WOMEN TOWARDS FIRM'S POSITIVE VIBRATION: EXAMINING THE ROLE OF WOMEN ON BOARD TOWARDS FIRM'S PERFORMANCE

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ABSTRACT

The interest on gender diversification on the firm's board of directors raises several questions about women's capability to hold these top positions on the board rooms. Gender diversity policy was approved by Malaysian Cabinet on 2011, mandated that corporate companies which listed under Bursa Malaysia must have at least 30 % of women's representation on the board by 2016. This study foresees that the policy introduced would spark some short term implications after year 2016. Therefore, the objective of this study is to examine the influence of having women on board towards firm's performance within three years starting from 2016 to 2018. This study provides empirical explanation whether women's representation on board significantly influence firm's performance or not. The sample of this study is 80 firms for three consecutive years from 2016 to 2018, arriving at 240 firms-years observations. Regression analysis is used to explore the relationship between women on board and firm's performance which is proxied by Return on Assets (ROA). The finding of this study revealed that there is a significant and positive relationship between women on board and firm's performance. Further, the finding justifies that public listed companies in Malaysia are getting used with the policy and accept the fact that there is a positive progress on gender equality policy in Malaysia. This scenario also evidences that women have inserted positive vibes in improving firm's performance within the three years' period of study.

Keywords: Gender diversity, women on board of directors, firms' performance.

INTRODUCTION

In recent years, the number of educated women and women's participation in the workforce has increased. Some people argue that women have their roles towards the company's economic and social performance. However, there are still some doubt on women's competency to contribute towards good corporate performance. For instance, there is a perception that "in any given job, and in any given public office, the higher the rank, prestige or influence, the lower the rate of women's involvement"(Aripin, Hassan, Amran, Ismail, & Abdul-Manaf, 2016). As a consequence, it is challenging for women to be highly involve or participate in many organizations especially in the decision making process which then minimise their chances to have an established and high-ladder career. Moreover, the perception on the expectation of women's ability to stand together with men in the career perspective is rather similar either in the Asian or Western culture.

Similarly, the same scenario is also felt in Malaysia. As one of the developing countries, corporations are still sceptical on the policy requirement for increasing the %age of women directors. Moreover, the Asian culture expects that Asian women to hold exclusive responsibility for family and household duties. Consequently, this Asian culture prevents or slower down the women to be in top positions in the workforce and hence causes gender imbalance in a corporation.

Malaysian government views imbalance gender in a corporation as a serious issue and needs to be given priority. Thus, the government emphasised the need to increase women labour market participation to 59% by 2020 as stated in the 11th Malaysia plan. As a result, more incentives such as childcare support is provided to encourage women to enter the labour market (AuYong & Tan, 2018).

Furthermore, the Department of Women, Family and Social Development (MWFSD) study's in 2010 found that women represent almost half of Malaysia's population and make up 47.3 % of the country's workforce. By 2015, the government aims to increase the women's participation to 55 % (Aripin, Hassan, Amran, Ismail, & Abdul-Manaf, 2016). Accordingly, the regulatory body of corporate governance in Malaysia urged that women on board in government-linked companies and public listed firms to be increased to 30% by 2016 (Lee-Kuen, Sok-Gee, & Zainudin, 2017). Moreover, the statistical report on labor force participation rate in Malaysia showed women labor force participation at a rate of 54.3%. (AuYong & Tan, 2018). Malaysia sets the ambition to have 30% of women's representatives in senior positions within the company's board of directors and as decision makers within an organization by year 2016. The government's initiative aims to speed up the number of high-potential women leaders and as a member of board's decision-maker across all sectors of the industry and business (AuYong & Tan, 2018).

This initiative is expected to lead to both improvements in social aspect as well as economic outcomes. Likewise, the government's effort to reduce gender inequality is seen as part of a broader agenda to enhance women's social standing for social justice and equality of rights in various perspectives (S. Abdullah, Ku Ismail, & Nachum, 2012).

