "older generation" are among the biggest culprits, often showing a lack of confidence in women's ability to hold higher positions, based on outdated and inaccurate assumptions about women's capabilities. These negative stereotypes about women being weak and unsuited to leadership positions are not only unjustified, but also undermine efforts to achieve greater gender diversity in the workplace.

In the same sense as Loho (2017), Halrynjo and Teigen (2024) argued that even though more women are being appointed to company boards because of gender quotas, this change has not resulted in more women holding top leadership roles such as CEO. Having women on boards does not automatically change how companies select their senior managers. Traditional career structures, intense work demands, and family responsibilities still make it difficult for women to get promoted.

Not only that, as according to Ciappei et al. (2023), women experienced two major challenges that often prevent them from reaching top leadership roles in companies such as the glass ceiling and glass cliff phenomenon. The glass ceiling is an invisible barrier caused by unfair practices, stereotypes, and company cultures that make it harder for women to be promoted, even when they are qualified. On the other hand, the glass cliff happens when women are finally given leadership roles but only during times of crisis or when the company is struggling. In these situations, they face extra pressure and are more likely to be blamed if things do not improve. Both barriers make it difficult for women to succeed and be seen as equal leaders in the corporate world.

In addition, according to a recent survey conducted by Deloitte (2017), corporate boards tend to prefer appointing candidates who are already serving on other boards within the same industry. This practice has resulted in a low percentage of

women candidates being appointed to corporate boards, with only 16% of women holding board positions in 2017. The root cause of this problem is that current board members often prefer to appoint individuals who are similar to themselves in terms of their background and experiences. Given that the majority of board members are historically male and white, this tendency can create significant obstacles for women seeking directorship roles in many US companies.

Singapore's Diversity Action Committee (2018) reported that women's participation on corporate boards in Singapore increased slowly from 10.3% in June 2017 to 11.2% as of the end of June 2018. However, progress remains slow due to the fact that many listed companies in Singapore continue to prefer appointing male candidates as new board members. In fact, as of June 2018, almost 70% of new board appointments were men, compared to women. The situation in India is similar, as according to Deloitte (2018), which indicates that female representation on Indian boards accounted for 13.8% is significantly lower than the global average of 16.9%. This disparity may be attributed to the fact that the appointment of women on boards tends to focus on family members of the founding family. This persistent gender imbalance in board appointments is a concern, as it limits the diversity of perspectives and experiences represented at the highest levels of corporate decision-making.

As much as the government pushed to encourage the participation of women on the corporate board, some board members also encountered different experience of dealings with diverse board. During the interviews conducted by Barnes et al. (2019), participants shared their perspectives working with diverse boards. While one participant (Participant 4) expressed a thoroughly positive experience in managing a diverse board, stating that it was enjoyable, others acknowledged the challenges that can arise when dealing with a range of opinions. Participant 2 mentioned that it can be more challenging because diverse board members may not always agree in the same way. Participant 11 highlighted the importance of being sensitive to different emotions and temperaments within a diverse group, noting that women and men may react differently. Women may display less anger but show more emotional responses such as crying, while men may be more inclined to express their frustrations through shouting. Overall, most responded as diverse board will create difficulty to reach one mutual decision.

As for the situation in Malaysia, the percentage of women on corporate boards falls far short of the target set by former Prime Minister Datuk Seri Najib Tun Abdul

Razak with the launch of the 30% Club policy in 2015. According to Leaderonomics.com (2016), women held only 15.2% of director positions in public listed companies as of 2016. Similarly, the Minority Shareholder Watch Group (MSWG) reported in a December 2015 media release that only 13.4% of director seats on Malaysian listed company boards were held by women. The situation was no better according to "15% of Board Directors" (2016), which found that as of March 2016, women held just 15% of board seats across 100 companies listed on Bursa Malaysia. These figures indicate that despite efforts to increase gender diversity in corporate leadership, progress has been slow in Malaysia.

Further reported by "15% of Board Directors" (2016), Rita Benoy Bushon, the Former CEO of MSWG, stated that after attending more than 300 Annual General Meetings from 2010 to 2016, she concluded that women's representation on boards in public-listed companies was insignificant. Furthermore, she also pointed out that in 2017, there were still 372 public-listed companies without any women on their board.

However, initiatives to include women on board still continued with numerous policies implemented. As according to Bernama (2022), as of September 2022, 36.5% of the total listed companies on Bursa Malaysia have only one female director on their board, which is equivalent to 350 companies. Out of the top 100 listed companies, only 52 have fulfilled the requirement of having 30% female participation on their boards. According to Awang Adek Hussin, the Chairman of the Securities Commission Malaysia of Malaysia, the 2022 budget has made it compulsory that all listed companies must have at least one-woman director on their boards. However, he believes that companies should not limit themselves to just one female director for compliance reasons but aim to achieve the 30% target. In his opening speech at the Corporate Governance Conference 2022, he highlighted the “Stewardship Spotlight” introduced in the revised Malaysian Code for Institutional Investors 2022, which emphasizes women's participation on boards.

Additionally, starting from year 2023, Malaysia's publicly listed companies will be required to have at least one-woman director on their boards, as an initiative by the government to increase female participation in the corporate boards. Finance Minister, Zafrul Abdul Aziz announced the plan as part of the country's spending plan for year 2023, stating that large capital companies must comply by 1 September 2022, and other listed companies by 1 June 2023. The objective is to recognize the essential role of women in the decision-making process and strengthen the board of directors' leadership

and effectiveness. Despite women representing around 25% of the board composition for the top 100 public companies in Malaysia, 252 firms, which make up 27% of the listed companies on the Bursa exchange, do not have female board membership, according to Zafrul (The Business Times, 2021). Additionally, as according to The Edge (2023), as of 1 June 2023, Bursa Malaysia Securities Berhad reported that 24 public listed companies in Malaysia have yet to appoint a single woman director. This non-compliance with the revised listing rules, announced in January 2022, highlights the company's failure to meet the updated requirements.

According to the Securities Commission's Corporate Governance Monitor 2024, as of 1 October 2024, women directors accounted for 32.2% of board members in the Top 100 listed companies and 26.6% across all listed companies. On the same date, there were still eight listed companies with all-male boards (Securities Commission Malaysia, 2024). Despite numerous efforts, policies, and mandatory requirements introduced in 2022, the participation of women directors reached the 30% target only in the Top 100 companies, and this was achieved solely as a result of the mandatory requirement.

Globally, the implementation of the 30% policy aims to encourage publicly listed companies to appoint women directors to their corporate boards. However, existing literature highlights a persistently low representation of women in these roles, underscoring the need for further investigation into their contributions. This study examines the extent to which women directors enhance stakeholder representation, influence decision making, and advance corporate social responsibility, factors that are integral to a company's overall well-being, including its financial performance. Additionally, the study identifies the most critical contributions made by women directors and assess the effectiveness and feasibility of existing policies and awareness initiatives. Furthermore, it explores the reasons why companies remain reluctant to appoint women to their boards, providing insights into potential barriers and challenges. Understanding the role of women in corporate governance is essential for fostering gender equality, diversity and inclusivity within the corporate landscape. By providing empirical evidence on the positive impact of women directors, this study contributes to the existing body of knowledge on corporate governance and board diversity.

1.4 Problem Statement

The Malaysia Top 100 PLCs Report (2021) highlighted that as of March 2021, women held only 17.2% of board seats. Tan Sri Zarinah Anwar, Chairman of the 30% Club Malaysia, noted that just 26% of the Top 100 public listed companies had female board members (Bernama, 2021). The Business Times (2021) reported that while women made up 26% of board positions in these companies, 252 firms still had no female directors. By October 2022, the Securities Commission Malaysia (2022) stated that women occupied only 20.5% of board seats in Malaysian PLCs, indicating that the 30% women-on-board target has not been met. Jalil (2025) added that in PwC Malaysia's Corporate Directors Survey 2024, women represented only 26.6% of board members across all PLCs, and only 66 of 892 PLCs had female chairpersons, highlighting persistent gaps in gender representation despite national targets and policies.

The issue is further compounded by the fact that women constitute a significant proportion of Malaysia's educational talent pool. Despite representing 60% of local university graduates (Talent Corp, 2015), top management positions remain male-oriented. The government's Women Directors' Program attracted 1,093 participants, yet only 40 were ultimately appointed (Ngui, 2016). Reluctance to adopt gender diversity limits fresh perspectives, reduces innovation, and weakens governance. It also matters to global investors, who increasingly view diverse boards as a sign of strong leadership.

The Department of Statistics Malaysia shows that although women perform better than men in higher education, this does not lead to higher workforce or board participation. In 2021, women made up 54.2% of unemployed graduates, compared to 45.8% of men. Tengku Aira Tengku Razif of the United Nations Population Fund Malaysia links this gap to wage disparities, motherhood penalties, and persistent stereotypes that limit women's career growth (Azuar, 2022). Without reforms, companies may miss out on qualified female leaders, affecting long-term performance and investor confidence.

Table 1.1
Number of Students' Intake, Enrolment and Output (Malaysian) By Gender

	Year 2021		Year 2023	
	Male	Female	Male	Female
Private Universities				
Intake	76,439	88,321	84,420	95,703
Enrolment	241,618	275,962	257,467	301,225
Output	60,397	71,841	50,229	59,925
Public Universities				
Intake	70,040	111,861	74,917	118,112
Enrolment	230,161	359,718	230,128	362,973
Output	57,081	100,787	55,497	93,469

Note: Source: Ministry of Higher Education Malaysia

Empirical studies indicate that companies with few or no women on their boards may experience lower performance. Credit Suisse's Gender 3000 Report (2019) found that companies with at least one female director outperformed all-male boards by 3.5% per year in share price return. Similarly, McKinsey and Company (2020) reported that companies in the top quartile for gender diversity on executive teams were 25% more likely to achieve above-average profitability. Within ASEAN, the International Finance Corporation (IFC) (2021) documented higher return on assets (ROA) and return on equity (ROE) among companies with gender-diverse board. In contrast, Malaysian PLCs with no women directors tend to exhibit weaker financial performance, including lower average ROA and slower revenue growth (IFC, 2021; Securities Commission Malaysia, 2022). These findings collectively suggest that the absence of women on boards may deprive companies of broader perspectives and stronger governance, ultimately constraining firm performance and long-term competitiveness.

Research shows that women directors improve decision-making and stakeholder engagement (Torchia et al., n.d.; Azmi & Barret, 2013; Smith & Verner, 2006; Gul et al., 2011). All-male boards may suffer from groupthink, reducing the quality of discussions (Brad, 2003; Terjesen et al., 2009; Dolliver, 2004; Dallas, 2002; Bart & Mcqueen, 2013). Women also show greater empathy and focus on stakeholders, enhancing corporate reputation and investor appeal, especially in consumer sectors

(Rosener, 2003; Dalton & Daily, 2003). Overall, their presence supports sustainability, innovation, and long-term value creation.

Another factor contributing to the low representation of women on boards is the ownership structure of Malaysian companies. Family-owned businesses often appoint women directors only if they are family members or close relatives, limiting opportunities for qualified external candidates (Bianco et al., 2015). Women directors in these firms may prioritize socioemotional goals, such as business continuity and family reputation, over purely financial objectives, and having too many female family directors can sometimes increase intra-family conflicts and communication challenges (Garcia & Santana, 2023).

In Malaysia, about 70% of companies are family-owned, and family members hold 85% of key positions (Azmi & Barrett, 2013). Appointing women directors based on family ties rather than expertise raises concerns about transparency and merit. Malaysia ranks seventh globally for family-owned businesses (Ee Lin, 2017), with companies like Press Metal and Genting Hong Kong showing how family control shapes boards (Mosbah et al., 2017). In such cases, women directors' contributions may be undervalued, reducing governance effectiveness.

Beyond ownership structure, cross-directorship also limits women's participation on boards. In Malaysia, a relatively small pool of predominantly male directors holds multiple directorships across PLCs, reinforcing closed networks and reducing opportunities for new entrants (MSWG, 2020; Mohd-Sanusi et al., 2021). This concentration of board seats among repeat male directors slows board refreshment. It perpetuates male-dominated appointment practices, making it more challenging for qualified women to secure board roles (PwC Malaysia, 2023). Consequently, cross-directorship acts as an additional structural barrier that restricts board diversity and hinders progress toward national gender inclusion targets (Securities Commission Malaysia, 2022).

Despite extensive research on women directors in developed economies, empirical evidence on the contributions of women directors in Malaysia remains limited. This study therefore examines how women directors influence the financial performance of Malaysian PLCs and to identify the barriers that impede their board participation. Understanding these dynamics is essential for addressing the persistent gap in corporate leadership. Overall, progress toward gender diversity remains slow despite policy efforts, indicating persistent structural obstacles, cultural biases, and

weak regulatory enforcement. Stronger commitment from policymakers, corporate leaders, and investors is needed to ensure Malaysia fully leverages its highly educated female talent and advances more inclusive corporate governance.

1.5 Research Questions

Given the gaps identifies in the problem statement, it is crucial to examine how women directors contribute to firm performance and to provide empirical evidence for companies that have yet to appoint women on their boards. Accordingly, this study seeks to address the following research questions:

1. What is the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance?
2. What is the relationship between the contributions of women directors in decision making and the company's financial performance?
3. What is the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance?
4. What is the most influential contribution of women directors towards the company's financial performance?
5. Do ownership structures moderate the relationship between the contributions of women director and company's financial performance?
6. Are companies with women director on board experiencing better financial performance?
7. Why are women not being appointed as directors of Malaysia publicly listed company?

1.6 Research Objectives

To address the above research questions, the researcher has developed the following research objectives:

1. To examine the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.

2. To examine the relationship between the contributions of women directors in decision making and the company's financial performance.
3. To examine the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.
4. To identify the most influential contribution of women directors towards the company's financial performance.
5. To examine the moderating role of the ownership structures on the relationship between women directors' contributions and the company's financial performance.
6. To identify the level of financial performance of companies with women directors.
7. To reveal the reasons as to why women not being appointed as directors of Malaysia publicly listed company.

1.7 Significance of the Study

The significance of this study can be categorized into three areas: practice, theory, and policy, with an additional contribution in addressing important gaps in data, methodology, and theoretical development in the Malaysian context.

From a practical perspective, the findings can assist nomination committees of listed companies in understanding how women directors contribute to corporate financial performance. The results can also serve as empirical evidence to persuade board members to nominate and select more women directors. With stronger evidence, nomination committees are better positioned to advocate for gender-diverse appointments and to encourage company secretaries to formulate policies that promote the onboarding of qualified women directors.

Furthermore, the findings can guide companies in designing more effective strategies to attract capable female candidates to board positions. Nomination committees may also utilize the outcomes to recommend criteria for selecting women directors, ensuring alignment between directors' skills and the company's business needs. This alignment is essential for enhancing board effectiveness and ensuring that the contributions of women directors translate into strategic and financial benefits for the organization.

The study contributes theoretically by validating and extending existing theories related to corporate governance and gender diversity. For instance, Agency Theory suggests that women directors may help mitigate agency problems through their more prudent, diligent, and transparent decision-making approaches. Their presence can strengthen the board's monitoring and oversight functions by promoting more rigorous discussions and constructive challenges during board deliberations.

In relation to Stakeholder Theory, the study adds support to the argument that women directors are better positioned to represent diverse stakeholder interests, particularly those of female employees and consumers. Their inclusion enhances social heterogeneity on the board, improves organizational reputation, and strengthens stakeholder trust. This reduces monitoring and reputational costs for stakeholders seeking to engage with the company.

With regard to Resource Dependency Theory, the study reinforces the idea that women directors bring unique resources such as specialized knowledge, networks, legitimacy, and communication skills that enhance the board's overall capability. These contributions are increasingly valuable in a complex and rapidly evolving business environment where diverse leadership is essential for strategic resilience and long-term value creation.

Lastly, the findings can inform policymakers in revising existing diversity initiatives or designing new policy interventions to help corporations meet national gender diversity targets. The government may also consider offering incentives such as tax benefits to encourage firms to appoint women to their boards.

The results may further support regulatory bodies such as the Securities Commission Malaysia and Bursa Malaysia in strengthening listing requirements to mandate a minimum of 30% women directors. Bursa Malaysia, in particular, can play a proactive role by embedding gender diversity expectations into its listing criteria to ensure stronger accountability and compliance among public-listed companies.

This study is significant for addressing persistent gaps in Malaysian governance research. Empirically, it fills a data gap by combining quantitative financial performance metrics with qualitative insights from board members, providing current, Malaysia-specific evidence. Methodologically, it adopts a mixed-methods approach, integrating analysis and interviews to enhance the robustness and validity of findings. Theoretically, it bridges a gap by simultaneously applying Agency Theory, Stakeholder Theory, and Resource Dependency Theory to explain the contributions of women

directors and the barriers they face, thereby enriching the understanding of gender diversity within Malaysia's corporate governance landscape.

1.8 Definition of Terms, Terminology and Concepts

1.8.1 Public Listed Companies

According to Banton (2023), a listed company refers to a public company where part of its assets and profits can be claimed by the shareholders of the company. Ownership of a public company is shared among the general public shareholders through the open trading of stocks on stock exchanges or in over-the-counter markets. The shares of the company are available for the public to purchase or sell, which allows the public to become shareholders of the company and provide additional funds for its operations. As a result, a public company have a greater responsibility to regularly disclose its financial and business information to the public. Listed company is also subject to various regulations and stakeholders that they must fulfil and comply with.

1.8.2 Board Diversity

As according to Srivastav (2024), board diversity refers to including people from different backgrounds, experiences and skills on a company's corporate boards to reflect the diversity of the world and the stakeholders the company serves. This helps to improve decision-making and corporate governance of the company. A company will have a board diversity policy to sets guidelines for having a balanced board, with a focus on including individuals of different genders, races, ethnicities and skills.

1.8.3 Gender Diversity

Balasubramaniam (2015) defines gender diversity on corporate boards as a subset of the gender population. Traditionally, corporate boards in most countries have been dominated by men. Therefore, in this context, gender diversity refers to the presence of more women on boards. Given that this study aims to increase the number

of women on corporate boards, Balasubramaniam's (2015) definition of gender diversity is the most relevant and applicable to this research as it emphasizes the need for more women on boards.

1.8.4 Company Financial Performance

According to Hilmi (2016), financial performance refers to the degree to which financial goals have been achieved or missed. It is a process that assesses the outcomes of a company's monetary policies and operations. This process is utilized to evaluate the overall financial well-being of the company over a specific period. It can also be used to compare the company with others in the same industry or sector. The most common approach to analyze financial performance is through the computation of financial ratios, such as the current ratio, leverage ratio, and return on equity ratio, among others.

1.8.5 Stakeholder Representative

Stakeholders are defined as individuals or groups, such as consumers, employees, suppliers, local communities, special interest groups, governments, and the public, who may have a direct or indirect impact on a company's operations (Hyun et al., 2016). This definition is relevant to this study as it is believed that women directors are effective representatives for various stakeholder groups. This attribute can enhance the company's value, as the interests and well-being of all stakeholder groups are considered in making critical decisions.

1.8.6 Effective Decision Making

A decision is considered efficient and effective if it incorporates new ideas and perspectives that enhance its value (Adams & Ferreira, 2009). According to Spetzler (2015), a decision can be regarded as effective, valuable, and sound if it is made within a suitable time frame, provides clear clarification, presents creative alternatives, is

based on accurate information, uses strong reasoning, and has full commitment to taking action.

1.8.7 Corporate Social Responsibility

As stated by the European Commission (2001), Corporate Social Responsibility (CSR) is a notion in which companies voluntarily incorporate social and environmental concerns into their business practices and engagements with stakeholders.

1.8.8 Director

For this study, the term director is confined to members of the board, including executive directors, non-executive directors, independent directors, non-independent directors, and CEO. Senior management personnel, such as the CFO and COO, are explicitly excluded from this definition. This distinction is justified because the study focuses on individuals who possess formal governance authority, fiduciary responsibilities, and decision-making power at the board level, rather than operational management functions.

Directors, as defined in Section 2 of the Companies Act 2016 (Malaysia), are individuals holding the position of director, regardless of the title employed. This definition also encompasses any person whose directions or instructions are habitually followed by a majority of the corporation's directors. Moreover, it includes alternate or substitute directors who act in the capacity of a board member when required. By restricting the study population to board-level directors, the research ensures that the analysis pertains directly to governance practices, strategic decision-making, and board dynamics, rather than operational management activities.

1.8.9 Ownership Structure

Ownership structure is defined as the way a business is owned and controlled, showing how ownership is divided among individuals or entities. It helps identify who has decision-making power, who controls the company's assets, and who benefits from

its profits. Understanding the ownership structure is important to determine the beneficial owners and individuals with significant control. This information is usually found in legal documents, financial records, and shareholding details (Jeannet et al., 2021).

1.9 Thesis Outline

In Chapter 1, the significance of women's contributions to Malaysia's economic, social, and political development is highlighted, and previous studies have acknowledged their abilities in generating innovative ideas and making informed decisions. However, it is noted that the representation of women on corporate boards in Malaysia has been relatively low, which raises concerns about gender diversity in leadership positions. The chapter also outlines the research objectives, questions, and significance to provide clarity on the study's focus.

Chapter 2 delves into the literature review, which critically examines relevant sources to establish the theoretical foundation, identify gaps in existing literature, and develop hypotheses. The focus is on exploring the impact of women directors on financial performance and the three significant contributions they make as stakeholder representatives, decision-makers, and promoters of corporate social responsibility. Additionally, the chapter addresses different ownership structures, such as family, government, institutional, and foreign ownership, providing a comprehensive understanding of the topic. The conceptual framework is also presented to guide the flow of the study.

Chapter 3 details the research methodology, including the research design, data collection methods, variables, and ethical considerations. The rationale behind the chosen research design and sampling method is explained, and a summary table of the data analysis is provided for reference.

Chapter 4 presents the findings and analysis of the quantitative data, employing statistical tests and interpreting the results. Both primary and secondary data are utilized, and rigorous analysis is conducted to ensure accuracy and reliability. The chapter aims to address the research questions posed in chapter 1 and provide comprehensive insights.

Chapter 5 focuses on the qualitative findings obtained through interviews. It describes the research approach, participant selection, data collection, and interpretation of the qualitative data. This hybrid research method enhances the understanding of the research questions and validates the results obtained from the questionnaires.

Finally, Chapter 6 concludes the thesis by summarizing the study, discussing key findings, their implications, limitations, and recommendations for future research. The chapter serves as a comprehensive wrap-up, providing insights into the significance of women's contributions to Malaysia's development, while also acknowledging the limitations of the study and suggesting avenues for further investigation.

1.10 Conclusion

In conclusion, Chapter one provides a detailed explanation of the purpose of this study, which is to investigate whether the inclusion of women directors in corporate boards can impact the financial performance of companies. The problem statement highlights the main issues related to this study and the researcher's efforts to address and achieve them. The research objectives and questions are clearly outlined to guide the study towards its goals. Moreover, this study aims to make significant contributions to the understanding of public listed companies in Malaysia regarding the importance of women directors and to support the government's '30% Club' policy, which was introduced by the former Prime Minister, Datuk Seri Najib Tun Abdul Razak. Finally, the chapter concludes with definitions of key terms, terminologies, and concepts to ensure a comprehensive understanding of relevant concepts.

CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

This chapter encompasses a comprehensive literature review on the significant contributions of women directors on corporate boards. The literature is closely related to the variables being studied, namely stakeholder representatives, decision making, corporate social responsibility, and company financial performance. In addition to the literature review, this chapter presents a thorough explanation and outline of the study's conceptual framework, variables, and hypotheses. By providing a detailed understanding of the relevant literature and study variables, this chapter serves as a foundation for the subsequent analysis and discussion.

2.2 Theories Relating to Gender Diversity

This section discusses the various existing theories that can explain the contributions of women directors to a company's financial performance, as well as the independent variables that are related to the issue. These variables include stakeholder representation, effective decision-making, and corporate social responsibility. Specific theories are also discussed in order to establish the relationships between these variables.

2.2.1 Agency Theory

Berle and Means (1932) were among the first to argue about the separation of ownership long before the definition of Agency Theory, which was introduced by Jensen and Meckling in 1976. The authors pointed out that most large public companies were owned by small shareholders who had an insignificant voice in the company's decision-making process. As a result, control of the company shifted to the managers,

who had the opportunity to misuse their power and position. Jensen and Meckling (1976) further explored this situation in their article, "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure". They developed a theory that explains the conflicts of interest between the company's owners (shareholders), its managers, and major providers of finance, as each of these groups has distinctive objectives and interests. As according to KBmanage (2018), Agency Theory is an economic and management concept that seeks to explain the dynamics of self-interest and relationships within business organizations. It provides a valuable framework for establishing effective governance structures and organizational control. In other words, Agency Theory elucidates the interactions between principals and agents in the business context. In the finance sector, for instance, shareholders typically act as principals, while firm executives serve as agents in the prevalent agency relationship.

Firstly, the primary aim of shareholders is to enhance their wealth and income by seeking higher returns from the company, such as dividends or increased share value. Consequently, they prioritize the long-term profitability and financial stability of the company, as these factors influence the value of their shares and returns. Next, the managers, who are the agents, are appointed by the company to operate its business on behalf of the owners. As agents, their primary focus is on the remuneration package offered to them. Finally, providers of debt have different interests compared to shareholders and managers since their primary concern is the ability of the company to pay back their debts. This is because providers of debt are essentially creditors who lend money to the company with the expectation of receiving interest and principal payments at specified times. Therefore, they are more interested in the financial stability and liquidity of the company, as well as its ability to generate sufficient cash flows to meet its debt obligations.

The Agency Theory was further defined by Jensen and Meckling (1976) as a form of contract between the owners and the managers of a company, where the owners act as the principal and appoint an agent to oversee the company's operations. The agent, or the manager, is expected to act in the best interest of the owners, but it can be difficult to create a mutually beneficial agreement between the two parties because the agent's decisions may be influenced by their personal interests. This creates an agency problem where there is a potential for conflicts between the principals and agents, and the agent's interests may not align with the owners. Thus, as argued by Lan and Heracleous (2010) and Daily and Dalton (2003), the Agency Theory explains the

underlying conflicts that arise between self-interested managers and owners. The theory suggests that managers have complete control and power over the company, but the owners bear the consequences of their actions. This creates an agency problem, which ultimately results in the incurrence of agency costs.

Therefore, Tufano (1998) highlighted that one way to mitigate agency problems is by monitoring the board of directors, as they are expected to act on behalf of the shareholders and exercise due diligence. The board's main objective is to reduce information asymmetries by monitoring and approving management decisions. Additionally, they are also responsible for managing company resources and mitigating potential risks. In addition to Tufano (1998) statement, it is agreed that the board of directors serves as a critical component of corporate governance, responsible for overseeing the strategic direction of the company and ensuring that it operates in compliance with laws and regulations. They are also tasked with appointing and evaluating top-level executives, including the CEO, and determining their compensation packages. Through their oversight role, they can play a significant role in curbing agency problems and aligning management decisions with shareholder interests.

According to Francoeur et al. (2008), a good corporate governance structure attracts efficient managers who are responsible and accountable to the shareholders. Agency Theory justifies the relationship between the principal, which is the shareholders, and the agents, which are the management (the board of directors). Therefore, based on the notion of Agency Theory, it is argued that to have a more effective and accountable management towards the company's owners, the board must have a higher representation of women to inject the element of checks and balances. Increasing the number of women on the board can lead to an improvement in the company's financial performance. This is because women often bring fresh perspectives and solutions to complex issues and help correct informational biases on the board (Adams & Ferreira, 2009). Moreover, women's presence on the board leads to better decision-making, greater transparency, and enhanced accountability.

According to Alvarado et al. (2011), Agency Theory not only describes the conflicts between self-interested managers and owners but also explains the relationship between the capital providers and controllers of that capital. The directors are responsible for making decisions that aim to maximize shareholder value, but conflicts of interest and asymmetric information can lead to agency conflicts between

shareholders and directors. To reduce these costs, boards should consider having women representatives on corporate seats. Gender diversity on boards has been shown to reduce agency costs and improve the financial performance of companies. Furthermore, heterogeneous boards are more effective in controlling the company, as they bring different perspectives and experiences to the table, which can lead to better decision-making. Thus, increasing the representation of women on corporate boards can lead to a more effective and accountable management towards the owners of the company.

In the framework of the agency relationship, the board plays a crucial role in reducing agency problems by offering an effective compensation plan and appointing the right managers with diverse backgrounds who can create value for the owners. It is also suggested that a board with diversity in terms of gender, ethnicity, and cultural background can enhance board independence and, therefore, reduce agency conflicts. A diverse board can be more effective in promoting healthy monitoring and controlling activities in the corporate boards (Carter et al., 2003).

From an Agency Theory perspective, Francoeur et al. (2008) stated that women are often able to offer new and innovative perspectives when dealing with complex issues, which can help correct information asymmetries and lead to better decision-making for the company's owners. In fact, female board members are reported to be more active and engaged in corporate board activities compared to their male counterparts. This can be supported by Alvarado et al. (2011) which stated that a diverse board with individuals from various backgrounds can be an effective tool for better control and oversight. Thus, having a higher representation of women on boards improves board effectiveness and reduce agency conflicts. In parallel,

According to a study conducted by Gul et al. (2011), women directors tend to exhibit more leadership skills, question corporate issues, and engage in debates as compared to their male counterparts. This attribute of women directors is beneficial for companies as it leads to a higher level of ethical standards and better governance. Moreover, increasing the number of women directors in the boardroom can enhances their ability to influence board decisions. This supports the argument that a more diverse board, in terms of gender, creates a more effective corporate governance structure.

Other than that, women directors are effective agents in reducing agency problems and information asymmetries. They are able to achieve this by providing

better monitoring and oversight of management reporting, as well as creating more effective board development evaluation programs. Women directors are also reported to be more prepared and alert during board meetings compared to their male counterparts. These attributes contribute to the overall effectiveness of the board and promote better decision-making processes (Gul et al., 2011).

In a similar vein, a study conducted by Linggih and Wiksuana (2018) which examined companies listed on the Indonesia Stock Exchange from 2014 to 2016 also found that women directors serve as effective agents for supervision and monitoring, thereby reducing agency problems which in turn lead to an enhanced decision-making process among board members and stakeholders.

In the perspective of Agency Theory, it is important to minimize agency conflicts in order to provide protection and justice to the owners and stakeholders of a company. As discussed earlier, the inclusion of women directors on corporate boards can enhance their effectiveness. Women are known to take an active role in monitoring and controlling the management, asking pertinent questions during board meetings, and reducing information asymmetry and agency problems. Therefore, having women on boards can help to create a more balanced and effective board of directors, ultimately leading to improved corporate governance.

2.2.2 Stakeholder Theory

The definition of stakeholder has evolved over time, with its earliest definition often attributed to an internal memo report by the Stanford Research Institute (SRI) in 1963. According to Freeman (as cited in Freeman et al., 2010), SRI's definition characterized stakeholders as groups of people without whose support the organization would cease to exist. However, Freeman (2004) further refined this definition to include any group that is crucial to the survival and success of the organization. Another definition of stakeholder was proposed by Friedman and Miles (2006), who defined stakeholders as any group or individual who can affect or is affected by the achievement of the organization's objectives. This definition is considered to be more balanced and inclusive, as it covers both internal and external parties that may have an impact on the organization.

According to a study conducted by Catalyst (2004), the principles of Stakeholder Theory are evident in the impact of women on corporate boards. The study found that companies with higher representation of women directors tend to achieve greater success compared to those with lower representation, even when other factors are held constant. The study suggests that companies that prioritize social diversity in their governance systems are better at improving relationships with various stakeholder groups. This is in line with Stakeholder Theory's emphasis on the importance of considering the needs and interests of all stakeholders in decision-making processes. Such companies are likely to benefit from increased stakeholder support, which can contribute to long-term sustainability and success.

Numerous scholars concurred that a board that is diverse in terms of gender, ethnicity, and other factors has the potential to offer superior protection to a company's stakeholders. Francoeur et al. (2008) further argued that demands for the appointment of female directors or senior executives originate from a variety of stakeholders, including shareholder activists, institutional investors, politicians, consumer groups, and employees. These stakeholders believe that women are more likely to consider the welfare and interests of stakeholders than their male colleagues. Women on boards have the potential to represent the interests of employees and other stakeholder groups who have been directly or indirectly impacted by the company's performance.

It was also discovered that having a more gender-diverse board promotes open governance and can serve as an indicator of social responsibility. When women are represented on boards, stakeholders perceive it as a signal of the company's commitment to diversity and inclusion. This, in turn, can lead to greater protection of stakeholder interests, as stakeholders do not have to spend significant resources to monitor the company and maintain its reputation (Alvarado et al., 2011). In other words, a gender-diverse board not only benefits decision-making processes, but it can also improve a company's reputation and social responsibility. By having women on the board, stakeholders view the company as more inclusive and are more likely to establish contracts or partnerships with the company. This reduces the need for stakeholders to monitor the company's activities and ensures that the company's reputation is maintained, ultimately benefiting both the company and its stakeholders.

Stakeholder groups are individuals or organizations with a legitimate interest in a company's activities. Many stakeholders have expressed concern about the lack of women in leadership positions, as noted by Catalyst (2012). In response, several US

investment funds, including CalPERS, Amazon Europe Fund, and Top Women Fund, have made gender diversity a selection criterion. Additionally, large investors such as pension funds are increasingly scrutinizing companies without female representation on their boards (Lückerath-Rovers, 2009). In other words, stakeholders, including investment funds and pension funds, are recognizing the importance of gender diversity in leadership positions. Companies that do not have women on their boards may face difficulty attracting investment, as stakeholders see diversity as a key factor in a company's success

Fields and Keys (2003) argued that the appointment of women as directors and officers is becoming increasingly important for companies. The argument is that a diverse board, with higher social heterogeneity, can improve a company's image and position in the eyes of stakeholders, ultimately leading to better performance. Women directors and officers are believed to better understand the needs of various stakeholders due to their flexibility and understanding, as compared to their male counterparts. Women are regarded as particularly valuable in leadership and governance roles because they are more likely to consider the interests of diverse stakeholders, reflecting greater sensitivity, flexibility and understanding in decision making. A more diverse leadership team can therefore enhance a company reputation, strengthen, stakeholders' engagement, and ultimately contribute to improved company performance.

Based on the above arguments, it is clear that the presence of women directors on corporate boards can significantly influence the preferences of various stakeholder groups. Women directors can impact the interests of stakeholders, and their reactions and responses to companies with diverse leadership can ultimately affect the future operations and financial performance of the company as a whole. In addition, having women directors on corporate boards can have far-reaching effects beyond just improving stakeholder perceptions. The reactions and responses of stakeholders and investors to companies with diverse leadership can have a significant impact on the company's future operations and financial performance. As such, companies that prioritize diversity and representation at the leadership level can benefit from improved stakeholder relations, better financial performance, and a stronger reputation overall.

2.2.3 Resource Dependency Theory

Pfeffer and Salancik (1978) introduced the Resource Dependency Theory, which posits that businesses rely on external resources to survive and thrive in their respective environments. In order to reduce uncertainty and improve performance, companies must effectively secure the resources they need from their external environment. This theory can be applied to analyze the functions and actions of the board of directors. The board of directors serves as a tool to manage external dependency, which can help reduce transaction costs and uncertainty. By understanding the external resources that a company needs to succeed, and by effectively managing these resources through the board of directors, companies can improve their performance and ensure their survival in competitive environments.

According to research conducted by Hillman and Dalziel (2003), diverse boards are more effective at securing resources from the external environment as compared to less diverse boards. This is because a diverse board has access to a wider network and more information, which allows them to make more informed decisions and negotiate better deals with external stakeholders. By bringing together a range of skills and expertise, diverse boards can identify and secure the resources that are critical to the success of the company.

According to Pfeffer and Salancik's (1978) Resource Dependency Theory, women directors can bring unique value to the corporate board by providing legitimacy, communication skills, advice, and counsel. Furthermore, Cox et al. (1991) argued that women directors are particularly adept at communication and are better at understanding the marketplace by reflecting the diversity of the board with that of its employees and customers. Additionally, companies that prioritize customer satisfaction may be more likely to appoint women directors, as they are believed to be more skilled at maintaining customer relationships and gaining deeper insights into their buying behaviors.

According to Cox et al. (1991), firms can enhance their legitimacy by increasing the number of women on their corporate boards, as the push for gender equality has become a societal norm. It is considered appropriate to appoint more women and provide them with equal opportunities in the corporate world. Furthermore, gender-diverse boards are more effective at handling complex issues and improving board

deliberation quality, as they bring diverse perspectives, opinions, knowledge, and backgrounds (Huse & Kravitz, as cited in Yu Liu et al., 2013).

In today's market, companies operate within a vulnerable system that is prone to risks. To ensure their survival, companies must exchange and acquire resources, making it crucial to establish a strong dependence on external units. Pfeffer and Salancik (1978) suggest that companies should seek the most effective resources and board members to achieve this. The role of the board is to provide advice, legitimacy, and communication channels. Given the increasingly complex and uncertain business environment, it is essential to have leaders who can provide added value to the company by contributing beneficial resources in terms of knowledge and skills. It has been argued that appointing more women directors to the board can help achieve this goal.

Additionally, Adams and Ferreira (2009) argued that men and women exhibit different communication and influencing tactics. Women directors tend to adopt more feminine behaviors such as showing sympathy and gentleness, while men tend to be more assertive and aggressive. The Resource Dependency Theory supports the appointment of women to corporate boards since they are perceived to be more effective in managing ambiguous situations due to their superior communication skills.

2.2.4 Stewardship Theory

Stewardship Theory is derived from psychology and sociology definition, Davis, Schoorman and Donaldson (1997) define the Stewardship Theory as the protection and maximization of shareholder wealth through firm performance, which ultimately maximizes the steward's utility functions. In essence, managers work for shareholders, protect their interests, and generate profits. Unlike the Agency Theory, which focuses on individualism, the Stewardship Theory, according to Donaldson and Davis (1991), rejects the self-interest argument. Instead, managers are motivated by a strong sense of duty to the company (stewardship) and a desire to do a good job, not just for financial gain. The satisfaction and motivation of the stewards are tied to the achievement of the company's objectives.

As supported by Jide et al. (2025), the board of directors with a strong sense of stewardship act as protectors of shareholders' interests and strive to maximize their wealth. In line with this theory, the board of directors serves as stewards and seeks

achievement, self-actualization, and growth while aiming to achieve the company's goals and objectives, rather than pursuing personal interests. However, it has been suggested that whether the board of directors acts as agents or stewards depends on the psychological motivations of each individual.

In addition, as according to Obert (2015), competent board of directors can enhance the decision-making process and lead to valuable decisions. By bringing their competencies, diverse opinions, and experiences to boardroom discussions, the board of directors acts as efficient stewards and a valuable resource for the company. In a study involving semi-structured interviews with board members, it was examined whether women can serve as effective stewards for the company. The respondents indicated that women are capable of being good stewards and can effectively oversee the company. They noted that women provide valuable support and advice to the board, as well as carefully planned strategies to help achieve the objectives of the company.

On a similar view, Gulzar et al. (2018) argued that the board of directors, as good stewards, make decisions that align with the company's objectives and maximize shareholder value. They possess a diverse range of motives and values that reflect good corporate governance, respect, self-recognition, and achievement. Women directors, in particular, strive to satisfy the interests of all stakeholders and are motivated to ensure the company's success. One way to achieve this is by implementing corporate social responsibility initiatives, which can enhance the company's public perception and increase its overall value.

This can be supported by Hyun et al. (2016) which asserted that companies that prioritize market success must give significant importance to corporate social responsibility initiatives as socially responsible companies are more likely to attract consumers. In this regard, women directors can play a pivotal role as they are generally more attentive towards moral and social concerns. Therefore, having more women on the corporate board can help to enhance the company's image and reputation, and thus, strengthen its position in the market.

2.3 Similarities and Differences between the Theories

The similarities and differences between all the theories mentioned above will be discussed in the subsections below.

2.3.1 Similarities Between Theories

The similarities that can be identified in all of the theories are relevancy. According to various scholars, including Donaldson and Preston (1995), Freeman (1984), Pfeffer and Salancik (1978), and Davis et al. (1997), there are several theories that explain the importance of individuals or group of individuals in a company. These theories include Agency Theory, Stakeholder Theory, Resource Dependency Theory, and Stewardship Theory. Despite being developed by different scholars, these theories share a common concept and relevance. The core idea that is highlighted by all these theories is that having competent individuals or a group of individuals is essential for the success of a company. These individuals may be board members, managers or any other stakeholders, and their competence, values, and motivations play a significant role in determining the direction and performance of the company.

In the Agency Theory, Berle and Means (1932) argued that there has been a shift in control of companies from small shareholders to managers, who may misuse their power and position. The managers, acting as agents, are responsible for managing and operating the company to maximize the shareholders' wealth. However, if unethical managers are appointed by the owners, acting as principals, it may lead to agency costs. This could ultimately hinder the focus of Agency Theory, which is to maximize the shareholders' wealth.

The same concept can be applied to Resource Dependency Theory, which was introduced by Pfeffer and Salancik (1978) which highlighted the concept that businesses depend on their resources to survive in the external environment. The board of directors is considered as one of the key resources, and if they are not efficient, the company may not be able to survive in the competitive market. According to this theory, each director is expected to possess the necessary skills and knowledge to navigate the uncertainties of the business market. In addition, the directors should have strong external connections with key players in the industry, as well as governments and other authorities, in order to secure valuable resources for the company

While in Stakeholder Theory, the selection of appropriate key individuals in a company is crucial to gain a thorough understanding of all stakeholder groups. A board of directors that lacks diversity may not be capable of addressing the various interests and stakes of different stakeholders. This can be supported by Francoeur et al. (2008) which argued that women serving on corporate boards have the potential to represent

the interests of employees and other stakeholder groups who are directly or indirectly affected by the company's performance. Women on corporate boards are therefore considered key individuals who can facilitate the connection between the company and its stakeholders, who are predominantly female (Dalton & Daily, 2003; Rosenor, 2003). Hence, the absence of women on corporate boards could lead to a lack of understanding of the needs of customers.

While the Stewardship Theory emphasizes the accountability and responsibility of the board of directors in managing the company. The theory posits that the board of directors will prioritize internal growth and development over material rewards. They will utilize their knowledge and skills to manage the company's affairs because they prioritize self-development. According to the theory, the board of directors are fully aware of their duties and will not cause any issues. Therefore, all of the theories discussed (Agency Theory, Stakeholder Theory, Resource Dependency Theory, and Stewardship Theory) share a common concept that the success of a company depends on the competence of the board of directors. By appointing a group of individuals who are knowledgeable, responsible, and committed to the company's success, the company can achieve its goals and perform well in a competitive market.

Other similarity is in terms of communal where these theories i.e. Agency Theory, Stakeholder Theory, and Resource Dependency Theory are used frequently in prior research on corporate governance, particularly with regard to gender diversity. As previously mentioned, these theories are often employed together due to their interrelatedness and applicability to various aspects of corporate governance. Researchers have used these theories to investigate topics such as gender diversity and its impact on corporate performance, CEO compensation, and the effects of board composition on firm outcomes. Some studies used one of these theories solely and some used more than three. Agency Theory, Stakeholder Theory and Resource Dependency Theory are widely and commonly used together; this can be seen in prior studies conducted by Low et al. (2015); Ijas (2012); Alvarado et al. (2011).

2.3.2 Differences Between Theories

The first difference is motivation. One key distinguishing factor between Agency Theory and other theories is the motivation of agents. In Agency Theory, agents

are primarily motivated by their own personal and extrinsic interests, rather than the interests of the shareholders they represent. As previously stated, agents are only motivated to act in the best interest of shareholders if it aligns with their own interests. This view is supported by various studies, such as those conducted by Jensen and Meckling (1976), Daily et al. (2003), and Lan and Heracleous (2010), which suggest that creating a contract that aligns the interests of agents and shareholders is challenging. This is mainly because agents' decisions may be influenced by their personal interests, particularly related to their remuneration package.

In contrast to Agency Theory, where agents are motivated by their own personal interests, Stakeholder Theory posits that management is motivated by the urgency calls of the stakeholders. As according to Weitzner and Deutsch (2015), stakeholders are a crucial component of a company's long-term survival, and their interests must be taken into account. As such, stakeholders hold significant power in this theory and can use that power to compel the company to fulfill their demands. Thus, the company must respond quickly to stakeholders' calls to maintain positive relationships, as stakeholders can have a significant impact on the company's revenue and reputation. Stakeholders with substantial interests in the company can use their power to influence key decision-makers to follow their interests and demands.

For Resource Dependency Theory, the board of directors is motivated to fulfill the uncertainties gaps. As defined by Pfeffer and Salancik (1978), businesses are depending to their resources in order to survive in the external environment. Resources, in this context, refer to the board of directors of a company, who are considered to be capable of providing valuable benefits such as advice and counsel, gaining access to critical information between the company and its environment, acquiring resources, and gaining legitimacy. Therefore, it is important for a company's board of directors to have critical members who can match the external environment and provide valuable resources for the company's survival.

In contrary with Stewardship Theory, the board of directors is motivated by the human need for intellectual growth, achievement, and self-actualization, and by intrinsic rewards. In Stewardship Theory, the directors have a sense of accountability and a desire for self-development, and their actions are not influenced by their personal monetary interests. Stewardship Theory suggests that having women on a company's board of directors can be beneficial because women are more likely to prioritize development over profit. Berman (1999) supports this idea, stating that women are

drawn to companies with women on their boards because they see opportunities for development and because it sends a message that the company recognizes merit regardless of gender.

The second difference is power. In Agency Theory, the power is vested in the agents who are appointed to act on behalf of the owners. They have complete control over the company's operations and decision-making. Although the company's owners are the principals, the agents are given the authority to manage the company. This may lead to the agents taking their power for granted and making decisions that are influenced by their own interests, which may not always align with the interests of the company's owners. This argument is supported by studies conducted by Jensen and Meckling (1976), Daily et al. (2003), and Lan and Heracleous (2010), which argued that the agents' decisions are often motivated by their personal interests and may not necessarily be in the best interest of the company's owners.

Meanwhile, as for Stakeholder Theory, power is not centralized but rather distributed among the various stakeholders of the company, such as shareholders, employees, customers, suppliers, and the community. The reason for this is that each stakeholder has a different interest in the company and can wield influence to shape its decisions. Weitzner and Deutsch (2015) emphasize that stakeholders possess the power to demand that their interests are taken into account, which can sometimes create tensions with the management. For instance, stakeholders may call for a company to reduce its carbon footprint or support local initiatives. If the company fails to meet these demands, its reputation and financial performance may suffer. Moreover, as Francoeur et al. (2008) point out, stakeholders can also impact the composition of the board of directors and top management, by advocating for greater diversity and inclusion.

As in the Resource Dependency Theory, the power is held by an individuals or group of individuals who own the specific resources. Not all members of the board of directors will have the necessary skills or knowledge to deal with the uncertainties of the environment, so those who possess critical skills that suit the environment are considered to be in power. In simpler words, a company that seeks government contracts may not be successful without the help of someone who has connections with government officials or top politicians. In essence, the Resource Dependency Theory suggests that the power dynamic within a company is shaped by the possession of critical resources, and those who control these resources are considered powerful. This

can manifest in various forms, such as access to information, expertise, or networks, and can be used to influence decision-making processes within the company.

While in Stewardship Theory, power is given to the board of directors based on their personal ability and capability to manage the organization effectively. The board of directors in this theory is characterized by a strong sense of responsibility and accountability, and they act in the best interest of the company. Their power is used professionally and efficiently to achieve the company's goals. According to this theory, the board members' decisions and actions are not influenced by their personal interests, and they remain committed to the company for intrinsic satisfaction.

2.4 Justification of the Chosen Theories

Based on the above discussion, there are three relevant theories underpinning this study which are Agency Theory, Stakeholder Theory and Resource Dependency Theory. The justifications for choosing the three theories are presented below.

The reason for the exclusion of the Stewardship Theory from this study is due to the absence of any conflicting issues associated with it. Stewardship Theory asserts that the board of directors will responsibly and efficiently utilize the power vested in them to enhance their skills and knowledge and employ all available resources to promote the growth of the company. Hence, if the directors' objectives and motivations align with this theory, the absence of women on the corporate board will not be an issue because the directors, regardless of gender, will perform their duties effectively for the betterment of the company.

The purpose of this study is to determine whether appointing more women directors may lead to any difference or improvement, as it is believed that women can offer more valuable contributions than their male counterparts. These contributions may include effective stakeholder representation, enhanced decision-making abilities, increased corporate social responsibility activities, and better financial performance.

The three theories mentioned (Stakeholder Theory, Agency Theory, and Resource Dependency Theory) have been commonly used in previous studies on women directors in developed countries (Low et al., 2015; Ijas, 2012; Alvarado et al., 2011). In this research paper, we aim to examine the role of women directors in developing countries, specifically Malaysia, using these three theories as the basis.

These theories are particularly relevant to our study as they align with our focus on gender diversity and effectively explain the relationship between the contributions of women directors (stakeholder representation, decision making, and corporate social responsibility) and financial performance. Further details on the justifications for each theory will be provided below.

Starting with Agency Theory, as previously stated, Agency Theory is a contractual relationship between a company's owner (principal) and its board of directors (agents), where the main objective is to maximize the principal's value. Specifically, the board of directors must manage the company effectively and generate higher profits to increase shareholder value, primarily through dividends. According to Alvarado et al. (2011), it is crucial for the board to include women on the corporate seats as it will reduce agency conflicts and resulting costs, which can hinder the company's ability to achieve above-average profits. Furthermore, a heterogeneous board can provide effective tools for better control and improve financial performance.

In terms of stakeholder representation, the board of directors must take into accounts the principal stakeholders, who are commonly known as owners or shareholders. In doing so, the board should prioritize providing higher dividends to the shareholders as a means of fulfilling their interests. Furthermore, in terms of decision making, the board must identify and pursue alternative strategies to maintain competitiveness in the marketplace and generate returns for the owners or shareholders. While in corporate social responsibility perspective, the board of directors should use their power and resources to make a positive contribution to other stakeholder groups beyond just the shareholders. By doing so, the board can help to build a positive public image for the company, which can attract more investors and promote long-term growth.

Thus, by incorporating women directors who make effective stakeholder representatives, demonstrate strong decision-making skills, and exhibit a commitment to corporate social responsibility can enhance the overall performance of the board of directors. This, in turn, can drive the company towards above-average performance and potentially offer higher dividends to shareholders in the future. As such, the Agency Theory is an appropriate framework to apply in examining whether women directors can maintain a harmonious principal-agent relationship.

In the context of Stakeholder Theory, there is a strong correlation between the financial performance of a company and the valuable contributions made by women

directors. Financial performance is critical to both shareholders and other stakeholders, including employees who may benefit from higher dividends and better salary packages respectively. For decision making, any decisions made by the corporate board also have a direct or indirect impact on stakeholders, such as environmental decisions that affect the community. It is therefore important for the board to consider the interests of all stakeholders in order to ensure the long-term survival of the company. Stakeholder Theory is also closely linked to corporate social responsibility, as companies can serve as tools for social, environmental, and economic assistance to external parties. As such, this theory is also relevant to the study, as every contribution made by the company can affect all levels of stakeholders based on their interest in the company. The presence of qualified women on the corporate board can ensure that the interests of all stakeholders are met and satisfied.

Lastly, in relation to the Resource Dependency Theory defined by Pfeffer and Salancik (1978), businesses rely on their resources to survive in their external environment. This means that the board of directors is a crucial resource that a company must utilize to gain external benefits. For example, according to Campbell and Minguez-Vera (2007), a customer-oriented company is more likely to appoint women directors to their board as it is believed that women directors are better at maintaining and enhancing relationships with customers, particularly in gaining insights into their buying patterns. Women directors are considered a critical resource that can provide the company with a deeper understanding of customer needs. The statement above shows that women directors, by applying the Resource Dependency Theory, can improve a company's financial performance, facilitate effective decision-making, and better represent female customers.

2.5 Financial Performance

Financial performance provides a comprehensive assessment of a company's position through the examination of its assets, liabilities, revenues, expenses, profits, and other key indicators. Typically, such analysis draws on four main sources: the balance sheet, cash flow statement, income statement, and, for publicly listed firms, the annual report. A thorough understanding of financial performance is essential for

presenting an accurate and well-substantiated evaluation of the organization to all stakeholders (Russo, 2023).

As according to Fatihudin et al. (2018), financial performance refers to a company's ability to effectively manage and utilize its financial resources over a specific period, as reflected through indicators such as capital adequacy, liquidity, solvency, efficiency, leverage, and profitability. It demonstrates how well the firm controls its assets and finances to achieve its objectives.

Additionally, Manurung et al. (2019) described financial performance as the extent to which an organization efficiently uses its assets to generate revenue and profit. It is assessed through financial statements, including the balance sheet, income statement, and cash flow statement, with key metrics such as return on equity (ROE), profitability, revenue growth, return on assets (ROA), and cash flow. High financial performance indicates effective management and a healthy financial position, whereas poor performance may reflect inefficiencies or financial difficulties. Understanding financial performance is therefore vital for stakeholders to make informed decisions.

Fatihudin et al. (2018) argued that financial performance is crucial because running or investing in a business without understanding how it is performing would be like navigating in the dark. It gives business owners the insights they need to plan, manage cash flow, and make strategic decisions. This helps investors to determine whether the company is a sound investment and also provides employees with a sense of job security and growth potential. Company's financial performance enables regulators and creditors to monitor compliance and financial stability. Simply put, financial performance matters to everyone involved in a business, not just accountants.

Similarly, Anshari et al. (2021) highlighted that analyzing the financial performance is important as it provides both external and internal stakeholders with critical insights into a company's financial health. For investors and lenders, it demonstrates why a business is a worthwhile investment and helps assess potential returns or creditworthiness, while for managers and internal analysts, it highlights a company's strengths, weaknesses, and areas for improvement. By analyzing patterns in cash flow, profitability, liquidity, growth, and other key metrics, decision-makers can make informed decisions to enhance efficiency, reduce costs, and drive sustainable growth.

Financial performance can be assessed using several key metrics that provide insight into a company's profitability, liquidity, efficiency, and financial stability.

Gross profit margin measures the percentage of revenue remaining after deducting the cost of goods sold, reflecting how efficiently a company produces and sells its products or services. Working capital evaluates a company's short-term financial health by comparing current assets to current liabilities, indicating whether the business can meet its immediate obligations. The current ratio similarly assesses liquidity, showing the company's ability to cover short-term debts with short-term assets. Inventory turnover ratio measures how quickly inventory is sold and replaced, providing insight into sales efficiency and inventory management. Debt-to-equity ratio highlights the balance between debt and equity financing, illustrating financial risk and the company's reliance on borrowed funds versus shareholder investment. Return on assets (ROA) indicates how effectively the company uses its assets to generate profit, while return on equity (ROE) shows how efficiently it generates returns from shareholders' equity (Munteanu et al., 2025).

