UNIVERSITI TEKNOLOGI MARA

INDIVIDUAL DETERMINANTS OF WOMEN ON BOARDS AND CORPORATE SOCIAL PERFORMANCE: A STUDY ON MALAYSIAN PUBLIC LISTED COMPANIES

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ABSTRACT

This study examines the influence of number of women, qualification of women, age of women, and tenure of women on corporate boards towards firm corporate social performance of more than 300 Malaysian public companies listed on Bursa Malaysia. Data for this study had been collected from the annual reports that were available on Bursa Malaysia's database for year 2018. This study had utilized a purposive sampling method where a total of 338 public listed companies had been chosen as the sample. The result of this study indicated that the firm corporate social performance was influenced by a few women characteristics on corporate boards. The result reveals that there is a significant and positive association between number of women on corporate boards and firm corporate social performance. On the other hand, the findings also revealed that the qualification of women, age of women, and tenure of women on corporate boards to have some negative relationships with the firm corporate social performance. Of all the determinants or women characteristics, this study found that the number of women on corporate boards is the strongest individual determinant influencing firm corporate social performance. In terms of contribution, this study proposed some contributions to the body of knowledge and highlighted some practical solution. Additionally, this study has provided the evidence on the effects of corporate governance reforms in terms of encouraging participation of women on the board of directors, which suggests that women on corporate boards can positively influence the firm corporate social performance.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter discussed the introduction, background of study, research question, research objective, scope of research, significant of research, explanation of terms, terminology and concepts as well as conclusion. The background of this study particularly focuses on the number of women in corporate boards, qualification of women in corporate boards, age of women in corporate boards, tenure of women in corporate boards and corporate social performance in Malaysian public listed companies. In section 1.2 of this chapter, it provides the background of the study while Section 1.3 explains about the problems and issues related to the topic of this study. Section 1.4 and Section 1.5 provide the research questions and research objectives respectively. The scope of this study is explained in Section 1.6 whereas Section 1.7 explains about the significance of this study to others. The last part of this chapter is Section 1.8 which describes the definition of terms, terminology and concepts used in this study.

1.2 Background of Study

Corporate governance has been one of the greatest issues in the corporate world all around the globe. Ever since the fraud case of Enron which was ranked as America's fifth largest company by Fortune magazine in 2002, the citizens of the world became aware of the gaps in the governance in the glamorous corporate industry. To achieve great corporate governance is not an easy task to be held the by the people in the corporate industry.

One of the ways to have good corporate governance is to have diversity in the composition of the boards of directors of a company. This is because diversity in a board composition can bring a range of new experiences and fresh ideas to the board itself (Ahmed, 2016). Diversity in corporate boards can be achieved by several ways including having gender diversity representation in the boards. Corporate boards with