BACKGROUND OF STUDY

Countries such as the United States, Australia, Norway and China have regulated the policy on quotas for women on boards. In 2003, Norway passed a law requiring all public corporation to have 40 % of women representation on the board of directors. As a result of the policy, Norway has achieved 37 % increase of the %age of women on board compared to before the implementation of the policy (Ahmad, Raja Kamaruzaman, Hamdan, & Annuar, 2019).

The need for gender equality has led regulatory bodies in Malaysia such as the Securities Commission and Bursa Malaysia to introduce and implement new policies. Accordingly, the Malaysian Cabinet has endorsed a policy requiring that at least 30% of women to have active role as decision maker in the business sector in an effort to resolve the issue of low involvement among women in corporate decision-making This policy shows that women are given the same opportunities as men in corporate decision making that can enhance the performance of the firms (Aripin et al., 2016). Starting from 2011, all public listed companies (PLC) were required to appoint at least or have a minimum of 30% women as companies' board of directors. This 30% requirement of women representation in the business sector's boardroom was endorsed in the Blueprint Corporate Governance 2011. To add, Yusoff and Ramin (2013) noted that Securities Commission Chairman Tan Sri Zarinah Anwar during that time has announced that the 30% women's representatives as companies' board would be included in Bursa Malaysia listing requirement by 2012.

Corresponding to this policy, Malaysia provides a strong context and recommendation to identify the influence of women directors on company's performance specifically in the emerging market economy. As part of promoting the policy on gender equality, the Malaysian government is the first Asian country to implement this policy among Malaysian firms. Besides, the policy is also included in the Malaysian Code of Corporate Governance 2012 (MCCG, 2012) . During the year, the compliance status with the code is not compulsory, yet companies which do not act in accordance with the code of conduct should justify for noncompliance in the firm's annual report (S. Abdullah et al., 2012).

Furthermore, the Ministry of Women, Family and Community Development (MWFCD), which is the ministry responsible for increasing the role and opportunity of women in the workforce strongly supported the initiative towards gender equality in the board rooms. Earlier in 2004, the Malaysian Government also required the public sector to retain at least or a minimum of 30% of women in corporate decision making. The benefits of this policy have been supported by empirical research in the developed countries. Previously, researcher have found women's presence in top management had a positive influence on the performance of firms. (Ahmad-Zaluki, 2012).

Additionally, the presence of women on board is beneficial in adding more values for board room activities. Women as board of directors can also help to improve the advisory and supervisory role of board on management activities. Personal traits of women such as a good listener, socially active, respect others and more considerate may provide better solution for problem solving and create good environment for board meeting (Azmi & Barrett, 2014).

Furthermore, women presentation in an organization may contribute to better leadership style. This is due to the fact that women have different management, participation and communication style compared to men. Women seems to be more democratic, active in participation and open for conversation More interestingly, women are considered as more concern to the stakeholder and public interest issues. As a consequence of this, organization can have better and broader perspective of management (Alazzani, Hassanein, & Aljanadi, 2017).

Overall, it is expected that women have a significant role in the companies and able to influence firm's performance. Previous research such as by Cruz, Justo, Larraza-Kintana, & Garcés-Galdeano (2019) discussed on women who have an influence on company's performance and decision making process in the board room. This is supported by Yu Qing & Chee-wooi (2016) who claimed that women on boardroom may improve corporate governance and provide new way of thinking and standpoint. Therefore, women presentation on board may provide various benefits to the stakeholder of the companies.

PROBLEM STATEMENT

Corporate governance issue such as little involvement of women (in %age) as representative in the boardroom's of a company lead to gender inequality (Ahmad et al., 2019; AuYong & Tan, 2018; Lee-Kuen et al., 2017). Studies from the developed countries found that the implementation of gender equality policy on the board provides a positive finding. This is because developed economies have different social and economic values than developing world such as Malaysia. Furthermore, there exist differences in the context of regulation, culture, economic, capital market and the governance mechanisms effectiveness between the developed and developing nations. Thus, there is a need for more empirical evidence to be drawn from developing countries, hence contributing to the little literature for gender diversity on board composition in developing countries (Unite, Sullivan, & Shi, 2019).