Similarly, Russo (2023) stated that financial performance can be measured using a variety of key metrics and ratios that provide insights into a company's financial health. Working capital shows the funds available for day-to-day operations, while gross profit margin and net profit margin indicate profitability at different levels. Current ratio and quick ratio assess liquidity and the ability to meet short-term obligations. Inventory turnover evaluates how efficiently inventory is managed, and return on assets (ROA) measures how effectively assets generate profit. Leverage indicates the extent of debt financing and associated risk, while return on equity (ROE) shows how well equity is used to generate income. Earnings per share (EPS) reflects income attributable to each share, and the price-to-earnings (P/E) ratio helps investors assess stock value relative to earnings. Finally, free cash flow (FCF) measures the cash remaining after operating and capital expenses, showing the company's ability to invest, pay debts, or return value to shareholders.

Nursito et al. (2018) pointed out that financial performance may be influenced by a combination of internal (firm-specific) and external (macroeconomic or industry) factors that shape profitability, liquidity, and risk. Internal factors include a firm's size and age, its capital structure and level of leverage, liquidity and working-capital management, and overall operational efficiency such as how well assets are utilized, inventory is managed, and sales are generated. Management quality, human capital, and strategic choices, along with key profitability ratios like ROA and ROE, also play central roles in determining financial outcomes. External factors, meanwhile, arise from

the broader environment and include economic conditions like inflation, GDP growth, and interest rates, which directly influence costs and market demand. Government policies such as taxes, subsidies, and regulations that further shape business operations, while industry competition, technological advancements, and even cultural or societal trends affect a firm's ability to grow, remain competitive, and maintain profitability.

In recent years, one of the most significant research trends has been the integration of traditional financial performance determinants with broader issues of governance, diversity, and sustainability (Hunt et al., 2015; Christiansen et al., 2016; Linggih & Wiksuana, 2018; Carmo et al., 2022). While earlier studies relied heavily on conventional financial metrics such as ROA, Tobin's Q and ROE to measure governance, more recent work has adopted a wider perspective that incorporates non-financial dimensions.

Current research trends highlight that financial performance is increasingly influenced by digital transformation and automation. Finance and accounting functions are being reshaped through digitization, cloud computing, and artificial intelligence, which collectively enhance efficiency, accuracy, and transparency in reporting (Applebaum et al., 2023). As noted by Martinez-Costa et al. (2012), automation reduces manual errors and accelerates decision-making, while cloud technologies provide flexibility and scalability in managing financial data. These developments align with industry reports emphasizing predictive analytics and end-to-end digital workflows as key drivers of financial agility.

Another major trend is the integration of sustainability and environmental, social, and governance (ESG) considerations into financial performance evaluation. Traditional profitability measures are now complemented by ESG indicators, reflecting stakeholder capitalism and the growing demand for ethical accountability (Applebaum et al., 2023). Munteanu et al. (2025) found through bibliometric analysis that, although approaches to performance measurement remain fragmented, there is a clear preference for holistic models that incorporate sustainability values.

Supporting this view, Younis et al. (2016) demonstrated that green purchasing enhances economic performance, while reverse logistics contribute to social outcomes, underscoring the multidimensional nature of financial evaluation. This shift reflects a broader rethinking on financial performance research as performance is increasingly seen not only in terms of traditional accounting or market metrics (profits, ROA, ROE

and Tobin's Q), but also in terms of sustainability, corporate responsibility, and long-term value creation.

According to Da Cunha (2025), a systematic review revealed that ESG indicators are increasingly examined in relation to corporate performance, highlighting that financial performance should be assessed over a longer time frame, as short-term analyses may yield negative results, whereas long-term effects are generally positive. Similarly, Xiang et al. (2024) found that the use of digital finance in Chinese and other firms enhances ESG performance, which subsequently improves both short- and long-term financial outcomes.

Furthermore, digital innovation is increasingly studied for its role in enabling ESG improvements which then stemmed back into financial performance. For instance, transforming business processes digitally helps firms improve resource allocation efficiency and corporate oversight, thereby boosting ESG outcomes and indirectly supporting financial performance (Sang et al., 2025).

Emerging research also emphasizes the transformative role of fintech and artificial intelligence (AI) in financial performance. Innovations such as digital banking, decentralized finance (DeFi), and regulatory technology (regtech) are redefining how firms measure success, with performance increasingly tied to inclusivity, transparency, and sustainability (Trapczynski, 2013). Munteanu et al. (2025) further observed that AI applications in fraud detection, credit risk assessment, and predictive analytics improve accuracy, reduce financial losses, and enable real-time monitoring of performance.

In addition, significant trend noted on the methodological and conceptual sophistication where researchers no longer treat financial performance as driven by a few isolated factors, but model it as the outcome of interacting dimensions such as firm-level characteristics, governance, ESG, technology adoption, environmental risk, and contextual factors such as industry or geography (Teng et al., 2024).

2.5.1 Other Factors Influence the Company's Financial Performance

2.5.1.1 Firm Size

According to Brown (2009) and Haugen (2001), firm size can be defined as the measurement of how big or small a company is based on its total assets, sales, or market capitalization. Haugen (2001) further specified that firm size can also be measured by the logarithm of total assets, with larger companies having higher total assets, sales, or market capitalization. In essence, the bigger a company's total assets, sales, or market capitalization, the larger its size.

In addition, as according to Titi (2015), firm size is a crucial factor that can impact a company's financial performance. According to the author, large firms are generally considered to have better performance than small firms, as they possess greater efficiency and power in competitive markets. On the other hand, small firms may struggle to compete due to their limited power. However, the author's research focused on property and real estate companies listed in the Indonesia stock exchange between 2007 and 2012, and found no significant correlation between firm size and financial performance. This suggests that the influence of firm size on financial performance may vary depending on the industry or market conditions.

2.5.1.2 Firm Age

The relationship between firm age and financial performance has been a topic of discussion in literature, with studies revealing both positive and negative correlations. Loderer and Waelchli (2010) conducted a study on a sample of 10,930 listed companies in the US from 1978 to 2004, revealing a negative relationship between firm age and financial performance. The study found that as companies grew older, their return on assets (ROA), profit margins, and Tobin's Q ratios decreased. In addition, Cheng (2008) and Pástor and Veronesi (2013) reported that as firms age, the variability of their stock returns tends to decrease.

In contrast to the study conducted by Loderer and Waelchli (2010), which demonstrated a negative relationship between firm age and financial performance, a study by Coad et al. (2013) found that older firms in Spanish manufacturing industry

enjoy higher productivity and profits. The study was conducted by examining the financial performance of Spanish manufacturing firms from the year 1998 to 2006, and by measuring the ratio of profits to sales. Similarly, Maja et al. (2016) also argued that firm age has a positive influence on the financial performance of a company. They explained that older companies tend to have accumulated knowledge, better technology, better human capital, low financing costs, and easier access to resources, which gives them a competitive advantage and superior performance. Thus, it can be concluded that the relationship between firm age and financial performance can vary depending on various factors such as industry and geographical location.

2.5.1.3 Firm Leverage

Pandey (2008) defines firm leverage as the presence of debt in a firm's capital structure. Additionally, Evgeny (2015) explains that the financial leverage of a firm is commonly calculated as the ratio of total debt to total assets. However, if a company has a high proportion of debt, it may not result in a positive relationship between financial leverage and financial performance. This is due to the fact that high levels of indebtedness may result in significant financial constraints, which can negatively impact a firm's performance.

To add to the discussion on financial leverage, according to Asghar and Khan (2015), financial leverage can amplify the return on equity (ROE) for the company when the return on assets (ROA) is greater than the interest rate paid on debt. However, if the ROA is less than the interest rate, financial leverage may lead to a decrease in ROE, and in severe cases, insolvency of the company. Therefore, it is crucial for companies to carefully manage their financial leverage to avoid negative effects on their financial performance.

2.5.1.4. Revenue

Revenue is the total money a company earns from selling its products and services and is one of the simplest ways to assess business performance. Higher revenue not only boosts the top line but also allows fixed costs to be spread over a larger base, improving profit margins as well as return on assets (ROA) and return on equity (ROE).

Rapid and sustained revenue growth indicates strong market acceptance and can attract investor funding to support further expansion. However, the benefits of revenue growth depend on its quality: growth driven by discounts or low-margin sales may reduce profitability, while growth from higher-value products or stronger margins enhances financial performance. Empirical studies therefore distinguish between quantity (sales volume) and quality (price/margin mix, customer retention) when linking revenue to overall financial results (Yu, 2025).

2.5.1.5. Market Share and Competitive Position

Sklenarz et al. (2024) explained that having a larger market share can bring several advantages for a company. It can lower costs through economies of scale, give the company more influence with suppliers, improve brand recognition, and allow for stronger pricing power, all of which can help increase profits. However, companies still need to control costs and make smart investments to maintain healthy profit margins. In some cases, trying to grow market share by offering big discounts can actually hurt long-term financial performance. The benefits of a bigger market share also depend on factors such as how competitive the market is and how fast demand is growing. Therefore, companies should combine efforts to increase market share with improvements in key capabilities such as supply chain management, branding, and pricing strategies, so that higher sales lead to sustainable profits.

2.5.1.6 Supply-Chain and Industry-Specific Factors

Factors such as industry structure, availability of raw materials, fluctuations in input prices, and the strength of a company's supply chain directly influence costs, production stability, and ultimately financial performance. Research shows that companies with strong supply-chain management and finance practices often enjoy better liquidity and, in many cases, higher profit margins and return on assets (ROA). Industry-specific risks, such as commodity price swings, seasonal demand, regulatory requirements, and technological changes, affect profitability differently across sectors. This is why comparing performance within the same industry is important. Companies that invest in supply-chain visibility, diversify their sources, and use supply-chain

finance or working-capital tools can lower inventory costs, speed up cash flow, and make their profitability more resilient (Hoan et al., 2024).

2.5.1.7 Inflation, Interest Rates and GDP Growth

Ibrahimov et al. (2025) explained that macroeconomic conditions have a big impact on costs, customer demand, and financing for companies. For example, inflation increases input costs and can reduce profit margins unless companies pass these costs onto customers. Changes in interest rates affect borrowing costs, investment decisions, and consumer spending. Studies show that these factors contribute to differences in performance between companies, especially in sectors sensitive to interest rates. Economic growth, measured by GDP, boosts overall demand, helping companies increase sales and benefit from economies of scale, while recessions squeeze margins, increase the risk of defaults, and create liquidity pressures. Although macroeconomic shocks affect all firms, how well a company weathers them depends on internal safeguards like cash reserves, diversified revenue streams, and strategic planning.

2.5.2 Factors Included as Control Variables for the Study

For this study, firm size, firm age, and leverage were chosen as control variables because these firm-level characteristics significantly influence profitability and efficiency, independent of governance factors. As noted by Affes and Jarboui (2023), research on corporate governance and firm performance commonly includes firm size (measured by total assets), firm age, and leverage as controls, arguing that larger or older firms generally possess more resources, established processes, and diverse financing structures, all of which systematically affect outcomes such as return on assets (ROA) or Tobin's Q.

In contrast, Elhawary (2021) emphasized that variables such as market share, supply-chain or industry-specific factors, and macroeconomic conditions are less suitable as controls in this context because they fluctuate frequently, vary with economic cycles, and are influenced by external shocks such as demand swings, raw material price volatility, regulatory changes). Including these volatile or exogenous variables could introduce noise and endogeneity, making it challenging to isolate the

effect of board composition such as the presence of women directors on firm performance. Thus, stable and structural firm characteristics, such as firm size, firm age, and leverage, were used as controls to ensure more reliable and interpretable results.

2.6 Corporate Governance and Board Diversity

Over the past few years, corporate governance has witnessed an unprecedented expansion and has gained traction worldwide. This progress has been propelled by various organizations, including the Organization for Economic Development (OECD), which has developed universally recognized corporate governance standards. In the UK, companies are continuously fortifying their systems to foster sound corporate governance practices, with particular emphasis on strengthening shareholder and stakeholder relations and accountability, improving board of directors' performance, enhancing accounting and auditor functions, and monitoring how companies are controlled. These efforts reflect the growing recognition of the importance of good corporate governance in ensuring a company's long-term success and sustainability (Solomon, 2004).

As according to Linggih and Wiksuana (2018), one of the key factors influencing a company's success is its corporate governance. Effective corporate governance guides and manages the company towards its goals and long-term success. Incorporating gender diversity in the boardroom is seen as a crucial aspect of good corporate governance, as it can offer significant benefits. In today's complex business landscape, integrating diverse perspectives is essential for enhancing the quality of decision-making within the company.

Supported by the study of Mehnaz and Yang (2025) which found that women directors' presence in the audit committees able to enhance oversight, improve earnings quality, strengthen ESG practices, and promote transparency. These qualities aligned with the assertion that gender diverse board leads to effective corporate governance as well as help steer organizations toward long-term success. Hence, both studies, Mehnaz and Yang (2025) and Linggih and Wiksuana (2018), concurred the idea that gender diverse board lead to more balanced decision-making and more ethical and sustainable corporate outcomes.

Besides that, as according to Briozzo et al. (2017), corporate governance refers to the collection of principles, procedures, standards, policies, and norms that guide and regulate any type, size, or state of entity in the most ethical and responsible manner. Effective corporate governance practices can help alleviate information asymmetries, resulting in lower agency costs, including monitoring, bonding, and residual costs. By reducing these agency costs, companies can improve their overall performance.

Garcia-torea et al. (2017) also argued that corporate governance also plays a crucial role in promoting the board's effectiveness in carrying out its tasks of safeguarding the interests of the company's shareholders and stakeholders. As such, the board bears the responsibility of monitoring the management team and providing the company with strategic advice. The board's effectiveness can be improved by taking into account demographic characteristics such as independence, the inclusion of female directors, and the separation of powers. By incorporating these factors, the board can be more effective in its oversight role, ultimately leading to sound and robust corporate governance practices for the company. The importance of having a strong board of directors cannot be overstated as it is essential in ensuring that companies operate with integrity and transparency, while balancing the interests of their shareholders and stakeholders.

In addition, board diversity has garnered significant attention from various stakeholders, including companies, academics, and policymakers, who recognize the importance of having a diverse board. It is widely believed that board diversity can lead to superior company performance, as it is considered a hallmark of good corporate governance and can help mitigate agency conflicts. Having a diverse board is particularly important for effective decision-making, as the boardroom serves as the nucleus of the company (Wellalage and Locke, 2013). A diverse board can bring together individuals with different backgrounds, experiences, and perspectives, which can lead to more innovative and well-informed decision-making. Furthermore, a diverse board can improve the company's ability to connect with its customers and stakeholders, ultimately contributing to its long-term success and sustainability.

The Malaysia Code on Corporate Governance 2012 (MCCG12') provides guidance and best practices in corporate governance for companies to follow. The code aims to prevent the domination and control of the board by any individual or group and promotes the effectiveness of the board of directors in managing the company and safeguarding the interests of stakeholders, particularly shareholders. An effective board

of directors can ensure the long-term sustainability and profitability of the company. By adhering to the guidelines in the MCCG12', companies can promote transparency, accountability, and ethical conduct, which can enhance their reputation and stakeholder trust (Nor et al., 2014).

Specifically, in Principle 2, Recommendation 2.2 of MCCG12' emphasizes the importance of the nominating committee in developing and maintaining criteria for the recruitment and annual assessment of directors. This recommendation is crucial to ensure the effectiveness and efficiency of board composition and the decision-making process. Furthermore, companies should establish policies to encourage board diversity, including age, race, and gender, to foster a variety of ideas from different perspectives and backgrounds (PwC, 2012).

In view of boards' diversity, Zainal and Zulkifli (2013) emphasized that despite the absence of fixed regulations on board diversification in Malaysia, companies are encouraged to promote diversity in the workplace in terms of gender, age, races, and background. This encouragement is also part of the corporate social responsibility agenda as recommended by Bursa Malaysia in 2006. The board of directors is responsible for promoting good corporate governance, as recommended by the Malaysia Code on Corporate Governance (MCCG) in 2000 and 2007, to have a more balanced board.

As according to Joseph (2021), the new Malaysian Code on Corporate Governance 2017 (MCCG17') which mandated that boards of large companies, those with market capitalization of at least 2 billion, to include at least 30% women directors. The latest version of MCCG17' expands this 30% gender diversity requirement to all companies, not just large companies. In addition, the companies are required to disclose their gender diversity policies, targets and measures to undertake to achieve the requirements. This latest version of MCCG17' has open eyes to all board of directors in listed companies that the government is not taking this gender diversity issues lightly.

Detail explanation on board diversity in terms of gender, age and experiences will be spelled out in below subsections.

2.6.1 Gender

Diversity in terms of gender in the corporate boardroom refers to having a substantial number of women directors on the board compared to men. This move can help to reduce the culture of a "man's club" that has been dominant in corporate boards for many years (Chu & Ito, 2015). Similarly, Jamaluddin et al. (2025) referred board gender diversity as to having a mix of male and female directors on a company's board and believed that such diversity can improve firm performance, decision-making quality, and stakeholder responsiveness. In the same sense, Ijas (2012) noted that companies that prioritize gender diversity in their corporate boards are viewed more favorably by investors because having women on the board can enhance the company's image and reputation.

Desvaux et al. (2007) supported Ijas's (2012) statement by stating that investors prefer companies with greater gender diversity in their corporate boards as they believe such companies are more transparent and comply with regulations. Similarly, Woryk (2011) argues that although having women directors may not directly affect a company's profitability, the lack of gender diversity in the boardroom can negatively impact a company's stock value due to institutional investors' gender bias. Therefore, it is crucial for companies to have at least one-woman director on their corporate board to attract investors and enhance the company's image.

Bear et al. (2010) argued that a gender diverse board has many benefits, including promoting participative and constructive communication among directors due to the different leadership styles of men and women. Nadeem et al. (2017) also claimed that a diverse board can improve problem-solving skills and network connections. These benefits highlight the importance of gender diversity in the corporate board and demonstrate how it can positively impact the performance of a company.

Similarly, a study by Simionescu et al. (2021) on S&P 500 companies found that firms with a higher proportion of women on their boards tend to exhibit better market-based performance. The study concluded that gender-diverse boards provide a wider range of perspectives, experiences, and expertise, which enhances the quality of decision-making, fosters innovation, improves investment choices, and strengthens corporate social responsibility initiatives.

In addition, Ijas (2012) argued that a gender-diverse board improves a company's financial and non-financial performance and enhances collaborations between the board, the company, and its stakeholders. Supported by Alvarado et al. (2011) which argued that appointing women directors can reduce agency costs because it leads to a clearer, transparent, and open governance process.

2.6.2 Age

Board diversity has become an increasingly important topic for companies as they realize that a diverse board can lead to better decision-making. Among the factors of diversity is age, which is often overlooked. As noted by Staley (2018), headhunters are now actively seeking out women as potential candidates for corporate boards, but they may not be paying enough attention to the importance of having younger board members. According to a report by PwC, only 6% of S&P 500 directors are 50 or younger, and the majority of them are between 45 and 50. This presents a challenge for companies as they need to prepare for a digital future that requires a new set of skills and perspectives. Therefore, it is important for companies to consider age diversity when appointing new members to their boards.

As highlighted by Gardiner (2024), board age diversity incorporating directors of varying ages provides a valuable combination of experience, fresh perspectives, and adaptability in dynamic business environments. In her research, she suggests that multigenerational boards can enhance oversight, foster innovation, and contribute to long-term organizational stability by balancing the wisdom of seasoned members with the contemporary insights of younger directors.

Similarly, KPMG (2017) emphasized the importance of technology, cybersecurity, and digital disruption as crucial topics for board members to address in the future. This awareness highlights the need to appoint younger board members who can bring fresh ideas and perspectives regarding technology. Most of the current directors in corporate boards are part of the baby boomer generation and may not be technologically savvy. However, it is important to note that not all young individuals are experts in the digital era, and companies should carefully select and filter candidates with significant experience and expertise in this area.

Moreover, PwC (2023) highlighted that the younger generation has different priorities, spending habits, and communication tools compared to previous generations. As such, businesses need to be prepared to adapt to these differences to remain relevant in the market for a long time. However, not all younger individuals are experts in the internet era. Therefore, companies should carefully select and filter young executives whose careers have primarily been spent in the digital and internet era to ensure they can effectively contribute to the board's decision-making process.

In addition, Loop (2018) argued that adding a younger generation as a director may lead to better business profits. This is because the younger generation is likely to bring critical workforce skills and expertise in the boardroom. They have hands-on experience with new technologies and digital tools, which can help the company stay competitive and innovative. This aligns with the idea that companies need to prepare for a digital future and appoint younger board members who can provide fresh perspectives and ideas on technology and digital disruption.

2.6.3 Education

As according to Dahlin et al. (2005), board diversity in terms of education refers to possessing a variety of skills, knowledge, and abilities among board members. An individual's educational background is a crucial demographic characteristic that can enhance the quality and effectiveness of decision-making processes. The presence of educated board members can add value to the decision-making process. Rose (2007) proposed two ways to define education diversity: firstly, by level of education (i.e. school, below school, graduation, and post-graduation) and secondly, by field of education (i.e. science, engineering, arts, commerce, etc).

Phan (2016) emphasized the importance of education level in a director, as it can have a significant impact on the company's performance. Education background is indicative of an individual's particular intelligence and expertise, which, in the case of a director, can provide better strategic guidance to the management team and ultimately result in positive company performance. Boland and Hofstrand (2018) supported this argument, stating that a director must have a proper education process and intellectual proficiency in specific areas such as governance, finance, and strategy. This is because

directors have a duty to educate members and investors of the company, and proper education and proficiency can improve their ability to fulfill this responsibility.

In addition, having directors with different fields of study, levels of education, and academic or professional training can enhance a company's strategic capacity and adaptability. Boards composed of members with varied educational credentials bring a richer mix of knowledge, skills, and analytical approaches, which supports more informed decision-making, innovative thinking, and better oversight (Kabara et al., 2022).

The importance of education level for directors goes beyond just improving company performance, as it can also lead to beneficial business linkages and networks with influential officials. Kumar and Zattoni (2013) support this argument by highlighting that directors with higher education profiles are likely to have more social ties with other directors, executives, and government officials. This can be particularly advantageous for early-stage companies that require external linkages to stay competitive. Thus, the education level of a director is not only linked to their intellectual abilities but also their social capital, which can be a significant asset for the company's success.

2.6.4 Working experience

Board diversity can also be enhanced through the consideration of a director's working experience. A director with appropriate work experience is crucial in leading the company towards capturing potential market opportunities. It is essential that each director possesses their own specific professional experience that is aligned with the industry they are currently operating in. Traditionally, companies appointed directors with commonly required skill sets, such as leadership, financial knowledge and CEO-experience. However, the trend has since evolved and companies are now looking for directors with more diverse working experiences, including legal, human resources, risk management and corporate social responsibility (Garcia et al., 2017).

On the same stance, Mcdonnell (2018) argued that companies generally choose directors based on their professional working experience that aligns with the company's business industry, and often appoint directors who possess senior leadership and experience in the same or a similar industry. For instance, government-linked

companies may prefer directors with government-related experience, while international companies may prefer directors with international working experience. Similarly, non-profit organizations may seek to appoint philanthropists or directors with experience in activism or the non-profit sector.

In addition, Giffin (2018) highlighted the importance of the nominating committee in recruiting directors with the right professional experience. The committee must have a thorough understanding of the board's needs and avoid recruiting a director without significant professional experience. The search for a suitable candidate should not be limited to those who have served on other company boards but also extend to top-level executives with extensive experience in a specific industry. By appointing a top executive, the board can benefit from their comprehensive knowledge and expertise in managing the business, thus providing the board with clear guidance and direction towards the company's goals.

Given the detailed discussion of the various elements of board diversity in the preceding sections, this study will now turn its focus to gender diversity, which is the primary concern of this study. The next section will provide an explanation of gender diversity on boards by reviewing previous studies conducted on this subject, both generally and within the context of Malaysia.

2.7 Gender Diversity on Corporate Board

In recent years, there has been a growing recognition of the importance of gender diversity in corporate boards. Not only does gender diversity enhance a company's competitiveness, but it is also a critical dimension of governance, both in terms of the board's oversight of the company and the board's own composition and talent pool. Moreover, increasing the representation of skilled and competent women on boards can strengthen the culture of corporate governance and contribute to fulfilling the interests of stakeholders, as emphasized by the International Corporate Governance Network (ICGN, 2013). This highlights the need for companies to actively strive for gender diversity in their boards to achieve optimal corporate governance and long-term success. In parallel, Reguera-Alvarado et al. (2017) highlighted that a diverse board with directors from varied backgrounds and perspectives can enhance governance by fostering independent decision-making through robust and informed discussions.

Gender diversity on boards refers to a situation where there is a greater representation of female directors within a company. It has been demonstrated through research that companies with greater numbers of women on their boards can enhance their reputation. Additionally, the presence of more women on boards promotes more participative communication among board members due to the unique leadership styles of female directors. These leadership styles can enable women to make sound and wise decisions that benefit the company as a whole (Bear et al., 2010). Gender diversity is thus a critical issue that companies need to address as it can provide a competitive advantage and contribute to good corporate governance, fulfilling the interests of stakeholders, and enhancing overall organizational performance.

Furthermore, gender diversity on boards not only enhances a company's reputation but also fosters a stronger relationship between the company and its stakeholders. This is due to the fact that female directors on the board can represent the interests and perspectives of their female stakeholder groups. Research suggests that investors are increasingly paying attention to companies that prioritize gender diversity, as they believe that it can lead to greater transparency and compliance with rules and regulations (Ijas, 2012). Therefore, it is crucial to provide opportunities for women to participate in corporate leadership positions (Desvaux et al., 2007). By doing so, companies can ensure that they are catering to the interests of all stakeholders, while also increasing their potential for success in an increasingly diverse and global marketplace.

The importance of having gender diversity on boards has been highlighted by Ijas (2012) and Desvaux et al. (2007) as above, who argued that excluding women from these positions is unethical and immoral. To be a morally responsible management team that values fairness and equity, boards must include women directors. Promoting gender diversity not only enhances company performance but also promotes positive perceptions of the company in society. Additionally, having women on boards can reduce conflicts of interest and improve collaboration between the board of directors, the company, and its stakeholders.

In order to mitigate agency costs, it is crucial to promote gender diversity on corporate boards. As according to Alvarado et al. (2011), research suggests that having women on boards can lead to better governance and control. This is due to the fact that greater gender diversity results in a more transparent and open decision-making process. As a result, stakeholders' interests are better protected, thus reducing the risk

of their interests being abused. Aligned with the study by Abbas and Frihatni (2023), companies with women directors are less likely to experience financial distress. This is because women directors contribute to stronger oversight, decision-making, and risk management. Financial stability and strategic values can be enhanced by appointing women to directorial roles.

The International Corporate Governance Network (ICGN) Guidance on Gender Diversity on Boards (n.d.) emphasizes the need for more women directors on corporate boards to ensure sound corporate governance of the company. The guidance notes that having a high number of women on boards and a gender diverse culture in the corporate boardroom will contribute towards healthy and effective debates and better decision making. Conversely, companies that have lower numbers of women directors tend to have unhealthy, ineffective debates and decision making due to the homogeneous gender and way of thinking.

Similarly, according to Skrine (2020), the National Association of Securities Dealers Automated Quotations (NASDAQ) has urged the Securities and Exchange Commission (SEC) to propose a new listing requirement to encourage diversity in the corporate boards of NASDAQ-listed companies. The proposal requires listed companies to have at least one-woman director and at least one director from an underrepresented minority such as Black or African American, Hispanic, Hawaiian or Latinx. The proposed listing requirement aims to promote diversity on boards, which can lead to better decision making and improved corporate governance. It is expected that the proposal will encourage companies to be more proactive in promoting diversity and inclusion, which is essential for sustainable growth and the long-term success of the company.

Woryk's (2011) research findings indicated that a low representation of women on corporate boards, coupled with a lack of gender diversity, may prompt male board members to be more proactive in seeking to recruit women to participate on the board. While some theories suggest that having female directors has no significant effect on a company's profits, it has a profound impact on the stock value of the company due to the gender bias of institutional investors. In line with this, Conde-Ruiz et al. (2019) found that countries with legally binding system quotas have appointed more women to boards than those with only "soft" quota policies. For instance, in Spain, the Law of Equality of Men and Women was introduced, which recommended companies to increase women representation on corporate boards. However, the law did not enforce

any quotas or penalties for non-compliance, resulting in a lack of progress in women's representation. This created a loophole that some companies exploited, by including the same self-justifying statements in their annual reports for years to avoid actually increasing gender diversity on their boards.

In the same vein, Maiso Fontecha (2013) emphasized that businesses must disclose their objectives regarding gender diversity. Additionally, they should devise plans to boost the proportion of female directors on their boards. Companies failing to appoint women to board positions must provide justification and explanations to the relevant authorities, as this approach does not contribute to reaching the specific goals for female representation in high-level leadership roles.

In the shift from MCCG12' to the Malaysia Code on Corporate Governance 2017 (MCCG17'), the emphasis on appointing women to corporate boards remains, underscoring the significance of gender diversity in fostering effective and efficient decision-making. According to guidance 4.5 in the MCCG17', a diverse pool of candidates should be considered when selecting potential directors, as diversity promotes constructive discussions, ultimately leading to better decisions. Companies should also be proactive during recruitment processes by guaranteeing equal opportunities for women in appointments to both board and senior management positions.

2.8 Contributions of Women Directors

As previously mentioned, numerous studies have been conducted by researchers to investigate the correlation between having women on corporate boards and a company's financial performance. It has been suggested that the presence of women directors can enhance the overall effectiveness of the board, as they bring various valuable contributions to the table. According to the literature, there are three primary contributions that stand out i.e. stakeholder representation, decision making and corporate social responsibility. Further discussions on these contributions that may lead to a better company's financial performance are explained further in this section.

2.8.1 Stakeholder Representation

In the previous section, it was highlighted that one of the key contributions of women directors to boards is stakeholder representation. Stakeholder representation is when representatives are chosen to speak on behalf of a larger group of stakeholders, and they participate in negotiations to create policies that align with the interests of those stakeholders (Brad, 2003). In the context of directors and stakeholder relationships, stakeholder representation refers to directors who act as representatives of stakeholder groups, whether it be internally or externally. The presence of these directors ensures that the interests of stakeholders are heard and safeguarded, which is crucial for the company as stakeholders can have a direct or indirect impact on the company's performance.

Company with women directors are able to safeguard the interest of various stakeholders i.e. shareholders, employees, creditors and investors by ensuring the company runs smoothy for a long-run without any corporate crimes committed. As according to Baum et al. (2022), women are less inclined to be involved in serious corporate crimes, their finding showed that there is a strong positive correlation between the proportion of women on corporate boards and the involvement of the corporation or its top executives in violations of the law. They found that as the number of women in boardrooms increases, the engagement of corporations or their executives in unlawful activities decreases. the analysis revealed that for every 1% increase in women's representation on the board of directors, there is a corresponding decrease of 4% to 5.5% in the likelihood of a corporation and its top executives engaging in normative deviance compared to compliance. This can be concluded that achieving gender parity can contribute to societal well-being by reducing non-compliance with the law and the resulting social harms. A company that consistently adheres to regulations has a better chance of thriving in the market and continuously meeting the needs and expectations of various stakeholders. By staying compliant, the company builds trust and confidence among people, creating a positive reputation that resonates with the values and interests of its stakeholders. This fosters long-term sustainability and enables the company to maintain its presence in the market, providing ongoing benefits to a wide range of individuals and groups connected to the business.

Furthermore, Terjesen et al. (2009) argued that boards with at least three female members are more likely to effectively communicate with various stakeholder groups.

Additionally, Burke et al. (1993) stated that women directors have a responsibility to act as mentors for all women in the organization, and to monitor social justice and fair recruitment policies, among other duties. This suggests that having women on boards can serve as role models and legitimate advocates for the welfare of all women in the company, including women employees and customers. Women are often marginalized and overlooked due to the male-dominated nature of boards and top management positions. This highlights the importance of having women on boards to ensure that the welfare of female employees is taken into consideration.

Furthermore, in a family businesses situation where the board tend to fulfill their own family interests, women directors' presence act as the "shining knight" for the female employees and as well as for the external stakeholders. Garcia and Santana (2023) argued that with a sufficient number of non-family members on the board, their expertise, knowledge, skills, and independence contribute to better handling everyday family issues like hierarchies, generational conflicts, or nepotism. This, in turn, improves cohesion and alignment of interests between family and non-family shareholders. Additionally, exceeding the optimal level of family female representation on the board may lead to conflicts with other stakeholders. This is because the board lacks the necessary independence to serve as an effective control mechanism, potentially encouraging opportunistic behavior within the family.

In addition, Ijas (2002) argued that board representatives have a responsibility to consider a broad range of groups that are directly or indirectly involved in the company's operations and have an impact on its performance. This definition is further supported by Dalton and Daily (2003), who recommended that companies to have more women representatives on boards in industries where the majority of final customers are women. The authors suggest that by aligning the company's directors with the market environment, they can gain a deeper understanding of their customers' purchasing behaviors.

In a similar vein, Rosener (2003) argued that understanding the female perspective is essential for companies to remain competitive and deliver high-quality products and services that meet the wants and needs of the female market, which is a significant market force. One example of this can be seen in Nike's addition of a women's division. Jill Conway, the only female director on Nike's board at the time, worked tirelessly to persuade her fellow board members to create a division that focused on women's sports apparel. After several rejections, she finally convinced the board,

and the women's division was launched in 1993. By the end of the year, the division accounted for 20% of domestic revenues, and its revenue has continued to grow since then.

Francoeur (2006) discovered in his study that although there is no direct correlation between gender diversity and a company's financial performance, appointing women to boards is still the right thing to do. This view is reinforced by Dallas (2002), who argued that issues related to family life and flexible work arrangements are taken more seriously when women are represented on boards. Although Francoeur (2006) and Dallas (2002) suggest that having more women on boards may not always directly impact a company's financial performance, their study indicates that sensitive issues related to women's interests are given more attention when there is a woman representation on the board.

In contrast to Francoeur (2006), a study conducted by Berman (1999) demonstrated a positive correlation between stakeholder representation and having a diverse corporate board in terms of gender, ethnicity, and race. Berman argues that diversity can increase a company's ability to attract high-quality employees, and having women on boards can help attract and retain talented female workers. Women are more likely to be drawn to companies that already have women on their boards because they see opportunities for career advancement. Additionally, having women on boards can send a message that a company is progressive and values merit, making it more attractive to top job candidates (Catalyst, 2012).

Furthermore, it can be concluded that having women on boards can attract a higher proportion of the female labor pool, given that women are increasingly educated compared to their male counterparts. For example, in Australia, 69% of women directors have undergraduate degrees, while 28% have master's degrees or PhDs (Catalyst, 1993). In North America, 89% of women directors have degrees, and in New Zealand, the number of women directors with undergraduate degrees has increased by 83% (Burke, 1994). Therefore, it can be argued that having women on boards can have multiple positive effects on a company's financial performance. Despite of that, a study conducted by Conde-Ruiz and Artinano (2016) showed that women still face barriers to promotion in organizations, despite a majority of women being educated and holding higher degrees. This underscores the need for greater representation of women in leadership roles to promote gender equality and diversity in the workplace.

Subsequently, in a study conducted by Navarro-García et al. (2020), revealed a slight positive impact of women directors' high educational qualifications on firm reputation. This suggests that the educational background of women directors can have an influential role in shaping various outcomes for the firm, including its reputation. Thus, by attracting educated women on board, the company is able to improve the performance of the company. Intellectual women directors are able to make every level of stakeholders at ease by creating decisions that may give powerful impacts to them.

Lukerath-Rovers (2009) conducted a study in the Management Online Review Journal which found that the presence of women on boards was influenced by the type of industry, particularly those that are customer-oriented. Women on boards provide legitimacy to stakeholder groups, especially current and potential employees, by symbolizing career opportunities and fair recruitment policies. Additionally, women are considered crucial for customer-oriented companies with a majority female customer base. However, the hypothesis was rejected as the univariate analysis showed that most women directors are present in manufacturing and finance industries compared to service industries. There was a negative correlation between service industries and the presence of women on boards, and although several dummies were tested to validate the analysis, the results remained unchanged.

Moreover, Bart and Mcqueen (2013) found that women are more likely to consider a wide range of stakeholders when making decisions. They measured this by examining the Complex Moral Reasoning (CMR) abilities of male and female directors. The results showed that women directors are more likely to make decisions that are fair and just by considering multiple stakeholders. Women on boards tend to be more cooperative, collaborative and consensus-building in order to make sound decisions. They strive to make decisions based on right and fair reasons and try to empathize with others. The positive CMR results indicate that women on boards are more capable of protecting stakeholders' interests compared to men. Consequently, by protecting stakeholders' interests, the company's financial performance can be improved.

Also supported by Abbas and Frihatni (2023) which highlighted that stakeholders benefit from the inclusion of women on boards, as women tend to bring distinct perspectives that enhance decision-making processes and align more closely with social and ethical considerations. This is particularly important in representing diverse stakeholder interests beyond just shareholders, including employees, communities, and regulators.

Bernardi et al. (2004) found that appointing women to corporate boards leads to a higher number of women in senior management positions in the company. In fact, companies that had female directors in 1995 had 30% more women in senior executive positions compared to companies with all-male boards. This suggests that appointing more women directors can improve the career advancement opportunities for women at all levels within a company. Additionally, companies with more female directors tend to offer more women-friendly benefits, such as longer maternity leaves, than companies with all-male boards (Dolliver, 2004). As the board of directors becomes more sensitive to gender diversity, this positive attitude can trickle down to all levels of the organization. For example, the presence of female directors on the board signals to potential and current employees that the company is committed to creating a supportive and equitable work environment for women. Female board members are also more likely to support female employees and consider the interests of other stakeholders beyond just shareholders, compared to their male counterparts (Bilimoria, 2006).

Based on the literature reviewed above, there is a consensus among prior research that women are skilled at considering the interests of various stakeholders when making decisions or policies (Abbas & Frihatni, 2023; Brad, 2003; Terjesen et al., 2009; Dallas, 2002; Bart & Mcqueen, 2013). This finding implies that the presence of women directors in a company could potentially improve its performance, especially for companies that rely on female customers. This is because women constitute a significant portion of the purchasing power, and only women directors can develop products or services that cater to their preferences (Rosener, 2003; Dalton & Daily, 2003).

The literature reviewed suggests that women directors are important in attracting and retaining potential talented employees who can manage the company effectively. Studies conducted by Berman (1999) and Catalyst (1993 & 2012) have shown that the talent pool is increasingly dominated by women who possess higher levels of education than men. Additionally, women directors with high educational qualifications give positive impacts towards firm reputation (Navarro-García et al., 2020). While most prior studies were conducted in developed countries such as the US (Dalton & Daily, 2003), and European countries (Terjesen et al., 2009), there are limited studies conducted in Malaysia to investigate whether women directors can serve as effective stakeholder representatives as discussed in the literature.

2.8.2 Decision Making

The second most significant contribution of women that leads to the improvement of the company's performance is the decision making. According to Daily and Dalton (2003), one of the significant contributions of women to the improvement of a company's performance is their ability to make effective decisions. They define effective decision-making as a process that involves obtaining highly valuable information, ideas, and resources by utilizing different perspectives and opinions. Effective decision-making is likely to occur when individuals use independent thinking and judgment while considering diverse perspectives.

Additionally, the study conducted by Wardhani and Supratiwi (2023) showed a positive correlation between the proportion of women on the board of directors and the performance of Indonesian state-owned-enterprises (SOEs). The presence of female directors in SOEs introduces new perspectives, and their representation is significant because they are geared toward achieving high results while possessing excellent communication skills. Furthermore, their critical thinking about reporting quality leads to the development of superior management strategies, ultimately contributing to improved performance. It is concluded that women directors are essential for strategic decision-making and performance enhancement.

Torchia et al. (n.d) further argued that companies can promote innovation by having at least three women on their boards. The presence of three women on a board creates a critical mass that can change board dynamics, promote creativity and encourage the generation of new ideas. It is important to note that these findings are based on studies conducted in developed countries and limited research has been conducted in Malaysia to investigate the impact of women directors on decision-making processes. This argument can be supported by Brahma et al. (2020) which argued that board with three or more women directors can positively impact the financial performance as critical mass has reached and the contributions of women are acknowledged in totality.

Similarly, Singh et al. (2019) proved that having only one female director does not significantly impact the firm's decision-making processes. Notably, most firms in the study's sample have only appointed a single female director, despite having the capacity to appoint more. This suggests that these appointments are made primarily to

comply with the mandatory provisions of the Companies Act 2013, rather than from a genuine commitment to diversity. The study highlights that having only one female director is often a token gesture.

Furthermore, Terjesen et al. (2016) emphasized that having women on corporate boards can enhance the decision-making quality and process through their different perspectives, cognitive diversity, and varied experiences. Women directors tend to ask more questions and challenge assumptions, leading to more thoughtful and informed decision-making. This is because women bring different life experiences, viewpoints, and skills to the table, which can broaden the perspectives of the board and lead to a more comprehensive decision-making process. Similarly, Linggih and Wiksuana (2018) argued that women directors are able to enhanced financial performance of a company as they are better in ensuring the decision-making processes are smooth and effective.

Furthermore, women directors serving on corporate boards, particularly within audit committees, play a pivotal role in strengthening oversight, enhancing the quality of earnings, advancing ESG practices, and fostering greater transparency. Their presence brings diverse perspectives that enhance decision-making processes, contributing to more thoughtful, balanced, and ethical governance which drives sustainable organizational success through more inclusive and well-rounded strategic decisions (Mehnaz & Yang, 2025).

Adams and Ferreira (2009) argued that a decision can be considered effective and efficient if it incorporates new ideas and perspectives that can contribute to the value of the decision made. They found that women directors are not mere tokens, and they are capable of adding value to the decision-making processes. This finding is consistent with the study conducted by Azmi and Barret (2013) in Malaysia, which showed that broad gender diversity on boards can lead to greater perspectives, resulting in better and more sound decisions.

As according to Bernardi and Threadgill (2010), gender diverse boards are more likely to have a range of opinions and independent ways of thinking, leading to better decision-making. This, in turn, can potentially reduce the risk of corporate corruption as boards are more likely to question management practices. Alexa et al. (2015) supports this view, with research indicating that having one female director on a board can reduce the risk of bankruptcy by 20% and improve overall company performance. This suggests that gender diverse boards may reduce the likelihood of unethical

decision-making that could damage a company's reputation and performance, by ensuring decisions are made with ethical arguments and considerations.

Similarly, the study by Birindelli et al. (2020) shows that women directors can help reduce bank risk, but their impact depends on the bank's financial health and board composition. In sound banks, female board members contribute to better oversight and decision-making, especially when a critical mass is achieved, typically three or more women. However, in unsound banks, their influence is limited, and adding more women beyond the threshold may not improve risk outcomes, particularly if appointments are driven by quotas rather than merit.

Additionally, Garcia and Santana (2023) argued that women directors play a crucial role in mitigating the likelihood of excessive risk-taking during the adoption of strategic decisions. This is attributed to their higher inclination toward risk aversion in financial decision-making compared to their male counterparts. Moreover, women are more predisposed to embracing ethical and socially responsible choices.

As according to Tanasuica (2023), male decision-makers often embrace higher risks, concentrating on potentially significant rewards with a notably low likelihood of success. In contrast, female decision-makers tend to exhibit increased risk aversion, opting for smaller yet safer rewards. Thus, it was argued that women are more cautious and risk-averse compared to men in their decision-making approaches.

Bart and Mcqueen's (2013) study aimed to test the reliability of decisions made by company directors using the Complex Moral Reasoning (CMR) approach. The results of the study showed that women scored significantly higher than men in making decisions. This implies that women on boards are capable of making significant contributions to the decision-making framework. Women on boards tend to be fairer and more considerate of everyone's point of view before arriving at a decision. The researchers further stated that women are more effective than their male counterparts due to their highly effective CMR talents. These talents enable them to help the company resolve any issues and lead to less business risk, as well as higher company profits. Therefore, the presence of women on boards can have a positive impact on the company's performance and reputation.

Besides that, Alvarado et al. (2011) analyzed the data from companies listed in the Madrid Stock Exchange between 2005 and 2007, aiming to examine whether the presence of women in decision-making positions positively affects a company's performance. The researchers utilized the Hausman test to analyze the data collected

and found a Prob>Chi2 of 0.0004, which rejected the null hypothesis and confirmed that women on boards can have positive effects on company performance. However, the researchers also corrected the problems of autocorrelations and found a positive relationship between the presence of women on boards and a company's success, accepting the null hypothesis they initially stated. Therefore, the study suggests that gender diversity in boards can potentially improve a company's performance.

Similarly, Adam and Ferreira (2009) conducted a study to investigate how the presence of women on boards affects decision-making participation. According to the study's findings, women on boards can introduce innovative ideas that contribute to enhanced company performance. The research revealed a significant and favorable correlation between gender diversity and decision-making participation that could potentially lead to increased company performance. Consequently, having women on boards may enhance company performance by facilitating effective decision-making that incorporates diverse perspectives and fresh ideas.

Additionally, the study by Sobhan et al. (2024) found that the presence of women directors on audit committees significantly reduces audit report lag. This finding supports the view that women bring valuable perspectives, strong ethical awareness, and a cautious approach to risk, all of which enhance the quality of board decision-making and oversight. While the study focuses on audit timeliness rather than direct financial outcomes, the prompt issuance and high quality of audit reports reflect greater board responsiveness and transparency which, in turn, contribute to improved firm performance.

Besides that, Smith and Verner (2006) conducted a study that aimed to explore the association between women directors' decisions and company performance. The researchers argued that board diversity has an impact on company performance. The study used the Kobmandsstandens Oplysnings bureau (KOB) to collect information on companies registered with the system and found a positive correlation between women directors' decisions and company performance. The positive relationship is also attributed to the educational qualifications of the women directors, with most of them holding university degrees. The results of the study suggest that having highly educated women directors can lead to better decision-making and improved company performance.

In addition, a study conducted by Arfken et al. (2004) found that having diverse corporate boards can provide companies with access to a wider range of ideas,

information, and resources from different people and perspectives. They argued that a diverse group tends to scrutinize decisions more meticulously than a homogenous one. Consequently, having diverse corporate boards can result in a better decision-making process and generate effective decisions as compared to boards comprised of only one gender. This type of analysis can reduce the possibility of unethical decisions and those that could damage a company's reputation. A variety of opinions and independent thought are more likely to lead to better decision-making. Additionally, a diverse board is more likely to question and challenge management practices, thus reducing the risk of corporate corruption.

In contrast, Valls Martinez and Cruz Rambaud (2019) highlighted that board with mixed gender can also introduce certain challenges, such as an increased likelihood of conflicts arising during the decision-making process. Similarly, participants in the interview conducted by Barnes et al. (2019) responded that diverse board can be more challenging because board members may not always agree in the same way and other participant responded that women may display less anger but show more emotional responses such as crying, while men may be more inclined to express their frustrations through shouting. Overall, most responded as diverse board will create difficulty to reach one mutual decision.

In conclusion, effective decision-making is crucial for ensuring the smooth and efficient operation of a company. To achieve this, it is essential to have a corporate board composed of the best decision-makers to avoid making decisions that could negatively impact the company's reputation and well-being. The studies conducted by Adam and Ferreira (2009), Torchia et al. (n.d.), Smith and Verner (2006), Linggih and Wiksuana (2018) and Wardhani and Supratiwi (2023) demonstrated that women directors can add value to a company by introducing new ideas and producing better decision-making due to their high levels of intelligence and consideration of multiple perspectives. Additionally, Garcia and Santana (2023) and Tanasuica (2023), both agreed that women are more cautious and risk-averse compared to men in their decision-making approaches. This contribution is particularly significant as it can help prevent unethical decision-making that could harm the company's reputation while maintaining sound corporate governance.

2.8.3 Corporate Social Responsibility (CSR)

Bernardi & Threadgill (2010) defined corporate social responsibility as a company's obligation to stakeholders, including society, which goes beyond economic and legal requirements. According to a study by Ijas (2012), investors consider a company's social responsibility towards multiple stakeholders as the most crucial non-financial factor when making investment decisions. By promoting gender diversity and advocating for women's participation in the workplace, companies can attract the interest of investors and demonstrate positive social action towards stakeholders. It has been suggested that better corporate social responsibility leads to increased employee motivation, enhanced customer goodwill, and improved financial performance.

Furthermore, a study conducted by Wang et al. (2021) which examined the influence of female directors on CSR and financial performance by using the annual data from Chinese non-financial companies, covering the period from 2010 to 2019 found that there was a positive impact of female directors on the extent of CSR reporting, consistent with the common belief that female directors generally enhance CSR reporting levels.

Besides that, according to Bear et al. (2010), in the present day, the public expects corporate boards to take steps to enhance the company's reputation, particularly in relation to board gender composition. Having more women on the corporate boards has been identified as a means to improve the firm's reputation. Stakeholders are increasingly pressuring companies to address gender diversity on boards. To enhance the firm's reputation, companies must undertake social responsibility activities for stakeholders. Companies that donate more to charity are perceived to have a good reputation and better financial performance, and these companies often have three or more women on their boards.

According to Zhang et al. (2013), women directors possess psychological traits that enable them to be more attentive to shareholders' concerns and claims. As a result, they are more sensitive to a company's corporate social responsibility practices. The company is more likely to hear the concerns of stakeholders, and women directors tend to solve their issues. The presence of women directors enhances the effectiveness of stakeholder management, which leads to a high moral legitimacy among shareholders. In addition, having more women on the corporate board makes the company a diversity-

friendly employer, which attracts the attention and trust of socially responsible investors.

Terjesen et al. (2009) further added that having three or more women on boards can facilitate effective communication with stakeholders. This results in boards being more active in promoting non-financial performance measures such as employee and customer satisfaction and continuously innovating CSR activities. Women directors are more inclined towards voluntary social responsibility rather than prioritizing economic profits like their male counterparts. Additionally, women on boards are more likely to serve as outside directors and are more philanthropic. Furthermore, most women directors are young, and their presence on the board can close generational gaps.

A study conducted by Dani et al. (2019) supported the findings of Terjesen et al. (2009), which concluded that the presence of women on boards has a significant impact. The study found that the lack of sufficient woman representation on boards of Brazil's listed companies has led to minimal improvement in their CSR practices.

Hyun et al. (2016) argued that women have a greater inclination towards moral and social issues, which makes them more attentive towards CSR. Gender-diverse boards tend to be more proactive and perform well in terms of CSR. Companies that prioritize market success pay close attention to CSR activities, as consumers are more likely to buy products or services from socially responsible companies. Thus, effective CSR practices tend to enhance a company's reputation, which in turn leads to higher sales. Gender diversity on corporate boards can thus play a crucial role in promoting CSR, which can ultimately lead to a more positive public perception of the company and better financial performance.

In a study conducted by Yasser et al. (2017), the researchers explored the connection between gender diversity on corporate boards and corporate social performance in emerging economies across the Asia Pacific region. The findings indicate that female directors tend to exhibit a higher degree of communal orientation and possess stronger moral and ethical principles compared to their male counterparts. As a result, companies with greater gender diversity on their corporate board tend to be more inclined towards adopting corporate social responsibility practices. Moreover, the study found that higher women representation on the corporate board is associated with increased investment in sustainability-related initiatives and more efficient reporting processes.

Bernardi and Threadgill (2010) found that there is a positive relationship between corporate social responsibility and the number of women on boards. The research supported the hypothesis that there is an association between the number of women on board and social responsibility. Furthermore, the study revealed that there is a significant and positive correlation between the presence of women on board and the level of corporate social responsibility, as companies with more women tend to have a greater propensity for charitable giving. Additionally, these companies are more inclined to organize donation and charity programs and participate in other philanthropic activities.

A study conducted by Bear et al. (2010) demonstrated a positive correlation between the number of women directors on corporate boards and the Kinder, Lydenberg, Domini (KLD) strength ratings for corporate social responsibility, thus supporting the initial hypothesis. The statistical analysis showed that the coefficient for the number of women on boards was positive and significant for both institutional strength ($p < 0.01$) and technical strength ($p < 0.05$). This indicates that having more women directors on boards is likely to lead to higher corporate social responsibility activities, which is essential for the institutional and technical strength of a company.

According to a study conducted by Hyun et al. (2016), there is a positive and significant relationship between the number of women independent directors and a firm's corporate social responsibility score. The presence of more women top executives has a positive impact on the firm's corporate social responsibility score, indicating that companies with higher numbers of women directors tend to perform better in terms of corporate social responsibility. Therefore, the hypothesis that a greater number of women directors would lead to better corporate social responsibility performance is supported by the findings of this study.

According to a study conducted by Ijas (2012), there exists a significant positive correlation between gender diversity and corporate social responsibility performance. The results of the study support the hypothesis that the presence of more women on corporate boards is positively associated with higher levels of corporate responsibility performance. This can be attributed to the fact that women are more sympathetic towards the needs of stakeholders, particularly with regards to societal concerns. Women directors are more likely to prioritize the needs of the society and take active steps to address them, thereby leading to improved corporate social responsibility performance.

Francoeur et al. (2019) posit and found out a positive correlation between gender-diverse boards and CSR dimensions that primarily affect less powerful stakeholders, including the environment, contractors, and the community.

In addition, Parker (2016) has highlighted that the presence of women directors on corporate boards has a positive impact on CSR. This notion is supported by a study conducted by Kaspereit et al. (2016) who found that the propensity to disclose greenhouse gas emissions was positively related to the proportion of women on the board. This suggests that women directors are more likely to prioritize CSR and the interests of stakeholders than their male counterparts. Therefore, it is important for companies to consider the significance of selecting women as directors in order to positively influence dimensions of CSR, as women are known to be more demanding on CSR information before making investment decisions. Companies that prioritize CSR and diversity on their boards will benefit from improved reputation and increased trust among stakeholders.

Statement by Lopatta and Matolcsy (2016) can be supported by Al-Najjar & Salama (2022) which focusing on board gender diversity and environmental performance using US high-tech publicly listed firms and their study revealed that there is a strong correlation between board diversity and environmental performance, suggesting that having more women on the board leads to better environmental practices aimed at reducing environmental risks. Women directors exhibit greater involvement in environmental initiatives and display a higher level of concern for the environment compared to their male counterparts. Additionally, their results indicated a positive link between gender diversity among executives and environmental performance. Therefore, it can be concluded that female directors and executives actively participate in environmental practices and contribute to the effective management of environmental risks in high-tech publicly traded companies.

A study conducted by Babcock (2012) supported the notion that companies with a significant number of women on their corporate board are more likely to be effective in implementing CSR practices. In fact, having more women in leadership roles can help companies maintain their sustainability and achieve success in the business world. Discussions and debates on gender and CSR tend to focus on philanthropic aspects, as women are often viewed as being more empathetic and nurturing towards their surroundings and therefore more likely to engage in philanthropic activities. This highlights the strong connection between women in top management positions and

CSR, with a particular emphasis on philanthropy. The personality traits associated with women, such as empathy and compassion, play a key role in their dedication to philanthropic efforts, which in turn can benefit both the company and the wider community.

In contrast, a study conducted by Egbunike et al. (2022) which focused on examining the relationship between gender diversity and corporate sustainability in 43 manufacturing firms listed on the Nigerian Stock Exchange. The research spanned eight years, from 2011 to 2018. The study employed female boardroom presence as a proxy for gender heterogeneity, while the key dependent variables were measured using indicators such as return on assets (ROA) for economic measures, disclosure index for environmental measures, and social donations for social measures, the findings suggest that the presence of women in the corporate boardroom positively affected corporate social responsibility for two dimensions i.e. economic and environmental, while the impact on social performance was negative.

