UNIVERSITI TEKNOLOGI MARA

GENDER DIVERSITY IN MALAYSIAN CORPORATE BOARDS AND ITS EFFECTS ON FIRM PERFORMANCE

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DBA

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AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Postgraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The academic debate on the strategic importance of women corporate directors is widely recognized and still open. The issue has captured the worldwide attention of policymakers, researchers, and other stakeholders. Despite the growing public concern about gender diversity on corporate boards in recent years, the progress had been slow in Malaysia. By employing panel data analysis, this research aims to study whether gender diversity on corporate board in a sample of 46 FTSE100 public listed companies in Malaysia has a significant impact on the financial performance. This study cover the period 2012 – 2018, by controlling other board characteristics and firm characteristics in the regression analysis. The findings of all the three models of financial performance measures, ROA, ROE, and TOBIN'S Q shows that gender diversity has no significant impact on firm performance. Findings obtained from the overall analysis revealed that none of the gender diversity proxies had a significant impact on firm performance plausibly attributed to the minority composition of female board members. Further study employs firm size as the moderating variable on gender diversity relationship with firm performance because of the inconsistent findings in the above relationship to comprehensively investigate the board diversity-firm performance relationship. It was found that the moderating role of firm size has no significant impact on the relationship between board gender diversity and firm performance, and therefore a clear benefit of firm size as the moderator towards the relationship of gender diversity and firm performance remains inconclusive. Finally, industry-specific regression analysis was carried out to explore the above relationship further and found that gender diversity on the corporate board significantly impact firm performance negatively in the consumer services sector. This seems to suggest that gender diversity may lead to more complexity in decision making process resulting in potential conflicts.

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