Indeed, based on the ongoing debate and findings on gender inequality at the board level, national environmental studies in a specific country are necessary to cater the issue pertaining to women's influence on boards. These studies are expected to provide different findings and effect from country to country because each country has its own unique and social characteristics, institutions and economic background

RESEARCH OBJECTIVE

Although there have been numerous empirical studies both in Malaysian context and internationally, the issue on gender diversity in the board room raises several questions about women's capability to hold among the top positions as companies' directors. Some arguments have been put forward supporting women's capabilities which may lead to positive vibration towards firm's performance. This indicates that companies which are willing to accept employment regardless of gender, race or virtue traits will achieve better performance. Alternatively, others also argued vice versa which is inquiring women's positive vibration towards firm's performance.

Recent studies in Malaysia have found that the association between composition diversity in the board rooms has mixed findings with positive and negative arguments. As the implementation of the gender equality policy was enacted in 2011 and legalized in MCCG in 2012, regulators expect the impact of this policy should be seen after five years of implementation which is by 2016. This fact provides motivation for the current study to examine the relationship of women's composition on board with corporate performance after it was subsequently mandated in 2016. Therefore, the objective of this study is to examine whether having 30% women on the directors' board have any influence on firm's performance among Malaysian public listed companies. Subsequently, the objective also will address the research question of whether the appointment of at least or minimum 30% women on the board of directors' impact the firm's performance.

LITERATURE REVIEW AND HYPOTHESIS

GENDER DIVERSITY ON BOARDS

The role of board of directors are important in the sense that they ensure good governance, supervise top management and provide strategic directions of the firms. Thus, it is important to study on the relationship of board diversity which we focus on gender diversity in the current research towards firms' performance. Over the last 20 years, there are cross research stemmed within the management field that tend to provide an understanding of the association between board's diversity and firms' performance. For example Maznevski (1994) has discussed on the performance in decision making groups characterized by high diversity composition. The outcome was that the diverse group performed less as compared to the homogeneous group. However, the result of diversity was claimed to be effective if it is integrated with proper channel of communication. In line with this study, Martins (1996) evidenced that board and top management's diversity affect firms' turnover and performance through its affective, cognitive, communication, and symbolic processes. Therefore, rooted from the basis of diversity that proved to have implications in the organizational and management outcome, it is vital to understand the association between board gender diversity towards firms' performance.

From Malaysian context, a number of studies have found positive feedback on gender diversity policy implemented in the country. Among others, Ariff, Salleh, Mohd Noor, Mohamad, & Ismail (2017) revealed positive association between gender diversity and innovation performance.

Further, Alquhaif, Latif, & Chandren (2017) also found that the existence of women directors on the board is associated with less engagement in accretive share buyback activities. Finally, a more recent study by Katmon, Mohamad, Norwani, & Farooque (2019) on board diversity which includes gender diversity, established positive association between gender diversity and Corporate Social Responsibility (CSR) report disclosure.

GENDER DIVERSITY ON BOARDS AND FIRMS' PERFORMANCE

Pertaining to the issue on increasing women participation on board, Adams & Ferreira (2009) reported that Norway has enacted all listed companies to abide by a 40% gender quota for female directors since January 2008, which is then followed by Spain. Furthermore, Campbell & Mínguez-Vera (2008) claimed that investors in Spain do not penalise firms which increase their female board membership as greater gender diversity may generate economic gains. The study also found that gender diversity has positive effect on firm.