Other than that, as according to Garcia-Sanchez et al. (2021), normative pressures create a hostile environment for women directors, making it necessary for them to conform to masculine stereotypes in order to gain acceptance from their colleagues. Consequently, the expected advantages of gender diversity for CSR are less likely to be realized, leading to a decline in the company's commitment to CSR. Meaning, when the representation of women directors does not reach a critical mass, their contributions are often undervalued, and their voices go unheard. These women directors face immense pressure and influence to conform to the predominantly male-dominated environment in order to be accepted.

Other than normative pressures, age can also be one of the factors that lead to ineffective CSR engagement. Prudêncio et al. (2021) revealed a detrimental impact of age diversity among board members. The considerable variation in experience, knowledge, and viewpoints among board members, which can be further intensified by age differences, has not yielded positive outcomes for the CSR strategies of Brazilian firms. In fact, the diverse ages within the board of directors may be leading to conflicts between different generations, which ultimately hinders the successful implementation of CSR initiatives. This study concluded that even with the presence of women directors on the board, the CSR engagement can still be ineffective if there is a diverse age between board members.

Studies have shown that the presence of women directors on a corporate board leads to more effective corporate social responsibility practices, likely due to their empathetic and nurturing nature. The ability to attract more investors who are interested in socially responsible companies has also been noted. This is particularly relevant for businesses with significant environmental impact, as women directors are perceived to be more likely to prioritize environmentally safe practices and consider the concerns of various stakeholders. However, there are also studies which revealed otherwise.

2.9 Women Directors and Company's Financial Performance

As according to Hunt et al. (2015), companies with gender or racial diversity are likely to have above-average financial returns, whereas companies with less diversity in both dimensions are expected to achieve average or below-average financial performance. The author emphasizes that gender diversity in corporate leadership leads to improved employee satisfaction, customer orientation, and decision-making, ultimately leading to increased returns. A study conducted by Chatterjee and Nag (2022) on the relationship between women on corporate boards and firm performance in India supports the findings of Hunt et al. (2015). The authors analyzed data from the top 100 companies listed on the National Stock Exchange (NSE) between 2011 and 2016 and find a positive correlation between the presence of women on boards and firm performance. Specifically, companies with higher gender diversity on their boards have higher ROA, ROE, and Tobin's Q compared to firms with lower gender diversity.

In a similar vein, a study conducted by Linggih and Wiksuana (2018) examined companies listed on the Indonesia Stock Exchange from 2014 to 2016. The study found that gender diversity in a boardroom has a positive effect on financial performance, as measured by return on assets. This is attributed to the enhanced decision-making process among board members and stakeholders facilitated by the presence of women directors. Additionally, the independence of the board members improves, as women directors serve as effective agents for supervision and monitoring, thereby reducing agency problems.

In addition, Phillips (2012) argued that the presence of women on corporate boards tends to increase a company's profitability. The author notes that companies with a higher proportion of women at the board level typically achieve above-average

operating margins, better organization, and higher valuations. Additionally, companies with women on their board tend to have higher ROE, lower gearing, higher price book value, and better average growth. On a same point of view, Andersson and Wallgren (2018) reported that having one or more women directors can have a positive effect on a company's financial performance. Their findings suggest that companies with women directors have a higher Tobin's Q and enhanced board operations.

Azmi and Barrett (2013) found that companies with at least one woman on their board achieve higher ROE compared to those without female representation. Similarly, Ijas (2012) also argued that companies with a balanced representation of male and female directors achieve higher ROE. Specifically, a board with at least 30% women has been found to positively impact a company's financial performance.

Furthermore, Luckerath-Rovers (2011) argued that companies with the highest level of gender diversity tend to achieve higher ROE, EBIT, and stock price growth. The financial performance of companies with the highest level of gender diversity shows an average of 11% ROE, 91% EBIT, and 36% stock price growth. This indicates a significant improvement in financial performance for more gender-diverse companies when compared to those without gender diversity.

In 2004, Catalyst, a renowned organization in the US, conducted a study to explore the relationship between gender diversity and financial performance. The study used a sample of 353 companies from the Fortune 500 list between 1996 to 2000. The results indicated that companies in the top quartile of gender diversity achieved better financial performance than those in the lowest quartile. Catalyst's study focused on the participation of women on corporate boards and measured financial performance using ROE and raw stock returns (Francoeur et al., 2008).

Additionally, according to Maiso Fontecha (2013), having only one gender represented on the board can hinder effective board dynamics. In order to achieve a critical mass, it is recommended to have at least two or more women on the corporate seats. A lower representation of women on boards, such as having only one or zero women, tends to result in lower financial performance measures such as ROE, return on sales, and ROI, as compared to companies with three or more women on their boards.

As reported by Valls Martínez and Cruz Rambaud (2019), their finding showed that a greater representation of women on corporate boards has a favorable impact on financial performance. However, there is no evidence suggesting that a critical threshold of women on boards is necessary to reap the benefits of a more diverse

composition, as the non-linear relationship is found to be insignificant. However, it can be concluded that the higher number of representation of women directors, the more significant the impacts that they might bring to the board. In a similar vein, Konrad et al. (2008) suggested that having just one woman on a board might have a potential impact, but it is more likely to be perceived as a mere token representation and disregarded by male board members. It was highlighted that when the board comprises three or more female members, a critical mass is achieved, resulting in improved board performance as a result of gender diversity.

Similarly, in the study of Carmo et al. (2022) which investigated the relationship between gender diversity on boards of directors and financial performance in Portuguese listed companies. The study uses a panel data set of 29 companies from 2010 to 2019. The authors find that female presence on boards is positively related to return on assets (ROA) and Tobin's Q when there are at least two women on the board, or when the proportion of women is at least 20%. The authors conclude that gender diversity on boards has a positive impact on financial performance, but only when a critical mass of women is reached. Brahma et al. (2020) posits that unless there are two or more women present in the boardroom; female representation is unlikely to have a significant impact on performance improvement.

Additionally, a study conducted by Zulvina et al. (2021) which examined the presence of women directors and their impact on the company's financial performance of mining sector companies listed on the Indonesian Stock Exchange (IDX) and focuses on data from year 2017 to year 2019, found that the influence of women directors on the performance of mining sector companies listed on the IDX is minimal. This is due to the low representation of women directors in these companies, with an average of only 14.47%. Other than that, many women directors in the sample were married, shifting their priority to family over career development. Thus, due to smaller sample size and shifting of intentions, they can be concluded that there was minimal affect between women directors and company's financial performance, specifically in the mining industry.

Based on the study above conducted by Zulvina et al. (2021), it can be concluded that business industry also plays a vital role in determining the effect between women directors and financial performance. This can be supported by a study conducted by Christiansen et al. (2016), the impact of women directors on a company's financial performance varies across different sectors, such as services, manufacturing,

trade, and construction. The study discovered a positive association between women directors and return on assets (ROA) in the services sector, with a gain of 21 basis points. In contrast, the manufacturing sector had a lower gain of only 12 basis points. Finally, the study found no statistically significant difference in financial performance in the trade and construction sectors.

Similarly, Singh et al. (2019) proved that the presence of women on boards does not influence Tobin's Q or overall performance. Notably, most firms in the sample have only appointed a single female director, despite having the capacity to appoint more. This suggests that these appointments are made primarily to comply with the mandatory provisions of the Companies Act 2013, rather than from a genuine commitment to diversity. The study highlights that having only one female director is often a token gesture, which does not significantly impact the firm's decision-making processes.

According to Ijas (2012), having women on a company's board leads to effective and high-quality monitoring, which in turn positively affects the company's financial performance. Gender diversity on the board was found to be linked to higher ROE and ROI, as women on corporate boards tend to prioritize long-term economic goals. Ijas (2012) further argued that companies that maintain a gender-diverse board for four to five years significantly outperform those that do not prioritize diversity.

Krishnan and Park (2005) conducted a study and discovered that gender diversity in management teams has a positive relationship with financial performance. The researchers used return on total assets as the measurement for this study. Similarly, Carter et al. (2003) also found a significant positive relationship between the presence of women on board and Tobin's Q. Furthermore, Catalyst (2007), conducted a study in 2007 to examine the relationship between women on corporate boards and companies' financial performance. They used ROE, Return on Sales (ROS), and Return on Invested Capital (ROIC) as financial measures to determine the relationship between the two variables.

McKinsey (2007), utilized ROE, EBIT, stock price growth, and total shareholder return (TSR) as financial measures to examine the relationship between gender diversity on corporate boards and financial performance. In addition to stock price growth, TSR considers the dividends paid to shareholders, providing a more comprehensive view of the return on shareholders's investment.

Renuka (2013) presented a different perspective from the previous studies, stating that a study conducted by two professors from the University of Michigan

showed that the stock price of Norwegian companies decreased when they added more women directors to the board to meet the country's requirement of 40% female board members. The addition of women directors was not effective, as they were less experienced and led to an increase in acquisitions and leverage, ultimately causing a deterioration in operating performance. This can also be supported by Brahma et al. (2020) which argued that the implementation of gender quotas has resulted in the appointment of a significant number of inexperienced women to corporate boards, consequently having a detrimental impact on firm financial performance

Additionally, the study conducted by Firew (2024) found that increasing gender diversification on Malaysian corporate boards negatively affects firm size (total revenue and total assets) and does not influence firm efficiency measures such as Tobin's Q, ROE, or profit margin. However, a higher female participation rate improves Tobin's Q in technology-intensive manufacturing sectors with strong competition but worsens it in other sectors.

Numerous studies have examined the relationship between women directors and firm financial performance, with mixed findings. Research by Hunt et al. (2015) and Chatterjee and Nag (2022) indicates a positive association, suggesting that gender-diverse boards improve decision-making, employee satisfaction, and customer orientation, ultimately enhancing financial outcomes such as ROA, ROE, and Tobin's Q. Similarly, studies in Indonesia (Linggih & Wiksuana, 2018) and Malaysia (Azmi & Barrett, 2013) report that companies with at least one woman on the board achieve higher profitability, supporting the notion that women directors contribute to stronger monitoring and governance.

Conversely, other studies reveal limited or negative effects. Firew (2024) found that higher female representation on Malaysian boards did not significantly impact Tobin's Q, ROE, or profit margins, except in technology-intensive manufacturing sectors. Renuka (2013) and Brahma et al. (2020) highlighted that gender quotas in Norway and India sometimes resulted in the appointment of inexperienced women, leading to weaker operational performance. Singh et al. (2019) noted that token appointment rarely influences firm outcomes. These inconsistencies suggest that the impact of women directors may depend on context, industry, board composition, and the presence of a "critical mass" of women (Konrad et al., 2008; Carmo et al., 2022).

Critically evaluating these studies highlights several patterns. Positive effects are more pronounced in sectors requiring collaborative decision-making or stakeholder

engagement (Hunt et al., 2015; Chatterjee & Nag, 2022; Phillip, 2012; Azmi & Barrett, 2013; Krishnan & Park, 2005), and when boards include multiple women who can influence group dynamics (Brahma et al., 2020; Konrad et al., 2008; Carmo et al., 2022). Negative or negligible results often arise from tokenism, small sample sizes, or rapid implementation of gender quotas without adequate preparation as discussed in numerous prior studies (Firew, 2024; Renuka, 2013; Brahma et al, 2020; Singh et al., 2019). Despite robust evidence in developed markets, empirical research in Malaysia remains limited, particularly regarding the interaction of women directors with ownership structures, industry types, and board dynamics.

2.10 Ownership Structures

As defined by David et al. (2004), ownership refers to the ownership of shares held by individuals or groups, granting them participation in the decision-making process of a company through voting rights and Annual General Meetings. The governance practices of a company can be influenced by the specific type of ownership structure it possesses. These ownership structures can vary and include family or associate-controlled companies, state or government agency-controlled companies, as well as companies controlled by institutional and foreign investors.

2.10.1 Companies Controlled by Family or Associates

The research conducted by Fazilah (2002) and Thillainathan (1999) sheds light on the ownership structure of public listed companies in Malaysia, revealing a significant prevalence of family ownership. This means that a large proportion of these companies are owned and controlled by families, granting them a considerable degree of freedom and power to shape the company's operations according to their own interests. While family ownership can provide certain advantages, such as long-term commitment and stability, it also raises concerns regarding corporate governance.

Wagner, Pernsteiner, and Riaz (2024) examined the presence of women on corporate boards in Pakistan, focusing especially on family-owned firms. Their study found that women are more likely to be appointed to boards in family businesses than

in non-family firms, but these appointments are often based on family connections rather than professional qualifications. In many cases, female board members are relatives of the controlling shareholders and are expected to support family interests rather than contribute independently to governance. This reflects the concept of socioemotional wealth, where families prioritize control, legacy, and internal trust over external expertise. Although these women may hold titles such as CEO or chair, they often have limited influence and are not empowered to make key decisions.

In line with the above finding, Zainal and Zulkifli (2013) also argued that companies with a higher number of Malay and family directors are more likely to be family-controlled entities. Consequently, despite the presence of women directors in such firms, the extent of their impact on enhancing diversity of perspectives and promoting independent decision-making may be limited due to the continued concentration of control and influence within the family. In parallel, in a study conducted by Azmi and Barrett (2013) found that Malaysia distinguishes itself from other countries by having a notable majority of companies, approximately 70%, owned by families. Additionally, family members hold a significant 85% of positions on company boards, which serves to strengthen and reinforce the pervasive influence of families within the corporate landscape.

In line with this perspective, Nam and Nam (2004) conducted an empirical survey revealing that revealed a prevailing pattern in Malaysian companies where private business groups, interconnected with each other and often family-controlled, exerted significant dominance. However, their research indicated a shift in the trend of ownership structure between 1994 and 2004, transitioning from a focus on family-dominated concentrated ownership to a prominence of business groups. However, as according to the Organization of Economic Cooperation and Development (OECD, 2017), up to year 2017, ownership structure in Malaysia tends to be concentrated, with around 10-12 family groups controlling various companies, and government-linked investment funds holding approximately 30% of market capitalization.

In a study conducted by Garcia and Santana (2023) by examining the Spanish firms listed in stock market has revealed that women directors that were appointed due to family relationship are more likely to have socioemotional advantages and goals such as an intention to passing down the business to future generations, long-term engagement, and a desire to safeguard the family reputation on the performance of family firms. The results also affirm the presence of heightened family fault lines when

the number of female directors from the family surpasses the optimal level. This excess could lead to disputes and communication challenges within the family firm.

As according to David et al. (2004), the operational dynamics of a company can be influenced either directly or indirectly by the extent of ownership. This is due to the fact that dominant shareholders, possessing a significant proportion of voting shares, are able to exert control over the company's operations by leveraging their votes and influence. Therefore, a company classified as a family business or firm can be characterized as an entity in which the individuals, including family members, who acquired or established the firm, hold at least 25% of voting rights and are likely to have representation on the board (PWC, 2019).

In Malaysia, prior studies (Fazilah, 2002; Thillainathan, 1999; Nam & Nam, 2004; Zainal & Zulkifli, 2013; Azmi & Barrett, 2013) have provided evidence to support the notion that Malaysian public listed companies are predominantly family-owned and controlled by their respective families. In addition to the above, Himmelberg et al. (2004) asserted that 72% of the companies listed on Bursa Malaysia have family ownership. Similarly, Claessens et al. (2000) discovered that approximately 70% of Malaysian firms are family-controlled entities. These findings indicate that families hold significant control over the ownership of companies in Malaysia. Nevertheless, it is important to note that these findings are based on research conducted in previous years, and the current ownership structure may have undergone changes.

The presence of women directors may not receive proper recognition under this type of ownership structure, as they are typically appointed only if they are family members or closely related to the owners. Bianco et al. (2015) conducted a study in Italy, which revealed that some women directors in companies had familial affiliations. This is attributed to the fact that Italian companies are predominantly owned by families, who tend to appoint directors from within their own kinship circles. Consequently, these women directors who are appointed may not effectively fulfill the expected responsibilities of monitoring and providing advisory support as professional directors and also some of the women directors were appointed to fulfill family quota, nepotism and cronies.

On top of that, these women directors that are appointed through this type of appointment will not executing monitoring roles and will just act as mere tokens. Similarly, the study by Saidat et al. (2020) revealed that the presence of women directors in Jordanian family firms does not have a significant impact on financial

performance. This lack of impact can be linked to the limited representation of women on family boards, where the number of female members is usually less than two compared to male directors. This underrepresentation potentially restricts the influence and contribution of women directors. Consequently, individual female members face challenges in having their ideas heard and acknowledged within the decision-making processes of family-owned companies.

In line with Bianco et al. (2015), Samuel et al. (2016) conducted a study that explored the role of ownership structure as an indirect moderator in the relationship between gender diversity on corporate boards and monitoring effectiveness, specifically in terms of executive directors' compensation. The authors emphasized the importance of considering ownership structure as a moderator in non-Anglo-Saxon countries. This is because the level of concentration held by specific groups of shareholders or investors can influence the nature of potential conflicts within a company. The study examined listed companies in Spain, where a majority of the companies exhibit high ownership concentration and are predominantly controlled by families who hold the top positions as shareholders, owning approximately 50% of the shares in each company. Consequently, within the context of Spanish listed firms, the study expected to observe a negative moderating effect of ownership concentration. In other words, the more concentrated the family ownership is, the less influence gender diversity on the corporate board would have on the company's operations, particularly in relation to executive directors' compensation.

Based on the study conducted in Malaysia, it is reported that the Malaysian public listed companies are dominated by family's ownerships (Fazilah, 2002; Thillainathan, 1999; Nam & Nam, 2004; Zainal & Zulkifli, 2013; Azmi & Barrett, 2013). In addition, some of the women directors were appointed due to fulfill family quota, nepotism and cronies. Women directors that are appointed through this type of appointment will not executing monitoring roles and will just act as mere tokens. The contributions of women directors in this type of appointment would be pointless as they were not appointed based on merits, and their presence may not give significant impacts to the company's financial performance (Samuel et al., 2016; Saidat et al., 2020).

2.10.2 Companies Controlled by Government Agencies

Another form of ownership structure is when a company is controlled by the state or government agencies. Joh (2003) conducted a study that investigated the moderating role of government agencies in relation to the presence of women directors and a company's financial performance. In Korea, a weak corporate governance system arose due to conflicts of interest among shareholders holding varying levels of ownership in the company. These conflicts can negatively impact the company's performance, particularly in terms of financial indicators. The study reported that when a company is controlled by government agencies, it may lead to higher firm profitability. This suggests that government-controlled companies may exhibit better financial performance compared to companies with other ownership structures. However, as according to Cheng (2017), State-controlled companies may potentially benefit from improved risk-sharing and benefits-sharing mechanisms due to the financial resources and access to government-sponsored investment programs available to them. The downside of this type of ownership is it also can be attributed to the influence of political and social goals, as well as behavior that prioritizes objectives other than profit-maximization.

In line with this viewpoint, Kapopoulos and Lazaretou (2007) conducted an extensive study involving 175 Greek listed firms, and their findings revealed a positive relationship between ownership structure and a company's Tobin's Q. The authors put forth a collective argument, suggesting that a higher degree of share concentration within government agencies can lead to the establishment of a more efficient and disciplined board of directors. Consequently, such companies are more likely to demonstrate enhanced financial and non-financial performance in comparison to their counterparts.

A study conducted by Halrynjo and Teigen (2024) found that state and municipality owned companies in Norway had a notably higher representation of women in top executive roles compared to private firms. Unlike listed or cooperative companies, which showed no significant improvement in gender balance at the executive level, public-sector companies stood out with up to 40% women in executive committees and line positions. This suggests that political commitment and public sector values may play a bigger role in promoting gender diversity than quota rules alone.

Furthermore, a study by Bilimoria and Wheeler (2000) examined Swedish listed companies and revealed that these companies are predominantly characterized by government agency control. On average, government agencies possess 34% of the voting rights in these companies. Interestingly, the findings demonstrated a positive correlation between government agencies and board diversity, indicating that the presence of government control is associated with increased diversity within the board composition.

In a similar vein, Bohdanowicz (2014) emphasized a positive association between state ownership and gender diversity in Polish listed companies. The author argued that politicians, driven by external pressures for women's inclusion in diverse spheres of society, including business, are more likely to respond swiftly. Consequently, companies under state ownership tend to appoint a higher number of women directors to their corporate boards in order to fulfill governmental policies or interests. However, the study also revealed a potential negative impact of state ownership on the financial performance of companies. This can be attributed to the fact that women directors may be appointed solely to meet diversity quotas, lacking the necessary qualifications and experience. Additionally, some women directors may be appointed based on their political connections rather than their competence.

In addition, Saraswati et al. (2020) highlighted that government-controlled companies are inclined to be more actively involved in CSR initiatives. The presence of government ownership can exert influence and encourage companies to enhance their CSR disclosures, thereby motivating them to undertake a greater number of community-oriented activities. As a result, these companies become more appealing to socially responsible investors, who are attracted by the company's commitment to CSR and its positive impact on the community.

In contrast, Li and Zhang (2010) conducted a study that argued many enterprises in China have undergone a conversion process to become public companies and subsequently listed on the Chinese Stock Exchanges. These corporations are predominantly controlled by the government, holding a significant proportion of voting rights within the company. The study revealed that the government possesses a substantial ownership stake of 63.5% in China's public companies, effectively making them the sole controller. This form of ownership in China gives rise to agency problems, as the government's focus lies not in maximizing shareholders' wealth but rather in aligning with government policies and interests. Consequently, the

government appoints managers and senior officials who may prioritize fulfilling government objectives rather than solely considering shareholder value maximization. Consequently, gender diversity is not a primary concern in China, resulting in a lower representation of women on corporate boards.

2.10.3 Companies Controlled by Institutional Investors

Another type of ownership is institutional and foreign investors. Bjuggren et al. (2007) conducted research highlighting the significance of ownership structure in determining a company's investment performance. The voting power held by specific owner groups has the ability to influence the company's operations. The study found that concentrated ownership by institutional investors leads to changes in the structure and composition of the board of directors, with a notable increase in the representation of female directors. This effect can be attributed to the fact that institutional investors, unlike family owners, prioritize achieving higher returns for their investors. As a result, they are more inclined to promote board diversity, including the appointment of more women directors, as a means to enhance corporate performance.

Additionally, Terjesen et al. (2015) discovered that institutional investors' ownership is positively related to Tobin's Q, indicating their effectiveness in monitoring the board of directors. In contrast, insiders' ownership showed no significant relationship with firm performance. The study also revealed that the impact of board gender diversity varies depending on the ownership structure. Specifically, institutional investors' ownership had a positive association with the presence of women directors on the corporate board, emphasizing the influential role of institutional investors in promoting gender diversity and its potential positive effects on company performance.

Furthermore, in a study conducted by Nagel et al. (2015) showed positive influence of institutional investors on company performance as the inclusion of institutional investors in the ownership structure is considered significant in terms of corporate governance. Their expertise, knowledge, and professional background enable them to provide oversight, monitor executives, and hold dominant owners accountable. In a similar vein, Aluchna and Kaminski (2017) argued that institutional investors also actively engage in shareholder activities, such as monitoring corporate expenses, advocating for governance reforms, and addressing social and environmental concerns.

2.10.4 Companies Controlled by Foreign Investor

As according to a study conducted by Mayajima (2007), there was a 27% increase in ownership by foreign investors on the Tokyo Stock Exchange (TSE) in 2016, leading to significant changes in the Japanese financial market. In addition, Yuki (2017) focused on listed firms in Japan from 2014 to 2016 and revealed that this trend has had an impact on corporate governance practices in Japanese companies. The introduction of regulatory reforms and the implementation of the Corporate Governance Code brought about changes in the corporate act. Consequently, companies owned by foreign investors have been requesting the appointment of more women directors. It is believed that larger companies are more likely to adopt changes in corporate governance practices based on their level of foreign ownership. Yuki's study supported the hypothesis that firms with higher foreign ownership tend to appoint female board members.

In a similar vein, Jusoh (2015) argued that foreign ownership can have a significant impact on a firm's performance. This impact can occur through direct intervention by foreign investors as well as indirect effects related to supply and demand. Foreign investors often hold more shares than local investors and possess a substantial presence in the markets, allowing them to exert considerable influence on the companies they invest in. Statement by Jusoh (2015) can be strengthened by Boo (2003) which further argued that some markets face difficulties in attracting foreign investors unless companies prioritize strong corporate governance practices. Therefore, it becomes crucial for firms to implement robust corporate governance measures, such as increasing the representation of women on their boards. This not only enhances their attractiveness to foreign investors but also has the potential to improve their overall performance.

In Contrast with Yuki (2017), a study conducted by Morikawa (2014), which analyzed data until 2012, found no significant relationship between foreign ownership and board gender diversity. However, Jusoh (2015) focused on the relationship between foreign ownership and firm performance in Malaysia. The study examined a sample of 100 firms listed on the Bursa Malaysia from 2010 to 2014. The findings indicated a significant positive relationship between foreign ownership and firm performance, suggesting that foreign investors have a positive impact on the performance of Malaysian firms. The author further argued that the presence of foreign investors can

provide firms with access to capital, improve corporate governance, and enhance managerial skills, resulting in improved firm performance.

Based on prior studies conducted earlier (Kapopoulos & Lazaretou, 2007; Bilimoria & Wheeler, 2000; Bjuggren et al., 2007; Yuki, 2017; Terjesen et al., 2015), had showed that companies which highly owns by external parties such as institutional and foreign investors may influence the number of women directors on the corporate board as compared to internal shareholders as studied by Bianco et al. (2015) and Samuel et al. (2016) in the earlier literature. This is because this type of ownership is not a family-affiliated and they act as effective agents to monitor and supervise the activities of the board of directors.

2.11 Moderating Role of Family-Owned Ownership Structures

The study proposes a family-ownership structure as the moderating role to examine its impact on the relationship between women's contributions and firm performance. The rationale for choosing family ownership in this context can be attributed to its prevalence in Malaysia and the need to investigate its potential influence on the contributions of women directors. Family ownership is known to be a dominant ownership type in Malaysia, with a significant number of businesses being family-owned or controlled by families. By focusing on family-owned firms, the study aims to explore whether the presence of a family-ownership structure affects the contributions made by women directors. This choice allows for an examination of the specific dynamics and factors at play in family-controlled businesses that may influence the relationship between women's contributions and firm performance.

A study by Arujunan et al. (2018) investigate the moderating effect of family ownership structures on the relationship between board gender diversity and corporate social responsibility. It was found that family ownership does act as a moderator in the relationship between board gender diversity and CSR performance. However, the relationship showed an inverse relationship which indicated a negative impact on the board gender diversity and CSR relationship. This means that a family-owned company with fewer number of women directors on the corporate board is likely to have lower corporate social responsibility performances. The above finding is supported by Bhattacharyya (2007) study, who argued that a family-owned company tends to have a

lower number of female directors on the corporate board. In a similar vein, Haniffa and Cooke (2002) study highlights that male-dominated family-owned companies will generate a negative relationship with corporate social responsibility.

In addition, Shabbir (2018) stated that family-owned companies had conquered the Italian market with two-third of the businesses are owned by the families. He added that women are appointed to the corporate boards just to fulfil family interest. Hence, the women directors appointed do not have the right skills and qualifications to make their presence significantly in the company. His study also found out that there is no significant relationship between women directors and the financial performance of family-owned listed company in Italy. On the same point, Rose (2017) argued that women directors that are appointed in family-owned firms do not have business-minded and tend to follow their male board members in making decisions. Similarly, Wagner et al. (2024) found that in Pakistan, women are more commonly appointed to boards in family businesses than in non-family firms, but these appointments are usually based on family ties rather than professional experience. Even when women hold high positions like CEO or chair, they often have limited authority and are not involved in major decision-making.

In contrary, a study conducted by Menozzi et al. (2015) from the year 2003 and 2007 on a 327 Italian family firms found out that the presence of women director on the corporate board would usually portray a healthy economic condition. Similarly, a significant positive relationship was also found in a study conducted by Amore et al. (2014) between women directors and company's financial performance in 2,400 median and large family-controlled firms from year 2000-2010. In both studies, Menozzi et al. (2015); and Amore et al. (2014), argued that the women directors in family-owned firms seem to perform better in term of financial. The reasons for this are because the women are more caring, loyal and able to avoid and settle insider conflicts among the family members.

In addition, Demstez and Villalonga (2001) argued that the family ownership trend has shifted over the years in the US. The pattern now has changed in which radio stations and newspaper company are more likely to have family-owned ownership as compared to manufacturing, financial and utility companies. This trend resulted to an underperforming company's performance due to the directors appointed are not "pure" professional people. In this study, the researchers are looking at the shares fraction

owned by five largest shareholders as the basis to identify whether the company is owned by a family or non-family.

While in Malaysia, the top three industries with high family ownership are industrial products, followed by consumer products and properties, which accounted for 32.9 %, 20.3% and 13.7% respectively (Amran & Che Ahmad, 2009). This result indicated that family-owned companies involved in big businesses which require massive capital and highly demanded by consumers. In this study, family-owned companies are identified through the proportion of shares held. If the company has any family members holding at least 20% of the shares in the company either directly or indirectly, then the company will be classified family-owned. Similar with the definition by PWC (2019), which stated that a company can be considered as family business or firm when the person including the families acquired or established the firm and possessed 25% of voting rights and have at least have one family member on the board.

Furthermore, a study conducted by Calabro et al. (2012), by using family involvement in a company as the moderating variable, found out that a company with family involvement will make a significant difference in terms of internationalization decisions. There is a higher degree of focus in maximizing the revenue of foreign markets since all family members are more supportive and tend to share any potential risks that the company might occur. Also, multi-generation family businesses are able to foster and deal with global markets complexity by bringing new knowledge and capabilities in the company.

In conclusion, type of ownership structure will adversely affect the number of women representations on the corporate board. There are mix results on the relationship of women directors in family-owned firms towards the company's financial performance. The existence of women directors also can be questioned as either they were appointed based on merits or just as a mere token due to cronyism or just fulfilling any government requirements or quotas. The above arguments between women directors and family-owned financial performance have been mainly debated in developed countries (Menozi et al., 2015; Amore et al., 2014; Bhattacharyya, 2007; Shabbir, 2018). To the best of researcher knowledge, there no known studies that have examined the moderating effect of ownership structure on the relationship between women directors' contributions and financial performance.

2.12 Gaps in the Literature

2.12.1 Source of Data, Respondents and Sample

The present study employs questionnaires as the primary method of data collection, consistent with the approach used by Azmi and Barrett (2013). However, a key distinction lies in the selection of respondents. While their study distributed questionnaires exclusively to board members, the current study targets company secretaries as the primary respondents. Additionally, much of the existing literature has relied heavily on secondary data sources, such as annual reports and various databases (Ijas, 2012; Bear et al., 2010; Hyun et al., 2016; Wang et al., 2021; Wagner et al., 2024). Although useful, such sources may not fully capture the practical perspectives, experiences, and challenges encountered by directors and company secretaries. To address this gap, the present study employs a more comprehensive research design by combining questionnaire data collected from company secretaries with interviews conducted with company directors. Furthermore, the study supplements these primary data with secondary data extracted from companies' annual reports, including financial statements and shareholding information, to support a more robust analysis of ownership structures and financial performance.

In this particular study, company secretaries are chosen as respondents because they typically collaborate closely with board members, placing them in an advantageous position to provide accurate responses to the questionnaire. By involving company secretaries, this study minimizes potential biases among respondents and enhances the reliability and validity of the answers compared to having directors respond directly. Additionally, considering the busy schedules of directors, collecting questionnaires from them poses logistical challenges. However, the researcher allocates time specifically for interviewing the company directors. In contrast to previous studies that typically focused on distributing questionnaires to a single group of respondents, such as directors or secretaries (Luckerath-Rovers, 2011; Azmi & Barret, 2013), this study adopts a more comprehensive and extensive data collection process by collecting responses from both the company secretaries (via questionnaires) and company directors (via interviews).

The majority of previous studies have predominantly focused on small samples, such as the Top 100 Companies or a limited number of participants (Catalyst, 2004; Carter et al., 2003; Hyun et al., 2016; Ijas, 2012; Krishnan and Park, 2005; Bernardi and Threadgill, 2010; Egbunike et al., 2022). Consequently, the results obtained from these studies may not accurately represent the entire population under investigation, as they concentrate on specific types of companies or industries and involve a limited number of participants. To address this limitation, this study utilizes a sample consisting of all publicly listed companies on the main market. The sample selection is based on a strict criterion: each listed company must have at least one-woman director on the board. This approach ensures a more meaningful and relevant sample for the study, generating robust and representative results that reflect the entirety of Malaysia's public listed companies. Consequently, the findings of this study can be generalized to the total population of listed companies in Malaysia.

2.12.2 Years of Publication

This study captures the present development of women directors on the board. Although prior studies on the subject of women directors have been conducted between 1999 and 2018 (Berman, 1999; Andersson & Wallgren, 2018), that their focus differs from that of the present study. Also, the researcher found limited studies subsequent to year 2018 up until the current year. Azmi and Barret (2013) conducted a study on women directors' contributions to financial performance, focusing on small and medium-sized enterprises (SMEs) in Malaysia and exploring the role of board processes in relation to financial performance. In contrast, the current study investigates the contribution of women directors to the financial performance of publicly listed companies in Malaysia and explores the reasons behind the reluctance of Malaysian companies to appoint women directors to their boards. Addressing this gap is necessary as changes in the regulatory framework, such as the Companies Act 2016 and the updated Malaysian Code on Corporate Governance in 2021, may have influenced women's participation on boards and their contributions to company performance.

2.12.3 Geographical Differences

Previous studies in the field of gender diversity have primarily been conducted in developed countries. For instance, Low et al. (2015) conducted a comparative study on gender diversity in Hong Kong, South Korea, and Singapore. Additionally, Yu Liu et al. (2013) conducted a cross-sectional study examining the relationship between women directors and the financial performance of listed companies in China. Similarly, in the context of China, Qian and Deng (2022) conducted a qualitative study to explore the cultural barriers that affect women leaders' engagement in corporate social responsibility. Moreover, Ijas (2012) and Al-Najjar and Salama (2022) conducted a study on the impact of board gender diversity on corporate social responsibility, focusing on UK and US companies respectively. However, there is a limited body of research, particularly in Malaysia, that addresses similar topics. Most previous studies have focused on cases in developed countries, with only limited research conducted in developing nations. Among these, just a few reflect contexts similar to Malaysia, such as those found in Southeast Asia. Addressing this gap is necessary as to findings from developed countries may not be directly applicable to Malaysia due to differences in regulatory frameworks, corporate governance practices, cultural norms, and market conditions. Without local evidence, policymakers, regulators, and companies may lack the information and knowledge needed to design effective strategies for promoting women's participation on boards.

2.12.4 Research Methodology

In term of the research methodology, the study employed both the quantitative and qualitative research methods for the purpose to answer the research questions and achieve the research objectives developed in chapter 1. In contrast, prior studies typically employed a single approach, either quantitative (Andersson & Wallgren, 2018; Azmi & Barret, 2013; Ijas 2012) or qualitative (Campbell & Minguez-Vera, 2007; Yusoff & Armstrong, 2012). While using a single approach is acceptable, certain research questions cannot be fully explained by relying on just one method. The gap needs to be addressed because previous studies have generally relied on either a quantitative or qualitative approach, which may not provide a complete understanding

of the contributions of women directors and the factors behind their underrepresentation. By using both quantitative and qualitative methods, this study provides a more comprehensive examination the impact of women directors on financial performance and captures the underlying reasons for their limited participation on boards.

2.12.5 Theory(ies) Apply in Previous Studies

Lastly, numerous prior studies have applied Agency Theory for their study, as it is a commonly used framework to explain the corporate governance system particularly relating to the role of women directors being an effective agent and monitoring role. This can be seen in a study from Carter et al. (2003). Alvarado et al. (2011) and Gul et al. (2011). For this study, Agency Theory, Stakeholder Theory and Resource Dependency Theory are applied, as they are interrelated and collectively help explain the contributions of women directors as effective stakeholder representatives, competent decision-makers, and active participants in the company's CSR initiatives. Filling this gap is crucial because using only one theory may not adequately reflect the diverse roles of women directors, such as their effectiveness as stakeholder representatives, decision-makers, and participants in corporate social responsibility initiatives. By combining Agency Theory, Stakeholder Theory, and Resource Dependency Theory, this study offers a more comprehensive framework to better understand the contributions and significance of women directors in corporate governance, especially within the Malaysian context.

2.13 Conceptual Framework

A conceptual framework identifies the main constructs relevant to the study, such as independent variables, dependent variables, mediating or moderating variables, and control variables (Sekaran & Bougie, 2016. It illustrates the expected direction and nature of relationships among variables, often through arrows or pathways, supported by theoretical arguments or empirical findings (Creswell & Creswell, 2018). The conceptual framework for this study is shown in Figure 2.1:

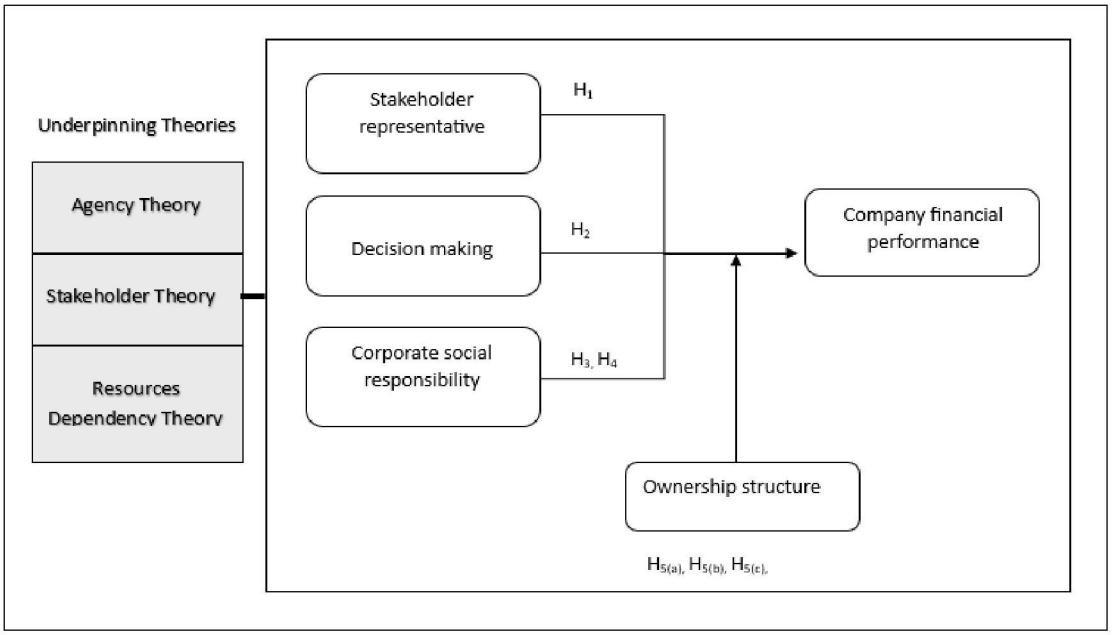


Figure 2.1 Conceptual Framework

The dependent variable (DV) for this study is the financial performance of a company. Chatterjee and Nag (2022) confirmed that the presence of women directors positively affected the company's financial performance which proved that gender-diverse board have higher ROA, ROE and Tobin's Q as compared to company with lower gender diversity on their boards. Similarly, Linggih and Wiksuana (2018) found that gender diversity in a boardroom has a positive effect on financial performance, as measured by return on assets (ROA) which attributed to the enhanced decision-making process by women directors. Luckerath-Rovers (2011) highlighted that companies with greater gender diversity demonstrate favourable financial performance, with an average ROE of 11%, EBIT of 91%, and stock price growth of 36%. These findings indicate that companies with higher gender diversity experience improved financial performance compared to those with less diversity. Likewise, Azmi and Barrett (2013) found that companies with at least one woman on their board achieve higher ROE compared to those without female representation.

The first independent variable (IV1) is the stakeholder representatives. According to the findings of Baum et al. (2022), women are less inclined to be involved in serious corporate crimes, their finding showed that there is a strong positive correlation between the proportion of women on corporate boards and the involvement of the corporation or its top executives in violations of the law. This shows that by staying compliant, the company builds trust and confidence among people, creating a

positive reputation that resonates with the values and interests of its stakeholders. Moreover, Catalyst (2012) stated that having women on boards can send a message that a company is progressive and values merit, making it more attractive to attract top candidates. Additionally, Dallas (2002) argued that the inclusion of more women on boards leads to a heightened focus on issues related to work-life balance and working flexibility.

Second independent variable (IV2) is decision making. The study conducted by Wardhani and Supratiwi (2023) revealed that the presence of female directors in a company introduces new perspectives, and their representation is significant because they are geared toward achieving high results while possessing excellent communication skills. Similarly, Terjesen et al. (2016) emphasized that having women on corporate boards can enhance the decision-making quality and process through their different perspectives, cognitive diversity, and varied experiences. In line with this perspective, Linggih and Wiksuana (2018) stated that women directors are able to enhanced financial performance of a company as they are better in ensuring the decision-making processes are smooth and effective. Furthermore, Tanasuica (2023) highlighted that women directors are more cautious and risk-averse compared to men in their decision-making approaches.

Third independent variable (IV3) is Corporate Social Responsibility (CSR). Dani et al. (2019) argued that the lack of sufficient woman representation on the boards of listed companies has led to minimal improvement in their CSR practices. Additionally, Yasser et al. (2017) explained that female directors tend to exhibit a higher degree of communal orientation and possess stronger moral and ethical principles compared to their male counterparts. As a result, companies with greater gender diversity on their corporate board tend to be more inclined towards adopting corporate social responsibility practices. This view is supported by Hyun et al. (2016), who argue that women directors are more likely to exhibit greater care towards moral and social issues. Consequently, companies guided by women directors are better positioned to deliver improved CSR initiatives to their stakeholders.

The moderating variable (MV) is ownership structure. Fazilah (2002) and Thillainathan (1999) conducted studies revealing that public listed companies in Malaysia exhibit a high degree of family ownership. Furthermore, Nam and Nam (2004) found that the majority of Malaysian companies are dominated by private business groups with strong correlations among each other and family ties. Similarly,

Bianco et al. (2015) reported that in Italy, some women directors in companies are affiliated with families. This is attributed to the high ownership of Italian companies by families, leading to a preference for appointing family members as directors. In contrast, Bilimoria and Wheeler (2000) found that Swedish listed companies have a highly government-concentrated ownership structure, with an average of 34% of votes controlled by the owner. They also observed a positive relationship between government agencies and board diversity. On the other hand, Li and Zhang (2010) argued that in China, the government holds 63.5% ownership in public companies, giving them sole control. This ownership structure in China creates agency problems as the government appoints managers and officials primarily focused on government policies and interests, with less emphasis on gender diversity. As a result, female representation on corporate boards in China is low.

The explanation on the relationship of each of the variables with the theory chosen (Agency, Stakeholder and Resource Dependency Theory) are appended below.

Starting with Agency Theory, as previously mentioned that it is a contract between the owner of the company (principal) and the board of directors (agents) and the main focus is the agents need to maximize the principal's value. Thus, in terms of financial performance, this means that the board of directors needs to operate the company well and generate higher profit in order to give values to the shareholders, which is in terms of dividend. As argued by Alvarado et al. (2011), the board must consider in having women represented on the corporate seats in order to reduce agency conflicts that will become costs that in turn will leave the company to be unable to gain above average profits. Besides, heterogeneous boards will be an effective tool for a better control and improve the financial performance.

In terms of stakeholder representation, the principal, or also known as the owner or shareholders are one of the stakeholder groups. The board of directors must do their very best to fulfill the interest of their stakeholder which is the shareholders by giving their higher dividends. It is believed that by having women directors, this can be fulfilled as women tend to take into accounts other interest before they derived at a decision. While for the decision making, the board of directors need to find alternatives to stay competitive in the markets and being able to give returns to the owners or shareholders. It is argued that women are now more educated than men thus by having more women directors, the company will make strategic decision. As such, the company will be more prosper and gain higher profits. This will be an advantage for

the principals (shareholders) as they will gain higher returns from the company.

In addition, in terms of corporate social responsibility, the board of directors must use their power and resources to socially contribute to the other groups of stakeholders. This will portray the good image of the company to the eyes of the public and attract more investor to invest in the company. As argued by Hyun et al. (2016), women are more caring towards social issues thus they tend to organize philanthropic activities such as giving donations and charity. Other than that, they are also very concerns toward environments and will ensure the company's footprints reduced.

Lastly, in terms of ownership structures, the power of controlling the company is situated by the party or individual that holds highest shareholding in the company. The party or individual may influence the board of directors to act in according to their commands and will force the board of directors to fulfill their interest. For an example, in family-owned company, the biggest shareholder is the family itself, thus the board of directors will listen to their instructions as the company is owned by them. Relating to corporate governance, it will be difficult to adhere to some of the requirements i.e. on the appointment of woman directors on the board, as they will only appoint woman that is from their next of kin or merely fulfilling quota. Hence, similar with the study conducted by Bianco et al. (2015) which argued that the value of woman directors will be difficult to evaluate as they may be inexperience or not executing their actual roles on the board. However, if the company is owned by outside party i.e. government ownership, institutional ownership and foreign ownership, the direction of the company will be fair as no interference of inside influence that may hinder the company to exercise sound governance. For an example, government ownership, institutional ownership and foreign ownership may exert significant pressure on the board of director to ensure compliance with social and regulatory expectations, as these types of ownership typically prefer to invest in socially responsible companies. Consequently, the board of directors is likely to align its decisions and actions with the expectations and interests of the dominant ownership groups that hold substantial control over the company.

For Stakeholder Theory, the financial performance and significant contributions of women directors are highly correlated with each other. Financial performance is important to the shareholder and other stakeholder such as the employees. Good financial performance means the company is doing well, this also led to a higher dividend and salary benefits to the employees. It is believed that by having women

directors, the welfare of the employees will be taken care of especially the female employees. The presence of women directors will ensure fair recruitment and salary policy by closely monitoring it in order to nurture fair working experience for both genders. Besides that, decision making in the corporate board also affects the stakeholders directly or indirectly. For example, decisions made in relation to the business developments that will create higher environmental footprints will definitely affect the environments and community. Thus, the corporate decisions made should take into account the interests of all stakeholders to ensure the company's long-term sustainability and continued survival in the market. Women directors, who are often described as well-educated and deliberative decision makers, are more likely to consider diverse perspective and explore creative alternatives when making decision. Such an approach enables them to balance stakeholders' interests while safeguarding the company strategic objectives and corporate reputation.

Other than that, Stakeholder Theory closely relates with corporate social responsibility because the company acts as a crucial tool to help external parties in terms of social, environment and economic. Since women directors are very soft and emphatic towards the environment and society, they tend to not only focus on profits but also the well-being of other people. They tend to organize a charity activity to help those in needs. Meanwhile, for ownership structure, companies are expected to address the interests of a broader group including employees, communities, and regulators. Government, institutional, and foreign-owned companies typically face greater pressure to meet ESG standards, making them more receptive to gender diversity and inclusive leadership. In these contexts, women directors are better positioned to shape CSR initiatives, strengthen stakeholder engagement, and contribute to risk management strategies. Conversely, family-controlled firms often adopt a more inward-focused approach, which may constrain women directors' impact on broader stakeholder-related outcomes. For an example, if the company is owned by the institutional investors, the needs of their investors will be prioritized and the institutional investors will ensure the board members are executing their role professionally which subsequently provide better returns. This type of ownership also beneficial for small investors as they will also receive the returns based on their shares proportioned. Unlike government-owned company, the company will do their best to fulfill the interest of the government in achieving a particular policy.

Lastly, in terms of Resource Dependency Theory, as defined by Pfeffer and Salancik (1978) which defined that business is depending with their resources in order to survive in their external environments. This means, the board of directors are the main resources that the company has and need to be utilized in order to gain external benefits. For an example of, as stated by Campbell and Minguez-Vera (2007), a customer-oriented company is more likely to appoint women directors to their board as it is believed that women directors are better at maintaining and enhancing the relationship with their customers especially get insights into their customers buying patterns, by this it can give positive affect towards the company's financial performance. This shows that women directors are an effective stakeholder representative. They are able to represent the female customers very well as compared to men because they tend to know what others female wants.

Meanwhile, in term of decision making, the decision that they made can bring benefits to the company as they are aware and alert of the customer's needs. Women director here is considered as the critical resources that the company has in order to get a deeper understanding of the customer needs. The above statement has shown that women director, by applying Resource Dependency Theory, are able to enhance company's financial performance, generate effective decision making, well-represent the female customers. Other than that, in term of corporate social responsibility, to the nature of women directors itself, they are more sympathetic and empathic towards social issues. Thus, these attributes help the company to have a better corporate social responsibility as compared to all-male board of directors.

As for ownership structures, it emphasizes the board's role in securing critical resources such as legitimacy, external networks, and strategic insights. Women directors can contribute meaningfully to these resources, particularly through diverse perspectives and professional connections. However, the extent to which their contributions are valued depends heavily on ownership structure. Institutional and foreign shareholders often view board diversity as a strategic asset and actively support women's participation. In contrast, family firms may undervalue the external networks and strategic capital that women directors bring, placing greater emphasis on internal loyalty and familial ties. In family ownership, they may have limited resources to pursue company's goals as they might have limited connections with resources holders such as government agencies and financial institutions. Furthermore, they also might not have the merits and skills to perform well as compared to their male counterpart

because their appointment is based on cronyism. However, for the other three ownerships i.e. government ownership, institutional ownership and foreign ownership, women directors may use their distinctive values to freely give ideas and make decisions that work best for the company.

2.14 Hypotheses Development

Saha (2024) described a hypothesis is a clear, testable proposition predicting a potential relationship between two or more variables. Bradford (2015) similarly characterized a hypothesis as an "educated guess," informed by existing knowledge, and previous studies. In this study, alternative hypotheses are formulated to examine the proposed relationships among variables.

2.14.1 Contribution of Women Directors as Stakeholder Representatives and Company's Financial Performance

Baum et al. (2022) conducted a research study that revealed women are less inclined to be involved in serious corporate crimes which resulted to a better chance of thriving in the market and continuously meeting the needs and expectations of various stakeholders and builds trust and confidence among people. Similarly, Lukerath-Rovers (2009) conducted a study indicating a negative correlation between the presence of women on boards and performance in the service industries. In addition, Catalyst (2012), argued that diversity may enhance the company's ability to attract a broader pool of talented individuals, including higher numbers of women who are increasingly well-educated compared to their male counterparts. Lastly, Bart and McQueen (2013) conducted a study that demonstrated the positive influence of Complex Moral Reasoning (CMR) among women on boards and indicated that women were more effective in protecting the interests of stakeholders compared to men. Building upon these existing studies, the following hypothesis is posited in this study:

H1: There is a significant relationship between contributions of women directors as stakeholder representatives and company's financial performance.

2.14.2 Contribution of Women Directors in Decision Making and Company's Financial Performance

Wardhani and Supratiwi (2023) argued that the presence of women directors introduces new perspectives, and their representation is significant because they are geared toward achieving high results while possessing excellent communication skills which ultimately contributing to improved performance. Additionally, Linggih and Wiksuana (2018) argued that women directors are able to enhanced financial performance of a company as they are better in ensuring the decision-making processes are smooth and effective. Garcia and Santana (2023) indicated that women directors play a crucial role in mitigating the likelihood of excessive risk-taking during the adoption of strategic decisions. This is attributed to their higher inclination toward risk aversion in financial decision-making and are more predisposed to embracing ethical and socially responsible choices. Finally, Smith and Vener (2006) conducted a study that revealed a positive relationship between the decisions made by women directors and company performance, with educational levels of women directors playing a role in this relationship. Based on these existing studies, the development of the second hypothesis for this study is supported, as follows:

H2: There is a significant relationship between women directors' contribution in decision making and company's financial performance.

2.14.3 Contribution of Women Directors in Corporate Social responsibility and Company's Financial Performance

Dani et al. (2019) conducted a study which concluded that the presence of women on boards has a significant impact. The study found that the lack of sufficient woman representation on boards of listed companies has led to minimal improvement in their CSR practices. This conclusion is further supported by Hyun et al. (2016) conducted a study that found a positive relationship between the number of women serving as independent directors and a firm's corporate social responsibility score. The presence of women in top executive positions also had a positive impact on the corporate social responsibility score. Finally, Al-Najjar and Salama (2022) concluded

that female directors and executives actively participate in environmental practices and contribute to the effective management of environmental risks in high-tech publicly traded companies. Based on these existing studies, the development of the third hypothesis for this study is supported as follows:

H3: There is a significant relationship between contributions of women directors in corporate social responsibility and company's financial performance.

2.14.4 Influential Contribution of Women Directors

In this hypothesis, the researcher assumes that corporate social responsibility, as the third independent variable, has the most significant influence on a company's financial performance among the three variables (stakeholder representation, decision-making, and CSR). This assumption is based on the literature reviewed by the researcher. Supporting this assumption, Wang et al. (2021) found a positive impact of female directors on the extent of CSR reporting, consistent with the common belief that female directors generally enhance CSR reporting levels. Additionally, Hyun et al. (2016) argued that women tend to exhibit more concern for moral and social issues. Therefore, a strong focus on corporate social responsibility can enhance a company's reputation, which in turn can lead to increased sales. Furthermore, Yasser et al. (2017) stated that women directors tend to exhibit a higher degree of communal orientation and possess stronger moral and ethical principles compared to their male counterparts. As a result, companies with greater gender diversity on their corporate board tend to be more inclined towards adopting corporate social responsibility practices and increased investment in sustainability-related initiatives and more efficient reporting processes. Based on these arguments, the next hypothesis is as follows:

H4: Corporate social responsibility is the most influential contribution of women directors to company's financial performance.

2.14.5 Moderating Role of Ownership Structures

Saito (2018) conducted a study analyzing listed firms in Japan from 2014 to 2016 and found a positive relationship between foreign ownership and the number of female board members. This result aligns with the sixth hypothesis of the study, which states that firms with higher foreign ownership are more likely to appoint female board members. On the other hand, Morikawa (2014) argued that foreign ownership does not have a significant relationship with board gender diversity based on data up until 2012. Additionally, Bohdanowicz (2014) conducted a study on Polish listed companies and found a positive relationship between state ownership and gender diversity. The study suggested that politicians are more responsive to external pressure for women's participation in various spheres of life, including business. However, the study also found that state ownership could have a negative impact on a company's financial performance as women may be appointed solely to fulfill quotas or due to political connections. Moreover, Arujunan et al. (2018) found that family ownership acts as a moderator in the relationship between board gender diversity and corporate social responsibility. However, the study indicated a negative relationship between family ownership and board gender diversity. Based on these existing studies, the development of the fifth hypotheses for this study is supported as follows:

H5(a): Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.

H5(b): Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors in decision making and the company's financial performance.

H5(c): Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.

2.14.6 Companies with Women Directors Experience Higher Financial Performance

Valls Martínez and Cruz Rambaud (2019) conducted a study providing evidence that companies with a higher representation of women on their boards tend to outperform boards without women representation. The study also argued that gender-diverse boards have a positive impact on performance. Additionally, Carmo et al. (2022) found that female presence on boards is positively related to return on assets (ROA) and Tobin's Q when there are at least two women on the board, or when the proportion of women is at least 20%. Ijas (2012) found a positive influence of gender diversity on a firm's Return on Equity (ROE) and Return on Investment (ROI). Similarly, Chatterjee and Nag (2022) discovered a positive correlation between the presence of women on boards and firm performance. Specifically, companies with higher gender diversity on their boards have higher ROA, ROE and Tobin's Q compared to firms with lower gender diversity. In general, Abbas and Frihatni (2023) stated that companies with gender-diverse boards are notably less prone to financial distress. Building upon these existing studies, the following hypothesis is posited in this study:

H6: Companies with women board members experience higher financial performance.