In another study, Adams & Ferreira (2009) found that female directors have a significant impact on board inputs and firm outcomes in the United States. Their studies suggested that, the more number of women's participation on board with monitoring role, the more effective the board will be. Moreover, they also found that female directors have better attendance records as compared to male directors; and male directors have fewer attendance problems when the board is more gender-diversed. In addition, the results showed that chief executive officer's turnover is more sensitive to stock performance and that directors received more equity-based compensation in firms with more gender-diverse boards. These results indicate that gender-diverse boards allocate more effort in monitoring activities. In contrast, the study also found that the average effect of gender diversity on firm performance is negative which was driven by companies with fewer takeover defences. In a nutshell, Adams & Ferreira (2009) advocate that mandating gender quotas for directors can reduce firm value for well-governed firms. This is supported by the findings of Conyon & He (2017) which used annual data on over 3000 US firms from 2007 to 2014. The result proved that the presence of women on the board has a positive effect on firm performance as they found positive correlation between the two variables. Similar finding was also revealed by Carter, D'Souza, Simkins, & Simpson (2010).

In Spain, Campbell & Mínguez-Vera (2008) examined the relationship between female participation on board and firm value which found positive association. This result also remains positive from the recent research findings by Reguera-Alvarado, de Fuentes, & Laffarga (2017) which examined data of public listed companies in Madrid stock exchange from 2005 to 2009. Due to this positive outcome,, they had suggested that compulsory legislation offers an efficient framework to execute the recommendation of Spanish codes of good governance by means of increasing the number of women in the firms' board (Reguera-Alvarado et al., 2017).

Additionally, evidence from Asian firms such as Hong Kong, South Korea, Malaysia and Singapore showed that increasing number of female directors on the board have a positive effect on firm performance which was measured by return on equity (ROE) (Low, Roberts, & Whiting, 2015). However, the positive effect of gender diversity appears to be diminished in countries with higher female economic participation and empowerment. This may be due to tokenism which suggests that forcing female director appointment or mandating gender quotas can reduce firm performance in countries with strong cultural resistance (Low, Roberts, & Whiting, 2015).

To add, studies on 47 countries comprising of European countries, Asian and selected south east Asian countries such as Abdullah, Ismail & Nachum (2016) and Terjesen, Couto, & Francisco (2016) respectively found that women participation on board is positively associated to higher ROA. More detail, Terjesen et al. (2016) demonstrated that women participation on board increased independence and monitoring of the board as well as firms' performance which is measured by Tobin's Q.

The attention given on board gender diversity in Malaysia are primarily due to the low number of female directors in Malaysia which urged the government to implement a requirement for all listed firms to increase the number of women on board to 30% by 2016. The increasing awareness on the importance of higher women participation on the board since 2011 significantly highlights the need to know whether or not women participation on board brings any benefit specifically to the firm performance. Previous study by Julizaerma & Sori (2012) which observed data set from 2008 to 2009 indicated a positive association between gender diversity and firm performance. Similar findings are also reported by Lee-Kuen et al. (2017) on the dataset of listed companies from 2009 to 2013, as well as Hassan, Marimuth, Tariq, & Aqeel (2017) for the period of 2008 to 2012. They found positive relationship between women on board and firms' performance as measured by Tobin's Q and Return on Equity (ROE) respectively.

On the other hand, there are also a number of studies which indicate negative relationship between gender diversity and firms' performance. For instance a study by S. N. Abdullah & Ismail (2013) on boards' diversity characteristic which found negative relationship between gender diversity and firms' performance as measured by Tobin's Q and return on assets (ROA) for listed companies in year 2007. In addition, Darmadi (2011) who used the sample of listed companies in Indonesia for the year of 2007also found that the representation of female top executives is negatively related to both ROA and Tobin's Q. The study thus suggests that female representation is not associated with an improved level of performance. Further, Zainal, Zulkifli, & Saleh (2013) also found little changes in the presence of women directors and foreign directors over the sample of companies within 2005 to 2009. Equivalently, S. N. Abdullah (2014) proved that there is negative association between gender diversity and firms' performance during the same year. A more recent study by Kweh, Ahmad, Ting, Zhang, & Hassan (2019), has found that there is significant negative relationship between female directors and firms' performance for the data set of 2010 to 2015. Consistent with this result, a study by Lim, Lye, Yuen, & Teoh (2019) which includes data for the year of 2016 has revealed that more gender diversification led to declining firms' performance. Nonetheless, these finding had been claimed as a result of the temporary effect of transiting process(Lim et al., 2019). Therefore, due to the mix results from the above studies and considering that the policy on minimum 30% of women representation on board took effect in 2016, our study examining women on board and firms' performance is vital in an effort to understand the implication on firms' performance for the period of 2016 to 2018.