2.15 Conclusion

In conclusion, chapter two provides a comprehensive review of previous studies conducted by researchers and insights from practitioners regarding the significance of having women directors on corporate boards. The researcher presents the contributions of women directors as supported by various literature and previous studies to establish a strong foundation for the core subject matter of this study. Additionally, this chapter presents the proposed conceptual framework, variables, and hypotheses of the study, providing a clear overview of the structure and direction of the study. This chapter serves to enhance the understanding and context of the research study as a whole.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 Introduction

There are various procedures that need to be followed in collecting and gathering the data. The methodology procedure is crucial to ensure the objectives of the research are met by following proper steps and guidelines. In this research methodology section, it is vital for the researcher to ensure the consistency of the research method with the research objectives. Other than that, this section also helps other researchers to reproduce the same study in the future by adopting the same method and later compares the outcomes of the study.

The research paradigm is discussed in Section 3.2. The research design that was conducted throughout this research discussed in Section 3.3. Level of analysis or the unit is discussed in Section 3.5. Meanwhile, Section 3.6 discussed the number of respondents for this study. The sampling technique is explained in Section 3.7. The measurement and instruments that the researcher used is explained in Section 3.8 while the data collection method and instrument of questionnaire are discussed in Section 3.9 and 3.10 respectively, followed by the explanation on the pilot study. Reliability of data and the summary of data analysis are discussed in Section 3.12 and Section 3.13 respectively. Overall, this chapter acts as the guidelines that the researcher followed throughout conducting this study to ensure the results are reasonable and accurate.

This study aims to achieve the following research objectives:

1. To examine the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.
2. To examine the relationship between the contributions of women directors in decision making and the company's financial performance.
3. To examine the relationship between the contributions of women directors in corporate social responsibilities and the company's financial performance.
4. To identify the most influential contribution of women directors towards the company's financial performance.

5. To examine the moderating role of the ownership structure on the relationship between women directors' contributions and the company's financial performance.
6. To identify the level of financial performance of companies with women directors.
7. To reveal the reasons as to why women not being appointed as directors of Malaysia publicly listed company.

3.2 Research Paradigm

A research paradigm refers to a system of philosophical beliefs and assumptions that guide how research is conducted. It provides a foundation for how researchers view reality (ontology), how knowledge is acquired (epistemology), the role of values in research (axiology), and the choice of appropriate methods (methodology). These beliefs help ensure that the research questions, objectives, and data collection methods are aligned and coherent. Choosing the right paradigm allows a researcher to approach their study with consistency and depth (Singh, 2025).

There are several types of paradigms, which is quite common in social research. Positivism assumes that result is objective and measurable, usually explored using quantitative data and hypothesis testing. Interpretivism and constructivism emphasize multiple, subjective realities shaped by social and cultural contexts, and they often rely on qualitative data to understand meaning and experience (Shan, 2022). While, pragmatism promotes flexibility, allowing researchers to choose suitable methods such as qualitative, quantitative, or both, which based on the research problem and questions. (Elgeddawy & Abouraia, 2024).

All research paradigms are grounded in four key philosophical pillars such as ontology, epistemology, axiology, and methodology. Ontology is concerned with the nature of reality whether it is fixed and singular or multiple and constructed. Epistemology deals with how knowledge is obtained and validated. Axiology relates to the values and ethics the researcher brings to the study. Methodology describes the strategies and tools used to collect, analyze, and interpret data (Research Methods in Pharmacy Practice, 2021). Understanding these elements allows the researcher to

design and conduct a study that is both philosophically sound and methodologically coherent.

For this study, the pragmatic paradigm was adopted. It supported the use of both quantitative and qualitative methods to address the research problem from different angles. Ontologically, the study accepted that reality can be both objective and socially constructed. For instance, firm financial performance represents an objective reality such as figures like return on equity (ROE) or net profit which exist independently and can be measured quantitatively. However, how this performance is shaped or interpreted, particularly in relation to women directors' contributions and ownership structure, is socially constructed. Epistemologically, the study used a mixed-methods approach where quantitative data were collected through surveys and analyzed statistically, while qualitative data were collected through interviews and analyzed thematically. This abductive reasoning process, where theory and data interacted iteratively, aligned with the pragmatist position.

Axiologically, the study acknowledged that the research was driven by values such as gender equality, inclusive governance, and social impact. Methodologically, a mixed-methods research design was used, allowing for the integration of both numeric trends and narrative explanations. This design helped triangulate findings to strengthen interpretation. By grounding the study in the pragmatic paradigm, the research was able to address the complex issue of how women directors' contributions and ownership structures interact to influence financial performance in Malaysian publicly listed companies.

3.3 Research Design

A research design is the blueprint for a research study, detailing the strategy and plan for carrying it out. It specifies the methods and procedures for data collection and analysis, along with the study's goals and objectives. A well-structured research design is crucial, as it directs the entire research process and ensures that the study is conducted in a systematic and methodical way (Hassan, 2024). It is crucial to decide on the suitable research design to be adopted because it deals with the internal and external validity of the study. A research design is the overall plan or structure that guides how a study is conducted. It brings together different methods and techniques in a logical way to help

the researcher effectively address the research problem. In short, it outlines how the research will be carried out using a specific approach or methodology (Khanday & Khanam, 2019). Besides that, the function of research design is to picture the whole strategy that the researcher chose in integrating various components of the study in a systematic and logical way in order to ensure the research problems are effectively addressed (Pawar, 2020).

For this study, a cross-sectional design was adopted due to the nature of this study that involved collecting information at a single point in time. Following this, a set of questionnaires was designed, constructed and distributed by the researcher to selected respondents. After that, interview sessions were conducted to answer research question 7. Thus, this study reflected the use of a mixed-method research design whereby both quantitative and qualitative were employed. In addition, the researcher also used primary and secondary data. Primary data were collected through the questionnaires focusing on the independent variables, while data for the dependent variable (company's financial performance) and moderating variable (ownership structure) were retrieved via EIKON database and annual reports of the company respectively.

3.4 Research Method

3.4.1 Quantitative Research

Quantitative research method is the dominant research framework used in social sciences field. The method involves gathering various numeric data which inherently quantitative, like personal income, while in other cases, a numeric structure is applied, such as asking respondents give ratings on a scale from 1 to 10. This collection of numeric information allows researchers to perform straightforward to highly sophisticated statistical analyses. The data from this method can be aggregated i.e. to find averages or percentages, reveal relationships among data or make comparisons across aggregated data. Quantitative research methods include using questionnaires, structured observations, or experiments and differs from qualitative research (Bhandari, 2023). Furthermore, Quantitative research is a method used to gain insights into a specific group of individuals, referred to as a sample population. Grounded in scientific

inquiry, this approach relies on the observation or measurement of data to investigate queries related to the chosen sample population (Allen, 2017).

In this study, the researcher utilized a quantitative research method to tackle Research Questions 1 to 6. This approach involved the systematic collection and analysis of numerical data, enabling statistical exploration of the factors and variables under study. A structured questionnaire was developed to obtain data from the respondent which required to give ratings from a scale 1 (highly disagree) to 5 (highly agree) and relating to solely on the independent variables. The gathered data were subsequently analyzed using SPSS (Statistical Package for the Social Sciences) to generate meaningful results. In essence, the researcher applied quantitative research method to address Research Questions 1 to 6 to assess the problem and answer the "what" of a research question which also to understand the relationship between the independent variables and dependent variable within the population.

3.4.2 Qualitative Research

Qualitative research employs adaptable and open-ended techniques for data collection, including methods like interviews, focus groups, observations, and content analysis. It allows participants to express their perspectives in their own words. The findings are presented in narrative form, often in the participants' own words. Results are subjective, context-dependent, and provide rich, detailed descriptions (Fleetwood, 2024). Busetto et al. (2020) defined qualitative research involves delving into the essence of phenomena and is particularly well-suited for exploring why something is or is not observed. The researcher used qualitative research to address research question 7. The main reason to use this method is to seek a deeper understanding of the underlying motivations, behaviors, and experiences of individuals, groups or phenomena. However, the qualitative method in this study was considered a supplementary process to address solely on research question 7 and did not weight more compared to the quantitative method.

In this study, the researcher prepared a set of structured interview questionnaires for selected participants to answer, who were company directors from publicly listed companies on the Main Market of Bursa Malaysia. The questionnaires consisted of seven questions that delve into various topics, including the definition of gender

diversity, the contributions of women directors in areas such as stakeholder representation, decision-making processes, and corporate social responsibility. Importantly, this interview session aimed to explore the reasons behind the lack of women representation on corporate boards. Interview sessions were conducted to explore the directors' pure perspectives on the study issue instead of just 'ticking-the-box' answers.

3.4.3 Mixed Method Research

Mixed method research is a combination of quantitative and qualitative research in a single study. This method is suitable and of a correct choice if the research process indicates that the data from quantitative or qualitative research alone is not sufficient to answer the research questions or to serve the main purpose of the study (Lok et al., 2023). As according to Poth and Munce (2020), employing both data sets from quantitative and qualitative research will provide the researcher a greater clarity and certainty to answer specific research questions. Besides providing with greater clarity, mixed method research will enable the researchers to gain a wider view of their study and help the researchers to gather multiple data to study complex problems.

As according to Dawadi et al. (2021), there are four common types of mixed method research i.e. convergent parallel design, explanatory sequential design, exploratory sequential design and embedded design. Convergent parallel design is when a researcher collects both quantitative and qualitative and compare both results and examine whether the results support or contradict with each other. Explanatory sequential design involves quantitative data to be collected and analyzed beforehand and the outcome will be used to construct for the qualitative research stage. In this design, the research begins with the development and implementation of the quantitative strand. Subsequently, a qualitative strand is designed and conducted to provide deeper insights into these quantitative findings. While for exploratory sequential design, the qualitative data is to be collected and analyzed prior moving to the next stage which is quantitative research stage. Lastly, embedded design is one type of research method is used to support the other. While the second research method will explain or back up the results from the main method. As according to Creswell and Plano Clark (2018), integration in the explanatory sequential design occurs in either

way i.e. (1) by linking the quantitative results to the qualitative data collection, and (2) by integrating and interpreting the two sets of results once the qualitative phase has been completed.

This study employed an explanatory sequential design, whereby quantitative data were initially collected through structured questionnaires, followed by qualitative data obtained from interview with company directors. The interview provided deeper insights and facilitated the interpretation of the quantitative results. Specifically, the quantitative analysis examined the relationship between women directors' contribution and the financial performance of companies, while, the qualitative findings offered broader perspectives on the reasons or factors contributing to the underrepresentation of women on boards. Rather than triangulating the two sets of data, they were used complementarily to provide a more comprehensive understanding of the research problem, with each method serving its purpose independently. The researcher posits that the study could not be effectively addressed using only questionnaire survey, as such an approach would have constrained the depth and richness of the responses.

3.5 Research Scope

To address all the research questions and to employ both quantitative and qualitative methodologies, the study's research scope remained consistent, covering companies located in the area of Klang Valley. The study specifically targeted publicly listed companies with women directors on their corporate board. For the quantitative part, the respondents of this study were the company secretaries of each listed companies with women on board in the Klang Valley area. The company secretaries were chosen as respondents because of their close working relationship with the board members and are well informed on the performance and operations of the companies. Other than that, selecting company secretaries helped to minimise bias, as they were not the directors of the company and thus more likely to provide honest responses.

For the qualitative part, interview sessions were conducted with company directors of listed companies with or without women directors on their boards. The timeframe allocated for this study was sufficient for collecting and analysing the data effectively, allowing the researcher to adequately address the research questions and derive reliable findings.

3.6 Population

A large collection of individuals or objects that is the main focus of a scientific query is known as research population. It is known as group of individuals with the same and similar characteristics. The population will gain some benefits of the researches done as it relates to their interest or nature. However, it is difficult for a researcher to analyses large size of population because it is time-consuming and expensive. This is the reason why the researchers will rely on sampling technique and try to break down the population into a sample, which is easier to be analyzed and not time consuming (Andrade, 2020). In addition, as explained by David (2019) population is a broader group that the researchers intend to generalize the results of the study. Sample of the study will always be considered as the subset of the population

According to Taherdoost (2017), sample size is a selection of respondents' chosen in a way that best describe and represent the population as accurate as possible. Besides that, the amount of the sample size is crucial because if the sample size is way too big it might lead to a waste of precious resources such as time and money whilst if the sample size is too small, it will not allow the researcher to gain a reliable insight. As according to Bhardwaj (2019), sample size is very important as the size of the sample is able to influence two things which are the precision of the estimations and the power of the study to draw conclusions.

Sample size can be small or large depending on the requirement of the study, a study will be more reliable and valid if the sample size is adequately addressed. Other than that, larger sample size will lead to low sampling error but it requires much time and effort. Non-normal distribution will become the outcome of the study if the sample size is too small. In this study, the questionnaire was distributed to the company secretaries of listed companies with women on boards.

For this study, there are 790 public listed companies listed in the Main Market of Bursa Malaysia as at January 2020. In answering the Research Questions 1-6 and employing the quantitative methodologies, the appropriate sample size and respondents were determined based on the main focus of this study which was to examine the contribution of women directors. As such, only company with women director on board were selected. After examining the total 790 listed companies based on the said characteristic, only 250 companies fulfilled the criteria (the presence of women director on board of Main Market listed companies). Due to the relatively small population, the

researcher did not apply a particular sampling technique, as it would have resulted in an even smaller sample. Therefore, the census method was adopted, and all 250 listed companies were included in the study. This method is further explained in the section 3.7 below.

For the qualitative method, the respondents were selected using purposive sampling. This approach was adopted to broaden the scope of interviews and to ensure that insights were obtained from a diverse range of boards, including those without women directors. To be eligible for the interviews, the respondents were required to meet specific criteria: they had to be directors of listed companies and possess a minimum of three years of experience serving on the board. The sample included directors from companies with or without women directors on their boards, as excluding companies without female representation would have compromised the achievement of Research Objective 7.

3.7 Census Method

Calculations and interpretations of statistical results are gained from a data collection activity. There are many types of data collection, and one of them is called a census method. Census method is commonly used by the government of a country to conduct a survey by taking into account all members of the universe. The calculation of this method is complete and not partially as the sampling method, where all members of the universe are studied. In addition, this method will provide a higher accuracy of the data collected and able to generate reliable results. However, the drawbacks are it is time-consuming and indeed of stable financial aids (Kendal et al., 2022). Since the population of the study consist only 250 companies, issue on time-consuming can be dealt with.

A precise delimited territory and sub-areas which with a properly planned and conducted with the help of very detailed mappings is known as modern censuses. This method aims to enumerate each and every person in the designated territory or sub-areas. There are two types of modern census; “de jure” & “de facto” census. A “de jure” census is a survey conducted on people based on their regular residences. In contrast “de facto” is based on specific places to be enumerated, for an example to see where

the people normally spend the night of the day. Besides places, this method also needs to precise in terms of time as well (Augustyn, 2020).

For this study, the census method was applied because respondents were filtered and selected only from Main Market listed companies on Bursa Malaysia with women directors on their corporate boards. This filtering resulted in a relatively small population of 250 companies. To generate reliable data and meaningful results, all members of this population were included in the data collection. The census method was specifically applied for the quantitative component of the study.

3.8 Measurement and Instrument of the Study

It is vital to choose the right instruments and measurements to generate accurate data. The instrments used must properly reflects on the required information needed for the study.

Table 3.1
The Summary of Variables, Instrument, Measurement and Scale

No	Variable	Instrument	Measurement	Scale
Dependent Variable				
1	Company's Financial Performance	Annual Reports	Return on Equity	Ratio
Independent Variable				
2	Stakeholder Representation	Questionnaire	5-point Likert Scale	Ordinal
3	Decision making	Questionnaire	5-point Likert Scale	Ordinal
4	Corporate Social Responsibility	Questionnaire	5-point Likert Scale	Ordinal
Moderating Variable				
5	Ownership Structures	Annual Reports	Percentage of Shareholdings	Nominal

For this study, the data for dependent and moderating variables were retrieved from the company's annual reports in the financial statements and analysis of shareholdings section. While for the independent variables, the researcher used a 5-point Likert scale which required the respondent to indicate the extend he or she agree or disagree on each of the item that represent the variables involved in the study. The 5-point Likert scale are: (1) for strongly disagree, two (2) disagree, three (3) neutral, four (4) agree and lastly five (5) for strongly agree.

For all independent variables, the questionnaires were adopted and adapted from prior studies. The instruments used to construct the questionnaires are listed below in section 3.10. Information on the dependent variable which is the financial performance of the company were retrieved from the financial statements in the company's annual report. While, the information on the moderating variable which is the ownership structure were collected through the analysis of shareholdings section which can be found in the annual reports of the company. The measurement used to identify a family-owned company is by adopting a measurement used by Amran and Che-Ahmad (2009) which stated that a family-owned companies are identified by having one of its family members to hold at least 20% of the shares in the company either directly or indirectly. It is a wholesome measure by looking not only the direct shares owned by the family members, but also indirect shares owned within the company and associate company.

3.9 Data Collection Method

3.9.1 Quantitative Approach

Data collection refers to the use of various techniques to gather information about specific variables in a study. These methods are applied during the data analysis phase to produce meaningful results, answer research questions, or test hypotheses (Taherdoost, 2021). The data collection methods are very important to ensure that the findings are valid. Quantitative data collection methods make it easy to be compared and summarized by distributing questionnaires. Meanwhile, qualitative data collection methods produce subjective information by observing and evaluating people's perceptions via interviews (University of Wisconsin, 2006).

In this study, data were obtained from both primary and secondary sources. Primary data were collected directly from the respondent i.e. the company secretaries of public listed companies. Company secretaries were chosen as respondents to minimize potential bias, as they are not members of the board of directors but work closely with directors and play a central role in ensuring compliance with statutory and regulatory requirements. Their position provides informed and objective perspectives on governance practices while reducing the likelihood of self-serving responses typically associated with directors.

To collect data for the independent variables, the researcher developed a set of structured questionnaires comprising sections on demographic information and all independent variables included in the study. The questionnaire was administered using Google Forms, and the links were distributed to company secretaries via email addresses publicly available on their respective company websites. To improve the response rate, follow-up reminders were issued through additional emails and telephone calls. Up to five follow-up attempts were made to encourage participation.

In contrast, the data for dependent variable, moderating variable and control variable were obtained from secondary data sources. Secondary data refers to information collected by external parties and typically presented in existing documents, reports or official records. For the purpose of this study, secondary data were extracted from companies' annual reports focusing specifically on the financial statements and analysis of shareholdings sections. The financial statements were reviewed to gather information on each company's financial performance for the selected year, while the shareholdings analysis was examined to determine the ownership structures. All secondary data were based on information reported for the year 2020. This year was deliberately selected to maintain data validity and comparability, as business performance from 2021 onwards was significantly influenced by the economic disruptions associated with the Covid-19 pandemic. Secondary data for this study were obtained from publicly available companies' annual reports, with particular attention given to the financial statements and the analysis of shareholdings sections. Details on the instruments used for collecting the quantitative data are presented in Section 3.10.

The use of secondary data in this study is methodologically appropriate and well justified, given the nature of the research questions and variables examined. Specifically, Research Questions 1 to 6 investigate the relationships between

independent variables and the dependent variable (financial performance), as well as the moderating effects of ownership structure.

Measures of financial performance (such as return on assets, return on equity, and other accounting-based indicators) are objectively reported in companies' annual reports, which are audited, regulated, and publicly available documents. Prior research recognizes annual reports as a reliable and authoritative source of financial performance data, particularly in quantitative corporate governance studies (Sekaran & Bougie, 2016; Hair et al., 2010).

Similarly, data relating to moderating variables such as ownership structure (including ownership concentration and types of shareholders) are also routinely disclosed in annual reports in compliance with statutory and listing requirements. The use of such disclosures ensures consistency, accuracy, and comparability across firms and over time (Claessens & Yurtoglu, 2013; Gujarati & Porter, 2009).

Furthermore, the use of secondary data is well established in corporate governance and financial performance literature, particularly for studies employing panel data and longitudinal analysis. Secondary data reduce common biases associated with primary data collection (such as self-reporting and non-response bias) and enhance the objectivity, reliability, and replicability of empirical findings (Hair et al., 2010; Saunders, Lewis, & Thornhill, 2019). Accordingly, the use of secondary data is fully aligned with the research objectives, research questions, and empirical approach of this study and represents the most suitable data source for examining the relationships under investigation.

3.9.2 Qualitative Approach

Qualitative research delves into real-world issues to provide deeper insights. Unlike quantitative research, which focuses on numerical data and interventions, qualitative research generates hypotheses and explores quantitative data further. It gathers participants' experiences, perceptions, and behaviors, addressing the "how" and "why" rather than "how many" or "how much". Qualitative research can stand alone or be part of mixed-methods research, combining both qualitative and quantitative data. This review presents fundamental concepts, definitions, terminology, and applications of qualitative research (Tenny et al., 2022).

As according to Tegan (2023), the most common qualitative method approach is interviews which offer a more profound understanding of social phenomena compared to purely quantitative approaches, such as questionnaires. The research interviews aim to delve into the perspectives, experiences, beliefs, and motivations of individuals concerning specific topics. Interviews are especially suitable when limited information is available about the study phenomenon or when in-depth insights are crucial from individual participants.

Research interviews come in three primary types: structured, semi-structured, and unstructured. Structured interviews function like verbal questionnaires, employing predetermined questions without room for follow-ups, making them quick and suitable for certain situations. However, they limit participant responses and lack depth. On the other hand, unstructured interviews lack predefined plans and can be time-consuming and challenging, making them suitable when in-depth information is crucial or little is known about the subject. Semi-structured interviews strike a balance, utilizing key questions to guide exploration while allowing flexibility for detailed responses.

In this study, a qualitative approach is employed to explore and understand the underlying reasons for the underrepresentation of women on the corporate boards, which constitutes Research Question 7. A set of structured interview questionnaires was developed to guide the interview sessions, encompassing seven questions addressing gender diversity definitions, women directors' contributions, and the reasons contributing to the underrepresentation of women directors on corporate boards. To assess the appropriateness and validity of the interview questions, the researcher sought professional feedback from colleagues who serve as company secretaries in different publicly listed companies.

The participants for the interview sessions were company directors of publicly listed companies within the Klang Valley area, listed on the main market, and regardless women representation on their corporate boards. Six company directors were interviewed, and their responses were documented in Chapter 5. The interviews were conducted face-to-face and virtually, with prior appointments arranged to determine suitable dates for the sessions. Invitations for the interviews were sent via email, phone calls and direct approach to the respective company directors through their personal assistants or company secretaries. All interviews were audio-recorded with the informed consent of each participant, who received the interview questions in advance

and signed a consent form in accordance with ethical approval requirements. Details of the participants is set out in Chapter 5, section 5.2 below.

In a qualitative research, interviews are typically concluded once no new information or themes emerge, a point commonly referred to as data saturation. Guest et al. (2006) demonstrated that key themes in their study began to appear as early as the sixth interview, with saturation largely reached by the twelfth. Their findings indicate that a relatively small number of interviews can still generate substantial and meaningful insights, particularly when participants possess comparable backgrounds or shared experiences.

Upon completion of the interview sessions, each transcript was carefully reviewed and transcribed to generate a comprehensive qualitative dataset. A thematic analysis approach was adopted, beginning with manual coding of the transcripts to identify initial patterns. These preliminary codes were then grouped into conceptual themes that corresponded with the objectives of the study.

The next stage of analysis involved open coding, which entailed a thorough examination of the interview transcripts to detect and label emerging concepts, themes, and categories. This rigorous process was crucial for uncovering the nuanced insights embedded in the participants' responses, laying a solid foundation for subsequent analysis. By documenting and tracking the frequency of recurring themes, the researchers were able to identify dominant patterns that informed the understanding of gender diversity and the contributions of women directors within the Malaysian corporate context.

Following the open coding, the researchers refined and consolidated the codes through a systematic process of filtering, condensing, and integrating them into more focused core categories. This progression from broad coding to targeted thematic analysis enabled the distillation of the data into its most meaningful components. For example, codes such as "careful in making decisions," "sensitive to details," and "think it through" were combined into a unified category to eliminate redundancy while maintaining analytical depth. These integrated themes formed the basis for the findings presented in Section 5.

As the interview sessions progressed, data saturation was reached by the fourth interview. Nevertheless, the researcher continued interviewing up to the sixth participant to ensure that no additional perspective or key theme would emerge. By the sixth interview, the findings had become repetitive and no new themes were identified,

indicating that further interviews were unlikely to generate additional insights. The decision to stop at six participants is consistent with qualitative research practice, where data collection commonly concludes once saturation is achieved. Guest et al. (2006) demonstrated that key themes can emerge as early as the sixth interview, with saturation largely reached by the twelfth, suggesting that a relatively small number of interviews may still produce rich and meaningful findings, particularly when participants share comparable roles and experiences. Accordingly, the inclusion of six interviewees in this study is deemed sufficient to generate robust and insightful results.

The following were the interview questions used to facilitate the interview session with the company directors:

1. What is your definition of gender diversity and why do you think diversity is important?
2. How do women directors as an effective stakeholder representative make a difference in how board operates?
3. How do women directors as good decision-makers make a difference in how board operates?
4. How does the presence of women directors make any difference to the corporate social responsibility of the company?
5. In your opinion, what is the most influential contribution of women directors based on their contributions as stated in item 2 *(stakeholder representative)*, 3 *(decision making)* and 4 *(CSR)*?
6. Do you think these contributions *(effective stakeholder representative, good decision maker, encourage better CSR)* of women directors may increase the company's financial performance?
7. In your opinion, why there is a lacking of women representation on the corporate board?

3.10 Instrument of Variables for Quantitative Data

The questionnaires were developed by the researcher by referring to the prior studies. The items for each variable were adopted or adapted accordingly to suit and fit the purpose of the study.

There were four (4) sections in the questionnaire, which consist of section A, section B, section C and section D. Section A was designed to gather the demographic information of the respondents. Section B consisted of six (6) items covering the contribution of women directors as representatives of stakeholders. Section C included six (6) items related to women directors' contribution in decision making, and Section D examined women directors' contribution from the perspective of corporate social responsibility. The study used a 5-point Likert scale, which consisted of five levels: (1) for strongly disagree, (2) disagree, (3) neutral, (4) agree and five (5) for strongly agree.

The use of a 5-point Likert scale in this study is supported by Kusmaryono et al. (2022) which found that most studies in social sciences and education prefer odd-numbered Likert scales, with the 5-point version being the most commonly used due to its balance of simplicity, clarity, and reliability. Similarly, Joshi et al. (2015) explained that the 5-point Likert scale effectively captures attitudes and perceptions by offering a neutral midpoint and straightforward response options, making it a valid and widely accepted tool for measuring subjective data in social research. Therefore, this study adopted the 5-point Likert scale to ensure ease of understanding for respondents, reduce response fatigue, and enable consistent and meaningful analysis of perceptions related to women directors' contributions. Please refer to Appendix A for the full set of the quationnaire.

Table 3.2
Summary of Variables, Measurement and Source

No	Variables	Measurement	Source
1.	Dependent variable: Company's Financial Performance	Return on Equity	Azmi & Barrett (2013)
		Interest and Taxes (EBIT)	Luckerath-Rovers (2011)
		Return on Sales (ROS)	Maiso Fontecha (2013)
		Return on Investment (ROI)	Maiso Fontecha (2013)
		Tobin's Q	Carter et al. (2003)

No	Variables	Measurement	Source
2.	Independent variable one (1): Stakeholder Representative	Appointing women on boards would be the right thing to do in representing the female stakeholder.	Francoeur (2006)
		Boards with three or more women directors lead to an effective communication with the stakeholder.	Terjesen, Searly and Singh (2009)
		Women directors are more protective on the interests of the stakeholder compared to men.	Bart and Mcqueen (2013)
		Women directors act as the role models to female employees.	Burke, McKeen, and McKenna (1993)
		Women directors act as the legitimate persons to protect the welfare of all women in the company.	Burke, McKeen, and McKenna (1993)
		Having more women directors on corporate board enhance the ability of the company to attract higher female labour pools.	Berman (1999)
		Appointing women directors on corporate boards are considered vital for a customer-oriented company which majority of its customers are women.	Lukerath- Rovers (2009)
		Women directors on boards understand more women	Dalton and Daily (2003)

No	Variables	Measurement	Source
		customer's buying patterns and demands.	
3.	Independent variable two (2): Decision Making	Women directors with different background lead to an effective decision making in the company.	Smith and Verner (2006)
		Highly educated women directors help boards to make effective decisions.	Smith and Verner (2006)
		Gender diversity on board leads to greater perspectives and able to reach a better and sound decision.	Azmi and Barret (2013)
		Women directors are able to bring new ideas to the table.	Adams and Ferreira (2009)
		Women directors are more likely to be fair by taking into account everyone's point of view before deriving any decision.	Bart and Mcqueen (2013)
		Women directors are able to reduce unethical decision making that would harm the company.	Bart and Mcqueen (2013)
		Women directors are honest in making decisions thus reduce the risk of corruption in the company.	Bernandi and Threadgill (2010)
4.	Independent variable three (3): Corporate Social Responsibility	Women directors lead the company to exercise effective corporate social responsibility (CSR) activities.	Bear, Rahman and Post (2010)
		Women directors are more likely concerned with voluntary social responsibility than their male counterparts.	Terjesen, Searly and Singh (2009)

No	Variables	Measurement	Source
		Women directors are more empathetic, sympathetic and active in taking care the needs of all stakeholder.	Ijas (2012)
		Women directors are more caring towards moral and social issues rather than profits.	Hyun, Yang, Jung and Hong (2016)
		Women directors are more likely to organize donation and charity programs.	Bernandi and Threadgill (2010)
		Women directors are more committed to all philanthropic activities.	Bernandi and Threadgill (2010)
		Women directors promote more creative and innovative social responsibility activity in the company.	Terjesen, Searly and Singh (2009)
5.	Moderating variable: Family ownership structure	A family-owned companies are identified by having one of its family members to hold at least 20% of the shares in the company either directly or indirectly	Amran and Che-Ahmad (2009)
		Measuring the ownership of the company based on the shares fraction owned by five largest shareholders	Demstez and Villalonga (2001)
		Measuring family ownerships by looking through their total shares within and outside the organizations with three method (i) the shares directly owned by	Yeh, Lee and Woidtke (2001)

No	Variables	Measurement	Source
		family members (ii) the cross-shareholdings within the listed companies together in the same conglomerate group (inclusive their indirect shareholdings) and (iii) the shareholdings of the nominal agents.	

3.11 Pilot Study

According to Anupama et al. (2023), basically the main purpose of a pilot study is to experiment a survey in a small scale in order to ensure the effectiveness of the real survey. It is mini research designed to test the logistic and gather information before the real study in a larger study. The purpose of conducting the pilot study is to test the reliability of the survey and improve the quality and efficiency of the survey. A good research strategy requires careful planning and a pilot study is a must as part of the strategy. Other than that, Glasgow Caledonian University (2017) stated that a pilot study involves the collection of preliminary data collection using planned methods with a very small sample size. It aims to test the study approach and identify any particular details that need to be amended before the real data collection proceeds.

Basically, the term pilot study is used in two different ways in social science research. It can be referred to a feasibility studies which is the small-scale version, or a trial run version, then it is done as part of the preparation for the major study. However, a pilot study can also be defined as the pre-testing stage or 'trying out' of a particular research instrument (Statistical, 1998). One of the advantages of conducting a pilot study is that it might give the researcher an advance warning about where the main research project could fail, where research protocols may not be followed, or whether proposed methods or instruments are inappropriate or too complicated to be derived. A pilot study is essential because it enables the development and assessment of the adequacy of research instruments, evaluates the feasibility and practicality of the research protocol and determines the effectiveness of the proposed sampling frame and

technique. It also helps identify potential logistical problems that may arise during the implementation of the chosen methods (Anupama et al., 2023).

According to Connelly (2008), extant literature suggests that a pilot study sample should be 10% of the sample projected for the larger parent study. Besides that, (Memon et al., 2020) suggested that the sample size for pilot study is around 10 to 30 participants. Hill (1998) suggested that a pilot survey should involve between 10 to 30 participants. Guided by this recommendation and previous research practices, the pilot survey for this study was conducted by distributing the questionnaire to a sample of 30 respondents.

Accordingly, this study adhered to the recommendations of Memon et al. (2020) and Hill (1998), who suggested that an appropriate sample size for a pilot study is 30 respondents. The questionnaires were distributed via Google Forms and email. After the targeted number of 30 responses was obtained, a reliability analysis was conducted to evaluate the internal consistency of the research instrument.

3.12 Reliability Test

The purpose of reliability test is to know whether the questionnaire which has been constructed for the study is valid and reliable. In other words, Validity test refers to the degree in which our test or other measuring device is truly measuring what we intended it to measure. Statistical Package for Social Science (SPSSS) version 27 was used in running the reliability test. After the number of respondents required for pilot study was achieved which is 30 respondents, the researcher straight away tested the reliability of the questionnaire. Reliability test is vital in ensuring the questionnaire constructed earlier was understandable by the respondents and able to achieve what the researcher intends to measure.

All the three (3) independent variables were tested individually to see the reliability of each variable. All variable demonstrated acceptable reliability, with a Cronbach's Alpha of 0.841 for stakeholder representative (1st independent variable), 0.889 for decision making (2nd independent variable) and 0.835 for corporate social responsibility (3rd independent variable). Cronbach's Alpha of all variables was above 0.7 thus it shows that the questionnaire constructed was reliable. Table 3.3 below presents the result of the pilot study.

Table 3.3
Pilot Study Reliability Test

variables	No. of items	Cronbach's Alpha
Stakeholder representative (IV1)	6	0.841
Decision making (IV2)	6	0.889
Corporate social responsibility (IV3)	6	0.835

3.13 Data Analysis Summary

Table 3.4
Summary of Analysis based on the Research Question and Objectives of the Study

No.	Questions	Objectives	Variables	Measurement	Hypothesis	Type of scale	Method of analysis
1.	What is the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance?	To examine the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.	Independent variable: Stakeholder representatives	Questionnaires: 5-point Likert scale	H1: there is significant relationship between contributions of women directors as stakeholder representatives and company's financial performance.	Ordinal	Pearson correlation coefficient

No.	Questions	Objectives	Variables	Measurement	Hypothesis	Type of scale	Method of analysis
2.	What is the relationship between the contributions of women directors in decision making and the company's financial performance?	To examine the relationship between the contributions of women directors in decision making and the company's financial performance.	Independent variable: Decision making	Questionnaires: 5-point Likert scale	H2: There is significant relationship between contributions of women directors in decision making and company's financial performance.	Ordinal	Pearson correlation coefficient
3.	What is the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance?	To examine the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.	Independent variable: Corporate social responsibility	Questionnaires: 5-point Likert scale	H3: There is significant relationship between contributions of women directors in corporate social responsibility and	Ordinal	Pearson correlation coefficient

No.	Questions	Objectives	Variables	Measurement	Hypothesis	Type of scale	Method of analysis
					company's financial performance.		
4.	What is the most influential contribution of women directors towards company's financial performance?	To identify the most influential contribution of women directors towards company's financial performance.	-	-	H4: corporate social responsibility is the main contribution of women directors that influences the company's financial performance.	Ordinal	Multiple Regression analysis
5.	Do ownership structures moderate the relationship between the contributions of women director and company's financial performance?	To examine the moderating role of the ownership structures on the relationship between women directors' contributions and the	Moderating Variable: Ownership Structures – 1) Family Ownership 2) Government Ownership	Annual Reports – Analysis of Shareholdings sections	H5(a): Ownership structures moderate the relationship between the contributions of women directors as the stakeholder representatives and	Nominal	Regression analysis

No.	Questions	Objectives	Variables	Measurement	Hypothesis	Type of scale	Method of analysis
		company's financial performance.	3) Institutional Ownership 4) Foreign Ownership		the company's financial performance		
					H5(b): Ownership structures moderate the relationship between contributions of women directors in decision making and company's financial performance. H5(c): Ownership structures moderate the relationship between contributions of women directors in		

No.	Questions	Objectives	Variables	Measurement	Hypothesis	Type of scale	Method of analysis
					corporate social responsibility and company's financial performance.		
6.	Are companies with women director on board experiencing better financial performance?	To identify the level of financial performance of companies with women directors.	Dependent variable: Company's financial performance	Annual Reports – Financial Statements section	H6: Companies with women board members experience higher financial performance.	Ratio	Descriptive analysis- mean value
7.	Why are women not being appointed as directors of Malaysia publicly listed company	To reveal the reasons as to why women not being appointed as directors of Malaysia publicly listed company.	-	Interview sessions with company directors using a set of interview questions	-	-	Narrative analysis

3.14 Conclusion

In conclusion, Chapter Three presents in detail the research methodology of this study. It explains the methods and techniques applied, including the research design, data collection methods, population and sample, sampling techniques, and other relevant procedures. This chapter provides a clear description of how the study was conducted and the manner in which the data was collected. The data collection methods are crucial to ensure that the information obtained is meaningful and contributes valuable insights to the study.

CHAPTER 4
ANALYSIS AND FINDINGS OF QUANTITATIVE DATA

4.1 Introduction

In this particular chapter, the researcher provides an in-depth explanation of the research findings along with the data analysis, which was carried out using the Statistical Software SPSS (Version 29). The process involved includes data cleaning, which analyzes any irregularities that may affect the study Additionally, the researcher carried out factor tests to validate that the questionnaire items appropriately loaded within their respective categories. Furthermore, the chapter delves into an extensive explanation of various data analysis techniques, such as reliability tests, normality tests, Pearson correlations, multiple regressions, and others, which were utilized to determine the feasibility of achieving the objectives mentioned in Chapter 1.

4.2 Data Screening and Cleaning

According to Saidu et al. (2023), data screening, sometimes referred to as "data screening" is a crucial process that involves cleansing the data to ensure it is suitable for subsequent statistical analysis. The quality of the data should be critically examined by the researcher to determine its suitability for statistical tests. Failure to perform data screening may result in errors and irregularities, even if the study was conducted correctly. Therefore, it is essential for researchers to conduct data screening and cleaning before proceeding with further analysis.

As according to Azeroual et al. (2019), the quality of data plays a vital role in producing meaningful information. To achieve this, data must undergo a data cleansing process, which involves identifying and correcting errors. This process comprises all the necessary actions to remove incomplete, inconsistent, incorrect, or redundant data from the dataset.

In essence, data cleansing process is essential for ensuring that the data used in research is accurate and reliable. The identification and removal of errors and

discrepancies in the data through the data cleansing process can lead to more valid and trustworthy research results. Hence, to ensure a good quality of data, researcher had conducted a data cleaning process to ensure the quality of the data. After screening the data for errors and missing values, the researcher determined the appropriate methods for dealing with problematic data, including deleting, correcting, or leaving it unchanged. In this study, the researcher carefully screened the data entered into the system and verified that there were no missing or incorrect values. Out of the 250 questionnaires distributed via email to respondents, 245 were returned and completed. All 245 questionnaires were deemed functional and valid for further analysis.

4.3 Data Reduction and Factoring

Following the data cleaning process, the researcher proceeded with the data reduction process. As explained by Herman (2004), this process involved grouping or modeling variables that are related to each other. To ensure that all constructed questionnaires were categorized under the same factors, the researcher conducted a Factor Analysis. Each independent variable comprised six items, and no data needed to be reduced or deleted, as all variables were categorized under the same factors.

Table 4.1
Kaiser-Meyer-Olkin (KMO) and Bartlett's Test

KMO	.761
Bartlett's Chi Square	2118.382
df	153
Sig.	<0.001

The table 4.1 above showed the KMO measuring the sampling adequacy of the analysis. As according to Khurram et al. (2021), a KMO value closer to 1 indicates a high degree of sampling adequacy, and is therefore desirable for factor analysis. In this study, the KMO value of 0.761 was considered good, and $p<0.001$ indicated that the correlations between items were sufficiently large for factor analysis.

Table 4.2
Factor Analysis

Items	Factor loadings		
	Stakeholder representative (IV1)	Decision making (IV2)	Corporate Social Responsibility (IV3)
1) Women directors are more protective on the interests of the stakeholder compared to men.	0.513		
2) Women directors act as the role models to female employees.	0.675		
3) Women directors act as the legitimate persons to protect the welfare of all women in the company.	0.746		
4) Having more women directors on corporate boards enhance the ability of the company to attract higher female labor pools.	0.800		
5) Appointing women directors on corporate boards is considered vital for a customer-oriented company which majority of its customers are women.	0.790		
6) Women directors on boards understand more women customer's buying patterns and demands	0.799		
7) Women directors with different background led to an effective decision making in the company.		0.740	

Items	Factor loadings		
	Stakeholder representative (IV1)	Decision making (IV2)	Corporate Social Responsibility (IV3)
8) Highly educated women directors help boards to make effective decisions.		0.675	
9) Women directors are honest in making decisions thus reduce the risk of corruption in the company.		0.564	
10) Women directors are able to bring new ideas to the table.		0.649	
11) Women directors are more likely to be fair by taking into account everyone's point of view before deriving any decision.		0.632	
12) Women directors are able to reduce unethical decision making that would harm the company.		0.559	
13) Women directors lead the company to exercise effective corporate social responsibility (CSR) activities.			0.766
14) Women directors are more likely concerned with voluntary social responsibility than their male counterparts.			0.576
15) Women directors are more empathetic, sympathetic and active in taking care the needs of all stakeholder.			0.674

Items	Factor loadings		
	Stakeholder representative (IV1)	Decision making (IV2)	Corporate Social Responsibility (IV3)
16) Women directors are more caring towards moral and social issues rather than profits gains.			0.541
17) Women directors are more likely to organize donation and charity programs.			0.588
18) Women directors are more committed to do all philanthropic activities.			0.827

4.4 Test of Goodness of Data

4.4.1 Reliability of Data

Vaske et al. (2017) stated that Cronbach's alpha is a statistical tool employed to evaluate the internal consistency and reliability of scale or test item datasets. The reliability of a measurement refers to the consistency of the concept being measured, and Cronbach's alpha is one technique for assessing this consistency. In most social science research situations, a reliability coefficient of 0.70 or higher is considered "acceptable", as stated by Khurram et al. (2021).

Table 4.3
Reliability Test

Variables	No. of Items	Alpha value	Reliability Assured
Independent variables:			
Stakeholder representative	6	0.791	YES
Decision making	6	0.851	YES
Corporate social responsibility	6	0.686	YES

The table above indicated that all items of the independent variables exhibited strong internal consistency, as their respective Cronbach's Alpha values were greater than 0.05. Consequently, it was inferred that these items were reliable and suitable for use in the final analysis.

4.4.2 Test of Normality

There are two primary approaches can be employed to evaluate normality - graphically and numerically. The normality assumption is crucial for numerous statistical methods. Assessing normality is essential for running correlation and regression analyses, which require quantifying Skewness and Kurtosis (Herman, 2004). According to Hair et al. (2010) and Bryne (2010), normality is considered violated if the skewness coefficient exceeds ±2 or the kurtosis coefficient exceeds ±7. Conversely, Kline (2011) suggests that normality is compromised if the skewness coefficient exceeds ±3 or the kurtosis coefficient exceeds ±10.

Table 4.4
Skewness and Kurtosis

Variables	Skewness	Kurtosis	Normality Assumed
Independent variables:			
Stakeholder representative	-0.060	-0.081	Yes
Decision making	-0.040	-0.006	Yes
Corporate social responsibility	-0.058	-0.351	Yes
Dependent Variable:			
Return on Equity (ROE)	-15.498	241.486	No
Return of Equity (ROE)_log10	-0.055	-0.385	Yes
Moderating Variables:			
Family Ownership	-0.173	-0.939	Yes
Government Ownership	3.949	15.012	No
Government Ownership_log10	-1.657	4.244	Yes
Institutional Ownership	5.187	28.036	No
Institutional Ownership_log10	-0.004	-1.132	Yes

Variables	Skewness	Kurtosis	Normality Assumed
Foreign Ownership	2.701	5.767	No
Foreign Ownership_log10	-0.408	-0.945	Yes
Control Variables:			
Total Assets	9.047	88.536	No
Total Assets_log	0.856	1.284	Yes
Total Debt	1.240	4.550	Yes
Company's Age	1.488	3.923	Yes
Return on Asset (ROA)	-15.590	243.381	No
Return on Asset (ROA)_Log10	0.013	-0.859	Yes

The above table 4.4 presented the results of the data normality distribution following the Exploratory Factor Analysis (EFA). All independent variables, namely stakeholder representative (Skewness= -0.060, Kurtosis= -0.081), decision making (Skewness= -0.040, Kurtosis= -0.006), and corporate social responsibility (Skewness= -0.058, Kurtosis= -0.351), met the acceptable range for normality according to Kline (2011). Among the moderating variables, only family ownership was within the acceptable range (Skewness= -0.173, Kurtosis= -0.939). For the control variables, total debt (Skewness= 1.240, Kurtosis= 4.550) and company age (Skewness= 1.488, Kurtosis= 3.923) were acceptable, while total assets were not.

However, several variables were not normally distributed, as their Skewness and Kurtosis values fell outside the acceptable range according to Kline (2011). The dependent variable, return on equity, showed extreme non-normality with a Skewness of 15.498 and a Kurtosis of 241.486, indicating a strong deviation from a normal distribution. Among the moderating variables, government ownership (Skewness= 3.949, Kurtosis= 15.012), institutional ownership (Skewness= 5.187, Kurtosis= 28.036), and foreign ownership (Skewness= 2.701, Kurtosis= 5.759) also exceeded the acceptable limits, suggesting significant skewness and heavy tails in their distributions. Additionally, one of the control variables, total assets, was not normally distributed. In contrast, six variables namely stakeholder representative, decision making, corporate social responsibility, family ownership, total debt, and company age, exhibited

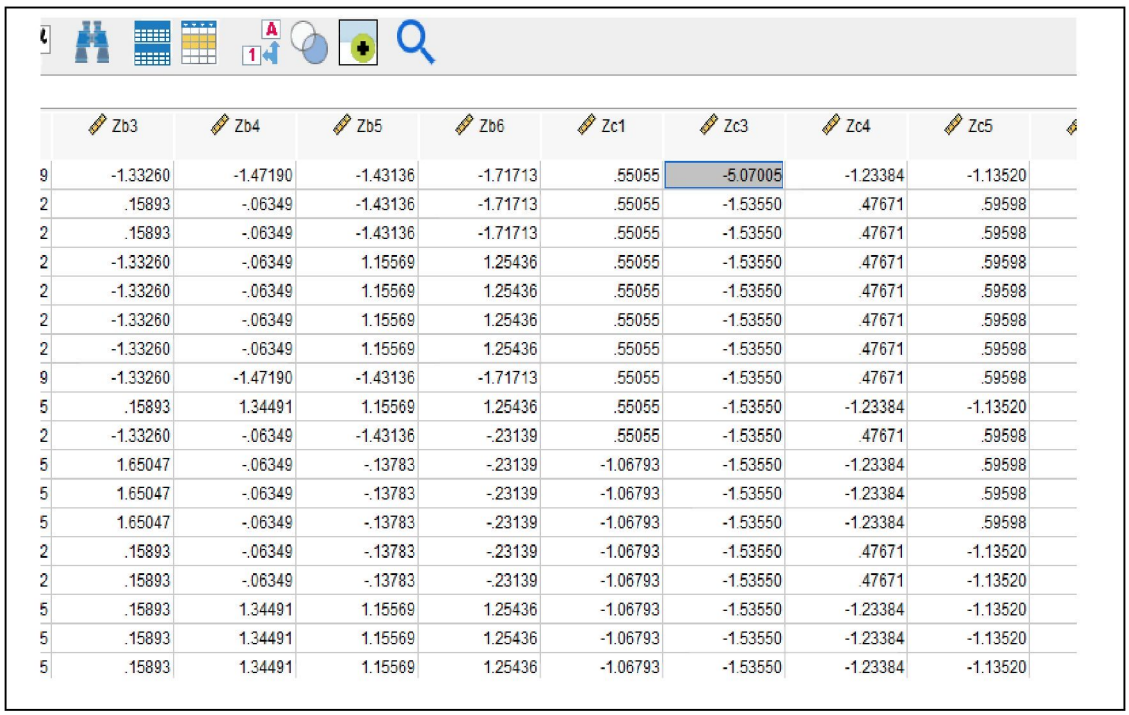
Skewness and Kurtosis values within the acceptable range, indicating that their distributions were approximately normal. Return on assets (ROA) was also tested for normality, as it was intended for robustness checks in a later section of the study.

Log transformation is particularly useful for reducing the impact of extreme values by compressing the range of the data. This method is often applied when data exhibits positive skewness, as it can help normalize the distribution and make it easier to meet the assumptions required for statistical tests (Field, 2013). Log transformation is also effective for financial ratios, such as return on assets (ROA) or return on equity (ROE), which are often right-skewed (Osborne, 2010). Hence, the six variables that were not normally distributed namely return on equity, government ownership, institutional ownership, foreign ownership, total assets, and return on assets (ROA), were transformed using Log10. After the transformation, all six variables achieved normal distribution, as shown in the table above, allowing them to meet the assumptions required for subsequent statistical analyses.

4.4.3 Data Outliers

As according to ITL (n.d.), an outlier is a data point or value that is significantly distant from other data points or values. A point or value that falls beyond the inner fence is classified as a mild outlier, while a point or value that falls beyond the outer fence is classified as an extreme outlier. In addition, Kwak and Kim (2017) defined an outlier significantly differs from the rest of the values in a statistically representative sample. Eliminating outliers or observations that are unlikely to represent the whole, is crucial in data analysis.

According to Tabachnick and Fidell (2007), outliers are typically identified with a Z-score of ±3.29, with any value outside the range of -3.29 to +3.29 considered an extreme value. After conducting the Z-score analysis, only one outlier was detected in the decision-making construct (Z-score= -5.7005) (refer to Figure 4.1). Consequently, the corresponding respondent was removed from the analysis. The final sample for this study thus comprised 244 respondents.



	Zb3	Zb4	Zb5	Zb6	Zc1	Zc3	Zc4	Zc5
9	-1.33260	-1.47190	-1.43136	-1.71713	.55055	-5.07005	-1.23384	-1.13520
2	.15893	-.06349	-1.43136	-1.71713	.55055	-1.53550	.47671	.59598
2	.15893	-.06349	-1.43136	-1.71713	.55055	-1.53550	.47671	.59598
2	-1.33260	-.06349	1.15569	1.25436	.55055	-1.53550	.47671	.59598
2	-1.33260	-.06349	1.15569	1.25436	.55055	-1.53550	.47671	.59598
2	-1.33260	-.06349	1.15569	1.25436	.55055	-1.53550	.47671	.59598
2	-1.33260	-.06349	1.15569	1.25436	.55055	-1.53550	.47671	.59598
9	-1.33260	-1.47190	-1.43136	-1.71713	.55055	-1.53550	.47671	.59598
5	.15893	1.34491	1.15569	1.25436	.55055	-1.53550	-1.23384	-1.13520
2	-1.33260	-.06349	-1.43136	-.23139	.55055	-1.53550	.47671	.59598
5	1.65047	-.06349	-.13783	-.23139	-1.06793	-1.53550	-1.23384	.59598
5	1.65047	-.06349	-.13783	-.23139	-1.06793	-1.53550	-1.23384	.59598
5	1.65047	-.06349	-.13783	-.23139	-1.06793	-1.53550	-1.23384	.59598
2	.15893	-.06349	-.13783	-.23139	-1.06793	-1.53550	.47671	-1.13520
2	.15893	-.06349	-.13783	-.23139	-1.06793	-1.53550	.47671	-1.13520
5	.15893	1.34491	1.15569	1.25436	-1.06793	-1.53550	-1.23384	-1.13520
5	.15893	1.34491	1.15569	1.25436	-1.06793	-1.53550	-1.23384	-1.13520
5	.15893	1.34491	1.15569	1.25436	-1.06793	-1.53550	-1.23384	-1.13520

Figure 4.1 Outlier

4.4.4 Linearity of Data

The purpose of the linearity test is to determine whether there is a linear relationship between the independent and dependent variables. This test is essential because it is a requirement for conducting correlation and linear regression analyses. For these analyses to be valid, the independent and dependent variables must have a linear relationship. According to a test conducted by Korkmaz et al. (2014), the independent variables are considered to be linearly dependent when the value of the significant deviation from linearity is greater than 0.05. However, if the value of the significant deviation from linearity is less than 0.05, then the relationship between the independent and dependent variables is considered to be non-linear.

Table 4.5
Test of Linearity

	df	F	Significance	Linearity Assumed
Dependent Variable				
- Return on Equity				
Between groups	-	-	-	-
Within groups	-	-	-	-
Independent Variables				
- Stakeholder representative				
Between groups	12	0.161	0.999	Yes
Within groups	230	-	-	
- Decision making				
Between groups	11	0.740	0.700	Yes
Within groups	231	-	-	
- Corporate Social Responsibility				
Between groups	8	0.216	0.988	Yes
Within groups	234	-	-	
Moderating Variables				
- Family Ownership				
Between groups	152	0.881	0.756	Yes
Within groups	90	-	-	-
- Government ownership				
Between groups	14	15.191	0.063	Yes
Within groups	17	-	-	-
- Institutional Ownership				
Between groups	12	0.663	0.786	Yes
Within groups	230	-	-	-
- Foreign Ownership				
Between groups	152	0.880	0.756	Yes
Within groups	90	-	-	-
Control Variables				
- Total Assets				
Between groups	220	0.856	0.719	Yes

	df	F	Significance	Linearity Assumed
Within groups	19	-	-	-
- Total Debt				
Between groups	185	1.801	0.006	No
Within groups	55	-	-	-
- Company's Age				
Between groups	64	.901	0.681	Yes
Within groups	178	-	-	-

All independent variables in this study exhibited a linear relationship with the dependent variable, as their p-values were above 0.05, as shown in the table above. The significance values for stakeholder representative (IV1), decision making (IV2), and corporate social responsibility (IV3) were 0.999, 0.700, and 0.988, respectively. Therefore, the assumption of linearity for all independent variables was met.

4.4.5 Homogeneity of Variance

As according to "Testing for homogeneity of variance" (n.d.), for a researcher to apply a parametric statistical test, the data must exhibit homogeneity of variance, which implies that the distribution of scores for each variable should be approximately the same. As explained by Erceg-Hurn and Mirosevich (2008), to determine the homogeneity of variance in the data, if the Levene's test produces a non-significant result ($p>.05$), it indicates that the data exhibits homogeneity of variance. On the other hand, a statistically significant result ($p<.05$) implies that the data does not demonstrate homogeneity of variance. Hence, the Levene's test is used to determine homogeneity of variance in the data.

Table 4.6
Test of Homogeneity

	Levene statistics	Df1	Df2	Sig.
Stakeholder representative	1.614	13	230	0.082
Decision making	1.804	11	231	0.054
Corporate social responsibility	0.932	9	234	0.498

Based on Table 4.6, the significance value for stakeholder representative (IV1) was 0.082, which is above 0.05; therefore, the homogeneity of variance for stakeholder representative (IV1) was assumed. Similarly, the significance value for decision making (IV2) was 0.054, also above 0.05, indicating that the homogeneity of variance for decision making (IV2) was assumed. Lastly, corporate social responsibility (IV3) had a significance value of 0.498, which was also above 0.05, confirming that the homogeneity of variance for corporate social responsibility (IV3) was assumed.

4.5 Demographic Profile

The researcher employed a quantitative methodology to collect the necessary data from company secretaries who worked alongside women directors. To provide context for the study and acknowledge the potential influence of respondents on the results, information on their profiles was obtained. A total of 250 questionnaires were distributed to the selected respondents via email, and 245 were returned. Following the outlier analysis, one response was removed, resulting in a final sample of 244 respondents. The profile of these 244 respondents is presented in the table below.

Table 4.7
Respondent's Demographic Profile

	N=244	
Items	Frequency	Percentage (%)
Age :		
21-30	61	25
31-40	60	24.6

	N=244	
Items	Frequency	Percentage (%)
41-50	62	25.4
50>	61	25
Races:		
Malay	96	39.3
Chinese	114	46.7
Indian	29	11.9
others	5	2
Gender:		
Male	83	34
Female	161	66

Three attributes were used to identify the profile of the respondents: age, race, and gender. Based on the table above, the first attribute was age. The largest age group was 41–50 years old, accounting for 25.4%, followed by respondents aged 51 years and above and 21–30 years, each at 25%. Respondents aged 31–40 years comprised 24.6% of the sample. This indicates that the questionnaires were distributed and answered evenly across all age groups, with the most experienced respondents (41–50 years) representing the highest proportion. For the race attribute, respondents were classified as Malay, Chinese, Indian, or others. Most respondents were Chinese (46.7%), followed by Malay (39.3%), Indian (11.9%), and other races (2.0%). Finally, regarding gender, 83 respondents (34%) were male and 161 (66%) were female, showing that the majority of respondents were female.

4.6 Descriptive Analysis

The researcher then conducted a descriptive analysis of all the variables, as presented in the table below:

Table 4.8
Descriptive Statistics

	N	Mean	Std. Deviation	Skewness	Kurtosis
Stakeholder representative	244	3.957	0.483	-0.060	-0.081
Decision making	244	3.742	0.446	-0.040	-0.006
Corporate Social Responsibility	244	3.877	0.334	-0.058	0.351
Return on Equity	244	-0.786	0.692	-0.055	-0.385
Family Ownership	244	0.320	0.211	-0.173	-0.939
Government ownership	244	-0.492	0.217	-1.657	4.244
Institutional Ownership	244	-0.489	0.20744	-0.004	-1.132
Foreign Ownership	244	0.113	0.072	-0.408	-0.945
Total Assets	244	6.038	0.771	0.856	1.284
Total Debt	244	0.477	0.257	1.240	4.550
Company's Age	244	36.02	20.186	1.488	3.923
Return on Asset	244	-1.022	0.787	0.013	-0.859

Additionally, the questionnaires for the independent variables were analyzed. For each question, the number and percentage of respondents selecting each response were calculated, as presented in Sections 4.6.1 to 4.6.3.

4.6.1 Independent Variable 1: Stakeholder Representative

Based on Table 4.9 below, there was a notable variation between the mean (M= 3.96) and standard deviation (SD= 0.69) for the stakeholder representative construct. In Table 4.9, Item B06 recorded a mean of 4.16 and a standard deviation of 0.67, indicating that respondents agreed women directors have a better understanding of female consumers' needs and preferences, including gender-specific preferences and shopping habits, compared to their male counterparts. The lowest mean was observed for Item B01 (M= 3.39, SD= 0.71), which suggested that female directors exhibit greater attentiveness to and protection of stakeholder interests than their male counterparts, as they tend to consider the needs and perspectives of a wider range of stakeholders.

Table 4.9
Respondents' Perception Towards Women Directors as Stakeholder Representatives

No.	Statements / Scale	No. of respondents/ (Percentage (%))					M/Sd	Interpre-tation
		1	2	3	4	5		
B06	Women directors on boards understand more women customer's buying patterns and demands	0	0	38 (15.6)	128 (52.7)	77 (31.7)	4.16/0.67	High
B02	Women directors act as the role models to female employees	0	0	28 (11.5)	151 (61.9)	65 (26.6)	4.15/0.60	High
B05	Appointing women directors on corporate boards is considered vital for a customer-oriented company which majority of its customers are women	0	6 (2.5)	42 (17.6)	114 (46.7)	81 (33.2)	4.11/0.77	High
B04	Having more women directors on corporate boards enhance the ability of the company to attract higher female labour pools	0	8 (3.3)	31 (13.1)	145 (59.4)	59 (24.2)	4.05/0.71	High
B03	Women directors act as the legitimate persons to protect the welfare of all women in the company	0	0	68 (27.9)	132 (54.5)	43 (17.6)	3.90/0.67	High
B01	Women directors are more protective on the interests of the stakeholder compared to men	0	23 (9.4)	112 (46.3)	99 (40.6)	9 (3.7)	3.39/0.71	High
						Average mean	3.96/0.69	High

Note: 1=Strongly Disagree/ 2=Disagree/ 3=Neutral/ 4=Agree/ 5=Strongly Agree

4.6.2 Independent Variable 2: Decision Making

The decision-making variable exhibited a notable variation between its mean (M=3.74) and standard deviation (Sd=0.59) (refer to Table 4.10 below). The analysis showed that respondents agreed that women directors are more trustworthy than their

male counterparts, thereby reducing the potential for business corruption. This item received the highest mean score (M= 3.88, SD= 0.54), indicating strong agreement among respondents. However, respondents in this study indicated that women directors were less likely to be fair than their male counterparts (M= 3.66, SD= 0.58), as they were perceived to consider the perspectives of all stakeholders less comprehensively before making decisions. Overall, the findings suggested that women board members are generally reliable decision-makers, although they may be somewhat less inclined to account for the interests of all relevant parties. Nevertheless, the results reflected a generally high level of decision-making effectiveness among women directors

Table 4.10
Respondents' Perception Towards Women Directors in Decision Making

No.	Statements / Scale	No. of respondents/ (Percentage (%)) 1	2	3	4	5	M/Sd	Interpre-tation
C03	Women directors are honest in making decisions thus reduce the risk of corruption in the company	0	0	52 (21.3)	170 (69.7)	22 (9)	3.88/0.54	High
C02	Highly educated women directors help boards to make effective decisions	0	1 (0.4)	78 (32)	143 (58.6)	22 (9.0)	3.77/0.61	High
C06	Women directors are able to reduce unethical decision making that would harm the company	0	5 (2)	64 (25.2)	157 (64.3)	18 (7.4)	3.77/0.61	High
C04	Women directors are able to bring new ideas to the table	0	0	84 (34.4)	143 (58.6)	17 (7.0)	3.72/0.58	High
C01	Women directors with different background led to an effective decision making in the company	0	4 (1.6)	91 (37.3)	134 (54.9)	15 (6.1)	3.66/0.62	High
C05	Women directors are more likely to be fair by taking into account everyone's point of view before deriving any decision	0	4 (1.6)	84 (34.4)	147 (60.2)	9 (3.7)	3.66/0.58	High

No.	Statements	No. of respondents/ (Percentage (%))					M/Sd	Interpre-tation
	Scale	1	2	3	4	5		
					Average mean		3.74/0.59	High

Note: 1=Strongly Disagree/ 2=Disagree/ 3=Neutral/ 4=Agree/ 5=Strongly Agree

4.6.3 Independent Variable 3: Corporate Social Responsibility

The corporate social responsibility variable exhibited a notable variation between its mean (M= 3.88) and standard deviation (SD= 0.46) (refer to Table 4.11 below). Respondents indicated that women directors were more empathetic, sensitive, and proactive in addressing the needs of all stakeholders, with a mean of 4.10 and a standard deviation of 0.59. The data revealed that women directors were generally more engaged in considering the requirements of all stakeholders. Conversely, respondents were less likely to agree that women directors effectively led the company in conducting corporate social responsibility activities, as reflected by a mean of 3.67 and a standard deviation of 0.61. Overall, the results suggested that women directors demonstrated a high level of corporate social responsibility.

Table 4.11
Respondents' Perception Towards Women Directors in Terms of Corporate Social Responsibility

No.	Statements	No. of respondents/ (Percentage (%))					M/Sd	Interpre-tation
	Scale	1	2	3	4	5		
D03	Women directors are more empathetic, sympathetic and active in taking care the needs of all stakeholder	0	0	31 (12.7)	157 (64.3)	56 (23)	4.10/0.59	High
D05	Women directors are more likely to organize donation and charity programs	0	0	23 (9.4)	198 (81.6)	22 (9.0)	4.00/0.43	High
D06	Women directors are more committed to do all philanthropic activities	0	0	24 (9.8)	201 (82.4)	19 (7.8)	3.98/0.42	High
D04	Women directors are more caring towards moral and	0	3 (1.2)	61 (25.0)	163 (66.8)	17 (7)	3.80/0.57	High

No.	Statements / Scale	No. of respondents/ (Percentage (%)) 1	2	3	4	5	M/Sd	Interpre-tation
	social issues rather than profits gains							
D02	Women directors are more likely concerned with voluntary social responsibility than their male counterparts	0	3 (1.2)	72 (29.5)	159 (65.2)	10 (4.1)	3.72/0.56	High
D01	Women directors lead the company to exercise effective corporate social responsibility (CSR) activities	0	0	99 (40.6)	127 (52.0)	18 (7.4)	3.67/0.61	High
	Average mean						3.88/0.46	High

Note: 1=Strongly Disagree/ 2=Disagree/ 3=Neutral/ 4=Agree/ 5=Strongly Agree

4.7 Correlation Analysis

The aim of this study was to explore the three main contributions of women directors, namely stakeholder representation, decision-making, and corporate social responsibility, and to examine their impact on a company's financial performance. To achieve this objective, a correlation analysis was conducted to determine the relationship between these contributions and the company's financial performance. Correlation analysis is a statistical technique used to assess the strength and direction of the relationship between independent and dependent variables. In this study, the Pearson correlation coefficient was employed to evaluate whether the research objectives were met. According to Field (2009), the accepted significance levels are $p<0.001$ and $p<0.006$. Additionally, the strength of the correlation was interpreted using the guidelines proposed by Cohen (1988), where $r=0.1$ to 0.29 indicates a weak correlation, $r=0.3$ to 0.49 indicates a medium correlation, and $r=0.5$ to 1 indicates a strong correlation.

However, in order to conduct a valid Pearson correlation coefficient analysis, certain assumptions must be met. Four basic assumptions were considered in this study. Firstly, the variables must be continuous and measured at the interval or ratio level. If

one of the variables is ordinal, the Spearman correlation should be used instead of the Pearson correlation coefficient. In this study, all variables were measured using the Likert scale, and they were continuous. The second assumption is a linear relationship must exist between the variables. A linearity test was conducted, which confirmed that all variables exhibited a linear relationship.

The third assumption is that there should be no significant outliers in the data. One outlier was removed, as highlighted in section 4.4.3. Lastly, the data must be normally distributed. The researcher conducted a normality test and confirmed that all variables were normally distributed. All these assumptions were outlined in subchapter 4.4 (test of goodness of data), and it was confirmed that all assumptions for the Pearson correlation coefficient analysis were met, as shown in the table below.

Table 4.12
The Pearson's Correlation Assumptions

Assumptions	Data analysis	Remarks
Variables should be continuous	Items are measured by Likert scale and numerical data extracted from Refinitiv Eikon database and Annual Reports	Assumption met
Linearity relationship between variables	Scatterplot and Normal P-P plot	Assumption met
Data outliers	Boxplot	Assumption met
Variables are normally distributed	Skewness and Kurtosis	Assumption met

Once the assumptions were confirmed, the researcher proceeded to conduct the Pearson correlation coefficient to analyze the relationships between the independent variables and the dependent variable. This statistical method was used to determine the strength and direction of the correlations between the variables. The Pearson correlation was applied to address Research Questions 1, 2 and 3. The results of the correlation analysis are presented as follows:

Table 4.13
Correlations Results

No.	Construct variables	Pearson Correlation (r)	Sig. Value
Dependent Variable			
1.	Return on Equity	1	-
Independent Variables			
2.	Stakeholder Representative	-0.030	0.636
3.	Decision Making	-0.040	0.534
4.	Corporate Social Responsibility	-0.062	0.335
Moderating Variables			
5.	Family Ownership	0.026	0.684
6.	Government Ownership	0.222	0.377
7.	Institutional Ownership	-0.009	0.978
8.	Foreign Ownership	0.027	0.675
Control Variables			
9.	Total Assets	-0.226**	<0.001
10.	Total Debt	0.191*	0.003
11.	Company's Age	0.018	0.783

Notes: *Correlation is significant at the level 0.001 level

Based on Table 4.13, the dependent variable, return on equity (ROE), showed a weak positive and significant relationship with total debt only, with r= 0.191 and p= 0.003, and a weak negative significant relationship with total assets, with r= -0.226 and p <0.001. Based on the Pearson correlation results in Table 4.16, none of the contributions, namely stakeholder representation, decision-making, and corporate social responsibility, showed a significant correlation with financial performance. All the independent variables exhibited an inverse relationship with the dependent variable, with r= -0.030, r= -0.040, and r= -0.062 respectively, and all p-values exceeded 0.001. These results indicated that the contributions of women directors had no significant relationship with the company's financial performance.

Similarly, moderating variables, such as family ownership, government ownership, institutional ownership, and foreign ownership, demonstrated insignificant relationships with financial performance, with r= 0.026, r= 0.222, r= -0.009, and r= 0.027 respectively, and p-values exceeding 0.001. The control variable such as

company age, also exhibited a negative and insignificant relationship with financial performance (ROE), with r= 0.018 and a p-value above 0.001. Overall, these findings suggested that the contributions of women directors and other moderating variables did not have a measurable impact on the company's financial performance.

4.8 Multiple Regression Analysis

In addition, multiple regression analysis was conducted to address Research Question 4. To ensure that the analysis produced valid results, several assumptions were first verified. The first assumption is that a linear relationship must exist between the independent variables and the dependent variable. A linearity test was performed, which confirmed that all variables exhibited a linear relationship. The second assumption is that the data must be normally distributed. A normality test was conducted and all variables were confirmed to be normally distributed. The third assumption is that the variance of error terms should be constant across the independent variables, a condition known as homoscedasticity. The researcher conducted a homoscedasticity test, and the results indicated that the errors were constant along the line, confirming that homoscedasticity was satisfied.

The fourth assumption is that the data must be reliable. In this study, data reliability was assessed using Cronbach's Alpha, which had been reported earlier section 4.4.1. Lastly, the assumption of no multicollinearity among the independent variables was verified. Multicollinearity occurs when independent variables are highly correlated, which can distort regression results. According to Gujarati and Porter (2009), a VIF greater than 10 indicates a serious multicollinearity problem, while a VIF between 5 and 10 suggests moderate multicollinearity. Similarly, Hair et al. (2014) stated that VIF values above 10 indicate a severe problem, whereas values between 5 and 10 suggest moderate concern. Therefore, it is widely accepted that a VIF of 1 indicates no multicollinearity, while values above 1 suggest some degree of multicollinearity, with higher values reflecting a more serious issue. Regression analysis was conducted, and multicollinearity was examined using the collinearity statistics table. All independent variables had acceptable VIF values, indicating that the fifth assumption was met.

Table 4.14
The Multiple Regression Assumptions

Assumptions	Data Analysis	Remarks
Variables' Linear Relationship	Normal P-P Plot	Assumption met
Variables are Normally Distributed	Skewness And Kurtosis	Assumption met
Homoscedasticity of Data	Scatterplot	Assumption met
Reliability of Data	Cronbach's Alpha	Assumption met
No Multicollinearity	Regression	Assumption met

Based on Table 4.14 above, all assumptions for multiple regression analysis were met, the researcher then proceeded with the analysis and the results generated were valid. The results of the multiple regression analysis are presented below, and the interpretations of Table 4.15 in relation to the study's hypotheses are discussed in detail in subsection 4.10.2.

Table 4.15
Multiple Regression Result

R = 0.390
P2 = 0.152
Adjusted *R* Square = 0.115

Variables	Unstandardized Coefficient		Standardize Coefficient	t	p	VIF
	B	Std. Error	Beta			
Stakeholder Representative	-0.004	0.103	-0.003	-0.040	0.968	1.410
Decision Making	-0.067	0.116	-0.043	-0.576	0.565	1.538
Corporate Social Responsibility	-0.119	0.142	-0.057	-0.839	0.403	1.279
Family Ownership	1.816	2.712	0.553	0.670	0.504	1.122
Government Ownership	-0.113	0.340	-0.023	-0.333	0.740	1.315
Institutional Ownership	0.208	0.389	0.036	0.536	0.593	1.234
Foreign Ownership	-5.463	8.075	-0.568	-0.676	0.499	1.782
Total Assets	-0.332	0.064	-0.370	-5.168	<0.001	1.408
Total Debt	0.841	0.175	0.312	4.810	<0.001	1.158
Company's Age	0.002	0.002	0.062	0.969	0.334	1.117

Table 4.16
ANOVA

Model	Sum of Squares	Df	Mean Square	F value	p-value
Regression	17.659	10	1.766		
Residual	98.651	233	0.423	4.171	<0.001
Total	116.31	243			

The summary of the multiple regression analysis in Table 4.15 indicated that $R^2 = 0.152$, meaning that the variables related to women directors collectively explained approximately 15.2% of the variance in the company's financial performance. The regression model was statistically significant, $F(10, 233) = 4.171$, $p < 0.001$, indicating that it could meaningfully predict the dependent variable.

4.9 Hayes Process Analysis

A variable known as a moderator can modify the impact between two variables by influencing the correlation between the independent and dependent variables. According to Baron and Kenny (1986), a statistically significant moderating variable can either strengthen or weaken the relationship between the independent and dependent variables. The moderating variable is also referred to as a mechanism or intervenient variable (Hoyle & Robinson, 2004). To analyze the moderating effect, the PROCESS method was employed, with several assumptions verified prior to conducting the analysis. Abu-Bader and Jones (2021) noted that a number of assumptions must be met before performing moderation analysis. The first assumption is that all variables are measured on a continuous scale. The second is that the independent, dependent, and moderating variables exhibit linear relationships. The third assumption is that no multicollinearity exists among the variables, while the fourth is that the data contain no spurious outliers. Finally, the distributions of the variables should be approximately normal. This analysis was conducted to answer Research Question 5.

Table 4.17
The Moderating Variable Assumptions

Assumptions	Data Analysis	Remarks
Variables should be continuous	Items are measured by Likert scale and numerical data extracted from IKON database and Annual Reports	Assumption met
Linearity relationship between variables	Scatterplot and Normal P-P plot	Assumption met
No Multicollinearity	Regression	Assumption met
Data outliers	Boxplot	Assumption met
Variables are Normally Distributed	Skewness and Kurtosis	Assumption met

Based on table 4.17 above, all assumptions were met thus the moderation analysis was conducted and the outcome generated was valid. The summary results of the Hayes PROCESS analysis are presented below, with detailed explanation are provided in subsection 4.10.3:

Table 4.18
Results Summary for Hypotheses H5(a), H5(b) and H5(c)

	Hypotheses	Conclusion	Decision
H5(a)	Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.	No moderation effect	Reject
H5(b)	Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of	No moderation effect	Reject

	Hypotheses	Conclusion	Decision
	women directors in decision making and the company's financial performance.		
H5(c)	Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.	No moderation effect	Reject

4.10 Data Analysis by Objectives

This section explained the interpretation of findings corresponding to each research objective. It also discussed whether the proposed hypotheses were accepted or rejected, providing detailed explanations and justifications based on the data analysis and results obtained. Specifically, Section 4.10.1 addressed Research Objectives 1 to 3, while Section 4.10.2 discussed Research Objective 4. The moderating effects of family, government, institutional, and foreign ownership, corresponding to Research Objective 5, were examined in Section 4.10.3. Finally, Section 4.10.4 explored Research Objective 6, which investigated whether companies with women directors experienced higher financial performance.

4.10.1 RO1-RO3: Contributions of Women Director on Company's Financial Performance

4.10.1.1 RO1: To Examine the Relationship Between the Contributions of Women Directors as the Stakeholder Representatives and the Company's Financial Performance

The first objective of this study was to examine the relationship between the contributions of women directors as stakeholder representatives and the company's financial performance. The Pearson correlation analysis was conducted to identify the relationship between the independent variable (stakeholder representation) with dependent variable (company's financial performance). The result of the Pearson correlation analysis revealed no significant relationship between the two variables as the value of r=-0.030 and p=0.636, as stated in Table 4.13.

Table 4.19
Simple Linear Regression Result for Stakeholder Representative

	Unstandardized Coefficient		Standardize Coefficient		
	B	Std. Error	Beta	t	p
Stakeholder Representative	-0.044	0.092	-0.030	-0.474	0.636

The researcher also conducted a simple linear regression analysis to further examine the relationship between the contributions of women directors as stakeholder representatives and the company's financial performance. The result revealed no significant relationship between the two variables as p>0.005. Therefore, it can be concluded that the independent variable (stakeholder representation) did not have a significant influence on the dependent variable (company's financial performance).

Thus, hypothesis 1 was deemed rejected as the findings indicated no significant relationship between contributions of women directors as stakeholder representatives and company's financial performance.

4.10.1.2 RO2: To Examine the Relationship Between the Contributions of Women Directors in Decision Making and the Company's Financial Performance

The second objective of this study is to examine relationship between the contributions of women directors in decision making with the company's financial performance. The Pearson correlation analysis was conducted to identify the relationship between the independent variable (decision making) with dependent variable (company's financial performance). The result revealed no significant relationship between the two variables. Specifically, the Pearson correlation analysis indicated that decision making (IV2) did not have a significant relationship with company's financial performance (DV) as the value of r=-0.040 and p=0.534.

Table 4.20
Simple Linear Regression Result for Decision Making

	Unstandardized Coefficient		Standardize Coefficient		
	B	Std. Error	Beta	t	p
Decision Making	-0.062	0.100	-0.040	-0.623	0.534

As for the simple linear regression analysis, the second independent variable i.e. decision-making showed no significant relationship with the company's financial performance as the value of p>0.005. The b value for the construct of women directors as a good decision-maker showed a negative value (b= -0.062), meaning that, as decision-making by women directors improves, the company's financial performance may slightly decrease.

Thus, hypothesis 2 was deemed rejected, indicating that the contributions of women directors in decision making did not have a significant relationship with the company's financial performance.

4.10.1.3 RO3: To Examine the Relationship Between the Contributions of Women Directors in Corporate Social Responsibility and the Company's Financial Performance

The third objective of this study was to examine the relationship between the contributions of women directors in corporate social responsibility (CSR) and the company's financial performance. A Pearson correlation analysis was conducted to determine the relationship between the independent variable (corporate social responsibility) and the dependent variable (company's financial performance). Based on Table 4.19, the results indicated that corporate social responsibility did not have a significant relationship with the company's financial performance, as shown by the correlation value of r= -0.062 and p= 0.335.

Table 4.21
Simple Linear Regression Result for Corporate Social Responsibility

	Unstandardized Coefficient		Standardize Coefficient		
	B	Std. Error	Beta	t	p
Corporate Social Responsibility	-0.129	0.133	-0.062	-0.967	0.335

Based on the table above, the contributions of women directors in corporate social responsibility (CSR) showed no significant relationship with the company's financial performance, as the p-value was greater than 0.05. The b-value for this relationship was negative (b= -0.129), The negative correlation suggested that, as corporate social responsibility efforts increased, the company's financial performance slightly decreased. Therefore, Hypothesis 3 was rejected, as no significant relationship was found between the contributions of women directors in corporate social responsibility and the company's financial performance.

4.10.2 RO4: To Identify the Most Influential Contribution of Women Directors Towards the Company's Financial Performance

This section presented the data findings addressing the fourth objective, which was to identify the most influential contribution of women directors to the company's financial performance. A multiple regression analysis was employed to examine and determine which contribution of women directors had the greatest impact on the company's financial performance.

The most influential contribution of women directors was presented in more detail in the multiple regression analysis shown in Table 4.15. The beta value (β) under Standardized Coefficients, also referred to as Standardized Estimation (SE), was used to determine the relative contribution of each predictor to the dependent variable. Meanwhile, the b-value of the unstandardized coefficients provided an estimate of the direction and magnitude of the relationship between each independent variable and the dependent variable.

Based on Table 4.15, none of the independent or moderating variables showed a significant influence of women directors on the company's financial performance. However, the control variables, namely total assets and total debt, exhibited significant effects. The findings indicated an inverse relationship between total assets and Return on Equity (ROE), suggesting that an increase in total assets led to a reduction in ROE. Conversely, the analysis revealed a positive relationship between total debt and ROE, indicating that an increase in total debt contributed to an improvement in ROE. Therefore, Hypothesis 4 was rejected, as corporate social responsibility was not the most influential contribution of women directors to the company's financial performance.

4.10.3 RO5: To Examine the Moderating Role of the Ownership Structures on the Relationship Between Women Directors' Contributions and the Company's Financial Performance

4.10.3.1 Moderating Variable 1: Family Ownership

a) Model 1: Family Ownership as a Moderator of Women Directors' Contribution as a Stakeholder Representative and Company's Financial Performance

Model Testing 1 examined the moderating effect of family ownership on the relationship between women directors' contribution as a stakeholder representative and the company's financial performance. In this model, three variables namely stakeholder representative, family ownership, and company's financial performance, were used for the analysis, and Hayes PROCESS was employed to run the moderation test.

As illustrated in Figure 4.2, Model Testing 1 confirmed that family ownership did not act as a moderator, indicating that it did not influence the relationship between women directors' contribution as a stakeholder representative and the company's financial performance. Furthermore, even without considering family ownership as a moderator, no direct relationship was observed between stakeholder representation and company financial performance, as the direct effect was c'= -0.045, p= 0.649, indicating that the relationship was not statistically significant.

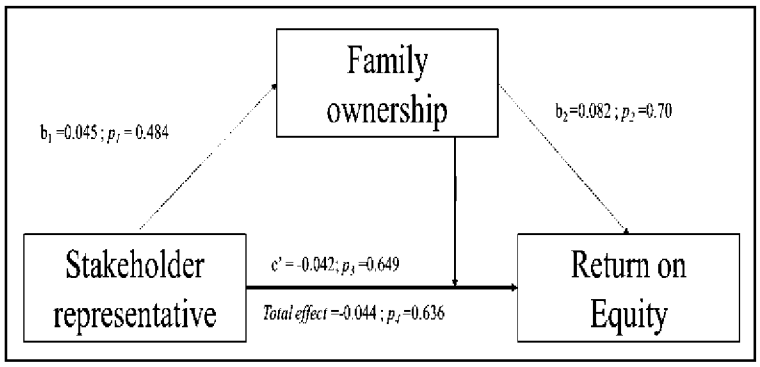


Figure 4.2 Model Testing 1

Table 4.22 presents the summary of the moderation path for Model Testing 1. The output indicated that stakeholder representation showed no significant effect on

financial performance when family ownership was included as a moderator. Therefore, family ownership did not moderate the relationship between women directors' contribution as a stakeholder representative and the company's financial performance.

Table 4.22
Summary of Moderation Path – Model Testing 1

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Family ownership -> Financial performance	-0.042 (p=0.6358)	-0.042 (p=0.6491)	-0.002	0.636	-0.225	-0.474	No moderation effect

b) Model 2: Family Ownership as a Moderator of Women Directors' Contribution in Decision Making and Company's Financial Performance

The Model Testing 2 examined the moderation effect of family ownership between women directors' contribution in decision making and company's financial performance. In this Model, three items i.e. decision making, family ownership and company's financial performance were used for testing.

As illustrated in Figure 4.3, Model Testing 2 confirmed that family ownership did not moderate the relationship between women directors' contribution in decision making and the company's financial performance. Furthermore, even without considering family ownership as a moderator, no direct relationship was observed between decision-making and the company's financial performance, as the direct effect was c'= -0.065, p= 0.519, indicating that the relationship was not statistically significant.

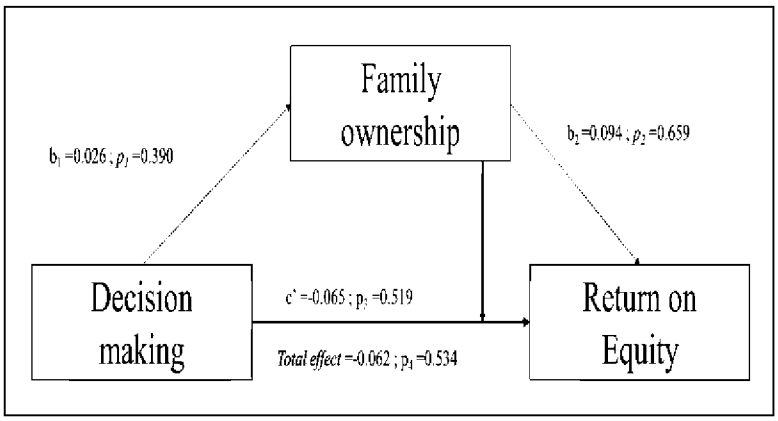


Figure 4.3 Model Testing 2

Table 4.23 presents the summary of the moderation path for Model Testing 2. The output indicated that decision-making showed no significant effect on financial performance when family ownership was included as a moderator. Therefore, family ownership did not moderate the relationship between women directors' contribution as effective decision-makers and the company's financial performance.

Table 4.23
Summary of Moderation Path – Model Testing 2

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Decision making -> Family ownership -> Financial performance	-0.0621 (p=0.5340)	-0.0645 (p=0.5193)	0.0024	0.534	-0.258	-0.623	No moderation effect

c) Model 3: Family Ownership as a Moderator of Women Directors' Contribution in Corporate Social Responsibility and Company's Financial Performance

The Model Testing 3 examined the moderation effect of family ownership between women directors' contribution in corporate social responsibility and company's financial performance. In this Model, three items were used for testing i.e. corporate social responsibility, family ownership and company's financial performance.

As illustrated in Figure 4.4, Model Testing 3 confirmed that family ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution in corporate social responsibility and company's financial performance. Additionally, even without considering family ownership as a moderator, there was still no direct relationship between corporate social responsibility and company's financial performance as the direct effect was c'= -0.133 and p=0.321, indicating that this relationship was not statistically significant.

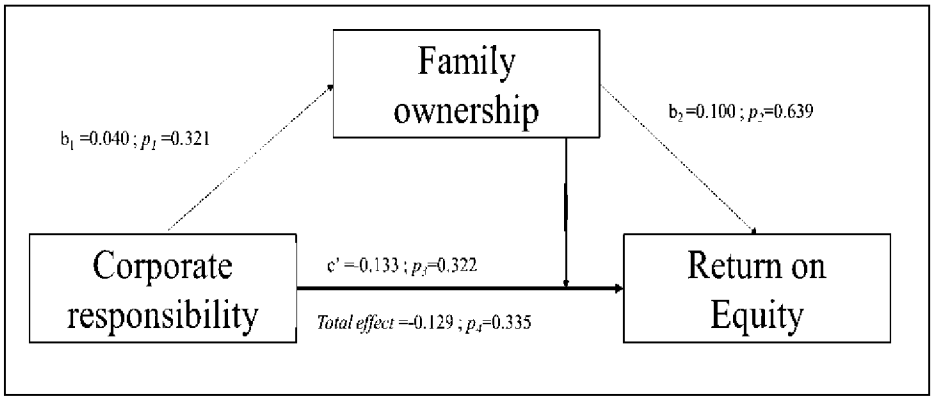


Figure 4.4 Model Testing 3

Table 4.24 presents the summary of the moderation path for Model Testing 3. The output indicated that corporate social responsibility showed no significant effect on financial performance when family ownership was included as a moderator. Therefore, family ownership did not moderate the relationship between women directors' contribution in corporate social responsibility and the company's financial performance.

Table 4.24
Summary of Moderation Path – Model Testing 3

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Corporate social responsibility -> Family ownership -> Financial performance	-0.129 (p=0.335)	-0.133 (p=0.322)	0.004	-0.391	0.134	-0.967	No moderation effect

4.10.3.2 Moderating Variable 2: Government Ownership

a) Model 4: Government Ownership as a Moderator of Women Directors' Contribution as a Stakeholder Representative and Company's Financial Performance

The Model Testing 4 examined the moderation effect of government ownership between women directors' contribution as stakeholder representative and company's financial performance. In this Model, 3 items were used for testing i.e. stakeholder representative, government ownership and company's financial performance. Similarly, Hayes PROCESS was used to run the analysis.

As illustrated in Figure 4.5, Model Testing 4 confirmed that government ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as stakeholder representative and company's financial performance. Additionally, even without considering government ownership as a moderator, there was still no direct relationship between stakeholder representative and company's financial performance as the direct effect was c'= -0.270 and p=0.393, indicating that this relationship was not statistically significant.

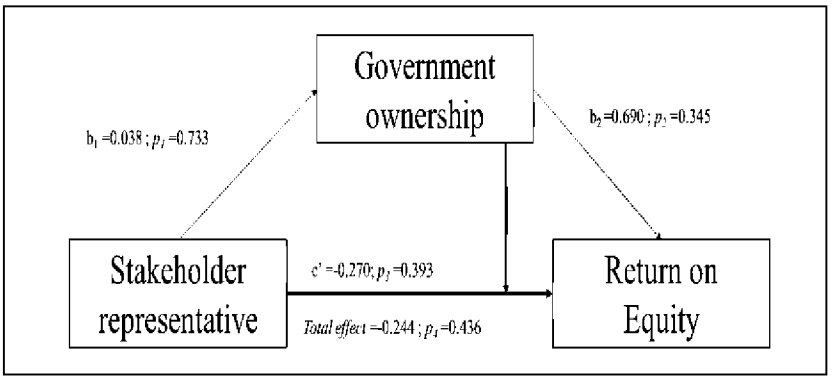


Figure 4.5 Model Testing 4

Table 4.25 presents the summary of the moderation path for Model Testing 4. The output indicated that stakeholder representation showed no significant effect on the company's financial performance when government ownership was included as a moderator. Therefore, government ownership did not moderate the relationship

between women directors' contribution as a stakeholder representative and the company's financial performance.

Table 4.25
Summary of Moderation Path – Model Testing 4

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative ->Government ownership -> Financial performance	-0.244 (p=0.436)	-0.270 (p=0.393)	-0.026	-0.892	0.404	-0.800	No moderation effect

b) Model 5: Government Ownership as a Moderator of Women Directors' Contribution in Decision Making and Company's Financial Performance

The Model Testing 5 examined the moderation effect of government ownership between women directors' contribution as a good decision maker and company's financial performance. In this Model, 3 items were used for testing i.e. decision making, government ownership and company's financial performance.

As illustrated in Figure 4.6, Model Testing 5 confirmed that government ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as a good decision maker and company's financial performance. Additionally, even without considering government ownership as a moderator, there was still no direct relationship between decision making and company's financial performance as the direct effect was c'= -0.511 and p=0.245, indicating that this relationship was not statistically significant.

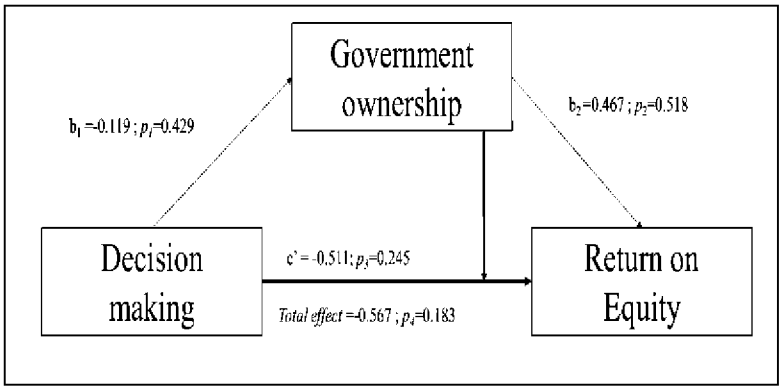


Figure 4.6 Model Testing 5

Table 4.26 presents the summary of the moderation path for Model Testing 5. The output indicated that decision-making showed no significant effect on the company's financial performance when government ownership was included as a moderator. Therefore, government ownership did not moderate the relationship between women directors' contribution in decision-making and the company's financial performance.

Table 4.26
Summary of Moderation Path – Model Testing 5

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Decision making -> Government ownership -> Financial performance	-0.567 (p=0.183)	-0.511 (p=0.245)	-0.056	-1.423	0.295	-1.394	No moderation effect

c) *Model 6: Government Ownership as a Moderator of Women Directors' Contribution in Corporate Social Responsibility and Company's Financial Performance*

The Model Testing 6 examined the moderation effect of government ownership between women directors' contribution in corporate social responsibility and company's financial performance. In this Model, 3 items were used for testing i.e.

corporate social responsibility, government ownership and company's financial performance.

As illustrated in Figure 4.7, Model Testing 6 confirmed that government ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution in corporate social responsibility and company's financial performance. Additionally, even without considering government ownership as a moderator, there was still no direct relationship between corporate social responsibility and company's financial performance as the direct effect was c'= -0.198 and p=0.730, indicating that this relationship was not statistically significant.

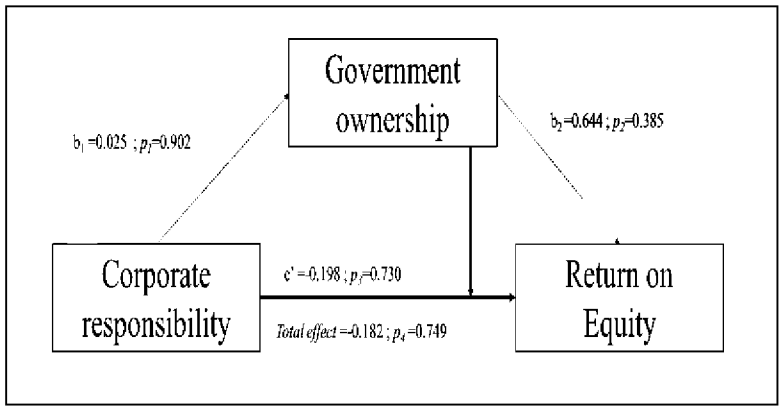


Figure 4.7 Model Testing 6

Table 4.27 presents the summary of the moderation path for Model Testing 6. The output indicated that corporate social responsibility showed no significant effect on the company's financial performance when government ownership was included as a moderator. Therefore, government ownership did not moderate the relationship between women directors' contribution in corporate social responsibility and the company's financial performance.

Table 4.27
Summary of Moderation Path – Model Testing 6

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Corporate social responsibility -->Government ownership -> Financial performance	-0.182 (p=0.749)	-0.198 (p=0.730)	0.016	-1.370	1.006	-0.326	No moderation effect

4.10.3.3 Moderating Variable 3: Institutional Ownership

a) Model 7: Institutional Ownership as a Moderator of Women Directors' Contribution as a Stakeholder Representative and Company's Financial Performance

The Model Testing 7 examined the moderation effect of institutional ownership between women directors' contribution as a stakeholder representative and company's financial performance. In this Model, 3 items were used for testing i.e. stakeholder representative, institutional ownership and company's financial performance.

As illustrated in Figure 4.8, Model Testing 7 confirmed that institutional ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as stakeholder representative and company's financial performance. Additionally, even without considering institutional ownership as a moderator, there was still no direct relationship between stakeholder representative and company's financial performance as the direct effect was c'= -0.635 and p=0.312, indicating that this relationship was not statistically significant.

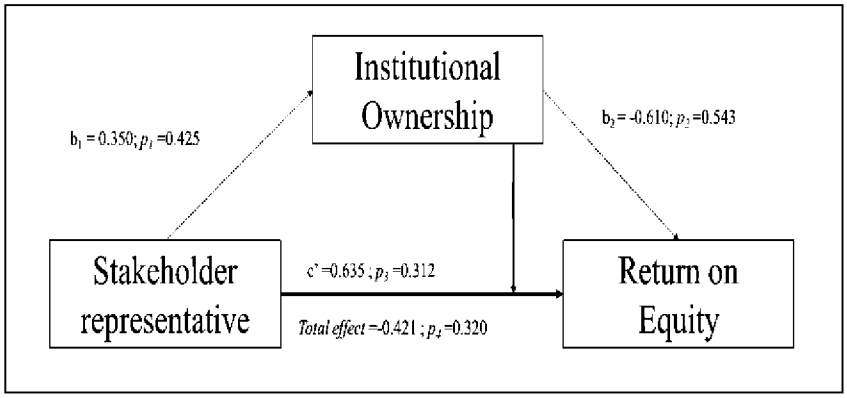


Figure 4.8 Model Testing 7

Table 4.28 presents the summary of the moderation path for Model Testing 7. The output indicated that stakeholder representation showed no significant effect on the company's financial performance when institutional ownership was included as a moderator. Therefore, institutional ownership did not moderate the relationship between women directors' contribution as a stakeholder representative and the company's financial performance.

Table 4.28
Summary of Moderation Path – Model Testing 7

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Institutional ownership -> Financial performance	-0.421 (p=0.320)	0.635 (p=0.312)	-0.213	-0.628	1.470	0.884	No moderation effect

b) Model 8: Institutional Ownership as a Moderator of Women Directors' Contribution in Decision Making and Company's Financial Performance

The Model Testing 8 examined the moderation effect of institutional ownership between women directors' contribution in decision making and company's financial

performance. In this Model, 3 items were used for testing i.e. decision making, institutional ownership and company's financial performance.

As illustrated in Figure 4.9, Model Testing 8 confirmed that institutional ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as a good decision maker and company's financial performance. Additionally, even without considering institutional ownership as a moderator, there was still no direct relationship between decision making and company's financial performance as the direct effect was c'=0.301 and p=0.634, indicating that this relationship was not statistically significant.

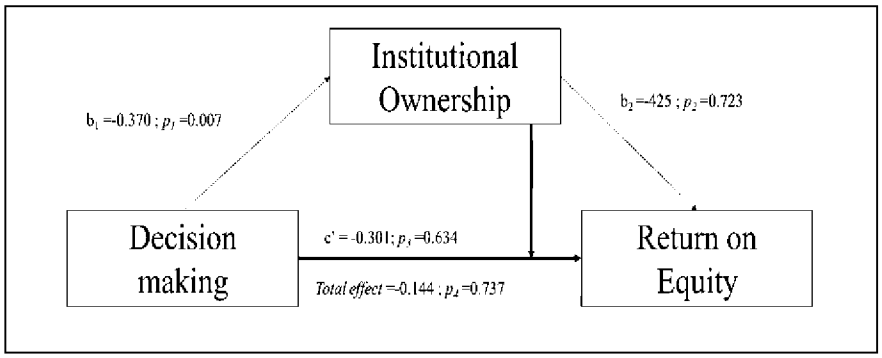


Figure 4.9 Model Testing 8

Table 4.29 presents the summary of the moderation path for Model Testing 8. The output indicated that decision-making showed no significant effect on the company's financial performance when institutional ownership was included as a moderator. Therefore, institutional ownership did not moderate the relationship between women directors' contribution in decision making and the company's financial performance.

Table 4.29
Summary of Moderation Path – Model Testing 8

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Decision making-> Institutional ownership -> Financial performance	-0.144 (p=0.7374)	-0.301 (p=0.634)	0.157	-1.068	0.779	-0.344	No moderation effect

c) *Model 9: Institutional Ownership as a Moderator of Women Directors' Contribution in Corporate Social Responsibility and Company's Financial Performance*

The Model Testing 9 examined the moderation effect of institutional ownership between women directors' contribution in corporate social responsibility and company's financial performance. In this Model, 3 items were used for testing i.e. corporate social responsibility, institutional ownership and company's financial performance.

As illustrated in Figure 4.10, Model Testing 9 confirmed that institutional ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution in corporate social responsibility and company's financial performance. Additionally, even without considering institutional ownership as a moderator, there was still no direct relationship between corporate social responsibility and company's financial performance as the direct effect was c'=0.057 and p=0.914, indicating that this relationship was not statistically significant.

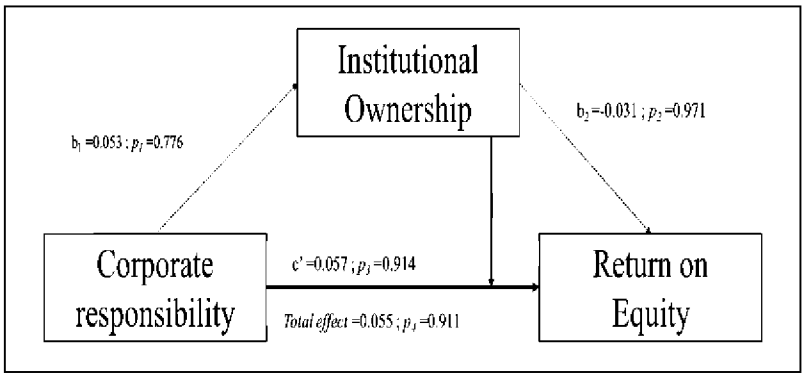


Figure 4.10 Model Testing 9

Table 4.30 presents the summary of the moderation path for Model Testing 9. The output indicated that corporate social responsibility showed no significant effect on the company's financial performance when institutional ownership was included as a moderator. Therefore, institutional ownership did not moderate the relationship between women directors' contribution in corporate social responsibility and the company's financial performance

Table 4.30
Summary of Moderation Path – Model Testing 9

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Corporate social responsibility -> Institutional ownership -> Financial performance	0.055 (p=0.911)	0.057 (p=0.914)	-0.001	-1.010	1.120	0.114	No moderation effect

4.10.3.4 Moderating Variable 4: Foreign Ownership

a) Model 10: Foreign Ownership as a Moderator of Women Directors' Contribution as a Stakeholder Representative and Company's Financial Performance

The Model Testing 10 examined the moderation effect of foreign ownership between women directors' contribution as a stakeholder representative and company's financial performance. In this Model, 3 items were used for testing i.e. stakeholder representative, foreign ownership and company's financial performance.

As illustrated in Figure 4.11, Model Testing 10 confirmed that foreign ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as a stakeholder representative and company's financial performance. Additionally, even without considering foreign ownership as a moderator, there was still no direct relationship between stakeholder representative and company's financial performance as the direct effect was c'= -0.042 and p=0.651, indicating that this relationship was not statistically significant.

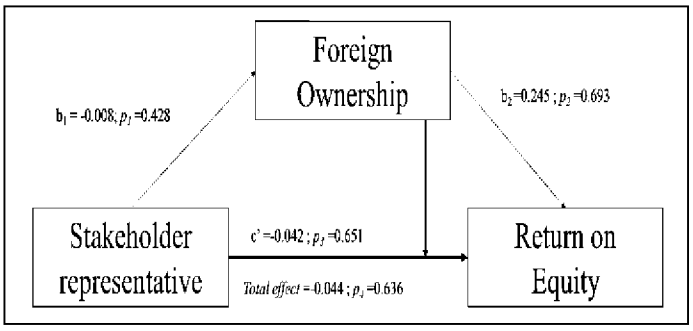


Figure 4.11 Model Testing 10

Table 4.31 presents the summary of the moderation path for Model Testing 10. The output indicated that stakeholder representation showed no significant effect on the company's financial performance when foreign ownership was included as a moderator. Therefore, foreign ownership did not moderate the relationship between women directors' contribution as a stakeholder representative and the company's financial performance.

Table 4.31
Summary of Moderation Path – Model Testing 10

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Foreign ownership -> Financial performance	-0.044 (p=0.636)	-0.042 (p=0.651)	-0.002	-0.225	0.138	-0.474	No moderation effect

b) Model 11: Foreign Ownership as a Moderator of Women Directors' Contribution in Decision Making and Company's Financial Performance

The Model Testing 11 examined the moderation effect of foreign ownership between women directors' contribution as a stakeholder representative and company's financial performance. In this Model, 3 items were used for testing i.e. decision making, foreign ownership and company's financial performance.

As illustrated in Figure 4.12, Model Testing 11 confirmed that foreign ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution as a good decision maker and company's financial performance. Additionally, even without considering foreign ownership as a moderator, there was still no direct relationship between decision making and company's financial performance as the direct effect was c'=-0.064 and p=0.521, indicating that this relationship was not statistically significant.

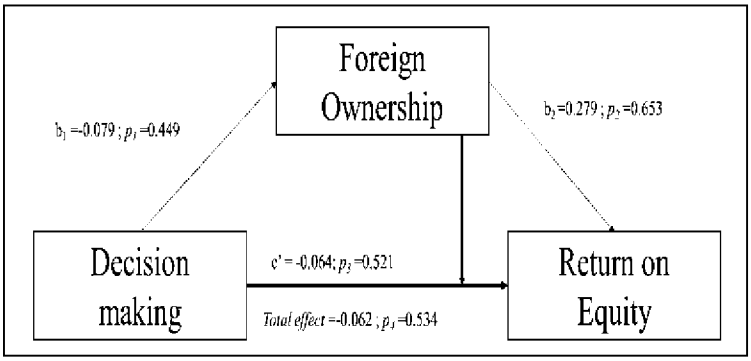


Figure 4.12 Model Testing 11

Table 4.32 presents the summary of the moderation path for Model Testing 11. The output indicated that decision-making showed no significant effect on the company's financial performance when foreign ownership was included as a moderator. Therefore, foreign ownership did not moderate the relationship between women directors' contribution in decision making and the company's financial performance.

Table 4.32
Summary of Moderation Path – Model Testing 11

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Decision making -> Foreign ownership -> Financial performance	-0.0621 (p=0.5340)	-0.0642 (p=0.5209)	0.002	-0.258	0.134	-0.623	No moderation effect

c) *Model 12: Foreign Ownership as a Moderator of Women Directors' Contribution in Corporate Social Responsibility and Company's Financial Performance*

The Model Testing 12 examined the moderation effect of foreign ownership between women directors' contribution in corporate social responsibility and company's financial performance. In this Model, 3 items were used for testing i.e. corporate social responsibility, foreign ownership and company's financial performance.

As illustrated in Figure 4.13, Model Testing 12 confirmed that foreign ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contribution in corporate social responsibility and company's financial performance. Additionally, even without considering foreign ownership as a moderator, there was still no direct relationship between corporate social responsibility and company's financial performance as the direct effect was c'= -0.133 and p=0.320, indicating that this relationship was not statistically significant.

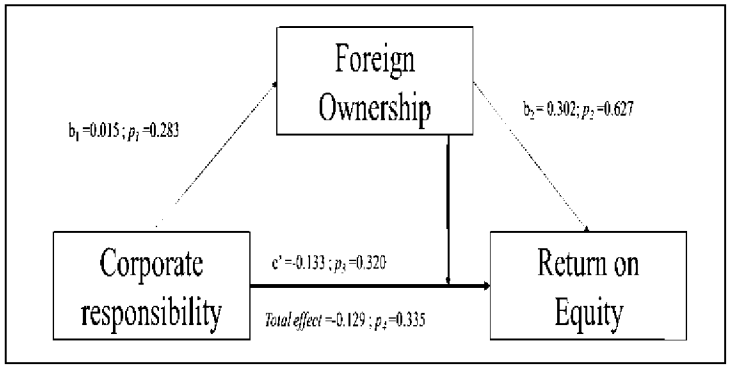


Figure 4.13 Model Testing 12

Table 4.33 presents the summary of the moderation path for Model Testing 12. The output indicated that corporate social responsibility showed no significant effect on the company's financial performance when foreign ownership was included as a moderator. Therefore, foreign ownership did not moderate the relationship between women directors' contribution in corporate social responsibility and the company's financial performance.

Table 4.33
Summary of Moderation Path – Model Testing 12

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Corporate social responsibility -> Foreign ownership -> Financial performance	-0.129 (p=0.335)	-0.133 (p=0.320)	0.005	-0.391	0.134	-0.967	No moderation effect

Table 4.18 in section 4.9 showed the summary of hypotheses 5. Based on the analysis using Hayes PROCESS, hypothesis H5(a): the ownership structures (family ownership, institutional ownership, government ownership and foreign ownership) did not moderate the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance. Similarly, hypothesis H5(b) showed that ownership structures (family ownership, institutional ownership, government ownership and foreign ownership) did not moderate the relationship between the contributions of women directors in decision making and the company's financial performance. Lastly, hypothesis H5(c) also shown that the ownership structures (family ownership, institutional ownership, government ownership and foreign ownership) did not moderate the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance. Therefore, all hypotheses 5 were rejected.

4.10.4 RO6: To Identify the Level of Financial Performance of Companies with Women Directors

The measurement of central tendencies is conducted to determine and explain the central position within a set of data. Mean is one of the components of central tendency and represents the average score of the study. Median, on the other hand, is the middle value in a distribution that occurs between the minimum and maximum score. Finally, mode is the score that occurs most frequently in the data, indicating the highest frequency among the data. Another crucial component is Standard deviation, which reflects the spread of the mean (Field, 2009).

Table 4.34
Table for Measurement of Central Tendencies

Dependent Variable	
Mean	-0.786
Median	-0.908
Mode	0
Standard Deviation	0.692

The sixth research objective is to examine the level of company's financial performance with the presence of women directors on the board. For this study, the financial information that was used to examine the level of company's financial performance with the presence of women directors on the board is the Return on Equity (ROE), which was extracted from the EIKON database by the researcher.

Table 4.35
Measurement

Category	Scale
High	0.75-1.11
Medium	0.36-0.74
Low	0-0.37

Referring to the table presented, the mean value for the financial performance of Malaysian publicly listed companies, as measured by ROE, was -0.786. This value falls within the range of 0–0.37, which is considered low, indicating that companies with women directors exhibited relatively poor financial performance. Therefore, Hypothesis 6, which stated that companies with women board members experience higher financial performance, was not supported and was rejected.

4.11 Robustness Test/ Sensitivity Test

In this section, the researcher conducted a robustness test by re-evaluating all independent, moderating and control variables to verify that the original model's findings were consistent and reliable. Initially, the analysis used return on equity (ROE) as the dependent variable, but for the robustness test, the dependent variable was

changed to return on assets (ROA). This change aimed to determine if the outcomes of the analysis would differ with the earlier outcome.

By changing from ROE to ROA, the study examined whether the relationships identified with the independent, moderating and control variables remained valid when a different financial metric was employed. Unlike ROE, which focuses on shareholders' equity, ROA assesses how effectively the entire asset is utilized to generate profits.

By using ROA in the robustness test, the analysis gained a deeper insight into how the contributions of women directors and other variables affected company's financial performance across different financial metrics. If the results are consistent with those using ROE, it adds weight to the findings, indicating that they are not reliant on a specific financial metric. However, if there are differences, this might indicate that some relationships between variables are more sensitive to the specific financial performance metric used.

In conclusion, the researcher proceeded with robustness test to improve the study's credibility by verifying whether the original conclusions remain consistent under different performance measures. This approach ensures that the findings are not limited to just ROE but also apply to other profitability metrics like ROA, making the results more reliable and robust. Same processes were conducted and summarized in below sections.