HYPOTHESIS

Boards with different background members may contribute with a different information and resources to the organization. Differences may create diversification which include gender, age, culture, attitude and perception. Therefore, it will be beneficial to the organization especially to react to the fast demand of worldwide market (AuYong & Tan, 2018).

Agency Theory explains that board of directors is a significant corporate governance mechanism who are expected to play their role to monitor and supervise the top management when dealing with agency cost and agency problem. Nevertheless, the other perspective of theory such as Resource Dependence Theory (RDT) expected that board of directors have a role as a resource provider to provide guidance and advice to the organisation towards the legitimacy counsel for the companies' best strategic direction (Zainal et al., 2013).

Resource dependence theory (RDT) argues that a mixture of the board members may provide more resources to the companies. Diversity may help companies to minimize reliance on external source provider, reduce uncertainty and establish good reputation hence improve company's performance (Aripin et al., 2016).

In other ways, Mohd Razali (2018) proposed that diversity on board may create more resources such as providing the opportunities to have a better network for financial resources and lead to better borrowing strategy.. It is believed that since diversity rooted from different background, skills, experience and social network, it may also initiate better opportunity to cooperate for networking and continuous relationship for different strategic direction.

Therefore, consistent with the objective of this study, resource dependence theory supports gender diversity which recommends that women directors on board may provide better collaboration for diverse perspective of ideas and resources between men and women, thus improve decision making progression.

Finally, Ahmad et al. (2019) supported that diversity on boards specifically women on board, as a significant factor to enhance firm's performance. This is because board diversity may create better synergy between men and women according to their qualification and differences. Thus, this will act as a source of competitive advantage and strong corporate governance mechanism.

Based on the literature and theory explained, this research hypothesised that:

Women on board has a positive and significant influence on firm's financial performance.

Furthermore, we hypothesized that the control variables, such as board size, firms size and leverage ratio have a positive relationship with firm's performance (Ahmad-Zaluki, 2012; Lee-Kuen et al., 2017).

RESEARCH METHODOLOGY

SAMPLE AND DATA COLLECTION

Random sampling is conducted from the sample of all non-financial companies held by Bursa Malaysia Listed Companies. However, this study includes only those companies that provide complete data for the research purpose. The study excludes companies categorized in the financial sector as the financial sector is subjected to Bank and Financial Institution Act, BAFIA (1989).

The final sample of the study therefore arrives at 240 firm-year observations. The period of the study is three-years generated from 2016 to 2018. The three years' period may provide short-term effects in analyzing the implication of having women on board which is believed can influence the company's performance. The sample is reasonable as total sample in the range 30 and less than 500 is consider sufficient for normal sampling distribution (Field, 2009).

This research uses secondary data for all the variables. The dependent variable which is firm's performance is measured by the ratio of profit to total assets (ROA). Meanwhile, the independent variable which is women on board is measured by %age (%) of women on board in a public listed company. The control variables comprise of firm size and leverage which are measured by total assets and ratio of total debt over total assets respectively. All the financial data were obtained from Bloomberg database which are readily available.

VARIABLES AND MEASUREMENT

The dependent variable of this study is determined by firm's accounting performance. A firm's performance is defined as the level to which its objective is to produce results of financial or non-financial target (Ahmad et al., 2019; Aripin et al., 2016; AuYong & Tan, 2018; Mohd Razali, 2018; Unite et al., 2019). For the purpose of this study, Return on Assets is used as a proxy for firm's accounting performance.

The independent variable of the study is %age (%) of women on board. Zainal et al.(2013) cited definition for board diversity which refers to diversity on board composition. In this definition, diversity is categorized into two categories, namely demographic diversity and cognitive diversity. Demographic diversity is related to visible or easily identifiable directives that include ethnicity, nationality, race, age and gender. On the other hand, cognitive diversity is related to traits that are not observable or unclear, such as organizational expertise, industry experience, and educational, occupational and functional backgrounds. For the purpose of this study, dimensions of demographic diversity which is gender diversity is examined.