4.11.1 Robustness Test on RO1-RO3: Contributions of Women Directors on Company's Financial Performance

Based on Table 4.36, the company's financial performance showed a medium negative and significant relationship with total assets only, with r= -0.355 and p= 0.001. Meanwhile, none of the contributions, i.e., stakeholder representation, decision-making, and corporate social responsibility, showed a significant correlation with the company's financial performance. All the independent variables, i.e., stakeholder representation, decision-making, and CSR, exhibited an inverse relationship with ROA, with r= -0.029, r= -0.018, and r= -0.051, respectively, and all p-values exceeded 0.001. This indicated that the contributions of women directors showed no relationship to the company's financial performance.

Moderating variables, such as family ownership, government ownership, institutional ownership, and foreign ownership, also showed insignificant relationships

with ROA, with r= 0.103, r= 0.225, r= -0.167, and r= 0.106, respectively, and p-values exceeding 0.001. Similarly, the control variables, i.e., total debt and company age, exhibited negative and insignificant relationships with ROA, with r = -0.040 and r = -0.018, and p-values above 0.001.

Table 4.36
Correlations Results

No.	Construct variables	Pearson Correlation (r)	Sig. Value
Dependent Variable:			
1.	Return on Asset	1	
Independent Variables:			
2.	Stakeholder Representative	-0.029	0.655
3.	Decision Making	-0.018	0.775
4.	Corporate Social Responsibility	-0.051	0.431
Moderating Variables:			
5.	Family Ownership	0.103	0.110
6.	Government Ownership	0.225	0.369
7.	Institutional Ownership	-0.167	0.585
8.	Foreign Ownership	0.106	0.097
Control Variables:			
9.	Total Assets	0.355**	<0.001
10.	Total Debt	-0.040	0.533
11.	Company's Age	-0.018	0.784

Notes: *Correlation is significant at the level 0.001 level

Additionally, similar with the earlier process, a simple linear regression was also conducted to examine the relationship between stakeholder representative, decision making and corporate social responsibility with ROA. The results are summarized in the table below.

Table 4.37
Simple Linear Regression Results

	Unstandardized Coefficient		Standardize Coefficient		
	B	Std. Error	Beta	t	p
Stakeholder Representative	-0.047	0.105	-0.029	-0.447	0.655
Decision Making	-0.032	0.113	-0.018	-0.287	0.775
CSR	-0.119	0.151	-0.051	-0.789	0.431

Based on the table above, the contributions of women directors as stakeholder representatives, in decision-making, and in corporate social responsibility showed no significant relationship with ROA, with p-values exceeding 0.001. The b-values for these contributions were -0.047, -0.032, and -0.119, respectively, indicating that as these variables increased, the company's financial performance tended to decrease

With ROA as the dependent variable, Hypotheses 1 to 3 were deemed rejected, consistent with the results obtained when ROE was used as the dependent variable.

4.11.2 Robustness Test on RO4: To Identify the Most Influential Contribution of Women Directors Towards the Company's Financial Performance

Based on the table below, none of the independent or moderating variables showed a significant influence of women directors on the company's financial performance. However, the control variable total assets showed a significant effect. According to Table 4.38, total assets showed the strongest influence, with a correlation coefficient of r= −0.424. This negative correlation indicated that as total assets increased, the contribution of women directors to the company's financial performance decreased. This suggests that higher levels of assets may reduce the effectiveness of women directors in enhancing financial outcomes.

Table 4.38
Multiple Regression Result

$R = 0.385$
$P2 = 0.148$
Adjusted R Square = 0.111

	Unstandardized Coefficient		Standardize Coefficient			VIF
	B	Std. Error	Beta	t	P	
Stakeholder Representative	-0.010	0.117	-0.006	-0.089	0.929	1.410
Decision Making	-0.046	0.132	-0.026	-0.349	0.727	1.538
Corporate Social Responsibility	-0.155	0.161	-0.066	-0.964	0.336	1.279
Family Ownership	1.234	3.090	0.330	0.399	0.690	187.122
Government Ownership	-0.184	0.387	-0.033	-0.477	0.634	1.315
Institutional Ownership	0.097	0.443	0.015	0.218	0.827	1.234
Foreign Ownership	-3.362	9.202	-0.308	-0.365	0.715	193.782
Total Assets	-0.424	0.073	-0.415	-5.791	<0.001	1.408
Total Debt	0.307	0.199	0.100	1.542	0.124	1.158
Company's Age	0.002	0.002	0.059	0.931	0.353	1.117

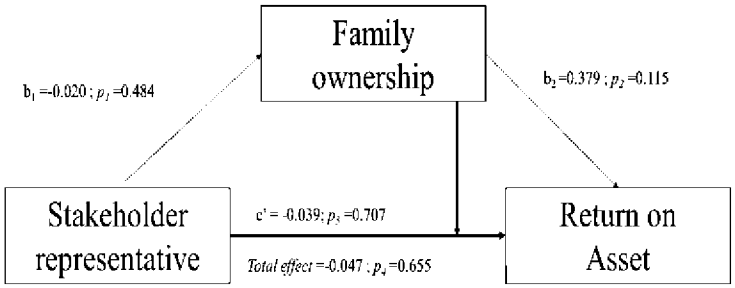
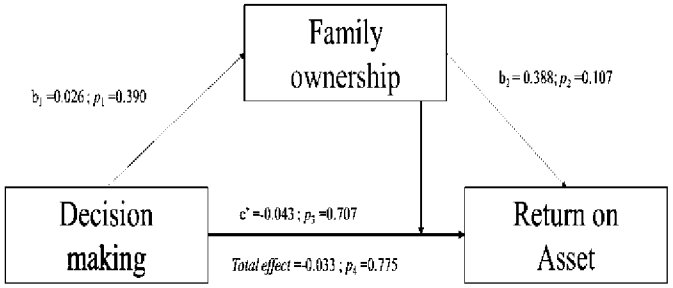
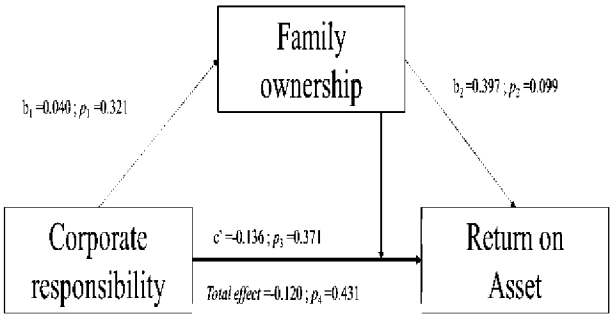
Based on the above, Hypothesis 4 was rejected, consistent with the earlier results when ROE was used as the dependent variable

4.11.3 Robustness Test on RO5: To Examine the Moderating Role of the Ownership Structures on the Relationship Between Women Directors' Contributions and the Company's Financial Performance

4.11.3.1 Family Ownership as a Moderator of The Contributions of Women Directors' and Company's Financial Performance

Similar processes were done for robustness test for hypothesis 5. The model testing and results are summarized in the table below.

Table 4.39
Model Testing of Family Ownership as a Moderator

Model	Relationship
Model Testing 1	
Model Testing 2	
Model Testing 3	

Model Testing 1, 2, and 3 confirmed that family ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contributions and the company's financial performance. Consistent with earlier results, even without considering family ownership as a moderator, there were still no direct relationships between stakeholder representation, decision-making, or corporate social responsibility and the company's financial performance. The results of the direct effects indicated that these relationships were not statistically significant.

Table 4.40 presents the summary of the moderation paths for Model Testing 1, 2 and 3. The output indicated that none of the contributions of women directors had a significant effect on financial performance when family ownership was included as a moderator. Therefore, family ownership did not moderate the relationship between women directors' contributions and the company's financial performance.

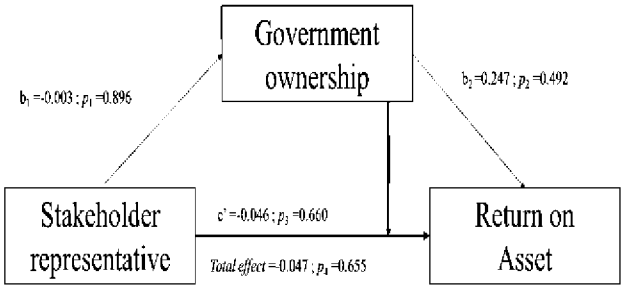
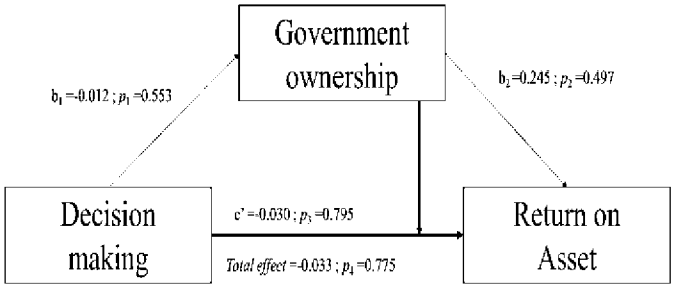
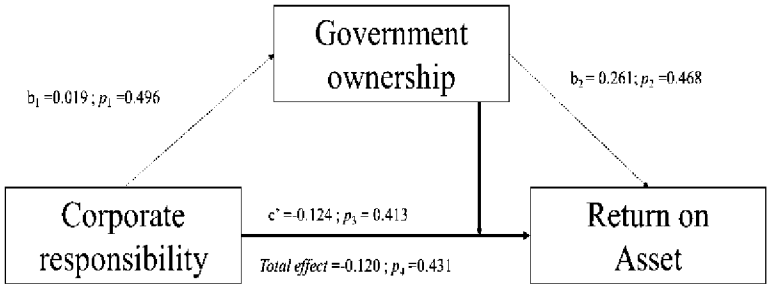
Table 4.40
Summary of Moderation Path – Model Testing 1,2 and 3

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Family ownership -> Financial performance	-0.047 (p=0.655)	-0.039 (p=0.707)	-0.007	-0.253	0.159	-0.447	No moderation effect
Decision making -> Family ownership -> Financial performance	-0.033 (p=0.775)	-0.043 (p=0.707)	0.010	-0.256	0.191	-0.287	No moderation effect
Corporate social responsibility -> Family ownership -> Financial performance	-0.120 (p=0.431)	-0.136 (p=0.371)	0.016	-0.418	0.179	-0.079	No moderation effect

4.11.3.2 Government Ownership as a Moderator of the Contributions of Women Directors' and Company's Financial Performance

A robustness test was conducted to examine whether women directors' contributions had any significant effect on the company's financial performance when government ownership acted as a moderator.

Table 4.41
Model Testing of Government Ownership as a Moderator

Model	Relationship
Model Testing 4	
Model Testing 5	
Model Testing 6	

Model Testing 4, 5 and 6 confirmed that government ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contributions and the company's financial performance. Consistent with earlier results, even without considering government ownership as a moderator, there were still no direct relationships between stakeholder representation, decision-making, or corporate

social responsibility and the company's financial performance. The results of the direct effects indicated that these relationships were not statistically significant.

Table 4.42 presents the summary of the moderation paths for Model Testing 4, 5 and 6. The output indicated that none of the contributions of women directors had a significant effect on financial performance when government ownership was included as a moderator. Therefore, government ownership did not moderate the relationship between women directors' contributions and the company's financial performance.

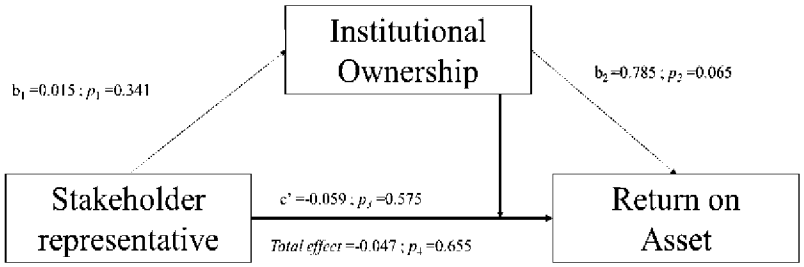
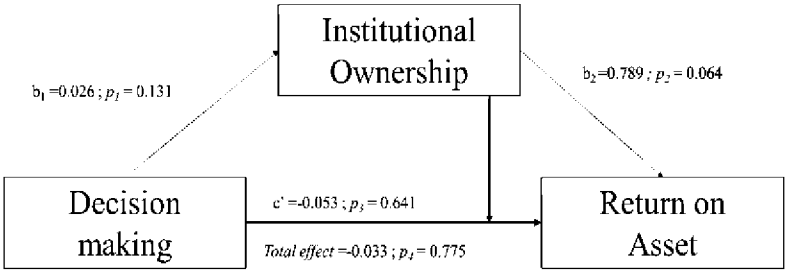
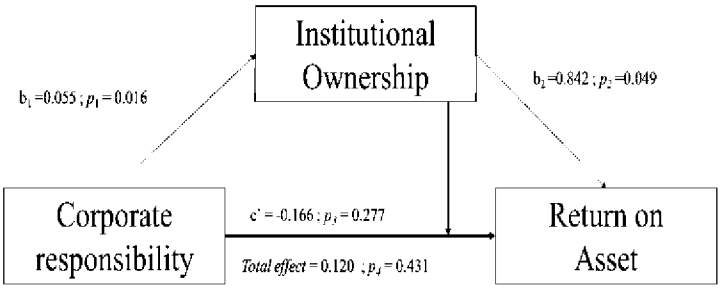
Table 4.42
Summary of Moderation Path – Model Testing 4,5 and 6

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -->Government ownership -> Financial performance	-0.047 (p=0.655)	-0.046 (p=0.659)	-0.001	-0.253	0.159	-0.447	No moderation effect
Decision making -> Government ownership -> Financial performance	-0.325 (p=0.774)	-0.030 (p=0.795)	-0.003	-0.256	0.191	-0.287	No moderation effect
Corporate social responsibility -->Government ownership -> Financial performance	-0.120 (p=0.431)	-0.124 (p=0.413)	0.005	-0.418	0.179	-0.789	No moderation effect

4.11.3.3 Institutional Ownership as a Moderator of the Contributions of Women Directors' and Company's Financial Performance

Next, the same test was conducted to examine whether women directors' contributions had any significant effect on the company's financial performance when institutional ownership acted as a moderator.

Table 4.43
Model Testing of Institutional Ownership as a Moderator

Model	Relationship
Model Testing 7	
Model Testing 8	
Model Testing 9	

Model Testing 7, 8 and 9 confirmed that institutional ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contributions and company's financial performance. Similarly with earlier results, even without considering institutional ownership as a moderator, there were still no direct relationships between stakeholder representative, decision making and corporate social responsibility with company's financial performance. The results of the direct effect indicating that these relationships were not statistically significant.

Table 4.44 below shows the summary of the moderation path for model testing 7, 8 and 9. The output summary indicated that all the contributions of women directors did not have significant effect on financial performance with institutional ownership as a moderator. Therefore, institutional ownership did not moderate the relationship between women directors' contributions and company's financial performance.

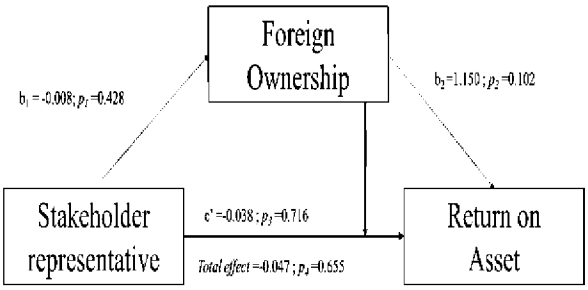
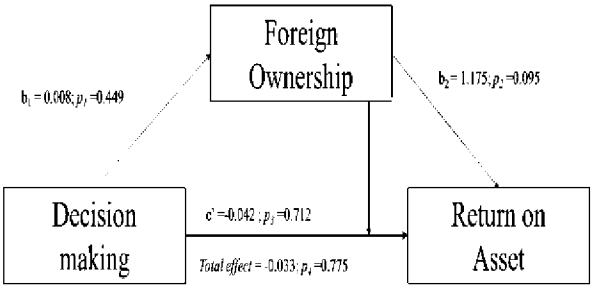
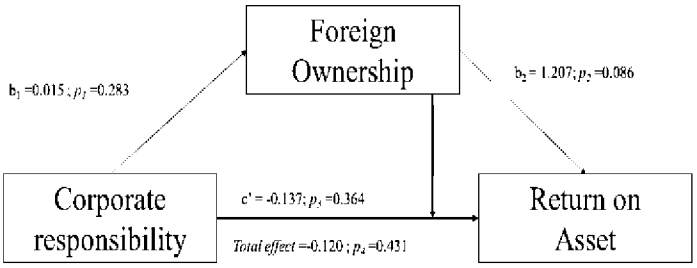
Table 4.44
Summary of Moderation Path – Model Testing 7, 8 and 9

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Institutional ownership -> Financial performance	-0.047 (p=0.655)	-0.059 (p=0.575)	0.012	-0.253	0.159	-0.447	No moderation effect
Decision making-> Institutional ownership -> Financial performance	-0.033 (p=0.775)	-0.053 (p=0.641)	0.021	-0.256	0.191	-0.287	No moderation effect
Corporate social responsibility -> Institutional ownership -> Financial performance	-0.120 (p=0.431)	-0.166 (p=0.277)	0.047	-0.418	0.179	-0.789	No moderation effect

4.11.3.4 Foreign Ownership as a Moderator of the Contributions of Women Directors' and Company's Financial Performance

The researcher then conducted the final model testing for Hypothesis 5 to examine whether women directors' contributions had any significant effect on the company's financial performance when foreign ownership served as a moderator.

Table 4.45
Model Testing of Foreign Ownership as a Moderator

Model	Relationship
Model Testing 10	
Model Testing 11	
Model Testing 12	

Model Testing 10, 11 and 12 confirmed that foreign ownership did not act as a moderator, meaning it did not impact the relationship between women directors' contributions and the company's financial performance. Consistent with earlier results, even without considering foreign ownership as a moderator, there were still no direct relationships between stakeholder representation, decision-making, or corporate social responsibility and the company's financial performance. The results of the direct effects indicated that these relationships were not statistically significant.

Table 4.46 presents the summary of the moderation paths for Model Testing 10, 11 and 12. The output indicated that none of the contributions of women directors had a significant effect on financial performance when foreign ownership was included as a moderator. Therefore, foreign ownership did not moderate the relationship between women directors' contributions and the company's financial performance.

Table 4.46
Summary of Moderation Path – Model Testing 10, 11 and 12

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistic	Conclusion
				Lower Bound	Upper Bound		
Stakeholder representative -> Foreign ownership -> Financial performance	-0.047 (p=0.655)	-0.038 (p=0.716)	-0.009	-0.253	0.159	-0.447	No moderation effect
Decision making -> Foreign ownership -> Financial performance	-0.033 (p=0.775)	-0.0417 (p=0.7124)	0.009	-0.256	0.191	-0.287	No moderation effect
Corporate social responsibility -> Foreign ownership -> Financial performance	-0.120 (p=0.431)	-0.137 (p=0.364)	0.018	-0.418	0.179	-0.789	No moderation effect

In conclusion, with ROA as the dependent variable in the robustness test, the results were consistent with the earlier findings when ROE was the dependent variable. Hypotheses 5(a), 5(b) and 5(c) were rejected, as no moderation effects were observed.

4.11.4 Robustness Test on RO6: To Examine the Level of Financial Performance of Companies with Women Directors

As similar with previous analysis, this subsection meant to examine the level of company's financial performance with the presence of women directors on the board is based on the return on asset (ROA), previously this was determined based on return on equity (ROE), both data were extracted from the EIKON database by the researcher.

Table 4.47
Table for Measurement of Central Tendencies

Dependent Variable	
Mean	-1.0219
Median	-1.1028
Mode	0
Standard Deviation	.787

Table 4.48
Measurement

Category	Scale
High	0.59-0.87
Medium	0.30-0.58
Low	0-0.29

Referring to the table presented, it can be observed that the mean value for financial performance of Malaysian publicly listed companies, as measured by the ROA is -1.0219. This value falls within the range of 0-0.29 (low), indicating that companies with women directors on their boards exhibited relatively poor financial performance. Therefore, the results using ROA were consistent with the previous analysis using ROE, both indicating that listed companies with women directors on their boards experienced low financial performance.

4.12 Conclusion

In conclusion, this chapter presented the analysis and interpretation of data collected for this study. At the preliminary stage, researcher conducted data screening and cleaning procedures and found no missing or erroneous data. Subsequently, researcher performed further analyses to check for missing values and outliers. The result indicated that there were no missing data but only one data outlier was identified in the decision-making construct (item number 3, Z-score = -5.7005) using the Z-score method. Such being the case, researcher removed one respondent from the dataset, leaving a final sample of 244 respondents.

The researcher also carried out data reduction and factoring analysis. The KMO value of 0.761 was considered good, and the result of $p<0.001$ indicated that the correlations among the items were sufficiently significant. For the reliability test, all Cronbach's Alpha value for the independent variables exceeded 0.70, except for corporate social responsibility which recorded a value of 0.686. Nevertheless, a Cronbach's Alpha value above 0.5 was deemed acceptable for the most social science research studies.

Researcher further conducted tests to assess the goodness of data including the tests of normality, linearity and homogeneity of variance. For the test of normality, six variables were normally distributed as the skewness and kurtosis values fell within the acceptable range, while the remaining six variables, inclusive ROA, were not normally distributed, further details are presented in Table 4.4. The test of linearity revealed that all independent variables exhibited a linear association with the dependent variable, as their p-values were above 0.05. Specifically, the p-value of the stakeholder representative (IV1), decision making (IV2) and corporate social responsibility (IV3) were 0.636, 0.534 and 0.335 respectively, $p>0.05$. For the homogeneity of variance test, the p-values of stakeholder representation (IV1), decision-making (IV2), and corporate social responsibility (IV3) were greater than 0.001 indicating that the variations in the data were homogeneous, thus allowing the use of parametric statistical tests.

For Research Objective 1-3, the study examined the relationship between the contributions of women directors namely stakeholder representative, decision making and corporate social responsibility with the company's financial performance. The Pearson correlation coefficient and simple linear regression analyses were used to address these research objectives. Based on the findings, hypotheses 1, 2 and 3 were deemed rejected as there was no significant relationship between the contributions of women directors with the company's financial performance.

Furthermore, for research objective 4, researcher performed a multiple linear regression analysis to identify the most influential contribution of women directors towards the company's financial performance. Hypothesis 4 posited that corporate social responsibility would be the most influential contribution of women directors to company's financial performance, however, the result indicated otherwise. Therefore, hypothesis 4 was deemed rejected as corporate social responsibility was not the primary contribution of women directors that influenced the company's financial performance.

The fifth objective aimed to examine the moderating role of the ownership structure on the relationship between women directors' contributions and the company's financial performance. The findings showed that ownership structure (family ownership, government ownership, institutional ownership and foreign ownership) did not exhibit a moderating effect on the relationship between the contributions of women directors as the stakeholder representatives, contributions of women directors as a good decision and contributions of women directors in corporate social responsibility with the company's financial performance. Therefore, the hypotheses H5(a), H5(b) and H5(c) were rejected.

Lastly, for Research Objective 6, the result revealed that companies with women board members experienced lower financial performance. Therefore, hypothesis 6 was rejected as companies with women board members did not demonstrate higher financial performance

Table 4.49
Findings Summary

Research Objectives	Hypothesis	Findings	Hypothesis Rejected/ Accepted
1) To examine the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance.	H1: There is a significant relationship between contributions of women directors as stakeholder representatives and company's financial performance.	r= -0.030 and p= 0.636. There is no relationship between stakeholder representative and company's financial performance.	H1 is rejected
2) To examine the relationship between the contributions of women directors in decision making and the company's financial performance.	H2: There is a significant relationship between contributions of women directors in decision making and company's financial performance.	r= -0.040 and p= 0.534. There is no relationship between decision making with company's financial performance.	H2 is rejected
3) To examine the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.	H3: There is a significant relationship between contributions of women directors in corporate social responsibility and company's financial performance.	r=0.062 and p=0.335. There is no relationship between corporate social responsibility with company's financial performance.	H3 is rejected

Research Objectives	Hypothesis	Findings	Hypothesis Rejected/ Accepted
4) To identify the most influential contribution of women directors towards the company's financial performance.	H4: Corporate social responsibility is the most influential contribution of women directors to company's financial performance.	Beta= -0.119, p=0.403. Corporate social responsibility (IV3) is not the most significant contribution of women directors.	H4 is rejected
5) To examine the moderating role of the ownership structures on the relationship between women directors' contributions and the company's financial performance.	1) H5(a): Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors as the stakeholder representatives and the company's financial performance. 2) H5(b): Ownership structures (family ownership, government ownership, institutional ownership and foreign		H5(a) is rejected, H5(b) is rejected, and H5(c) is rejected

Research Objectives	Hypothesis	Findings	Hypothesis Rejected/ Accepted
	ownership) moderate the relationship between the contributions of women directors in decision making and the company's financial performance. 3) H5(c): Ownership structures (family ownership, government ownership, institutional ownership and foreign ownership) moderate the relationship between the contributions of women directors in corporate social responsibility and the company's financial performance.		
6) To identify the level of financial performance of companies with women directors.	H6: Companies with women board members experience higher financial performance.	Mean value= -0.786 which falls between 0-0.37 (low category).	H6 is rejected

CHAPTER 5
ANALYSIS AND FINDING OF QUALITATIVE DATA

5.1 Introduction

Chapter five focuses on presenting and analyzing the responses obtained from a series of interviews conducted with directors of various companies. The purpose of these interviews was to address Research Objective 7 and to complements the quantitative findings presented in earlier chapter regarding gender diversity and the impact of women directors on board operations. By examining their viewpoints, the researcher gained a better understanding of how these leaders perceive and conceptualize gender diversity within the corporate context. By understanding the perspectives of company directors on this matter, we can shed light on potential barriers and challenges that hinder greater gender diversity within boardrooms. The researcher conducted interviews with six directors from publicly listed companies.

5.2 Details of the Interview

As stated earlier in chapter 3, this study adopted an explanatory sequential design, where quantitative data was first collected through questionnaires, followed by qualitative data from interview sessions. The qualitative phase aimed to enrich and explain the quantitative results, particularly by providing deeper insight into the relationship between women directors' contributions and company financial performance. While the interviews were primarily designed to explore Research Objective 7, they also included questions related to Research Objective 1 to 5, offering additional context to the earlier findings. The qualitative insights acted as complimentary to the statistical relationships and shed light on the underlying reasons for the underrepresentation of women on boards.

Structured interview sessions were conducted by the researcher to get a better insight and perspective of gender diversity, the impact of women directors' contributions towards company's financial performance and the reasons of the lacking

of women representation on the corporate boards. A total of six participants (after this referred as Participant (P)) which were among the company directors of listed companies, have shared their thoughts and their responses were summarized to tackle Research Objective 7 which to reveal the reasons as to why women not being appointed as directors of Malaysia public listed company as well as simultaneously in supporting further explanation for quantitative findings from Research Objective 1 to 5. Below are the seven (7) interview questions posed to the company directors to answer and support all Research Objectives respectively:

1. What is your definition of gender diversity and why do you think diversity is important?
2. How do women directors as an effective stakeholder representative make a difference in how board operates?
3. How do women directors as good decision-makers make a difference in how board operates?
4. How does the presence of women directors make any difference to the corporate social responsibility of the company?
5. In your opinion, what is the most influential contribution of women directors based on their contributions as stated in item 2 *(stakeholder representative)*, 3 *(decision making)* and 4 *(CSR)*?
6. Do you think these contributions *(effective stakeholder representative, good decision maker, encourage better CSR)* of women directors may increase the company's financial performance?
7. In your opinion, why there is a lacking of women representation on the corporate board?

As explained in Chapter 3, For the qualitative method, respondents were selected using purposive sampling. This approach was adopted to broaden the scope of the interviews and to ensure that insights were obtained from a diverse range of boards, including those without women directors. To be eligible for the interviews, respondents were required to meet specific criteria: they had to be directors of listed companies and possess a minimum of three years of experience serving on the board. The sample included directors from companies both with and without women directors on their

boards, as excluding companies without female representation would have compromised the achievement of Research Objective 7.

Table 5.1
Details of Participants

No.	Position in Listed Company	Gender	Summary of Working Experience & Education	Other Directorships
P1	Non-Independent Non-Executive Director	Male	P1 has three degrees from Harvard University, including a PhD in Economics and now serve as one of the key steering committees at the Ministry of Higher Education and Economic Advisor to the Associated Chinese Chambers of Commerce and Industry of Malaysia	Nylex (Malaysia) Berhad
P2	Chairman	Male	P2 is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and Institute of Chartered Accountants, England & Wales. P2 is also a Certified Financial Planner and currently a director in one of listed companies in Malaysia	Manulife Investment Management (M) Berhad
P3	Chairman	Male	P3 obtained the Bachelor of Arts (Hons) degree in International Relations from University Malaya and a Master of Science (Marine Law & Policy) degree from University of Wales, United	Ancom Logistics Berhad

No.	Position in Listed Company	Gender	Summary of Working Experience & Education	Other Directorships
			Kingdom. P3 is a member of Chartered Institute of Logistic and Transport, United Kingdom	
P4	Executive Director	Male	P4 graduated with Master of Business Development from Henley/Brunnel University, UK in 1988 and has a Diploma from South Devon Technical College, UK. P4 started his career with PETRONAS and served in various capacities, the last being Training Senior Manager prior to retirement	None
P5	Independent Non-Executive Director	Female	P5 graduated with a Bachelor of Economics (Hons) majoring in Applied Economics from University of Malaya and has more than 30 years of experience in the asset management industry and managing more than RM20 billions of funds for both the conventional and takaful portfolios	Malaysian Reinsurance Berhad
P6	Independent Non-Executive Director	Male	P6 qualified as a Certified Public Accountant and a Member of the Malaysian Institute of Certified Public Accountants. P6 is an Accountant by profession	Alliance Financial Group Berhad

Based on the table above, out of the six participants, one is a woman director holding a position in an insurance company listed on the Main Market of Bursa Malaysia. All directors interviewed were from public companies listed on the Main Market. Based on the above, the industries they represented were vary, including logistics, insurance, technology and hospitality. This industry diversity contributed to valuable perspectives with regards to the study of women directors within different industry segments.

5.3 Core Findings from Qualitative Approach

Before diving into the detailed responses from the directors, it is important to highlight the key themes that emerged from the qualitative data collected through interviews, based on the questions outlined in section 5.2. The researcher identified several recurring themes from the responses of directors of publicly listed companies. A prominent theme was the recognition of women directors as being naturally empathetic, especially in their engagement with stakeholders across all levels, including on societal and environmental matters. Another key theme highlighted by the directors was the strong leadership capabilities of women directors, particularly in making strategic decisions that benefit the company. In addition, the interviews also uncovered perspectives on the continued underrepresentation of women on corporate boards in Malaysia. These underlying challenges are explored in detail in section 5.3.3.

5.3.1 Empathy

Most of the interview questions naturally led the directors to repeatedly emphasized that women directors are empathetic by nature. This empathy was seen as a key reason why women make a strong stakeholder representatives as they are perceived to make thoughtful decisions and to be actively engaged in corporate social responsibility initiatives. These views were consistently linked to women's natural inclination to consider the needs of all levels of stakeholders and to ensure that stakeholder interests are fairly represented and addressed, regardless societal or environmental interests.

Women generally have a sensitive spot when it comes to society and environment. They are most likely going to great extend to ensure their contributions benefited those around them rather than just themselves. Prior studies have extensively discussed about woman and corporate social responsibility, often highlighting that women directors are perceived as key drivers in enhancing and engaging in corporate social responsibility activities.

As according to Zhang et al. (2013), women directors possess psychological traits that make them more sensitive towards company's corporate social responsibility practices. These traits enable women to be more attentive to shareholders' concerns and claims. This demonstrates that women directors are not concerning solely on the company's profit but they go to that extend to make sure the stakeholders are treated fairly and well.

In addition, Ijas (2012) argued that women are more empathetic towards the needs of stakeholders, particularly with regards to societal issues. Women directors are more likely to prioritize societal needs and take corrective steps to address them, thereby leading to improved corporate social responsibility performance.

Supported by Francoeur et al. (2019), posited that women directors primarily focus on less powerful stakeholders, including the environment, contractors, and the community. Women directors recognize that these stakeholders, if unsupported, they will have less powerful voice to influence and make known to the company of their concern. Therefore, it becomes the social duty of women directors to help address these concerns.

Women directors not only focus on the community but extends to environmental issues as well. This can be seen in a study conducted by Al-Najjar & Salama (2022) which revealed a strong correlation between board diversity and environmental performance. Women directors exhibit greater involvement in environmental initiatives and display a higher level of concern for the environment as compared to their male counterparts. Similarly, Yasser et al. (2017) also found that higher women representation on the corporate board is associated with increased investment in sustainability-related initiatives and more efficient reporting processes.

The responses received during the interviews concurred with the above prior findings where most participants agreed that woman directors excel in engaging the company in better corporate social responsibility practices, bringing the company

closer to the community and environment. This highlights that woman directors are empathetic and sensitive by nature.

P1 and P2 responded that woman directors were aware of and understand how their decision directly and indirectly affect the stakeholders. They strive to make good decisions that benefits everyone involved.

P1: *"They aware that any wronged decision they make, this will directly affect the whole group of stakeholders."*

P2: *"Women are very soft and will make decision as a win-win for both parties."*

Furthermore, corporate social responsibility activities are most likely to improve with the inclusion of woman directors, as they are generally more caring than the male counterparts. P4 supported this statement by responding:

P4: *"women are more caring and motherly in nature, which leads them to organize more charitable events. They are more socially responsible than men."*

In conclusion, responses received from the interviews are largely agreed that women directors are more empathetic and caring towards their surroundings. They believe that having women directors will lead to the improvement of the company's CSR. Additionally, the decision-making process will become more ethical, as it considers not only the interests of the company, but also those of other stakeholders and environment.

5.3.2 Critical Thinking in Making Decision

Besides being actively in corporate social responsibility, women directors are also perceived as strong decision makers. Their approach to decision making is seen as holistic, taking into account various aspects and potential before arriving at a conclusion. The decisions they made are not only aimed at benefitting the company but also at safeguarding the interests of stakeholders by ensuring the company's reputation and image are maintained in the long run.

Numerous prior studies have proved that women directors are good in making decision due to their critical thinking abilities. They are known for conducting thorough

research and considering diverse perspectives, rather than merely on company's financial performance. For instance, Wardhani and Supratiwi (2023) highlighted that the presence of female directors in State-Owned Enterprises (SOEs) brings fresh perspectives. Their representation is significant, as they are not only result-oriented but also possessed exceptional communication skills. Furthermore, their critical approach about reporting quality fosters the development of superior management strategies, which ultimately contributing to overall organizational performance.

Other than that, women directors are also believed to avoid jumping to conclusions or making decisions hastily without proper due diligence. This can be supported by Terjesen et al. (2016) which argued that women directors tend to ask more questions and challenge assumptions, leading to more thoughtful and informed decision-making. This is because women bring different life experiences, viewpoints, and skills to the table, which can broaden the perspectives of the board and lead to a more comprehensive decision-making process.

Responses received by the participants on decision making of women directors also concurred with the statements and findings of the above prior studies:

P1: *"Women are very attentive to details. Sometimes, men will just make decisions on the surface without digging in other factors that may affect the results. But women, they will think about other aspects such as legal or any other kind that men probably won't think of. Men only see profits and look the problem at the surface because we want fast actions."*

P5: "*Women are very careful in making decisions. They are very attentive to details and will make sure everything is in order because they want the decisions to be beneficial to all parties and not detrimental to the company. They take a more holistic approach to evaluating situations.*"

By making decisions critically, women directors are also help to protect the company from corporate criminal offences. Their presence on the board enhances gender diversity, which brings a broader range of opinions and perspectives. As according to Bernardi and Threadgill (2010), gender diverse boards are more likely to exhibit independent thinking and variety of viewpoints, leading to better decision-

making. This diversity can, in turn, reduce the risk of corporate corruption as boards are more likely to question management practices.

This also supported by Garcia and Santana (2023) argued that women directors play a pivotal role in mitigating the likelihood of excessive risk-taking during the adoption of strategic decisions. This is attributed to their higher inclination toward risk aversion in financial decision-making compared to their male counterparts. Additionally, women are more inclined to adopt ethical and socially responsible choices. Responses from P2 aligned with this perspective:

P2: *"They (women directors) also act as check and balance, can avoid any fraud made by members because they are more honest."*

Responses from the interview aligned with the findings of prior studies. It is proved that women directors are capable for being a good board member as their attentiveness to details, critical thinking abilities and honesty will contribute significantly to the company's success and subsequently maintaining good reputation. Other than that, their presence also will ensure the company operates efficiently and legally without committing corporate crimes.

5.3.3 Male-Dominated Sector and Gender Bias

For the final interview question, the majority of the participants agreed that the reason for underrepresentation of women on corporate boards is largely due to the nature of business industry, with many noting that it is often linked to gender bias in traditionally male dominated sectors.

The lack of women directors is heavily contributed by the stereotype of the board being the "men's clubs" and the perception that women are unfit for male-dominated industries. These stereotypes prevent women from being appointed to boards, as they are wrongly perceived as weak and incapable of leading business industries such as logistics, construction, manufacturing and many more.

In Hong Kong, Loho (2017) stated that progress towards increasing female representation in boardrooms has been slow. Some companies listed on the Hap Seng Index have resorted on hiring women merely to fill quotas, rather than recognizing their

skills and qualifications. Additionally, negative stereotypes about women persist, with some male colleagues perceiving them as weak or simply a "token" presence. Moreover, senior male directors from the "older generation" are particularly at fault, often showing a lack of confidence in women's ability to hold higher positions. These bias stereotypes not only undermine women but also hinder efforts to promote greater gender diversity in the workplace.

Similarly, Chu and Ito (2015) in their study, commented that Japan has also struggled to increase the representation of women on corporate boards, as the "boys' club" mentality continues to dominate boardroom. Male board members largely control these boardrooms creating a culture that excludes women. Responses from P6 concurred with the study of Chu and Ito (2015) and Loho (2017) which stated that the corporate boards have long been rooted in male-dominated culture.

P6: *"I believe it's largely due to the traditional structure of boards, which have historically been seen as a 'men's club'. Boards have long been dominated by men, and the lack of diversity is rooted in these historical factors."*

In male-dominated business industries, it is common for the male board members to find and appoint individuals with similar backgrounds, which often resulted to other male candidates being favoured over women. As according to Deloitte (2017), corporate boards typically prefer candidates already serving on boards within the same industry. For instance, given that the majority of board members are historically male and white in the US companies, this leads to significant obstacles for women to seek directorship roles in that companies. The root cause of this problem is that current board members often prefer to appoint individuals who are similar to themselves in terms of their background and experiences.

Similarly, Mcdonnell (2018) argued that companies often choose directors based on their professional working experience that aligns with the company's business industry. In addition, there is a prevailing belief that women are best suited for industries that primarily serve female customers, such as retail, particularly in cosmetics segments. Huber and O'Rourke (2018) argued that in industries that focused on serving female customers, such as healthcare or beauty, having women directors on the board and in top management positions are crucial. Thus, this situation has indirectly shown that women are perceived as unfit to be in industries where male is conquered.

In the study of Christiansen et al. (2016) which examined the impact of women directors on a company's financial performance across various sectors, including services, manufacturing, trade, and construction. The study discovered a positive association between women directors and return on assets (ROA) in the services sector, with a gain of 21 basis points. In contrast, the manufacturing sector had a lower gain of only 12 basis points. P1, P2 and P5 from the interview session echoed similar sentiments, which most were saying that the main reason of the lacking of women directors is due to unsuitable business division:

P1: *"In my opinion, the lacking (read: underrepresentation of women directors in the corporate board) is because of unsuitable business division. If we can see, most businesses in Malaysia are related in engineering, manufacturing and construction which businesses that are more suitable for men. These kinds of businesses are more technical and directors need hands-on experience on these field which most probably women do not have the experience and knowledge."*

P2: "*Although women are good, but their appointment to the board would be limited as some of the business might not suitable for women. For example, constructions/ manufacturing/ chemicals etc. These kinds of businesses are not suitable with women. These businesses are for men. I think women would be very good in service or retail industry, where their opinions and ideas would be needed the most in that situation."*

P5*: "Industries like construction, logistics, and manufacturing have traditionally been male-dominated, so they often hire men over women. On the other hand, fields like banking and insurance have more women directors."*

Based on the above, it is proved that the participants' views aligned with the findings of prior studies, highlighting that women directors are often unfairly judged and perceived as weak. These misconceptions are the main factors that continue to hinder the amount of women representation on the corporate board. Below sections are detailed responses from each participant based on the interview questions.

5.4 Gender Diversity and Its Importance

Sections 5.4 to 5.10 present the responses from the participants based on the interview questions. There were seven questions in total, and the first question posed to the participants was *'What is your definition of gender diversity, and why do you think diversity is important?'*. This question aimed to evaluate the participants' understanding of the definition of gender diversity and to examine whether these leaders perceive gender diversity as crucial and material. All participants were able to provide an accurate definition of gender diversity as follows:

P1, P3, P4 and P6: "*Gender diversity means a balance of men and women in an organization/group. It means an inclusion of other gender.*"

P2 and P5: "*It just means that there are 2 genders; male and female in a group or in an organization. Meaning not only conquer by 1 gender only.*"

The responses by all participants were quite similar as they perceived gender diversity as an equal composition of gender in one organization, in a simpler word, one gender that is dominant in the organization will not be considered as gender diversity.

On a latter part of the question, P1 responded that:

P1: "*It is essential to have a gender-diverse board. I believe women are more likely to have higher risk-awareness than men thus it is important to have women in order to ensure the company is able to survive in the market.*"

The response given by P1 which believed that women directors were likely to have higher risk-awareness aligned with Ho (2017), which quoted a statement by the Chairman of Top Glove Corp Berhad, Tan Sri Lim Wee Chai which highlighted that women director unique strengths lie in their ability to manage risks and understand the concerns of various stakeholders. Similarly, Alexa et al. (2015) also revealed that having one woman director on a board can reduce the risk of bankruptcy by 20% and improve overall company performance. In addition, P2 and P5 also responded that:

P2: "*Yes, it is important because male and female is different in terms of thinking and decision making so we can have the very best for both worlds.*"

P5: "*Gender diversity is important in both ways.*"

P2 and P5 noted that both genders are equally important because each brings different perspectives and attitudes. Having only one gender on the team is less effective than including both, as each gender contributes unique attributes that can positively impact the company's performance and overall well-being. Similar with the findings of Reguera-Alvarado et al. (2017) which highlighted that a diverse board with directors from varied backgrounds and perspectives can enhance governance by fostering independent decision-making through robust and informed discussions. Furthermore, leadership styles of women director enable them to make sound and wise decisions that benefit the company as a whole (Bear et al., 2010).

However, responses from P4 on the later part of the question was more focusing on equal rights.

P4: "*Also, the number of women in university is higher than men, so it is very important to have balanced gender diversity in an organization to ensure equal rights and representation are given to women.*"

P4 emphasized the significance of gender diversity in guaranteeing equal opportunities for women, given the increasing female representation in universities. This trend reflects that the education of women and their capabilities are on par with them, or even better. Thus, women should be given the opportunities to excel in the corporate world and to participate in critical decision-making process. As argued by Conde-Ruiz and Artinano (2016), women still face barriers to promotion in organizations, despite a majority of women being educated and holding higher degrees. This biasness will hamper the benefits that the company can gain by having educated women directors. As supported by Dahlin et al. (2005), which highlighted that the presence of educated board members can add value to the decision-making process and subsequently improving its performance financially and non-financially.

P1 acknowledged the value that women directors may bring to the company. P4 and P1, both agreed that balanced gender in the board can contribute to the well-being of the company such as in managing risks and being a good decision maker. All

participants believed that by having women directors, the business of the company is able to prosper and running for a long period of time. The statements by P2 and P5 were similar with the study conducted by Skrine (2020) which argued that diversity on boards can lead to better decision making and improved corporate governance. P4 agreed that having women on the board is both equitable and socially appropriate, especially considering that there are more female graduates than male graduates. Providing women with equal opportunities to serve on corporate boards is the right thing to do. None of the participants responded that gender diversity brings certain challenges, such as an increased likelihood of conflicts arising during the decision-making process as per the study conducted by Valls Martínez and Cruz Rambaud (2019). P3 did not answer the latter part of the question.

P6 emphasized the importance of having women directors in the hospitality industry and customer-oriented businesses, as women tend to notice finer details that their male counterparts might overlook. This highlights the crucial role of women directors in certain industries, particularly those focused on customer interaction. This perspective is supported by Dalton and Daily (2003), who recommend that companies increase female representation on boards in industries where women make up the majority of final customers. By aligning board composition with the market environment, companies can gain a deeper understanding of their customers' purchasing behaviors. P6 responded:

P6: *"Gender diversity refers to the equal representation of genders within a company. Yes, it's very important, as outlined in the MCCG, which recommends having at least 30% women on the board. This is particularly crucial in industries like leisure and hospitality, where women often excel at noticing finer details that can enhance the business."*

In conclusion, all participants provided accurate definitions of gender diversity which emphasizing the need for a balanced representation of both men and women within an organization. All participants shared a similar perspective on gender diversity of which all agreed that it is crucial to achieve a balanced composition of board members to ensure continuous improvements on board. All participants acknowledged that diversity on the corporate boards can positively contribute to the company's performance, particularly in terms of risk management and decision making.

Additionally, none of the participants mentioned any potential challenges associated with gender diversity such as the possibility of conflicts arising during decision making processes.

5.5 Women Directors as Protectors of the Stakeholders

The second question posed to the participants was '*How do women directors as an effective stakeholder representative make a difference in how board operates?*'. This question specifically referred to the role of women director as the stakeholder representative. Various studies have revealed that women director are effective stakeholder representatives as they are able to make informed decisions by taking into account all levels of stakeholders and effectively communicate with them (Bart and Mcqueen, 2013; Terjesen et al., 2009). Thus, this question aimed to examine whether the board members concur with the statements given by previous studies.

Bernardi and Threadgill (2010) argued that gender diverse boards are more likely to have a range of opinions and independent ways of thinking which in turn, can potentially reduce the risk of corporate corruption as boards are more likely to question management practices. In addition to that, Bart and Mcqueen (2013) and Alexa et al. (2015) also support the same view which highlighted that by having one female director on a board can reduce the risk of bankruptcy by 20% and improve overall company performance. Similar with Baum et al. (2022) which argued that women are less inclined to be involved in serious corporate crimes. This suggests that gender diverse boards may reduce the likelihood of unethical decision-making that could damage a company's reputation and performance, by ensuring decisions are made with ethical arguments and considerations.

Similar with the above studies, P1 responded to question two by saying that:

P1: *"In my point of view, women tend to look at different perspective before deriving to a decision such as risk and fraud. They will look these into details and make a decision. That is why I believe women are good stakeholder representatives because they are aware that any wronged decision they make, this will directly affect the whole group of stakeholders. Women directors are the protectors of the stakeholders."*

P1 believed that women directors were able to reduce the potential risk that may arises. Risks that were not well-managed may jeopardize the company's reputation which resulted to the stakeholders leaving the company. As supported by Arfken et al. (2004) which found that a diverse board is more likely to question and challenge management practices, thus reducing the risk of corporate corruption.

While, P2 and P3 were emphasized the gentleness that women directors portrayed when dealing with the stakeholders. This trait of women director may contribute to a more collaborative and inclusive decisions making process which in turn creating a positive work environment.

P2*: "Women can be a good stakeholder representative because they are very soft and they will use their softness as an advantage in "molding" the stakeholders' requests to make it as win-win for both parties. Also, when making decision, women will think about the stakeholders first; are they going to be benefitted by this? are they okay with this decision? what would they think? ("they" referred to the stakeholders, especially the shareholders), then only they (women) will make decisions."*

P3*: "Women are very good in talking. They are very gentle. I believe that they are able to represent the company to communicate with the stakeholder in harmonious and efficient manners for the best interest of the company."*

The above statements by P2 and P3 showed that they believe that women directors were able to effectively communicate with all type of stakeholders without creating tense situations as women directors were gentler in nature. This is supported by Adams and Ferreira (2009) which argued that men and women exhibit different communication and influencing tactics. Women directors tend to adopt more feminine behaviors such as showing sympathy and gentleness, while men tend to be more assertive and aggressive.

P4 mentioned that women were unafraid to express their opinions. They also were very disciplined in discussing issues which foster a fruitful discussion among the board members and ensure that the subject matter being discuss was on 'track'. These attitudes are needed to ensure the stakeholders were being taken care and issues were being discuss appropriately and promptly. However, P4 disagreed that women directors

were able to be the "heroes" to the female staffs. This contradicts with the study conducted by Burke et al. (1993) which argued that women can become mentors and "heroes" for all women employees in the organization by monitoring the justice and fairness of recruitment and remuneration policies in the company. The responses were:

P4: *"Women are often known for being really upfront, rigid, honest, and taking their time to think things through. If they're not happy with something, they're not afraid to speak up. I think these qualities are great for looking out for the interests of the people involved. Not agree on the statement that women directors act as "heroes" to the female staffs on benefits relating to them i.e. maternity leaves, flexible working hours etc as that have been fixed by the company's human resources department and it is not under the authority of the directors, especially women directors."*

P5's responses were quite similar to those of P1. Both agreed that women directors made excellent stakeholder representatives due to their attention to detail and ability to view decisions from multiple perspectives. Women directors were also adept at sensing tensions and conflicts within management and the board, unlike their male counterparts, who tended to focus more on profits and shareholder interests and less focus on other stakeholders.

P5: "*Men and women have different characteristics. Women tend to consider all parties involved and are often more sensitive to underlying conflicts or issues within management. They can easily detect tensions between the board and staff and approach problems from a more holistic perspective. In contrast, men often focus more on the main shareholders and are primarily concerned with dividends*."

However, P6 believed that all board members, regardless of gender, were strong representatives of stakeholders, as it was a key duty of directors to safeguard and protect stakeholders' interests.

P6: *"I believe that women directors can be effective representatives of stakeholders, but it's important to note that male board members are equally capable in this role.*

Ultimately, regardless of gender, it's the responsibility of all board members to protect and prioritize the interests of stakeholders."

In conclusion, the second interview question sought to explore the role of women directors as effective stakeholder representatives. The responses received from the majority of participants supported the existing studies discussed above, indicating that women directors excel in this role by making informed decisions and considering various stakeholders' perspectives. P1 emphasized that the presence of women directors was able to reduce and avoid corporate risk, as women were very diligent, while P2 and P3 highlighted the gentle and collaborative nature of women directors, which contributed to a positive and harmonious environment in dealing with stakeholders' concerns. On the other hand, P4 expressed the opinion that women were able to protect the interests of stakeholders, though this capability might be limited to a specific group of stakeholders. It was highlighted that women directors did not have the authority to make changes to the company's policies and benefits specifically designed for female staff. P5 believed that women were more attuned to detecting tensions within management and tended to take a more holistic approach when making decisions. Conversely, P6 argued that both genders were equally effective in protecting stakeholders' interests, emphasizing that all board members, regardless of gender, had a responsibility to consider and safeguard those interests.

5.6 Decisions Made in Holistic Approach

The third question posed to the participants was *'How do women directors as good decision-makers make a difference in how board operates?'*. This question was being asked to see whether there were any significant impacts of women directors on the decision-making process. It specifically addresses the role of women directors as "good decision makers" and how their presence affects the operation of the board and company. Previous studies revealed balanced viewpoints on women directors as decision makers in the corporate board. Terjesen, Couto, and Francisco (2016) argued that having women on corporate boards can enhance the decision-making quality and process through their different perspectives, cognitive diversity, and varied experiences. Additionally, Daily and Dalton (2003) also argued that one of the

significant contributions of women to the improvement of a company's performance is their ability to make effective decisions.

However, while there were studies that suggest gender-diverse board can have positive effects on decision making process, there are also studies that present a negative viewpoint. Valls Martínez and Cruz Rambaud (2019) which highlighted that board with mixed gender can also introduce certain challenges, such as an increased likelihood of conflicts arising during the decision-making process. Similarly, participants in the interview conducted by Barnes et al. (2019) responded that diverse board can be more challenging because board members may not always agree in the same way.

P1, P3, and P5 had similar responses to question three, as both opined that women were able to make critical decisions. They were most likely to think through all factors that might influence the outcomes of their decisions. As highlighted by Terjesen et al. (2016), women bring different life experiences, viewpoints, and skills to the table, which can broaden the perspectives of the board and lead to a more comprehensive decision-making process.

P1: *"Women are very attentive to details. Sometimes, men will just make decisions on the surface without digging in other factors that may affect the results. But women, they are very sensitive to details, so they will think about other aspects such as legal or any other kind that men probably won't think of. Men only see profits and look the problem at the surface because we want fast actions."*

Responses from P3 was similar with P1 which emphasized on the ability of women directors to make critical and complex decision. P3 responded:

P3: *"Women tend to think critically. They will consider every possible aspect that may affect the outcome."*

P5 agreed that women directors take a more holistic approach to decision-making. They considered multiple aspects and thoroughly evaluated all areas before reaching a decision.

P5: "*Women are very careful in making decisions. They are very attentive to details and will make sure everything is in order because they want the decisions to be beneficial to all parties and not detrimental to the company. They take a more holistic approach to evaluating situations.*"

As similar with the above statements from P1, P3 and P5, responses from P2 specifically mentioned on financial budgets. P2 opined that women directors were better in making decisions that relating to financials and budgets.

P2: *"Women will always think it through before making decisions especially if it is related to financials or budgets. They are very good at that."*

Hofstrand (2018) emphasized that a director must have a proper education and intellectual proficiency in specific areas such as governance, finance, and strategy. A proper education and proficiency can improve directors' ability to discharge their responsibility effectively. Currently, Department of Statistics Malaysia has reported that the number of female graduates exceeds the number of male graduates. This showed that by having highly educated women directors, that are well versed in creating creative strategy in financial matters of the company can subsequently improve the company performance. Financial matters play a crucial role in the company as they can lead to various negative consequences such as corruptions and bankruptcy. Due to the significant impacts that financial decisions can have on the company's stability and reputation, it is crucial to oversee and manage it with utmost transparency. Additionally, Sobhan et al. (2024) argued that the inclusion of women directors on audit committees significantly reduces audit report lag and improves the quality of audit reports. This finding reinforces the view that women contribute heightened ethical awareness and stronger oversight, particularly in matters involving financial and quantitative information. As P2 concurred that women were good in making financial and budgets' decisions, this can also relate to responses from P1 which stated:

P1: *"They (women directors) also act as check and balance, can avoid any fraud made by members because they are more honest."*

The above statement from P1 is supported with Bernardi and Threadgill (2010) which argued that gender diverse boards can potentially reduce the risk of corporate corruption as diverse boards are more likely to question management practices. In addition, Alexa et al. (2015) highlighting that having one female director on a board can reduce the risk of bankruptcy by 20% and improve overall company performance. This suggests that gender diverse boards may reduce the likelihood of unethical decision-making that could damage a company's reputation and performance, by ensuring decisions are made with ethical arguments and considerations.

Lastly, taking a neutral stance on the matter, P4 and P6 shared the perspective that women directors and their male counterparts were similar in making critical decisions. This suggests that a director's gender does not inherently determine their decision-making competence.

P4: *"I will not say that they (women directors) are good nor bad decision makers. I am neutral on this question. I think we (men and women) are the same, no one is above than others on this question."*

P6: *"It depends on the characters. Some (women directors) are very details and some are slacking."*

To conclude, the third interview question delved into the impact of women directors as effective decision-makers on corporate boards. Overall, the responses from the majority of participants highlighted that women directors were able to make a significant difference by contributing their critical thinking skills and attention to detail in decision-making processes. This aligns with previous studies, which argued that women's diverse perspectives and cognitive abilities can enhance the quality of decisions. However, some previous studies have presented both favorable and challenging viewpoints regarding gender diversity on boards, such as potential conflicts arising during decision-making. Nevertheless, the interview responses were largely silent on these challenges, with most participants emphasizing the importance of women in decision-making processes, particularly in financial matters. Only two participants were neutral on this issue, as they believed that both genders are equally competent in decision-making.

5.7 Inclined Towards Philanthropic Activities

The fourth interview question posed to the participants was '*How does the presence of women directors make any difference to the corporate social responsibility of the company?'*. This question aimed to see whether the presence of women can influence the company to have better CSR engagements. Previous studies have reported that the presence of women directors is able to enhance the company's CSR activities due to women directors are gentle and soft in nature. They tend to engage in more philanthropic activities as they are more concern on social welfares. Babcock (2012) supported the notion that companies with a significant number of women on their corporate board are more likely to be effective in implementing CSR practices. Women are often viewed as being more empathetic and nurturing towards their surroundings and therefore more likely to engage in philanthropic activities. This highlights the strong connection between women in top management positions and CSR, with a particular emphasis on philanthropy. The personality traits associated with women, such as empathy and compassion, play a key role in their dedication to philanthropic efforts, which in turn can benefit both the company and the wider community. In addition, Zhang et al. (2013) also argued that women directors possess psychological traits that enable them to be more attentive to shareholders' concerns and claims.

Concurred with the above statements from Babcock (2012) and Zhang et al. (2013), P2 replied the interview question with similar thoughts:

P2: *"CSR activities done or organized by women will be more on charity or donations. I think maybe because women's heart is very soft and they are so motherly. They tend to do these kinds of activities because they want to give "something" to the society or the needy as they think that these people needed the money the most and very concerns if people out there not giving them enough so they took this opportunity to give them via CSR activities."*

P2 agreed that women directors were soft and empathetic in nature, and thus more inclined to participate in CSR activities that are closely connected to society. In a similar vein, Ijas (2012) highlighted that the presence of women on corporate boards is positively associated with higher levels of corporate social responsibility performance.

This can be attributed to the fact that women tend to be more sympathetic toward the needs of stakeholders, particularly regarding societal concerns. A similar response was received from P3, who mentioned that women directors were most likely to organize activities that enabled them to be closer to society:

P3: *"I noticed that women director, they like activities that enable them to socializing or closer to the group of stakeholders. Like a community service."*

This is also supported by Bernardi and Threadgill (2010), who found a significant and positive correlation between the presence of women on boards and the level of corporate social responsibility, as companies with more women tend to have a greater propensity for charitable giving. Additionally, these companies are more likely to organize donation and charity programs and participate in other philanthropic activities.

Similarly, P1, P4, P5, and P6 responded that women directors tended to organize CSR activities involving charity and fundraising, and emphasized that these activities could improve the company's reputation. P1 and P5 also opined that the presence of women directors enabled the company to engage in more engaging and enjoyable CSR activities.

P1: *"This involves charity, fundraising, charity run and many more. These activities will give good image to the public. Women are experts in organizing these kinds of activities. I believe by having women on board, the company will engage more CSR activities that are fun and able to give valuable impacts to the society and also to the company."*

P4: *"I think so, because women are more caring and motherly in nature, which leads them to organize more charitable events. They are more socially responsible than men."*

P5: *"Men often focus primarily on profit and financial metrics, while women directors and female staff are more likely to excel in leading Corporate Social Responsibility (CSR) initiatives."*

P6: *"CSR will be improved as women directors will present a different view on CSR projects and reaching out different segment of society."*

All participants believed that effective CSR activities could lead to a better company's image. Image and reputation of the company are crucial to attract investors to invest in the company as nowadays, investors are more attracted to socially responsible company which not merely focusing on making profits but also to be morally right to the society. This is supported by Bear et al. (2010) which argued that, in the present day, the public expects corporate boards to take steps to enhance the company's reputation and in order to achieve that, companies must undertake social responsibility activities for stakeholders. Companies that donate more to charity are perceived to have a good reputation and better financial performance. In the same sense, Qian and Deng (2022) emphasized that women leaders tend to contribute empathetic, relational, and collectivist values to CSR initiatives, promoting ethical governance and strengthening community trust. Elements that are not typically reflected in conventional financial metrics.

Similar arguments by Hyun et al. (2016) which argued that companies that prioritize market success must pay close attention to CSR activities, as consumers are more likely to buy products or services from socially responsible companies. Thus, effective CSR practices tend to enhance a company's reputation, which in turn leads to higher sales and ultimately lead to a more positive public perception of the company.

In conclusion, fourth question explored the impact of women directors on the company's corporate social responsibility efforts. The responses indicated a consensus that the presence of women directors could positively influence CSR engagement. Women directors were perceived as being more empathetic and nurturing, leading them to engage in philanthropic activities and charitable initiatives. Furthermore, women directors were believed to contribute a more positive company reputation and attracting socially conscious investors and consumers.

5.8 Women Directors Closely Intertwined with CSR

The fifth interview question posed to the participants was *'In your opinion, what is the most influential contribution of women directors based on their contributions as stated in item 2 (stakeholder representative), item 3 (decision making) and item 4 (CSR)?*'. This question was asked to the participants to examine, in their own opinion,

which of the contributions namely stakeholder representative, decision making and corporate social responsibility, were the most influential. Responses received shed light on the unique and crucial role of women director in a company. Previous studies have shown various contributions of women directors that may affect the financial and non-financial performance of the company.

To recap, women directors act as a good stakeholder representative. This refers to how women directors contribute to representing the interests of various stakeholders within the company which include employees, customers, shareholders and the broader community. As according to Brad (2003), stakeholder representation refers to directors who act as representatives of stakeholder groups, whether it be internally or externally. The presence of these directors ensures that the interests of stakeholders are heard and safeguarded, which is crucial for the company as stakeholders can have a direct or indirect impact on the company's performance. In addition, Baum et al. (2022) argued that women are less inclined to be involved in serious corporate crimes. Company that staying compliant most likely able to builds trust and confidence among people, creating a positive reputation that resonates with the values and interests of its stakeholders.

As for decision making, this relate more on education as women are now more educated and has higher degree than man. Thus, women directors are able to make strategic decisions due to their knowledge and skills. As argued by Navarro-García et al. (2020) that educational background of women directors can have an influential role in shaping various outcomes for the firm, including its reputation. Furthermore, as according to Terjesen et al. (2016), women directors tend to ask more questions and challenge assumptions, leading to more thoughtful and informed decision-making. This is because women bring different life experiences, viewpoints, and skills to the table, which can broaden the perspectives of the board and lead to a more comprehensive decision-making process. This may also lead to a better financial and non-financial performance of the company.

Lastly, corporate social responsibility also can be improved by having women directors on board due to their personal attributes. As according to Zhang et al. (2013), women directors possess psychological traits that enable them to be more attentive to shareholders' concerns and claims. As a result, they are more sensitive to a company's corporate social responsibility practices. Better engagement of corporate social responsibility will subsequently lead to better profits of the company. This can be

supported by Hyun et al. (2016) which argued that companies that prioritize market success pay close attention to CSR activities, as consumers are more likely to buy products or services from socially responsible companies. Thus, effective CSR practices tend to enhance a company's reputation, which in turn leads to higher sales.

Based on the above explanation, all contributions of women directors i.e. stakeholder's representative, decision making and better corporate social responsibility are crucial to the well-being of the company and ensuring a long-term survival in the market. The researcher asked the participants to examine which of the three contributions was the most influential. P1 and P2 responded and concurred that decision-making was the most influential contribution of women directors to the company. P1 opined that women directors were good at making decisions, as they were very honest and attentive to details. These attributes were believed to reduce the risk of fraud and to deliver strategic ideas and solutions.

P1: *"In my opinion, the most influential contribution of women is in terms of decision making because they are so good in making decisions. They are very particulars to details, honest – can avoid fraud, and they give best solutions and ideas."*

P2 responded that decisions made by women directors were better, as women used logic in their decision-making. This is be supported by the study of Bart and Mcqueen's (2013) which aimed to test the reliability of decisions made by company directors using the Complex Moral Reasoning (CMR) approach. The results of the study showed that women scored significantly higher than men in making decisions. This implies that women are more effective than their male counterparts in making complex decisions due to their highly effective CMR talents. These skills enable them to help the company resolve issues, reduce business risk, and achieve higher company profits.

P2: *"In my opinion, I think it would be decision making. Decisions made by women are good and sometimes very practical and logic."*

P3, P4 and P6 opined that the most influential contribution of women directors was corporate social responsibility. Their responses were:

P3: "*Most influential contribution that women can contribute is on CSR. They will give great CSR ideas and create CSR activities that are valuable to the people and company. Activities that they love are more on charitable giving, volunteering work and environmental campaigns.*"

P4: *"I would say CSR. Women are usually better at CSR, so it's tough for men to challenge that."*

P6: *"I would think CSR as this is closest to women's characters as being a soft human being in nature."*

Responses by P3, P4 and P6 highlighted that companies with women directors on their corporate boards tended to perform better in terms of corporate social responsibility. Women directors were most likely to organize and engage in activities that involve with the society and nature. As according to Bernardi and Threadgill (2010), companies with more women tend to have a greater propensity for charitable giving. Additionally, these companies are more inclined to organize donation and charity programs and participate in other philanthropic activities. In a similar vein, Bear et al. (2010) also argued that companies that donate more to charity are perceived to have a good reputation and better financial performance.

P5 emphasized that being a good stakeholder representative was the most influential contribution of women directors. P5 believed that strong stakeholder representation enhances all other areas, such as decision-making and corporate social responsibility. When stakeholder concerns were prioritized, decisions were made with their benefit in mind, rather than focusing solely on profits. This approach ensured that the welfare of all stakeholders was considered. This is supported by Bart and McQueen (2013), who found that women are more likely to consider a broader range of stakeholders when making decisions. As a result, women directors tend to make decisions that are fair and just, taking into account the perspectives of multiple stakeholders. They aim to make decisions based on fairness and empathy, which in turn can lead to better protection of stakeholders' interests and ultimately improve the company's financial performance.

P5: *"The most influential contribution is stakeholder representatives, as this contribution encompasses all aspects. If they are genuinely concerned about*

stakeholders, they will make well-informed decisions and organize activities that benefit everyone involved."

In conclusion, the fifth interview question aimed to determine the most influential contribution of women directors among their roles as stakeholder representatives, decision makers, and advocates of corporate social responsibility. While all the three contributions were recognized as essential for a company's well-being, the two of the participants (P1 and P2) emphasized decision making as the most influential contribution. They have highlighted women directors' attributes such as attention to detail, honesty and logical thinking as key factors in making informed and strategic decision which in turn lead to reduced corporate risk and improved company performance. On the other hand, P3, P4 and P6 placed strong emphasized on corporate social responsibility as the most influential contribution, acknowledging that women directors excel in engaging valuable CSR ideas and activities that can benefit both society and company's reputation. P5, meanwhile, was of the opinion that stakeholder representation was the most influential, as being a good stakeholder representative covered a broad area. In short, a director who is a good stakeholder representative is likely to make sound decisions and engage in effective corporate social responsibility initiatives, all of which directly improve the company's financial performance and reputation.

5.9 Women Directors' Contributions Extend Beyond Financial Performance

The fifth question aimed to identify the most influential contributions among the three i.e. stakeholder representative, decision-making and corporate social responsibility. Meanwhile, the sixth question focused on whether these contributions could genuinely enhance the company's financial performance. The sixth interview question posed to the participants was '*Do you think these contributions (effective stakeholder representative, good decision maker, encourage better corporate social responsibility) of women directors may increase the company's financial performance?*'. Previous studies have revealed that all these contributions, including effective stakeholder representative, sound decision making and promoting better corporate social responsibility, can lead to improve financial and non-financial

performance for a company. Valls Martínez & Cruz Rambaud (2019) highlighted that a higher number of representation of women directors tend to have more significant impacts on board dynamics. Similarly, Brahma et al. (2020) found that three or more women directors can positively influence financial performance. Given that the value of women directors' contributions can be fully recognized if the critical mass has been reached. In contrast, Francoeur (2006) and Dallas (2002) pointed out that having more women on boards may not always directly impact a company's financial performance but sensitive issues related to women's interests are given more attention when there is a woman representation on the board.

All participants agreed that these contributions of women directors may enhance the company's performance financially and non-financially. P2 and P6 responded that each contribution i.e. stakeholder representative, decision making and corporate social responsibility has a fair share in contributing to the company's performance.

P2: "*Of course. Each contribution will give particular benefits to the company. All contributions will subsequently increase performance, financially and non-financially.*"

P6: *"Yes it will improve the company's financial performance."*

Responses from P2 and P6 are supported by Hyun et al. (2016) which argued that a gender-diverse boards tend to excel and perform well in corporate social responsibility practices, which can enhance the company's reputation, and in turn lead to higher sales and better financial performance. Similarly in terms of stakeholder representative, Navarro-García et al. (2020) highlighted that the educational background of women directors can have an influential role in shaping various outcomes for the firm, including its reputation. Thus, by attracting educated women to the board may contribute to the overall company's performance. While in terms of decision making, a study conducted by Alexa et al. (2015) revealed that gender-diverse boards are less likely making unethical decisions that could harm company's reputation and performance. Decision made by the board is crucial in ensuring the company sustain in the long run.

P3 echoed P2's views, emphasizing that the mentioned contributions i.e., stakeholder representation, decision-making, and corporate social responsibility were indeed valuable contributions that women directors could bring to the table, and that

women directors had even more to offer beyond these three contributions. P3 indirectly implied that there are actually more than these three contributions that women directors can provide.

P3: *"Yes. All these contributions are some of the few contributions that may influence company's performance."*

While, P1 concurred that the presence of women directors positively influences the board's functioning, ultimately leading to a better performance. This can be supported by The International Corporate Governance Network (ICGN) Guidance on Gender Diversity on Boards (n.d.) which highlighted that by having a high number of women on boards and a gender diverse culture in the corporate board will contribute towards healthy and effective debates and better decision making. Similarly, Skrine (2020), which argued that listed companies must promote diversity on board by having at least have one woman director and at least one director from an underrepresented minority which can lead to better decision making, crucial for the company's sustainable growth and long-term success.

P1: *"Well, as per our previous discussion, I believe YES because all the good attributes possessed by women will subsequently making sure the board functioning well and directly resulting the company to have good performances, financially and non-financially."*

On a similar vein, P4 and P5 also concurred that all contributions will lead to an improve performance of the company, not only limiting to financial but also non-financial. P4 and P5 opined that all actions of the fellow board members affect the reputation of the company, either good or bad. Their responses implicitly conveyed that as the financial performance is important, the reputation of the company is also a crucial element to be taken care of. Responses from P4 and P5 can be supported by Baum et al. (2022) which argued that women are less inclined to be involved in serious corporate crimes. By having women directors on the board, the company will consistently comply with all regulatory laws and requirements which leads to building trust and confidence among the various level of stakeholders as well as creating a positive reputation among the public eyes. Also, appointing women on the board can enhance the activities of the

company's corporate social responsibility which in turn will improve the reputation and credibility of the company (Hyun et al., 2016). Below were the responses from P4 and P5 respectively:

P4: *"Yes absolutely. Not limited to financial performance. Non-financial performance also will be affected. Not necessarily all leads to profit, sometimes the company's reputation also will be determined by the actions of the boards."*

P5: *"The reputation of a company is crucial, as it can indirectly impact its financial performance. A damaged reputation, if not repaired, can result in revenue loss, business closures, high employee turnover, and other negative effects, which can ultimately reduce the company's financial performance. Therefore, protecting the company's reputation is a top priority for me."*

In conclusion, the insights from multiples interviews, along with relevant research, collectively agreed on the significant impacts of women directors' contribution towards company's performance, directly and indirectly. The presence of women directors is linked to better board functioning, improved decision making, effective corporate social responsibility practices and stronger representation of stakeholders. These factors can positively impact a company's reputation, sales and long-term financial goals.

5.10 Unfit Roles and Ties Limit the Appointment of Women

The final question asked during the interviews holds significant importance in addressing Research Question 7, which seeks to understand the reasons behind the underrepresentation of women on the boards of Malaysia's publicly listed companies. The final question is *'In your opinion, why there is a lacking of women representation on the corporate board?'*. Its primary goal was to uncover the factors contributing to the insufficient representation of women on corporate boards, including instances where there are no women representation at all. Starting from the launching of the 30% Club Policy by Malaysia's former Prime Minister, Datuk Seri Najib Tun Abdul Razak in 2015, the progress towards achieving the targeted 30% representation of women on corporate boards was slow. Until recently, Zafrul Abdul Aziz, the former finance

minister of Malaysia, introduced a comprehensive plan as part of the country's 2023 spending plan, mandated listed companies to have at least one-woman director on their corporate board. He further highlighted that large capital companies must comply by September 1, 2022, and other listed companies by June 1, 2023. The primary objective of this initiative is to acknowledge the indispensable role that women play in the decision-making process and to bolster the leadership and effectiveness of corporate boards by increasing woman participation. This represents a proactive measure taken by the government to address the gender gap issue in corporate boards (The Business Times, 2021).

Previous studies have consistently demonstrated the positive attributes of women directors within the company. These studies have highlighted that women directors are good in managing the relationships with stakeholders, prioritizing stakeholder welfare and interest prior making decisions. For instance, Dallas (2002) which argued that concerns related to family life and the importance of flexible work arrangements receive greater attention and consideration when there is a representation of women on corporate boards.

Furthermore, women directors also known for their adept decision-making skills, often bringing innovative solutions to the table and fostering constructive debates among fellow board members. This can be supported by Terjesen et al. (2016) which emphasized that having women on corporate boards can enhance the decision-making quality and process through their different perspectives, cognitive diversity, and varied experiences. Additionally, earlier researches (Bear et al., 2010; Bernardi and Threadgill, 2010; Ijas, 2012), have indicated that the presence of women directors enhances a company's commitment to corporate social responsibility. As according to Zhang et al. (2013) and Hyun et al. (2016), the improvement of the corporate social responsibility is due to the sympathetic and empathetic nature of women directors, which leads them to develop initiatives and activities closely aligned with the needs and expectations of stakeholders, including philanthropic activities.

While prior studies mentioned above have provided compelling evidence for the critical role of women directors in improving the betterment of a company, women still face challenges in being selected for directorial roles within public listed companies. As stated in the previous interview responses above, most Ps agreed that women can be a good stakeholder representative, good decision maker, and advocate

to an effective corporate social responsibility, nevertheless, P1 offered a different perspective in response to the final question, as presented below:

P1: *"In my opinion, the lacking (read: underrepresentation of women directors in the corporate board) is because of unsuitable business division. If we can see, most businesses in Malaysia are related in engineering, manufacturing and construction which businesses that are more suitable for men. These kinds of businesses are more technical and directors need hands-on experience on these field which most probably women do not have the experience and knowledge."*

P1 implied that industries such as manufacturing, engineering, and construction are traditionally seen as more suitable for men due to their technical nature. P1 argued that women may not have the necessary experience and knowledge required to serve as directors in these fields, which could explain their underrepresentation.

Similarly, P2 and P5 shared perspectives consistent with those of P1. They responded that the appointment of women directors may be constrained by the perceived suitability of certain industries and suggested that women directors are better suited for roles in the retail and service sectors. This perspective aligns with a study conducted Rosener (2003) which argued that understanding the female perspective is crucial for companies to remain competitiveness and provide top-notch products and services that cater to the preferences and requirements of the female market.

P2: *"Although women are good, but their appointment to the board would be limited as some of the business might not suitable for women. For example, constructions/ manufacturing/ chemicals etc. These kinds of businesses are not suitable with women. These businesses are for men. I think women would be very good in service or retail industry, where their opinions and ideas would be needed the most in that situation."*

P5: *"Industries like construction, logistics, and manufacturing have traditionally been male-dominated, so they often hire men over women. On the other hand, fields like banking and insurance have more women directors."*

P3, reflecting on his own company's situation, agreed that the scarcity of women directors in their organization, and in many others, is largely due to the traditionally male-dominated nature of the logistics industry. Here are the responses:

P3: *"I would think because of business industry. Just like our company, we did not able to find suitable women director to sit on the board because our group's business i.e. logistics industry, is a male-predominantly industry."*

Furthermore, P2 also expressed a view that limited appointment of women directors to the boards may also attributed to the challenge of identifying suitable candidates. In many cases, these appointments rely heavily on personal networking and connections, which can further limit the pool of qualified women candidates for directorial roles.

P2: *"Other than that, I would think the appointment of women directors to the board is limited due to the potential women to be appointed are most likely very difficult to be found, we always depend on connections/networking and most of the time we appoint woman director from other existing PLCs"*

In contrast with responses from P1, P2, P3 and P5 which concurred that the lack of appointments was due to unsuitable business industry, P4 opined that the lack of women directors' appointment on the corporate board was due to the lack of sources to find the suitable candidates. In addition, P4 also highlighted that most appointments were done based on personal networks and contacts. It was also expressed that the board members did not make efforts to find the suitable candidates from outside means such as from independent sources because appointment based on personal networks/contacts are easy and not costly. This clearly does not comply with the Practice 5.1 of the MCCG which stated that the board should not solely rely on recommendations from the existing directors when appointing for a new director, and must utilize the independent sources to identify the suitable candidates.

P4: *"For me I think because of not having enough sources and the company do not know where to find the suitable candidates. As for our company, mostly the appointments were based on personal networks/ contacts. Easy and cheap. The*

board did not go to such extend to find candidates outside their means, it is time consuming and involve some costs as we have to hire independent consultants to recommend us several candidates and this takes time. And most probably we will appoint women directors that are already well known because we know them that's why we see many directors holds more than 3 directorships."

Similarly, P5 shared the same view as P4, noting that some appointments rely more on personal networks rather than actively seeking out women directors:

P5: "*It can also be harder for companies to find qualified female directors, as it takes more effort compared to finding male candidates, who are usually easier to connect with through existing networks. This extra effort might discourage companies from actively seeking out female candidates."*

Responses from P4 and P5 can be supported with the statements given by Deloitte (2017) which highlighted that board members tend to appoint candidates who are already serving on other boards within the same industry. The current board members often prefer to appoint individuals who are similar to themselves in terms of their background and experiences. In this case, given that the majority of board members are historically male and white which resulted in a low percentage of women candidates being appointed to corporate boards.

While for P6 concurred more on historical side of infrastructure of the board which for many years it was conquered by male counterparts. This is because it was known as 'men's club'. This can be supported by Chu and Ito (2015) which commented that Japan has been lagging behind in gender diversity as the 'boys' club' mentality still prevails in Japanese boardrooms, with men dominating the corporate boards. It is essential to break down these barriers and increase the representation of women directors to create a more diverse and inclusive business environment.

Also supported by Ciappei et al. (2023) which argued that women faced two major challenges in workplace such as the glass ceiling and glass cliff phenomenon which caused by unfair practices, stereotypes, and company cultures that make it harder for women to be promoted, even when they're qualified.

P6: *"I believe it's largely due to the traditional structure of boards, which have historically been seen as a 'men's club'. Boards have long been dominated by men, and the lack of diversity is rooted in these historical factors."*

In conclusion, the interviews revealed a multifaceted challenge surrounding the underrepresentation of women on corporate boards in Malaysia's publicly listed companies. Most of the Ps pointed out that industry suitability as one of the limiting factors for the appointment of women directors on boards, P4 and P5 pointed out the lack of sources to identify suitable candidates. P1, P2, P3 and P5 believed that certain industries such as manufacturing, engineering, construction, chemicals and logistics are traditionally seen as more suitable for men due to their technicality. P2 suggested that women directors may be better suited for roles in the service and retail sectors, where their perspectives and ideas are highly valued. most of the Ps emphasized that beyond the perception of certain industries as unsuitable for women, the limiting factor is compounded by difficulties in identifying qualified women candidates and the prevalent practice of relying on personal connections instead of conducting a comprehensive search for a diverse pool of suitable female candidates. P6 believed that the lack of women directors on the board is due to the historical structure of the board, which has been dominated by men and characterized as a 'men's club'.

5.11 Conclusion

In summary, Chapter 5 encapsulates the responses gathered during the interview sessions, where all six participants (Ps) shared their perspectives on the presented questions. This allowed us to gain a profound understanding of their viewpoints regarding women directors. Significantly, the chapter sheds light on the reasons behind the insufficient representation of women on corporate boards.

CHAPTER 6
DISCUSSION & CONCLUSION

6.1 Introduction

The analysis of the research results and their interpretation in the context of new academic and practical combinations, are presented in chapter 6. This chapter presents the most important findings of the study towards addressing the study objectives and questions framed in previous chapters. Exploring the implications of the results through the integration of theory and practice, the discussion portrays the essence of the findings in terms of contribution to the knowledge and its practice in the area.

Two substantive parts make up the chapter. The discussion subsection reviews the findings by comparing them with the literature data and examines the results for consistency, discrepancies and possible explanations. It considers the significance of the outcomes considering the study, its contexts and implications to stakeholders, policy makers and practitioners. Such a view also includes the possible constraints of the study about its findings and makes useful recommendations about future research agendas.

The conclusion subsection summarizes the paper providing the main messages drawn as well as practical implications. This section presents how the objectives of the research were met and focuses on the future directions, proposing avenues for research and practice. Collectively, these sections highlight the main outputs of the study and reinforce its relevance to the field of study and work.

6.2 Discussion of Results

6.2.1 Relationship Between the Contribution of Women Directors as Stakeholder Representatives and Company's Financial Performance

The study hypothesized that the presence of women directors, serving as representative of stakeholder interest, would have a positive influence on the company's financial performance. This expectation is grounded in Stakeholder Theory,

which posits that effective governance involves addressing the interest of a board range of stakeholders, not solely shareholders, and that diverse board are better positioned to reflect and respond to these interests (Freeman, 1984; Donaldson & Preston, 1995). In this context, women directors are often viewed as being more stakeholder-oriented and incline toward inclusive and ethical decision-making, which could enhance firm performance (Hillman et al., 2007). However, the finding revealed no statistically significant relationship between the presence of women directors and financial performance, thereby providing no support for Hypothesis 1.

These findings contradict prior literature, such as the study of Bart and McQueen (2013) who argued that women directors contribute positively to firms through enhanced stakeholder management, largely due to their Complex Moral Reasoning CMR capabilities. According to their study, female directors tend to make more ethically sensitive decisions, particularly in relation to stakeholders' interests and are more likely to act in ways that promote the long-term well-being of the organization. Similarly, Baum et al. (2022) suggested that women directors are generally less inclined to engage in behavior that could harm the company, which theoretically should enhance stakeholder trust and respect. However, the current study's finding does not support these claims, indicating that the anticipated benefits of female board representation, in terms of stakeholder representation and financial performance, may not be fully realized in all organization contexts.

Various contextual factors such as the governance environment, cultural differences, or a low number of women directors within decision making processes as portrayed in many studies (Prudencio et al., 2021; Hunt et al., 2015; Christiansen et al., 2016),) as the reasons for a lack of significant findings. As stated in the studies by Singh et al. (2019) and Carmo et al. (2022), the benefits that women directors provide in stakeholder representation are significantly lower in industries or organizations where they are underrepresented or undervalued. This trend of underappreciation is due to the low number of women on boards, which often pressures them to follow the decisions of their male counterparts. This implies that measures need to be taken to enable women directors have an effective mark on the financial performance of the organization through the stakeholder representation.

In addition, the finding also supports the notion that the value women directors add as stakeholder representatives would not be obvious and would not be visible in financial metrics. However, some interview responses concurred that stakeholder

representative is important, although it is not able to improve performance, some might able to improve the company's reputation and image towards all levels of stakeholders such as the investors, customers, or even employees. Further studies might seek to investigate these metrics so as to explain the wider scope of impact women directors have as stakeholder representatives.

6.2.2 Relationship Between the Contribution of Women Directors in Decision Making and Company's Financial Performance

The influence of women directors on corporate performance through their participation in decision making was examined under Hypothesis 2, which posited a significant positive relationship between women directors' involvement in decision making and firm performance. This hypothesis is grounded. In the view that female board members could shape strategic outcomes through diverse perspective, ethical judgement and inclusive deliberation. However, the empirical findings do not support Hypothesis 2, as the analysis revealed no statistically significant relationship between the participation of women directors in decision making processes and financial performance of the company. Hence Hypothesis 2 is not supported.

This result can be interpreted through the lenses of Agency Theory and Resource Dependency Theory. According to Agency Theory, independent and diverse boards are expected to strengthen monitoring mechanisms, reduce agency costs, and align managerial actions with shareholders' interests (Francoeur, Labelle and Sinclair, 2008). The non-significant findings in this study suggest that women directors may not be empowered enough within the board to influence decision-making in a way that improves firm performance, possibly due to tokenistic appointments or cultural and structural barriers (Singh et al., 2019). Despite the lack of support for Hypothesis 2, the growing interest in women's roles in corporate governance underscores the importance of moving beyond numerical representation and fostering meaningful inclusion in boardroom processes.

From the Resource Dependency Theory perspective, board members provide access to critical external resources, including networks, legitimacy, and stakeholder insight (Pfeffer & Salancik, 1978). Women directors, in particular, are viewed as valuable resources that enhance firm legitimacy and stakeholder engagement (Hillman

& Dalziel, 2003). Nonetheless, the absence of a significant relationship in this context may indicate that these potential contributions are either underutilized or constrained by organizational dynamics that limit their effective participation in strategic decision-making.

The finding conflicts with prior studies which argued that women directors bring valuable importance in terms of decision making in a corporate board. For instance, Wardhani and Supratiwi (2023) noted that women directors are able to offer a variety of ideas, assist in complex concepts development, and take a more friendly stand in the decision-making process which can help the company to perform better. In the same sense, Sobhan et al. (2024) stated that women directors' decision-making process is better especially if the women are highly intellectually and analytically well trained. Furthermore, research such as that of Linggih and Wiksuana (2018) stressed that women directors facilitate decision-making which is less complicated, faster and more efficient, which leads to increased financial performance.

It has also been noted that women directors tend to be more careful and timider when it comes to making strategic decisions (Garcia & Santana, 2023). This risk restraint women directors to make ethical and socially responsible decisions which can instill confidence among board members and promote sustainable development for the company. In the same sense, Tanasuica (2023) argued that women directors are more cautious and risk-averse compared to men in their decision-making approaches which exhibit higher risk aversion, opting for smaller yet safer rewards. Thus, the natural instinct of women directors of carefully making bold decisions may hinder them to make risky decisions that may lead to new opportunities.

In addition, the lack of a significant relationship could primarily be related to context or structural issues that could have caused difficulty for corporate boards within the context of the study. To begin, there is the limited power or control of women directors. In male dominated boards, women directors may have difficulties to wield any influence or may be in some cases even completely ignored in important decision-making processes. This translates to not performing in financial outcomes in a rather meaningful manner. Some women directors endure such a condition as "tokenism", where they are made to board for the sake of having one and not principally for what they can do towards the board decision making processes (Singh, Sardania & Singhania, 2019). The finding also supported by Valls Martínez and Cruz Rambaud

(2019) which argued that board with mixed gender may increase likelihood of conflicts arising during the decision-making process.

Lastly, cultural and organizational factors may limit the active participation of female directors in corporate decision-making processes. In certain context, prevailing societal and organizational norms may discourage women from voicing their perspectives or challenging the dominant views on the board. Mehnaz and Yang (2025) argued that women often face unfair treatment that makes it harder for them to grow in their careers as they perceived women as weak or incapable, which leads to fewer chances for leadership roles. According to Loho (2017), workplace culture in many companies still favors men, which makes it difficult for women to feel fully included or respected. This is especially true for mothers, who often face additional pressure to balance work and family responsibilities. These pressures contribute to a work environment where women struggle to succeed and feel genuinely valued.

Another example, particularly in family-owned business, Rose (2017) observed that female directors often defer to their male counterparts and may refrain from contributing substantively to board discussions, particularly in culture where hierarchical and patriarchal values are dominant. Furthermore, Barnes et al. (2019) noted that gendered expectations and stereotypes can influence perceptions of women's emotional expressions in the boardroom. Women are often expected to display less assertiveness and may be perceived as more emotionally expressive such as through crying, which reinforce the stereotypical notion that their decisions are driven more by emotion than rational analysis. These cultural and organizational dynamics may hinder the ability of female directors to exercise full influence in board deliberations, thereby affecting their potential contribution to firm performance.

In conclusion, women directors are often not given enough power or support needed to share their ideas and contribute effectively to board discussions. This is mainly due to ongoing gender stereotypes and corporate cultures that continue to favor male leadership. Although past research has shown that women excel in decision-making and help create inclusive and creative boardroom discussion and further supported by interview responses, their strengths are still underutilized. The findings suggest that women directors are not truly empowered to showcase their abilities, limiting their impact within current board dynamics.

6.2.3 Relationship Between the Contribution of Women Directors in Corporate Social Responsibility and Company's Financial Performance

There has been an ongoing scholarly debate concerning the influence of women directors on CSR initiatives and their subsequent impact on financial performance, with many studies asserting a positive association. To empirically examine this proposition, Hypothesis 3 was formulated to test whether women directors' involvement in CSR activities is significantly related to the financial performance of the company. Despite the substantial body of literature suggesting that gender diversity on boards enhances CSR engagement and contributes positively to financial outcomes, the findings of this study did not support this relationship. The analysis revealed no statistically significant link between the participation of women directors in CSR and firm financial performance, leading to the rejection of Hypothesis 3.

Prior studies consistently underscore the important role of women directors in promoting CSR practices and contributing to long-term organizational success. For example, Hyun et al. (2016), identified a positive relationship between the number of women independent directors on corporate board and the level of CSR engagement, attributing this to women's greater inclination toward ethical and socially responsible initiatives. Similarly, Al-Najjar and Salama (2022) asserted that female directors are generally more proactive in environmental issues and demonstrate heightened awareness of sustainability issues compared to their male counterparts. These characteristics are often linked to enhanced environmental performance, elevated stakeholder trust and improve the corporate image.

Further reienforcing this perspective, Dani et al. (2019) argued that one of the key limitations to improving CSR initiatives lies in the underrepresentation of women on boards. They maintained that female participation is essential for advancing CSR-related agendas. In a related study, Brahma et al. (2020) emphasized the importance of achieving a critical mass, specifically having at least three women directors, to fully realize the benefits of women's presence on boards. This critical mass facilitates meaningful stakeholder engagement, ensures effective communication, and, in turn, strengthens CSR involvement. Bear et al. (2010) and Qian and Deng (2022) also noted that women directors frequently advocate for non-financial performance indicators

such as customer satisfaction and employee wellbeing- which are fundamental to sustainable business practices.

In addition, although this study found that women directors' contributions did not significantly enhance financial performance, qualitative insights suggest their value may lie in areas beyond profit metrics, such as stakeholder engagement and corporate social responsibility. Comparative findings from Qian and Deng (2022) highlighted that women leaders often bring empathetic, relational, and collectivist values to corporate social responsibility, which foster ethical governance and community trust. Dimensions that not always captured in financial indicators.

Despite this wealth of literature highlighting the positive influence of women directors on CSR, the finding of the current study did not reveal a statistically significant relationship between their involvement in CSR and financial performance. Several contextual factors may account for this paradox. For example, Saraswati et al. (2020) observed that government ownership can distorts CSR practice, leading to compliance-oriented behavior rather than value driven social engagement. In such context, the influence of women directors may be constrained by institutional or political mandates. Moreover, organizational culture and governance structures may limit the extent to which women directors are empowered to shape CSR strategies. García-Sanchez et al. (2021) suggested that prevailing normative pressures from dominant male board members can undermine the authority and influence of women directors, diminishing their impact on CSR related decisions.

From a Resource Dependency Theory perspective, while women directors are expected to bring valuable social capital, ethical perspective and stakeholder insight to the boardroom (Pfeffer & Salancik, 1978), these potential resources may not be fully leveraged unless there is a supportive organizational context. The presence of a critical mass and boardroom inclusively are essential to active these resources effectively. Francoeur et al. (2019) and Bear et al. (2010) posited that higher proportions of women on board are positively correlated with CSR performance, as diversity enhances ethical deliberation and broadens the board' perspective. However, when women directors are underrepresented or tokenized, their ability to influenced meaningful CSR strategies may be significantly limited.

In conclusion, although this study did not find a significant relationship between women directors' involvement in CSR and financial performance, existing literature continues to highlight their potential contributions to sustainability practices and

reputational enhancement. Most participants from the interview session agreed that women directors are generally more attuned to philanthropic activities, reflecting their sensitivity to social causes. However, one participant offered a contrasting view, suggesting that women directors may not be directly involved in organizing such initiatives. Viewed through the lenses of Agency, Stakeholder, and Resource Dependency Theory, women directors are expected to act as effective monitors, advocates for stakeholder interests, and contributors of valuable resources. Yet, the extent to which these roles are realized depends heavily on the organizational context, including structural, cultural, and governance-related factors. Therefore, companies should strive to cultivate inclusive board environments that empower women directors to actively shape CSR strategies. Future research should investigate industry-specific conditions, governance frameworks, and the influence of board culture to better understand the complex relationship between gender diversity, CSR engagement, and firm performance.

6.2.4 The Mediating Role of Ownership Structures

The literature has extensively analyzed the role of women directors and their impact on company financial performance, particularly through the moderating influence of various ownership structures. Different form of ownership such as family-owned businesses, government-linked entities, institutional investors and foreign-owned firms create distinct custodial and governance frameworks that may shape the effectiveness and influence of women directors. These ownership contexts often socialize women directors differently, thereby affecting their ability to contribute meaningfully to strategic decision-making and firm outcome.

In response to this gap in the literature, the present study developed and tested three hypotheses i.e. Hypotheses 5(a), 5(b) and 5(c), to examine whether the ownership structures moderate the relationship between women directors' contribution and financial performance. Specifically, the study investigated whether family ownership, government ownership, or ownership by foreign investor and institutional investors could either strengthen or weaken the effect of women directors on company financial performance. However, the empirical results revealed no statistically significant moderating effect of ownership structures on this relationship. Consequently, all three

hypotheses were not supported. This finding implies that, within the sample and the context of this study, ownership structure does not significantly enhance or constrain the influence of women directors on firm performance, possibly due to underlying cultural, organizational or institutional dynamics that neutralize their effect regardless of ownership type.

Family dominance which is common in several areas especially in Malaysia usually tends to restrict the efficiency of women directors owing to family control traffic and male dominance. Bianco et al. (2015) as well as Samuel and Encarnacion et al. (2016) studies found that women family directors are most often relatives of controlling owners and are therefore not critical decision makers and do not participate in executive or board governance of the company since their appointment is not merit based. Equally, it has been shown by Shabbir (2018) that women directors in family dominated corporations perform more of ceremonial functions of completing minimum requirements or family desires than being strategic in the management of the organization. Similar case with the study of Wagner, Pernsteiner, and Riaz (2024) which argued that the appointments of women directors are mostly based on family connections rather than professional experience which reflects the idea of socioemotional wealth, where families focus on keeping control and passing on their legacy.

In comparison, companies owned by the government are often more likely to have gender balanced boards because of the dictates of the law and society's demand for proportional representation. It was emphasized by Bohdanowicz (2014) that changes in state ownership should always lead to greater gender balance because women will be able in line with societal-based changes to pressure for more female representation in business leadership positions. Similarly, Halrynjo and Teigen, (2024) argued that state and municipality-owned companies in Norway had a notably higher representation of women in top executive roles. This suggests that political commitment and public sector values may play a bigger role in promoting gender diversity than quota rules alone. This type of ownership may also prioritize inclusivity and equity more intentionally, reflecting broader government goals, such as gender equality, throughout their corporate structures. However, in such companies the appointment of women directors will in some cases be more to meet the diversity expectations than focus on their ability, Li and Zhang (2010), which may negate the level of effectiveness of such directors especially in overriding the financial costs.

However, institutional and foreign investors elevate the standards of corporate governance systems and greatly enhance boards' composition. These conclusions corroborate with a study conducted by Aluchna and Kaminski (2017) who studied institutional investors and the presence of women on boards and showed that these investors are in fact supporters of gender diversity. They argued that institutional investors also actively engage in shareholder activities, such as monitoring corporate expenses, advocating for governance reforms, and addressing social and environmental concerns. Likewise, Jusoh (2015) also discovered that companies with significant foreign ownership in Malaysia, those with women directors had more sophisticated governance systems, as such women contributed positively to governance results. Hence, both institutional and foreign investors are likely to perceive women directors as useful resources and hence their active participation in corporate boards is welcomed.

Nonetheless, there are confounding variables that influence the mediating role of ownership structures. In this regard, it has been posited that cultural values, legal requirements, and organizational architecture can determine the effectiveness of women directors, in that they may affect the power in corporate boards. For example, García-Sánchez et al. (2021) showed that some ownership structures impose normative mechanisms which constrain women board members from participating in strategic issues even when they are board members. In the same vein, Saraswati et al. (2020) was of the opinion that certain structures of ownership place more emphasis on compliance-oriented roles than on strategic decision making thereby restraining women directors from performing wider roles that could have affected the corporation's strategic position.

The existing literature has extensively examined the role of women directors in influencing company financial performance, particularly through the moderating effect of ownership structures. Different ownership configurations such as family-owned firms, government-linked companies, and entities with institutional or foreign investor create distinct governance environments that shape the roles and effectiveness of women directors (Post & Byron, 2015; Terjesen et al., 2016). These ownership contexts may influence how women directors are socialized within the firm and the extent to which they are empowered to contribute meaningfully to strategic decision-making and oversight processes.

From an Agency Theory perspective, ownership structure is expected to affect monitoring mechanisms and the alignment of interest between managers and

shareholders. For example, in family-owned firms, the concentration of ownership often reduces agency costs but may also lead to entrenchment, where women directors have limited autonomy or are appointed for symbolic rather than substantive roles (Garcia & Santana, 2023). In such cases, the potential for women directors to improve firm financial performance may be constrained.

Resource Dependency Theory suggests that women directors contribute valuable resources to the board, including diverse perspectives, networks and legitimacy (Hillman et al., 2000). Ownership structure may mediate access to these resources. For instance, government-linked firms may prioritize compliance or political objective over the strategic utilization of board diversity, thereby limiting the potential contributions of women directors to financial performance (Peng et al., 2007).

From the lens of Stakeholder Theory, women directors are often seen as more attuned to stakeholder concerns and CSR, fostering long-term value creation through enhanced stakeholder engagement (Bear et al., 2010). However, the influenced of ownership structure may override these stakeholder-oriented perspectives. In institutions where decision-making is centralized or where short-term financial goals dominate, women directors may have limited scope to advocate for broader stakeholder interest, thereby reducing their potential impact on firm performance.

6.2.5 Women Directors and Financial Performance

This study hypothesised that companies with female board members would exhibit superior financial performance. However, the result presented in Table 4.35 indicate a negative financial outcome for firms with female directors, suggesting lower even negative financial performance. This finding implies that the presence of women on the board may not contribute positively to a company's financial performance in the context of this study. Thus, Hypothesis 6 is not supported. Despite gender diversity being widely considered as a key element of effective corporate governance and often promoted through policy for its perceived value addition (Linggih & Wiksuana, 2018; Baum et al., 2022; Birindelli, et al., 2020; Hyun et al., 2016), the results of this study do not support that assertion. This aligns with earlier research indicating a weak relation between the boardroom composition and financial performance (Singh et al., 2019; Renuka, 2013; Brahma et al., 2020).

As according to Renuka (2013), the addition of women directors was not effective, as they were less experienced and led to an increase in acquisitions and leverage, ultimately causing a deterioration in operating performance. This can also be supported by Brahma et al. (2020) which argued that the implementation of gender quotas has resulted in the appointment of a significant number of inexperienced women to corporate boards, consequently having a detrimental impact on firm financial performance

The observations noted by Linggih and Wiksuana's (2018) clearly seem to resonate with this finding. They observed that while women directors may be instrumental in decision making and governance, their impact on financial performance seems to vary significantly with industry type and corporate culture. In other cases, women are being appointed as a token gesture, Singh et al. (2019) pointed out that women board members added as a formality might be the case in many organizations but seldom translates to positive financial results.

The same consideration could also help to explain why many women directors have little or no influence on mitigating firm underperformance. The evidence relating to Hypothesis 6 fails to meet expectation which leave doubt regarding the impact of the representation of female directors with the firm's financial performance. This position is entirely congruent with the study of Christiansen et al. (2016), who in their study established that gender diversity may lead to improvement in governance structures and decision making but the straight impact on financial performance is usually affected by factor such as business industries.

Moreover, the result stresses on the need to go beyond token representation of women on boards to having true input from them. This idea is backed by the critical mass theory advanced by Carmo et al. (2022) and Brahma et al. (2020) which affirmed that women directors' propinquity to influence decisions becomes meaningful when they are more than a certain critical number. Thus, permitting them to participate more actively and make an impact on the decisions of the board. Without this critical mass, the only possible influence that female directors will have regarding the firm's financial performance will remain as in this study, where the influence to financial performance is low.

Similarly, the study by Birindelli et al. (2020) highlighted that when a critical mass of female board members, typically three or more, is achieved, banks are more likely to be financially sound and manage risk effectively. Moreover, the effectiveness

of women directors depends on merit-based appointments, ensuring that their expertise and insights contribute meaningfully to governance and performance.

From the perspective of Resource Dependency Theory, board members are expected to bring valuable resources such as expertise, legitimacy and access to external networks that enhance the firm's ability to manage environmental uncertainty and improve performance (Pfeffer & Salancik, 1978). While gender diversity may signal broader perspective and stakeholder connections, the low and negative financial performance observed in this study suggests that the presence of female directors may not have translated into effective resource contributions in the context examined.

The quantitative findings of this study indicate that the presence of women directors on corporate boards does not necessarily lead to superior financial performance. As discussed earlier, this may be attributed to several factors, including the lack of a critical mass of women on boards, their appointment as symbolic gestures, and the varying performance metrics across different business sectors. This perspective is echoed by P5, which emphasized in Chapter 5 that protecting a company's reputation is a prerequisite for achieving strong financial outcomes. P5 argued that reputation cannot be measured purely in financial terms, yet it plays a vital role in shaping stakeholder trust and long-term performance. This insight suggests that the value of women directors may lie more in enhancing governance and reputation than in immediate financial returns. This finding also pointed to the fact that gender on the boards should not just looking on the mere numbers but women directors should be able to and be encouraged to participate in making key managerial decisions. Otherwise, the potential growth of financial performance stemming from the existence of gender diversity will remain untapped.

6.2.6 The Reasons of Women Not Being Appointed as Directors in Corporate Board

The persistent underrepresented of women on corporate board appears to be influenced by deeply ingrained societal constructs, including of familial norms, leadership expectations, gender-based discrimination, and organizational culture. Socially constructed biases such as the perception that women are inherently unsuited for leadership roles continue to marginalize women and limit their access to board

positions (Shabbir et al., 2018). This phenomenon is particularly observed in family-owned businesses, where the appointments of women directors are made due to family relations instead of their professional merit. Consequently, these women may serve in tokenistic roles, lacking really influential or strategic responsibilities (Bianco et al., 2015; Samuel & Encarnacion, 2016).

To gain further insight into this issue, qualitative interviews were conducted with six directors of a publicly listed company. All six participants demonstrated an understanding of the concept of gender diversity and acknowledge the potential value that women directors can contribute to board deliberations. The most important line of inquiry during these interviews was Question 7 which addressed the perceived reasons for the low representation of women on corporate boards. The responses to this question provided evidence for Research Question 7 of the study, with detailed accounts presented in Chapter 5.

Table 6.1
Reason for the Underrepresentation of Women Directors

Participant (P)	Responses
P1	*"In my opinion, the lacking (read: underrepresentation of women directors in the corporate board) is because of* ***unsuitable business division****. If we can see, most businesses in Malaysia are related in engineering, manufacturing and construction which businesses that are more suitable for men."*
P2	*"constructions/ manufacturing/ chemicals etc.* ***These kinds of businesses are not suitable with women****. These businesses are for men. I think women would be very good in service or retail industry, where their opinions and ideas would be needed the most in that situation."* *"Other than that, I would think the appointment of women directors to the board is limited due to the potential women to be appointed are most likely very difficult to be found, we always* ***depend on connections/networking*** *and most of the time we appoint woman director from other existing PLCs."*

P3	*"I would think because of **business industry**. Just like our company, we did not able to find suitable women director to sit on the board because our Group's business i.e. Logistics industry, is a male-predominantly industry."*
P4	*"For me I think because of **not having enough sources** and the company do not know where to find the suitable candidates. As for our company, mostly the **appointments were based on personal networks/ contacts**. Easy and cheap."*
P5	*"**Industries like construction, logistics, and manufacturing have traditionally been male-dominated**, so they often hire men over women."* *"It can also be harder for companies to find qualified female directors, as it takes more effort compared to finding male candidates, who are usually easier to connect with **through existing networks**."*
P6	*"I believe it's largely due to the traditional structure of boards, which have **historically been seen as a 'men's club**.' Boards have long been dominated by men, and the lack of diversity is rooted in these historical factors."*

Out of six participants, four explicitly cited industry-related factors as a key barrier to increasing female board representation. Their responses reflect a broader societal narrative that views women as lacking the technical skills and or leadership acumen required in traditionally male-dominated sectors such as constructions, logistic and mining. Consequently, when board vacancies arise, male candidates are more readily considered and appointed.

This trend aligns with Bart & Mcqueen (2013), who argued that gender-based hiring biases are especially prevalent in industry with male leadership and a predominantly male workforce. Such biases contribute to systemic exclusion, making it significantly more challenging for women to attain board-level positions. This is further supported by Ciappei et al. (2023), who identified two key challenges faced by women in the workplace: the glass ceiling and glass cliff phenomena. These barriers

arise from systemic issues such as biased practices, entrenched stereotypes, and organizational cultures that hinder women's advancement even when they possess the necessary qualifications.

Additionally, Christiansen et al. (2016) reported that the impact of women directors varies across sectors. For instance, in the services sector, a higher representation of women directors was associated with a 21-basis-point increase in return on assets (ROA), while the manufacturing sector showed a smaller gain of 12 basis points. In contrast, trade and construction sectors exhibited no statistically significant effect. These findings have contributed to a perception that women are more suited to sectors that are not traditionally male-dominated, such as services, rather than industries like manufacturing or construction.

In conclusion, the persistent underrepresentation of women on corporate boards is not merely a result of individual qualifications or availability, but rather a reflection of deeply rooted societal and organizational biases. The findings from the qualitative interviews reinforce the notion that industry-specific norms and gendered perceptions of leadership play a significant role in shaping board composition. Particularly in male-dominated sectors such as construction, logistics, and mining, women are often perceived as lacking the technical expertise or leadership traits deemed necessary for board roles, leading to their exclusion from consideration. This suggest that addressing gender diversity on boards requires more than policy interventions, it demands a cultural shift in how leadership potential is defined and valued. Organizations must actively challenge stereotypes, broaden their criteria for board appointments, and foster inclusive environments that recognize and empower women's contributions.

6.3 Implications of the Study

6.3.1 Theoretical Implication

The results of this study suggest that dominant theoretical frameworks commonly applied in gender and boardroom research, Agency Theory, Stakeholder Theory and Resource Dependency Theory may have limited applicability in the context of developing countries such as Malaysia. While these theories have underpinned much of the discourse in developed countries, they do not fully capture the socio-cultural and behavioral realities influencing women's representation on corporate boards in

Malaysia. Despite increased educational attainment among women, the expected theoretical outcomes such as enhanced governance or stakeholder engagement through gender-diverse board were not consistently observed.

This highlights the need to broaden the theoretical lens by incorporating frameworks that are more sensitive to contextual realities. Critical Mass Theory and Tokenism Theory offer more nuanced explanations for the limited influence of women on corporate boards, especially when their representation remains low. These theories suggest that women directors may face challenges in shaping board dynamics or contributing meaningfully to decision making unless sufficient number is present to shift established norms, culture and perceptions. In addition, theories grounded in social and behavioral sciences, which consider gender norm, cultural expectations and power dynamics, may offer stronger explanatory value within developing country contexts. Future research should therefore consider applying these alternative theoretical perspectives to better understand how women directors navigate the structural and cultural constraints of the Malaysian corporate governance environment.

6.3.2 Practical Implications

From the practical standpoint, corporate leaders particularly Board of Directors must acknowledge that gender diversity is not merely compliance issue, but a strategic imperative for organizational sustainability and innovation. Companies, especially listed, must evolve in tandem with societal progress by recognizing women as equally competent leaders.

To achieve meaningful diversity, companies should invest in systematic recruitment process, succession planning and leadership development programs that specifically target women. These mechanisms can help dismantle barriers such as reliance on personal networks, unconscious bias, and limited access to leadership pipelines. Board must be proactive in identifying and nurturing female talent across industries, including those traditionally dominated by men, such as construction, logistic and manufacturing. Adopting the practice advocates in the MCCG21', Practice 5.6, such as utilizing independent sources for board appointments, can widen the talent pool and ensure merit-based selection rather than tokenism.

The study suggests that even when women are appointed to corporate boards, they may not be afforded equal voice or influence. This underscore the need for deep organizational culture change, rather than merely altering board composition. Companies must cultivate an inclusive boardroom culture in which diverse perspectives are genuinely valued and integrated into decision making processes. Effective change management strategies are required to promote inclusive leadership practices and address resistance arising from entrenched power structure. Additionally, companies can leverage mentorship and sponsorship programs to empowered women directors and support them in navigating boardroom dynamic more effectively.

Appointing women directors to boards merely to fulfill quotas without providing them the authority or opportunity to contribute meaningfully raises ethical concerns. This tokenism undermines the spirit of good governance and compromise board effectiveness. Governance framework should be reviewed to ensure equity, fairness and merit-based practices, reinforcing ethical integrity in board appointments.

6.3.3 Policy Implications

The Malaysian government has made notable progress in promoting gender diversity in corporate leadership through a series of policy initiatives and regulatory reforms. Early efforts included the recommendation under the MCCG17' for large companies to achieve at least 30% women representation on their boards. This momentum was further strengthened with the revised MCCG21', which expanded the expectation by recommending that all listed companies, not only large firms, should have at least 30% women on their boards. MCCG21' also reinforced the importance of gender diversity by requiring companies to disclose their gender diversity policies and targets, thereby increasing transparency and accountability. Additionally, the government's subsequent mandate, effective in 2023, requiring all publicly listed companies to appoint at least one woman to their board, has contributed to gradual improvements in female representation across corporate boards. These regulatory developments collectively signal a more robust commitment to advancing gender-inclusive governance and addressing persistent imbalances in boardroom participation.

However, these policies may unintentionally encourage quota-based appointments that do not always reflect merit or strategic alignment, limiting the

influence of women directors and increasing the risk of marginalization. To address this, policymakers should consider transitioning from minimum-threshold approaches to performance-based or impact-oriented frameworks that promote substantive participation and leadership roles for women. Regulatory bodies could also monitor and publish board effectiveness metrics linked to gender diversity, thereby reinforcing the business case for inclusion. Ultimately, a shift in focus from numerical compliance to the qualitative contributions of women directors is essential to fully realize the strategic, ethical, and governance benefits of gender-diverse boards.