Summary of variables and their measurement is provided in Table 1.

Table 1: Variables and measurements

Variables	Measurements
Dependent variable Firm's performance	ROA = net income before interest expense for period the fiscal divided by the total assets of the same period (Ahmad et al., 2019; Aripin et al., 2016; AuYong & Tan, 2018; Mohd Razali, 2018; Unite et al., 2019).
Independent variables Women on board	%age of women directors on board. (Aripin et al., 2016; Lee-Kuen et al., 2017).
Control variable Firm size	Total assets (Aripin et al., 2016; Lee-Kuen et al., 2017).
Leverage	Ratio of total debt over total assets (Aripin et al., 2016; Lee-Kuen et al., 2017).

FINDINGS AND DISCUSSION

DESCRIPTIVE ANALYSIS

Table 2: Descriptive statistics

	Min	Max	Mean	Std. Deviation	Skewness	Kurtosis
Return on assets	-1.89	4.29	1.4157	1.18121	-0.305	-0.008
%Women on Board	0	50	16.9339	11.76748	0.157	-0.591
Board Size	2	13	8.6208	2.03576	-0.013	0.414
Total Assets	5.13	13.51	9.2004	1.79179	0.062	-0.255
Leverage	0.09	2.85	0.995	0.67077	1.069	0.447

Table 2 illustrates the descriptive statistic which shows values for minimum, maximum, average and standard deviation for all of the variables. For the dependent variable measured by ROA, the profit ratio of selected companies was within ranges of -1.89 to 4.29. The mean value of ROA is 1.42.

As for the independent variable, %age women on board (% Women on Board), is expressed in %age term. The % Women on Board for selected companies were between 0% to 50% with an average value of 16.93%. Although there are companies which have fulfilled the requirement to have at least 30% of women representative on board, the %age of companies that conform to the policy is still small. Some companies may justify that quantity of women on board is not such an issue but the quality of women on board does matter and seems more important. Nevertheless, no matter what the argument is the government still need to put effort to have more effective mechanism to encourage public listed companies in fulfilling the mandated requirement related to women on board.

For the control variable such as board size, the average board size for selected companies is 8.6; companies' average total assets isRM9.2 million and average leverage ratio is 0.99. The skewness and kurtosis is ranged between -2 to +2 which is considered normal. Field (2009) indicated that if the value is further from – 0 or + 0, there is possibility to suspect that data are not normally distributed which is not the case for the current study.

CORRELATION ANALYSIS

Table 3: Correlation analysis

	Return on assets	%Women on Board	Board Size	Total Assets	Leverage
Return on assets	1.000				
% Women on Board	0.025	1.000			
Board Size	-0.121**	0.060	1.000		
Total Assets	-0.500***	0.107*	0.173***	1.000	
Leverage	-0.398***	0.342***	-0.002	0.582***	1.000

** p <0.10; ** p <0.05; *** p <0.01.*

Table 3 shows the correlation result implying the strength of the relationship (r value) between the variable. The purpose of determining the r value is to identify on any multi co-linearity problem in the model. High correlation between the variables such as (r = 0.9) indicates the existence of "Multi-collinearity" problem (Field, 2009). In general, the finding shows the highest value of correlation is 0.582 with correlation for all variables are less than 0.80. Hence, there is no issue on multi co-linearity problem between the variables in this study.

REGRESSION ANALYSIS

Table 4: Regression analysis

	Coefficient	t
(Constant)		9.142***
%Women on Board	0.149	2.370**
Board Size	- 0.067	-1.114
Total Assets	-0.367	-4.947***
Leverage	-0.235	-3.039***
R-Square	0.289	
Adjusted R-Square	0.275	
F-statistic	21.22***	

* p <0.10; ** p <0.05; *** p <0.01.