The findings of this study have important policy implications. Increasing the number of women on boards may not automatically translate into meaningful influence or improved financial performance. Policymakers could use these insights to refine gender diversity regulations by emphasizing qualitative aspects of board participation, such as the ability of women directors to contribute strategically and shape board decision-making. Furthermore, the study highlights the need for complementary measures such as leadership development, mentorship, and inclusive boardroom practices that support women directors in fulfilling their potential. By integrating these considerations into policy frameworks, regulators can foster more effective and impactful gender-diverse governance, moving beyond numeric targets toward sustainable boardroom inclusivity.

6.3.4 Other Implications

The study findings reveal that societal perceptions and cultural norms such as viewing women as primarily responsible for domestic duties significantly influence boardroom gender diversity. This suggests a broader need for societal change in gender role expectations. Efforts to increase women's representation on the corporate boards must therefore extend beyond corporate settings into public discourse, education and community engagement.

6.4 Limitations of the Study

This study subject to several limitations that should be acknowledged, as they constrain the interpretation and generalization of the findings. This study employed a mixed-method approach, combining primary and secondary data to address its research objectives. Research Objectives 1 to 4 were addressed using primary data collected via questionnaire, focusing on the contributions of women directors in areas such as stakeholder representation, decision-making and CSR. While this method provides valuable quantifiable insights, the structured format of questionnaire may constrain participants' ability to express nuanced perspectives or elaborate on complex social and cultural dynamics affecting women's influence in boardroom.

Research Objectives 5 and 6 relied on secondary data related to financial performance (ROA & ROE) and ownership structures including family, government, foreign and institutional investors. While secondary data allows for broader coverage and comparability, their use introduces potential limitations in terms of data consistency, reliability and conceptual alignment. The data were derived from annual reports that may differ in scope, definitions and measurement parameters, raising concerns about methodological heterogeneity and the risk of drawing inconsistent or oversimplified conclusions.

To explore Research Objective 7, which examines why companies may not appoint women to corporate boards, the study utilized qualitative interviews. While these interviews added important contextual depth, they were limited in number and may not fully capture the diversity of view across different industries, region or organizational cultures. Furthermore, all three methods such as questionnaire, secondary data and interviews are susceptible to biases in reporting, interpretation and selection, which affect the overall validity and generalization of the findings.

The study is highly context-specific, with findings drawn largely from literature and data pertaining to developed countries such as the US, UK and Norway. These contexts differ significantly from that of Malaysia, a developing country with unique institutional, cultural and corporate governance characteristics. As a result, the applicability of the findings to the Malaysian context and indeed to other developing countries is limited. Cultural norms, regulatory framework and stakeholder

expectations vary significantly across region, which may influence both the appointment and effectiveness of women directors.

The study does not incorporate intersectional perspective. Gender is not experienced in isolation and failing to consider intersecting identities such as race, age, ethnic, nationality and religion may oversimplify the analysis of women directors' contributions on financial performance. For example, women form minority or marginalized communities may face distinct barriers and contribute differently compared to their majority counterparts. The absence of intersectionality may lead to an incomplete understanding of women contribution on company financial performance.

The analysis does not account for potential differences across industry sectors. The relationship between women directors' contribution and firm performance may vary by industry due to differences gender composition, stakeholder expectations, regulatory scrutiny and corporate governance structures. Sectors such as telecommunications, construction, or energy which traditionally have lower female representation may yield different outcomes than more gender diverse industries like healthcare, education or retail. Ignoring these sectorial dynamics may obscure important patterns and limit the applicability of the findings to industry-specific policymaking and practice.

In summary, while study adopts mixed method approach to investigate women directors' contributions on corporate boards, its findings are bounded by methodological, contextual, and theoretical limitations. These limitations offer valuable directions for future research aimed at deepening the understanding of women directors' contributions and financial performance.

6.5 Suggested Areas for Future Research

Future research should consider incorporating mixed-method triangulation designs, such as combining questionnaire, in-depth interview, and case studies to gain a richer and better understanding of women directors' contributions. While questionnaires offer breadth, qualitative techniques like ethnography, longitudinal case studies or participatory observation may reveal subtle dynamics of influence, power

relations and organizational culture that are not easily captured through survey or secondary data.

Given the variability in secondary data sources and conceptual framework, future research should adopt standardized definitions and consistent metrics for ownership structures (family, government, institutional & foreign investors) and financial performance (ROA &ROE). establishing clear operational definitions across studies will enhance comparability, validity and reliability, thereby strengthening cumulative knowledge on subject.

Future research should integrate an intersectionality framework that considers overlapping identities such as race, age, nationality, ethnic and etc. This would provide a more comprehensive understanding of how diverse forms of marginalization or privilege interact to shape women directors' contribution as effectiveness as board members. Future research could use disaggregated data to assess the distinct challenges faced by minority women or those from underrepresented professional sectors.

As board dynamics and gender diversity impact vary significantly across industries, future research should conduct sector-specific analyses (e.g. finance, manufacturing, energy, healthcare) to determine where women directors are most and least effective. Comparative studies across sectors can uncover industry-related constraint and opportunities for women in corporate leadership, which would be useful for both policy makers and practitioners.

Since existing evidence is predominantly drawn from developed countries, further research should focus on developing countries such as Malaysia and other Southeast Asian nations. Theses context offers unique insights due to differing cultural norms, governance structure and institutional maturity. Cross-national studies or regional comparisons can illuminate how context mediates the relationship between women directors' contribution and financial performance of a company.

Future research could expand its interview base to include a wider range of stakeholders such as investors, regulators, executive search consultants and nomination committee members. Including these voices would provide a more holistic view of the barriers and facilitators affecting women's board appointments and their subsequent effectiveness.

6.6 Conclusion

This study provides a comprehensive investigation into the contribution of women directors on corporate boards towards financial performance by employing a mixed-method approach. It advances the understanding of women directors' contribution through three distinct lenses: (i) to examine the contributions of women directors in areas such as stakeholder representation, decision-making, and corporate social responsibility on financial performance (RO1–RO4); (ii) to determine the moderating effects of ownership structures (including family, government, foreign, and institutional investors) on women directors contributions and firm performance (RO5); (iii) to examine the level of financial performance of companies with women directors (RO6), and (iv) to uncover the underlying reasons why women are not appointed as directors in Malaysian listed companies (RO7).

The findings underscore the value of women directors on corporate boards, emphasizing both the strategic and ethical significance of enhancing female representation in corporate governance. Nevertheless, these results should be interpreted with caution, as the study is subject to several limitations, including methodological constraints, contextual specificity, the absence of intersectional considerations, and the omission of industry-level variations.

Despite these limitations, the study offers meaningful insights into the evolving landscape of boardroom diversity and lays the groundwork for future research. By recognizing the structural, cultural, and institutional barriers to women's board participation, this study encourages policymakers, regulators, and corporate leaders to adopt more inclusive practices. Further research may delve into different perspectives particularly sector-specific studies, longitudinal analyses, and intersectional approaches, which will be crucial in enriching our understanding of how women directors contribute to board effectiveness and long-term corporate performance.

Overall, the findings of this study demonstrate that all research objectives were successfully addressed through the analyses conducted, although several anticipated outcomes were not empirically supported. Research Objectives 1 to 3, which aimed to examine the relationships between women directors' contributions as stakeholder representatives, assisting in decision making, and CSR advocates and financial performance, were methodologically achieved. However, the results indicated no

significant relationships, leading to the rejection of all corresponding hypotheses. Thus, although the study's objectives were met in terms of analysis, the expected positive associations that the researcher hypothesised in the Chapter 2 hypotheses section were not substantiated.

Research Objective 4, which sought to determine the most influential contribution of women directors, was also achieved, as the analytical procedures were carried out as planned. Nonetheless, the findings revealed that none of the contributions significantly influenced financial performance, and CSR did not emerge as the most influential factor as initially hypothesised.

Research Objective 5, which examined the moderating effect of ownership structure, was fulfilled by conducting comprehensive moderation analyses. Despite meeting the methodological requirements of the objective, the results consistently showed that family, government, institutional and foreign ownership did not moderate any of the relationships between women directors' contributions and financial performance.

Research Objective 6, which aimed to assess the level of financial performance of companies with women directors, was achieved. The descriptive findings indicated that firms with women directors exhibited relatively low financial performance, as measured by ROE and ROA.

Finally, Research Objective 7, which aimed to explore the reasons for women's underrepresentation on corporate boards, was fully accomplished through qualitative interviews. The qualitative findings provided meaningful insights into key barriers, including role misfit, limited networks, and selection biases.

In conclusion, although all the research objectives of the study were successfully achieved, the empirical results did not support the expected positive influence of women directors on financial performance. These outcomes highlight the multifaceted nature of gender diversity in the Malaysian corporate governance context, suggesting that its effects may be more nuanced than previously assumed.

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APPENDICES

APPENDIX A:

Questionnaire For Independent Variables

Section A: Demographic Background
Instructions: Please tick (√) the relevant answer or fill in your answer in the space provided if required.

1. **Age**

   21-30 years old ☐

   31-40 years old ☐

   41-50 years old ☐

   51 years old and above ☐

2. **Gender**

   Male ☐
   Female ☐

3. **Races**

   Malay ☐
   Chinese ☐
   Indian ☐

   Others, please specify_____

   _____

4. **Name of Company** (Optional)

   _____

Section B: Contributions of Women Directors (Stakeholder Representative)

Instructions: The following statements are designed to indicate the significant contributions of women directors as stakeholder representatives. Please CIRCLE the appropriate number corresponding to your level of agreement with each statement using the following response scale:

1	2	3	4	5
strongly disagree	disagree	neutral	agree	strongly agree

First Factor: Stakeholder Representative
Women directors are believed to be more inclined in taking into account wide range of stakeholders in making decisions. Women directors also act as role models and legitimate person to protect the welfare of all women employees in the companies. Besides, women directors also able to attract more profit for customer-based companies as the female purchaser dominating the purchasing power and only women directors are able to develop products or services that suit their preferences.

No.	**Items**	**Scale**				
1.	Women directors are more protective on the interests of the stakeholder compared to men.	1	2	3	4	5
2.	Women directors act as the role models to female employees.	1	2	3	4	5
3.	Women directors act as the legitimate persons to protect the welfare of all women in the company.	1	2	3	4	5
4.	Having more women directors on corporate boards enhance the ability of the company to attract higher female labour pools.	1	2	3	4	5
5.	Appointing women directors on corporate boards is considered vital for a customer-oriented company which majority of its customers are women.	1	2	3	4	5
6.	Women directors on boards understand more women customer's buying patterns and demands.	1	2	3	4	5

Section C: Contributions of Women Directors (Decision Making)

Instructions: The following statements are designed to indicate the significant contributions of women directors as stakeholder representatives. Please CIRCLE the appropriate number corresponding to your level of agreement with each statement using the following response scale:

1	2	3	4	5
strongly disagree	disagree	neutral	agree	strongly agree

Second Factor: Decision Making
Women directors on boards may produce better decision making as they are highly intelligent and tend to make decision by concerning other stakeholders. They are believed to be able to improve the company's performance by bringing new ideas. This contribution may be the most significant as it can reduce an unethical decision that would harm the company's image and retain a sound corporate governance of the company.

No.	**Items**	**Scale**				
1.	Women directors with different background lead to an effective decision making in the company.	1	2	3	4	5
2.	Highly educated women directors help boards to make effective decisions.	1	2	3	4	5
3.	Women directors are honest in making decisions thus reduce the risk of corruption in the company.	1	2	3	4	5
4.	Women directors are able to bring new ideas to the table.	1	2	3	4	5
5.	Women directors are more likely to be fair by taking into account everyone's point of view before deriving any decision.	1	2	3	4	5
6.	Women directors are able to reduce unethical decision making that would harm the company.	1	2	3	4	5

Section D: Contributions of Women Directors (Corporate Social Responsibility)

Instructions: The following statements are designed to indicate the significant contributions of women directors as stakeholder representatives. Please CIRCLE the appropriate number corresponding to your level of agreement with each statement using the following response scale:

1	2	3	4	5
strongly disagree	disagree	neutral	agree	strongly agree

Third Factor: Corporate Social Responsibility
Women directors are known for their motherly and sympathetic feelings which in turn would create an effective corporate social responsibility of the company. Good corporate social responsibility may attract more investors to invest in the company as the company will look more socially responsible. Women directors shows a higher charitable giving habits and tend to organize more donation and charity programs and commit to other philanthropic activities.

No.	**Items**	**Scale**				
1.	Women directors lead the company to exercise effective corporate social responsibility (CSR) activities.	1	2	3	4	5
2.	Women directors are more likely concerned with voluntary social responsibility than their male counterparts.	1	2	3	4	5
3.	Women directors are more empathetic, sympathetic and active in taking care the needs of all stakeholder.	1	2	3	4	5
4.	Women directors are more caring towards moral and social issues rather than profits gains.	1	2	3	4	5
5.	Women directors are more likely to organize donation and charity programs.	1	2	3	4	5
6.	Women directors are more committed to do all philanthropic activities.	1	2	3	4	5

End of Questionnaire

APPENDIX B

Questionnaire For Interview

After the results from the questionnaires have been received and generated, an interview session with a company director will be executed in order to get justifications for the results gained and to find the reasons why there is a lack of women directors in the corporate board. The responses from the company director are crucial for future research. There are 7 questions which have been developed by adopting the interview questionnaire done by previous studies. The questions are as follows;

1. What is your definition of gender diversity and why do you think diversity is important?
2. How do women directors as an effective stakeholder representative make a difference in how board operates?
3. How do women directors as good decision-makers make a difference in how board operates?
4. How does the presence of women directors make any difference to the corporate social responsibility of the company?
5. In your opinion, what is the most influential contribution of women directors based on their contributions as stated in item 2 *(stakeholder representative)*, 3 *(decision making)* and 4 *(CSR)*?
6. Do you think these contributions *(effective stakeholder representative, good decision maker, encourage better CSR)* of women directors may increase the company's financial performance?
7. In your opinion, why there is a lacking of women representation on the corporate board?

APPENDIX C

SPSS Analysis

A. Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Bartlett's Test of Sphericity		
	Approx. Chi-Square	df	Sig.
.761	2118.382	153	<.001

B. Descriptive Analysis

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
IV1	244	3.957	.482	-.060	.156	-.081	.310
IV2	244	3.741	.446	-.040	.156	-.006	.310
IV3	244	3.877	.333	-.058	.156	.351	.310
DV(ROE)	244	-1.048	18.816	-15.498	.156	241.486	.310
DV(ROE)_log	244	-.785	.691	-.055	.156	-.385	.310
FamOwner	244	.320	.211	-.173	.156	-.939	.310
GovOwner	244	.026	.099	3.949	.156	15.012	.310
GovOwner_log	244	-.491	.216	-1.657	.536	4.244	1.038
InstOwner	244	.019	.089	5.187	.156	28.036	.310
InstOwner_log	244	-.488	.207	-.004	.616	-1.132	1.191
ForOwner	244	.060	.175	2.701	.156	5.767	.310
ForOwner_log	244	.113	.071	-.408	.156	-.945	.310
TotAssets	244	12581710.903	72196545.068	9.047	.156	88.536	.310
TotAssets_log	244	6.038	.770	.856	.156	1.284	.310
CV(Debt)	244	.476	.256	1.240	.156	4.550	.310
CV (CoAge)	244	36.02	20.186	1.488	.156	3.923	.310
DV(ROA)	244	-.827	13.643	-15.590	.156	243.381	.310
DV(ROA)_log	244	-1.021	.786	.013	.156	-.859	.310
Valid N (listwise)	1						

C. Linearity Test

IV1 (Stakeholder Representative)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*IV1	Between Groups	(Combined)	1.075	13	.083	.165	1.000
		Linearity	.108	1	.108	.216	.643
		Deviation from Linearity	.967	12	.081	.161	.999
	Within Groups		115.234	230	.501		
	Total		116.310	244			

IV2 (Decision Making)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*IV2	Between Groups	(Combined)	4.137	12	.345	.710	.741
		Linearity	.186	1	.186	.383	.536
		Deviation from Linearity	3.951	11	.359	.740	.700
	Within Groups		112.173	231	.486		
	Total		116.310	244			

IV3 (Corporate Social Responsibility)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*IV3	Between Groups	(Combined)	1.297	9	.144	.293	.976
		Linearity	. 447	1	.447	.910	.341
		Deviation from Linearity	.850	8	.106	.216	.988
	Within Groups		115.013	234	.492		
	Total		116.310	244			

MV1 (Family Ownership)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*FamOwner	Between Groups	(Combined)	69.576	153	.455	.876	.766
		Linearity	.080	1	.080	.154	.696
		Deviation from Linearity	69.496	152	.457	.881	.756
	Within Groups		46.734	90	.519		
	Total		116.310	244			

MV2 (Government Ownership)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*GovOwner_log	Between Groups	(Combined)	6.536	15	.436	14.917	.065
		Linearity	.324	1	.324	11.079	.080
		Deviation from Linearity	6.212	14	.444	15.191	.063
	Within Groups		.058	2	.029		
	Total		6.594	244			

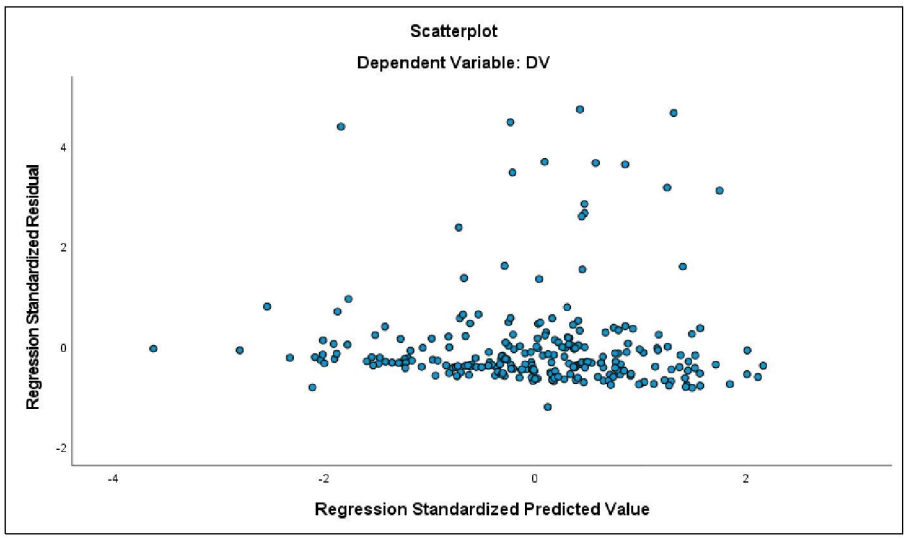
MV3 (Institutional Ownership)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*InstOwner_log	Between Groups	(Combined)	4.424	13	.340	.699	.763
		Linearity	.554	1	.554	1.138	.287
		Deviation from Linearity	3.870	12	.322	.663	.786
	Within Groups		111.886	230	.486		
	Total		116.310	244			

MV4 (Foreign Ownership)

			Sum of Squares	df	Mean Square	F	Sig.
DV(ROE)_log*ForOwner_log	Between Groups	(Combined)	69.576	153	.455	.876	.766
		Linearity	.084	1	.084	.163	.688
		Deviation from Linearity	69.492	152	.457	.880	.756
	Within Groups		46.734	90	.519		
	Total		116.310	244			

D. Homoscedasticity Test



E. Homogeneity Test

Tests of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
IV1	Based on Mean	1.614	13	230	.082
	Based on Median	1.058	13	230	.397
	Based on Median and with adjusted df	1.058	13	182.994	.399
	Based on trimmed mean	1.580	13	230	.092
IV2	Based on Mean	1.804	11	231	.054
	Based on Median	1.440	11	231	.156
	Based on Median and with adjusted df	1.440	11	203.083	.157
	Based on trimmed mean	1.791	11	231	.056
IV3	Based on Mean	.932	9	234	.498
	Based on Median	.569	9	234	.821
	Based on Median and with adjusted df	.569	9	198.473	.821
	Based on trimmed mean	.807	9	234	.610

F. Reliability Test

IV1 (Stakeholder Representative)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.791	.792	6

IV2 (Decision making)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.851	.851	6

IV3 (Corporate Social Responsibility)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.686	.694	6

G. Frequency Table

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	61	25.0%	24.6	24.6
	31-40	60	24.6%	24.6	49.2
	41-50	62	25.4%	25.8	75.0
	51 years old and above	61	25.0%	25.0	100.0
	Total	244	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	83	34.0%	34.4	34.4
	Female	161	66.0%	65.6	100.0
	Total	244	100.0	100.0	

Races

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	96	39.3%	38.9	38.9
	Chinese	114	46.7%	46.7	85.7
	Indian	29	11.9%	12.3	98.0
	Others	5	2.0%	2.0	100.0
	Total	244	100.0	100.0	

H. Measurement of Central Tendencies

Statistics

DV (ROE_log10)

N	Valid	244
	Missing	0
Mean		244
Median		0
Mode		-1.0219
Variance		-1.1028
Range		.00
Minimum		.619
Maximum		4.02

Statistics

DV (ROA_log10)

N	Valid	244
	Missing	0
Mean		-.7855
Median		-.9084
Mode		.00
Variance		.479
Range		4.07
Minimum		-2.96
Maximum		1.11

I. Pearson Correlation Coefficient

Correlations

		DV	IV1	IV2	IV3	MV1	MV2	MV3	MV4	CV1	CV2	CV3
DV (ROE_log)	Pearson Correlation	1	-.030	-.040	-.062	.026	.222	-.009	.027	-.226**	.191**	.018
	Sig. (2-tailed)		.636	.534	.335	.684	.377	.978	.675	<.001	.003	.783
	N	244	244	244	244	244	244	244	244	244	244	244
IV1	Pearson Correlation	-.030	1	.508**	.333**	-.045	.086	.569*	-.051	-.031	-.013	-.008
	Sig. (2-tailed)	.636		<.001	<.001	.484	.733	.042	.428	.635	.844	.905
	N	244	244	244	244	244	244	244	244	244	244	244
IV2	Pearson Correlation	-.040	.508**	1	.417**	.055	-.199	-.702**	.049	-.104	-.030	-.129*
	Sig. (2-tailed)	.534	<.001		<.001	.390	.429	.007	.449	.106	.643	.044
	N	244	244	244	244	244	244	244	244	244	244	244
IV3	Pearson Correlation	-.062	.333**	.417**	1	.064	.031	.088	.069	-.095	-.045	-.124
	Sig. (2-tailed)	.335	<.001	<.001		.321	.902	.776	.283	.139	.485	.054
	N	244	244	244	244	244	244	244	244	244	244	244
MV1	Pearson Correlation	.026	-.045	.055	.064	1	.c	-.029	.997**	-.284**	-.167**	-.146*
	Sig. (2-tailed)	.684	.484	.390	.321		.	.925	<.001	<.001	.009	.023
	N	244	244	244	244	244	244	244	244	244	244	244
MV2	Pearson Correlation	.222	.086	-.199	.031	.c	1	.c	.c	-.294	-.286	.050
	Sig. (2-tailed)	.377	.733	.429	.902	.		.	.	.237	.251	.843
	N	244	244	244	244	244	244	244	244	244	244	244
MV3	Pearson Correlation	-.009	.569*	-.702**	.088	-.029	.c	1	-.029	.529	-.019	.333
	Sig. (2-tailed)	.978	.042	.007	.776	.925	.		.925	.063	.950	.267
	N	244	244	244	244	244	244	244	244	244	244	244
MV4	Pearson Correlation	.027	-.051	.049	.069	.997**	.c	-.029	1	-.303**	-.173**	-.157*

	Sig. (2-tailed)	.675	.428	.449	.283	<.001	.	.925		<.001	.007	.014
	N	244	244	244	244	244	244	244	244	244	244	244
CV1	Pearson Correlation	-.226**	-.031	-.104	-.095	-.284**	-.294	.529	-.303**	1	.358**	.227**
	Sig. (2-tailed)	<.001	.635	.106	.139	<.001	.237	.063	<.001		<.001	<.001
	N	244	244	244	244	244	244	244	244	244	244	244
CV2	Pearson Correlation	.191**	-.013	-.030	-.045	-.167**	-.286	-.019	-.173**	.358**	1	.069
	Sig. (2-tailed)	.003	.844	.643	.485	.009	.251	.950	.007	<.001		.286
	N	244	244	244	244	244	244	244	244	244	244	244
CV3	Pearson Correlation	.018	-.008	-.129*	-.124	-.146*	.050	.333	-.157*	.227**	.069	1
	Sig. (2-tailed)	.783	.905	.044	.054	.023	.843	.267	.014	<.001	.286	
	N	244	244	244	244	244	244	244	244	244	244	244

**. Correlation is significant at the 0.01 level (2-tailed).

J. Linear Regression

a. Stakeholder Representative (IV1)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV1	.030[a]	.001	-.003	.69295

a. Predictors: (Constant), Stakeholder Representative

b. Dependent Variable: ROE_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.108	1	.108	.225	.636[b]
	Residual	116.202	242	.480		
	Total	116.310	243			

a. Dependent Variable: ROE_log

b. Predictors: (Constant), Stakeholder Representative

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-.613	.367		-1.669	.096
Stakeholder Representative	-.044	.092	-.030	-.474	.636

a. Dependent Variable: ROE_log

b. Decision Making (IV2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV2	.040[a]	.002	-.003	.69271

a. Predictors: (Constant), Decision Making

b. Dependent Variable: ROE_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.186	1	.186	.388	.534[b]
	Residual	116.124	242	.480		
	Total	116.310	243			

a. Dependent Variable: ROE_log

b. Predictors: (Constant), Decision Making

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-.553	.375		-1.474	.142
Decision Making	-.062	.100	-.040	-.623	.534

a. Dependent Variable: ROE_log

c. Corporate Social Responsibility (IV3)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV3	.062[a]	.004	.000	.69193

a. Predictors: (Constant), Corporate Social Responsibility

b. Dependent Variable: ROE_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.447	1	.447	.934	.335[b]
	Residual	115.862	242	.479		
	Total	116.310	243			

a. Dependent Variable: ROE_log

b. Predictors: (Constant), Corporate Social Responsibility

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.287	.518		-.554	.580
Corporate Social Responsibility	-.129	.133	-.062	-.967	.335

K. Multiple Regression

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.659	10	1.766	4.171	<.001[b]
	Residual	98.651	233	.423		
	Total	116.310	243			

a. Dependent Variable: Return on Equity

b. Predictors: (Constant), IV1, IV2 IV3, FamOwner, GovOwner_log, InstOwner_log, ForOwner_log, TotalAsset_log, Total Det, CoAge

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	1.516	.696		2.177	.030	.144	2.887
	IV1	-.004	.103	-.003	-.040	.968	-.206	.198
	IV2	-.067	.116	-.043	-.576	.565	-.296	.162
	IV3	-.119	.142	-.057	-.839	.403	-.398	.160
	Family ownership	1.816	2.712	.553	.670	.504	-3.527	7.158
	Government ownership	-.113	.340	-.023	-.333	.740	-.782	.556
	Institutional ownership	.208	.389	.036	.536	.593	-.558	.975
	Foreign ownership	-5.463	8.075	-.568	-.676	.499	-21.373	10.447
	Total asset	-.332	.064	-.370	-5.168	<.001	-.459	-.205
	Total debt	.841	.175	.312	4.810	<.001	.497	1.186
	Company Age	.002	.002	.062	.969	.334	-.002	.006

a. Dependent Variable: ROE_log

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	IV1_	.709	1.410
	IV2	.650	1.538
	IV3	.782	1.279
	Family ownership	.005	187.122
	Government ownership	.761	1.315
	Institutional ownership	.810	1.234
	Foreign ownership	.005	193.782
	Total asset	.710	1.408
	Total debt	.863	1.158
	Company Age	.895	1.117

a. Dependent Variable: ROE_log

A. Pearson Correlation Coefficient (Robustness test using ROA_log)

Correlations

		DV	IV1	IV2	IV3	MV1	MV2	MV3	MV4	CV1	CV2	CV3
DV (ROA_log)	Pearson Correlation	1	-.029	-.018	-.051	.103	-.010	.225	-.137*	-.167	-.053	.106
	Sig. (2-tailed)		.655	.775	.431	.110	.880	.369	.032	.585	.411	.097
	N	244	244	244	244	244	244	244	244	244	244	244
IV1	Pearson Correlation	-.029	1	.508**	.333**	-.045	.025	.086	.012	.569*	.109	-.051
	Sig. (2-tailed)	.655		<.001	<.001	.484	.692	.733	.853	.042	.089	.428
	N	244	244	244	244	244	244	244	244	244	244	244
IV2	Pearson Correlation	-.018	.508**	1	.417**	.055	.007	-.199	-.203**	.702**	.042	.049
	Sig. (2-tailed)	.775	<.001		<.001	.390	.915	.429	.001	.007	.516	.449
	N	244	244	244	244	244	244	244	244	244	244	244
IV3	Pearson Correlation	-.051	.333**	.417**	1	.064	-.045	.031	-.140*	.088	-.030	.069
	Sig. (2-tailed)	.431	<.001	<.001		.321	.479	.902	.029	.776	.646	.283
	N	244	244	244	244	244	244	244	244	244	244	244
MV1	Pearson Correlation	.103	-.045	.055	.064	1	-.395**	.c	-.298**	-.029	-.519**	.997**
	Sig. (2-tailed)	.110	.484	.390	.321		<.001	.	<.001	.925	<.001	<.001
	N	244	244	244	244	244	244	244	244	244	244	244
MV2	Pearson Correlation	.225	.086	-.199	.031	.c	.944**	1	-.763**	.c	-.107	.c
	Sig. (2-tailed)	.369	.733	.429	.902	.	<.001		<.001	.	.671	.
	N	244	244	244	244	244	244	244	244	244	244	244
MV3	Pearson Correlation	-.167	.569*	-.702**	.088	-.029	-.486	.c	.981**	1	.c	-.029
	Sig. (2-tailed)	.585	.042	.007	.776	.925	.092	.	<.001		.	.925
	N	244	244	244	244	244	244	244	244	244	244	244
MV4	Pearson Correlation	.106	-.051	.049	.069	.997**	-.415**	.c	-.312**	-.029	-.545**	1

	Sig. (2-tailed)	.097	.428	.449	.283	<.001	<.001	.	<.001	.925	<.001	
	N	244	244	244	244	244	244	244	244	244	244	244
CV1	Pearson Correlation	-.355**	-.031	-.104	-.095	-.284**	.152*	-.294	.443**	.529	.107	-.303**
	Sig. (2-tailed)	<.001	.635	.106	.139	<.001	.018	.237	<.001	.063	.095	<.001
	N	244	244	244	244	244	244	244	244	244	244	244
CV2	Pearson Correlation	-.040	-.013	-.030	-.045	-.167**	.100	-.286	.163*	-.019	.059	-.173**
	Sig. (2-tailed)	.533	.844	.643	.485	.009	.118	.251	.011	.950	.359	.007
	N	244	244	244	244	244	244	244	244	244	244	244
CV3	Pearson Correlation	-.018	-.008	-.129*	-.124	-.146*	.007	.050	.109	.333	.232**	-.157*
	Sig. (2-tailed)	.784	.905	.044	.054	.023	.918	.843	.088	.267	<.001	.014
	N	244	244	244	244	244	244	244	244	244	244	244

**. Correlation is significant at the 0.01 level (2-tailed).

B. Linear Regression

a. Stakeholder Representative (IV1)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV1	.029a	.001	-.003	.78786

a. Predictors: (Constant), Stakeholder Representative

b. Dependent Variable: ROA_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.124	1	.124	.200	.655[b]
	Residual	150.214	242	.621		
	Total	150.338	243			

a. Dependent Variable: ROA_log

b. Predictors: (Constant), Stakeholder Representative

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.837	.417		-2.005	.046
Stakeholder Representative	-.047	.105	-.029	-.447	.655

a. Dependent Variable: ROA_log

b. Decision Making (IV2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV2	.018[a]	.000	-.004	.78805

a. Predictors: (Constant), Decision Making

b. Dependent Variable: ROA_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.051	1	.051	.082	.775[b]
	Residual	150.287	242	.621		
	Total	150.338	243			

a. Dependent Variable: ROA_log

b. Predictors: (Constant), Decision Making

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.900	.427		-2.108	.036
Decision Making	-.032	.113	-.018	-.287	.775

a. Dependent Variable: ROA_log

c. Corporate Social Responsibility (IV3)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IV3	.051[a]	.003	-.002	.78717

a. Predictors: (Constant), Corporate Social Responsibility

b. Dependent Variable: ROA_log

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.386	1	.386	.623	.431[b]
	Residual	149.952	242	.620		
	Total	150.338	243			

a. Dependent Variable: ROA_log

b. Predictors: (Constant), Corporate Social Responsibility

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.559	.589		-.948	.344
Corporate Social Responsibility	-.119	.151	-.051	-.789	.431

C. Multiple Regression

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.250	10	2.225	4.048	<.001[b]
	Residual	128.088	233	.550		
	Total	150.338	243			

a. Dependent Variable: ROA_log

b. Predictors: (Constant), IV1, IV2 IV3, FamOwner, GovOwner_log, InstOwner_log, ForOwner_log, TotalAsset_log, Total Det, CoAge

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	2.112	.793		2.662	.008	.549	3.674
	IV1	-.010	.117	-.006	-.089	.929	-.241	.220
	IV2	-.046	.132	-.026	-.349	.727	-.307	.214
	IV3	-.155	.161	-.066	-.964	.336	-.473	.162
	Family ownership	1.234	3.090	.330	.399	.690	-4.854	7.322
	Government ownership	-.184	.387	-.033	-.477	.634	-.947	.578
	Institutional ownership	.097	.443	.015	.218	.827	-.777	.970
	Foreign ownership	-3.362	9.202	-.308	-.365	.715	-21.491	14.767
	Total asset	-.424	.073	-.415	-5.791	<.001	-.568	-.280
	Total debt	.307	.199	.100	1.542	.124	-.085	.700
	Company Age	.002	.002	.059	.931	.353	-.003	.007

a. Dependent Variable: ROA_log

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	IV1_	.709	1.410
	IV2	.650	1.538
	IV3	.782	1.279
	Family ownership	.005	187.122
	Government ownership	.761	1.315
	Institutional ownership	.810	1.234
	Foreign ownership	.005	193.782
	Total asset	.710	1.408
	Total debt	.863	1.158
	Company Age	.895	1.117

a. Dependent Variable: ROA_log

APPENDIX D

Approval Letters

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UNIVERSITI TEKNOLOGI MARA

Fakulti Sains Pentadbiran dan Pengajian Polisi

Surat kami : 600-FSPPP(PT.5/4)
Tarikh : 19 Mei 2020

Suhaila Binti Zainal Abidin
No 24 Jalan 27/21
Taman Bunga Negara
40460 Shah Alam
SELANGOR

Puan,

KEBENARAN MENGUMPUL DATA BAGI KAJIAN PENYELIDIKAN

NAMA PELAJAR	:	**Suhaila Binti Zainal Abidin**
NO. PELAJAR	:	**2018829514**
KOD PROGRAM	:	**AM990**
TAJUK TESIS	:	***Moderating Role Of Ownership Structure And Women Directors' Contribution To Financial Performance Of Malaysian Publicly Listed Companies***

Dengan segala hormatnya, perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan bahawa Mesyuarat JKAPS Bil 5/2020 – Khas bertarikh 7 April 2020 telah bersetuju untuk menerima Keputusan Pengesahan Pembetulan Cadangan Penyelidikan seperti yang dicadangkan dan disahkan oleh panel. Dengan ini pihak fakulti memberi kebenaran kepada puan untuk mengumpul data bagi tujuan kajian penyelidikan yang dijalankan setelah mendapat kelulusan Jawatankuasa Etika Universiti.

3. Sehubungan dengan itu, adalah diharapkan agar puan dapat menjalankan penyelidikan dan tamat dengan jayanya.

Sekian, terima kasih.

JADIKAN UiTM YANG TERBAIK
UTAMAKAN KOMPETENSI DAN PROFESIONALISMA

Yang benar

PROF MADYA DR ABDUL JALIL MOHAMED ALI
Dekan

s.k. 1) Koordinator Pascasiswazah (Penyelidikan), FSPPP
2) Penyelia Utama : Prof Madya Dr Norziana Lokman, FSPPP
3) Fail Pentadbiran, FSPPP

-tmma

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ISO 9001:2015 No. Sijil: 10120156

UiTM di hatiku

UNIVERSITI TEKNOLOGI MARA
Fakulti Sains Pentadbiran dan Pengajian Polisi

Surat Kami : 600-UiTMKS/FSPPP (PT.36/4)
Tarikh : 29 Julai 2020

Puan Suhaila binti Zainal Abidin
Pelajar AM990
Fakulti Sains Pentadbiran dan Pengajian Polisi
Universiti Teknologi MARA
SHAH ALAM

Puan,

KEPUTUSAN MESYUARAT JAWATANKUASA PENYELIDIKAN FAKULTI (JPF)
FAKULTI SAINS PENTADBIRAN & PENGAJIAN POLISI

TAJUK : ***Moderating Role of Ownership Structure and Women Directors' Contribution to Financial Performance of Malaysian Publicly Listed Companies***

Dengan hormatnya perkara di atas adalah dirujuk.

2. Merujuk kepada Mesyuarat Jawatankuasa Penyelidikan Fakulti bil. 4/2020 bertarikh 28 Julai 2020, Jawatankuasa telah meluluskan permohonan etika penyelidikan yang bertajuk seperti di atas.

3. Sehubungan dengan itu, Puan dikehendaki menghantar borang tersebut ke pihak *Research Ethics Committee* (REC) UiTM untuk tindakan selanjutnya.

Kerjasama dan perhatian Puan amatlah dihargai dan diucapkan terima kasih.

Sekian.

Yang benar,

PROF. MADYA DR. ABDUL JALIL MOHAMED ALI
Dekan

s.k. 1. Prof Madya Dr. Norziana Lokman
Penyelia Pelajar

2. Ketua Pusat Pengajian Pasca Siswazah
FSPPP Shah Alam

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ISO 9001:2015 No. Sijil: 10120156
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UNIVERSITI TEKNOLOGI MARA

Pejabat
Timbalan Naib Canselor
(Penyelidikan dan Inovasi)

Reference : 600-TNCPI(5/1/6)
Our reference : REC/09/2020 (MR/268)
Date : 29th September 2020

Assoc. Prof. Dr Norziana Lokman
Faculty of Administrative Science & Policy Studies
Universiti Teknologi MARA
40450 Shah Alam
SELANGOR

Dear Assoc. Prof. Dr Norziana,

ETHICS APPROVAL BY UiTM RESEARCH ETHICS COMMITTEE

Title: Moderating Role of Ownership Structure and Women Directors' Contribution to Financial Performance of Malaysian Publicly Listed Companies

Trial Site: Klang Valley

Thank you for submitting your research ethics application. We would like to inform that the UiTM Research Ethics Committee had deliberated your proposal.

It is our pleasure to inform you that the Research Ethics Committee has agreed to grant an ethics approval for the said study. The approval code for the study is REC/09/2020 (MR/268), and validity period is from 29th September 2020 until 28th February 2021.

Please submit a progress report of the study to the REC Secretariat 6 months from the date of this approval letter, and annually until the study has been completed. Amendments to the study documents are to be submitted to the REC for approval. A final report must also be submitted to the REC at the end of the said study.

The UiTM Research Ethics Committee operates in accordance to the ICH Good Clinical Practice Guidelines, Malaysia Good Clinical Practice Guidelines and the Declaration of Helsinki.

If you require further information, please contact REC Secretariat at 03-55448069/03-55442794 or email at recsecretariat@uitm.edu.my.

Thank you.

Yours truly,

ASSOCIATE PROFESSOR DR ROHANA HASSAN
Chair
UiTM Research Ethics Committee

Universiti Teknologi MARA
Aras 3, Bangunan Wawasan
40450 Shah Alam, Selangor, MALAYSIA
Tel: (+603) 5544 2004/2255
Faks: (+603) 5544 2070

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UNIVERSITI TEKNOLOGI MARA
Fakulti Sains Pentadbiran dan Pengajian Polisi

Surat Kami : 500-FSPPP (PT.4/11)
Tarikh : 7 Oktober 2021

Suhaila Binti Zainal Abidin
No 24 Jalan 27/21
Taman Bunga Negara
40400 Shah Alam
SELANGOR

Puan,

PERMOHONAN PENANGGUHAN SEMESTER PENGAJIAN KALI PERTAMA

Semester	:	**Oktober 2021-Februari 2022**
No Pelajar	:	**2018829514**
Program	:	***AM990 - Doctor of Philosophy (Administrative Science)***
Mod Pengajian	:	**Separuh Masa**

Dengan segala hormatnya, perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan bahawa permohonan penangguhan semester pengajian kali pertama puan bagi semester Oktober 2021-Februari 2022 telah diluluskan dengan kelulusan Jawatankuasa Kecil Akademik Pengajian Siswazah (JKAPS) **Bil.12/2021** bertarikh 1/10/2021. Puan perlu mendaftar semula pada semester Mac 2022.

3. Sekiranya pihak puan gagal mendaftar pada semester yang dimaksudkan di atas tanpa kebenaran bertulis daripada pihak fakulti, maka pihak universiti menganggap puan tidak berminat untuk meneruskan pengajian di universiti ini. Oleh itu dengan sendirinya taraf Puan sebagai pelajar UiTM akan digugurkan.

4. Sebagai makluman penangguhan semester pengajian hanya boleh dipohon maksima empat (4) kali sepanjang tempoh pengajian.

5. Puan juga dikehendaki untuk menjelaskan yuran proses permohonan penangguhan semester pengajian sebanyak RM50.00 di Unit Kewangan Zon 16 UiTM Shah Alam.

6. Sila bawa salinan asal surat ini bersama salinan asal bil/resit *(jika telah membuat pembayaran yuran pengajian)* semasa mendaftar semula sebagai pelajar.

Sekian. Terima kasih.

"WAWASAN KEMAKMURAN BERSAMA 2030"

"BERKHIDMAT UNTUK NEGARA"

Yang benar,

PROF. MADYA DR. ABDUL JALIL MOHAMED ALI
Dekan

s.k.
1. Ketua Pusat Pengajian Pasca Siswazah (Kerja Penyelidikan)
2. Bendahari Kewangan Pelajar Zon 16
3. Fail Pentadbiran (Akademik) FSPPP, UiTM Shah Alam
4. Fail Pelajar

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UNIVERSITI TEKNOLOGI MARA
Fakulti Sains Pentadbiran dan Pengajian Polisi

Surat Kami : 500-FSPPP (PT.4/11)
Tarikh : 4 April 2022

Suhaila Binti Zainal Abidin
No 24, Jalan 27/21
Taman Bunga Negara
40400 Shah Alam
SELANGOR

Puan,

PERMOHONAN PENANGGUHAN SEMESTER PENGAJIAN KALI KEDUA

Semester	:	**Mac 2022-Ogos 2022**
No Pelajar	:	**2018829514**
Program	:	***AM990 - Doctor of Philosophy (Administrative Science)***
Mod Pengajian	:	**Separuh Masa**

Dengan segala hormatnya, perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan bahawa permohonan penangguhan semester pengajian kali kedua puan bagi semester Mac 2022-Ogos 2022 telah diluluskan oleh Jawatankuasa Kecil Akademik Pengajian Siswazah (JKAPS), Bil.1/2022 bertarikh 27 Januari 2022. Puan perlu mendaftar semula pada semester Oktober 2022.

3. Sekiranya pihak puan gagal mendaftar pada semester yang dimaksudkan di atas tanpa kebenaran bertulis daripada pihak fakulti, maka pihak universiti menganggap puan tidak berminat untuk meneruskan pengajian di universiti ini. Oleh itu dengan sendirinya taraf Puan sebagai pelajar UiTM akan digugurkan.

4. Sebagai makluman penangguhan semester pengajian hanya boleh dipohon maksima empat (4) kali sepanjang tempoh pengajian.

5. Puan juga dikehendaki untuk menjelaskan yuran proses permohonan penangguhan semester pengajian sebanyak RM50.00 di Unit Kewangan Zon 16 UiTM Shah Alam.

6. Sila bawa salinan asal surat ini bersama salinan asal bil/resit *(jika telah membuat pembayaran yuran pengajian)* semasa mendaftar semula sebagai pelajar.

Sekian. Terima kasih.

"WAWASAN KEMAKMURAN BERSAMA 2030"

"BERKHIDMAT UNTUK NEGARA"

Yang benar,

PROF MADYA DR NOR HAFIZAH MOHAMED HARITH
Dekan

s.k. 1) Fail Pentadbiran, FSPPP
2) Fail Peribadi

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ISO 9001:2015 No. Sijil: MY/2016
UiTM di hatiku

APPENDIX E

Signed Consent Form From the Interview Participant

REC 4/ 2019/BI Rev 1

Research Ethics Committee
Research Management Centre
Universiti Teknologi MARA
40450 SHAH ALAM
Tel: 03 – 5544-8069, Faks: 03 – 5544-2096/2767

Subject's Information Sheet

Research Title
Moderating Role of Ownership Structure and Women Directors' Contribution to The Financial Performance of Malaysia Publicly Listed Companies.

Introduction of Research
This study examines whether women directors' contributions (effective stakeholder representative, good decision maker and better CSR) have given any impacts to the financial performance of the company and ownership structure moderates the relationship between women directors' contribution and company's financial performance.

Purpose of Research
There are vast studies on the crucial contributions of women directors were conducted in the developed countries. Hence, the purpose of this study is to add knowledge to the literature on women director's contribution in Malaysia context. Other than that, the purpose is to identify to what extent the various contributions of women directors in Malaysia affect the financial performance of the company despite of having a relatively small number of women directors. Other than that, the purpose of this study also wishes to identify whether there is any impacts on the significant contribution of women directors and company's financial performance by having ownership structure as the moderator.

Research Procedure
A set of questionnaires will be prepared and distributed to the Company Secretary and subsequently be validated by the Company Directors via interviews.

Participation in Research
Your Participation in this research is entirely voluntary.

Benefit of Research
Information obtained from this research will benefit the practitioners and policy makers for the advancement of knowledge and future practice.

This study is able to help the human resources managers to revise the hiring policy of the company in order to increase the participation of women in the workforce. Besides, the top management and nominating committee may work hand in hand to come out with a policy which sets out the requirements and criteria needed for the appointment of women director. This will give clear view for the potential women directors to comply and achieve the necessaries.

In addition, the results of this study may help the policymakers to revise, modify or set a new policy with the aims to enable Malaysia corporations to assist the government in achieving the 30% quota of women directors in the corporate board. Also, the results of the study may help the regulatory bodies such as Securities Commissions and Bursa

Malaysia to make it mandatory for all public listed companies to have not less than 30% of women directors on the board.

Research Risk
None

Confidentiality
Your information will be kept confidential by the investigators and will not be made public unless disclosure is required by law.

By signing this consent form, you will authorize the review of records, analysis and use of the data arising from this research.

If you have any question about this research or your rights, please contact the investigator at telephone number (Phone No.: 013-207 2619 - Suhaila Binti Zainal Abidin)

REC 4/ 2019/BI Rev. 1

Consent Form

To become a subject in the research, you or your legal guardian are required to sign this Consent Form.
I herewith confirm that I have met the requirement of age and am capable of acting on behalf of myself / *as a legal guardian as follows:

1. I understand the nature and scope of the research being undertaken.
2. I have read and understood all the terms and conditions of my participation in the research.
3. All my questions relating to this research and my participation therein have been answered to my satisfaction.
4. I voluntarily agree to take part in this research, to follow the study procedures and to provide all necessary information to the investigators as requested.
5. I may at any time choose to withdraw from this research without giving any reason.
6. I have received a copy of the Subjects Information Sheet and Consent Form.
7. Except for damages resulting from negligent or malicious conduct of the researcher(s), I hereby release and discharge UiTM and all participating researchers from all liability associated with, arising out of, or related to my participation. I agree to hold them harmless from any harm or loss that may be incurred by me due to my participation in the research.

Name of Subject/~~Legal Guardian~~ ENCIK SABLI BIN SIBIL	Signature
I.C No 540404-XX-XXXX	Date 20 FEBRUARY 2025
Name of Witness HALIZA BINTI ARLZAN	Signature
I.C No 861120-XX-XXXX	Date 20 FEBRUARY 2025
Name of Consent Taker SUHAILA BINTI ZAINAL ABIDIN	Signature
I.C No 930504-XX-XXXX	Date 20 FEBRUARY 2025

Note: Only one signed consent form is included as a sample, the remaining forms are withheld to protect participant confidentiality.

APPENDIX F

Validated Response From Interview Participant

INTERVIEW QUESTIONS

1. What is your definition of gender diversity and why do you think diversity is important?
   D: Gender diversity means a balanced composition of genders in a group or organization. Also, the number of women in university is higher than men, so it is very important to have balanced gender diversity in an organization to ensure equal rights and representation are given to women.
2. How do women directors as an effective stakeholder representative make a difference in how board operates?
   D: Women are often known for being really upfront, rigid, honest, and taking their time to think things through. If they're not happy with something, they're not afraid to speak up. I think these qualities are great for looking out for the interests of the people involved. Not agree on the statement that women directors act as "heroes" to the female staffs on benefits relating to them i.e. maternity leaves, flexible working hours etc as that have been fixed by the company's human resources department and it is not under the authority of the directors, especially women directors.
3. How do women directors as good decision-makers make a difference in how board operates?
   D: I am not saying they (women directors) are good nor bad decision makers. I am neutral on this question. I think we (men and women) are the same, no one is above others on this question.
4. How does the presence of women directors make any difference to the corporate social responsibility of the company?
   D: I think so, because women are more caring and motherly in nature, which leads them to organize more charitable events. They are more socially responsible than men.
5. In your opinion, what is the most influential contribution of women directors based on their contributions as stated in item 2 *(stakeholder representative)*, 3 *(decision making)* and 4 *(CSR)*?
   D: I would say CSR. Women are usually better at CSR, so it's tough for men to challenge that.
6. Do you think these contributions *(effective stakeholder representative, good decision maker, encourage better CSR)* of women directors may increase the company's financial performance?

D: Yes absolutely. Not limited to financial performance. Non-financial performance also will be effected. Not necessarily all leads to profit, sometimes the company's reputation also will be determined by the actions of the boards.

7. In your opinion, why there is a lacking of women representation on the corporate board? *(lack of awareness; unsuitable business division; inexperience; lower potential candidates etc.)*

   D: for me I think because of not having enough sources and the company do not know where to find the suitable candidates. As for our company, mostly the appointments were based on personal networks/ contacts. Easy and cheap. The board did not go to such extend to find candidates outside their means, it is time consuming and involve some costs as we have to hire independent consultants to recommend us several candidates and this takes time. And most probably we will appoint women directors that are already well known because we know them that's why we see many directors holds more than 3 directorships.

Note: Only one validated response is included as a sample, the remaining validated responses are withheld to protect participant confidentiality

AUTHOR'S PROFILE



Suhaila Binti Zainal Abidin holds a Master's degree in Corporate Administration from Universiti Teknologi MARA (UiTM), awarded in collaboration with the Institute of Chartered Secretaries and Administrators, in 2016. She also graduated with First Class Honours for her Bachelor's degree in Corporate Administration, and received the Vice Chancellor's Award, and holds a Diploma in Public Administration, both from UiTM. She has several years of experience in corporate governance and compliance and is currently a Manager in the Secretarial Department of a leading industrial chemical company listed on Bursa Malaysia. Her PhD research studied how women directors influence company financial performance.

LIST OF PUBLICATIONS:

Zainal Abidin, S., Lokman, N., & Abdul Rahim, M. (2025). Gender Diversity in the Boardroom: A qualitative Exploration of Women Directors in Malaysia. Global Journal of Economic and Finance Research. Vol. 02(10): 1032-1042

Zainal Abidin, S., Lokman, N., & Abdul Rahim, M. (2025). Women in the Boardroom: Contributions and Challenge in Malaysian Companies. International Journal of Entrepreneurship and Management Practices, 8 (31), 735-749.

Zainal Abidin, S., Lokman, N., & Abdul Rahim, M. (2024). Ownership Structure and Contributions of Female Directors: Impact on Financial Performance in Malaysian Public Listed Companies. ESTEEM Journal of Social Sciences and Humanities, 8(1).

Zainal Abidin, S., & Othman, S. (2019). Contributions of Women Directors in Malaysian Listed Companies Towards Company's Financial Performance. International Journal of Recent Technology and Engineering (IJRTE), 8(1S).

UNIVERSITI TEKNOLOGI MARA

PERPUSTAKAAN TUN ABDUL RAZAK
BAHAGIAN SUMBER RUJUKAN UNIVERSITI (BSRU)

BORANG PENYERAHAN BAHAN HARTA INTELEK UiTM

UiTM's Intellectual Property Submission Form

Nama *(Name)* : SUHAILA BINTI ZAINAL ABIDIN

No. Telefon(Pejabat/Hp) : *Telephone No.(Office / handphone)* 0132072619

Fakulti/Pusat Akademik/Bahagian : *Faculty / Academic Centres / Department* FAKULTI SAINS PENTADBIRAN DAN PENGAJIA

E-mel *(E-mail)* : 2018829514@student.uitm.edu.my

Tarikh *(Date)* : 02-04-2026

Pihak Fakulti / Pusat Akademik / Bahagian / Saya bersetuju bahawa dokumen dan tajuk yang disenaraikan untuk dimasukkan ke dalam Repositori Institusi UiTM.
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Types of Material: Article / Book / Theses / Bulletin / Seminar / Image / Entrepreneurship / Student Project / Research Report / Industrial Training / Annual Report / Manual / Oral History / Exam Paper / Speech / Dataset / Audio / Video / Others

MAKLUMAT BAHAN ***(Information of Materials)*:**

Bil. *No*	JUDUL BAHAN *Title*	HARDCOPY (✓)	SOFTCOPY (✓)
1.	Moderating Role of Ownership Structure on the Women Directors' Contribution Towards Financial Performance		✔

* Sila sediakan lampiran sekiranya ruangan yang disediakan tidak mencukupi *(Please provide attachment if necessary)*

TUJUAN PENYERAHAN BAHAN (Sila tandakan √):

Purpose (Please mark √):

1. **Bahan untuk dimuat naik ke dalam Repositori Institusi UiTM**. ✔
   (Materials for uploading into the UiTM Institutional Repository (UiTM IR)):
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   The Faculty / Academic Centres / Department must ensure that each document has been reviewed in advance and does not contain any confidential information before being submitted to PTAR.
2. **Bahan mengandungi maklumat TERHAD yang telah ditentukan oleh organisasi / badan di mana penyelidikan dijalankan:**. ☐
   (Materials consisting of RESTRICTED information which has been determined by the organisation/body where the research was conducted):
   Sila nyatakan tarikh tamat embargo (jika ada):
   (Please indicate the embargo expiry date (if any)):
   Embargo expiry date: Day: Month: Year:
   Nota: Embargo Expiry Date adalah tarikh tamat tempoh yang ditetapkan oleh penulis di mana pada atau selepas tarikh ini, bahan tersebut akan dipaparkan secara langsung di Repositori Institusi UiTM dan ianya boleh diakses.
   Note: Embargo Expiry Date is the date that an author or a publisher imposed embargo expires. On and after this date, this document will be accessible in UiTM Institutional Repository.
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Penyarah
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