According to Table 4, the R squared shows that 28.9 % of independent variable is explained by the dependent variable. Furthermore, the regression model developed in this study is fit and acceptable as specified by the F- Value which shows at 21.22, $p < 0.001$. This is a statistical confirmation to conclude that the regression model is well quantified as well as justifying that there is a significant relationship between the independent variable and the dependent variable.

In addition, the regression analysis reveals that the %age (%) of women on board is significant and has a positive influence on the company's performance at $t = 9.142$, $p <0.01$. The result shows that women on board will enhance firm's performance. Hence supporting the hypothesis of this study. Further, the result is also consistent with the previous study such as by Abdullah et al. (2012), Aripin et al.(2016) and Lee-Kuen et al. (2017). This demonstrates that currently, gender equality or women on board is statistically approved has a significant role as a decision maker, strategic direction advisor and mechanism of corporate governance to enhance firm's performance.

Overall, the finding suggests that, public listed companies are getting used with the policy to have at least 30% women on board which were stated in the Corporate Governance Blueprint (2011) and legalised in MCCG (2012) which was later mandated in 2016. Although the finding differs with Ahmad et al.(2019)who found negative association between women on boards and firm's performance, . the difference could be due to the time frame of their study; the time frame for the financial year 2011–2013 in Ahmad et al. (2019) which was from is considered as the transformation period and the public listed companies were still under the adaptation process to the policy.

The control variables such as total assets and leverage are also significant and have a negative relationship with firm's performance. Therefore, the finding of this study rejects the hypotheses for all control variables. The result however is consistent with some of previous studies. For firm's size that is proxied by total assets, study of Lee-Kuen et al. (2017) found the size of the companies plays a role in determining the growth level of the company. At an optimal point of size, the company will experience declining growth rate that will affect the performance of the company. To add, Aripin et al. (2016) asserts that the effectiveness of decision making process can be achieved by having smaller board size. This is because smaller board size will have stronger and closer to the point of interest in the decision making process. Similarly for leverage, the finding shows that leverage and firm's performance has a negative relationship. It can be argued that high leverage highlights that companies can be under financial distress and scarcity of financial resources which lead to the underperformance based on financial perspective.

CONCLUSION

In summary, this study provides an empirical finding on the issue of women's on board room and their role to influence the firm's performance. Using the sample of selected public listed companies, for the year 2016-2018, the finding of this study revealed that having at least 30% women on board has a significant and positive influence on firm's performance. The finding justifies that, currently public listed companies in Malaysia are getting used with the policy and there is a positive progress on gender equality policy in Malaysia. Furthermore, within the three years' period, the finding shows that women insert positive vibration in improving firm's performance. Even though the finding of this study showed that the expectation of Malaysian public listed companies to have at least or minimum 30% of women on board have yet to achieve, Malaysia has made a steady progress towards gender equality. Accordingly, it is rationale to say that the quality of women on board is more essential than having certain quantity of women as the top management. However, the finding of this study empirically support that women on boards has a significant contribution to improve firm's performance. This means that, even women representation on board is still at a lower quantity and %age, women representation on board room shows a significant influence in contributing to the improvement of decision-making process. Women provide different ideas, character, values and strategic quality towards improvement of firm's performance. They may have a strong impact towards the operation, management and decision-making strategy of the firm. This provides an economic and strategic rationale to have a fair judgment on women's role towards firm's performance.

Therefore, the finding of this study may suggest for all companies in Malaysia specifically the management to consider gender diversity on board as a factor in contributing towards better strategy and good firm's performance. Additionally, this will also help to strengthen their corporate governance. As for the regulator or policy maker, the study provides some insights for them to review the 30% policy having women on board. This is due to the fact that having quality women's representative seems to be a better judgment and necessary instead of certain quantity of women on firm's board. Besides, women are able to act as a complimentary role with men and be a good team member on board. Thus, women should be well protected and treated fairly in a transparent capital market. As a result, sound environment for excellent corporate governance may help the investors to make a better investment decision. Currently, gender diversity on board has been established as part of investment criteria by regulator such as Malaysia Securities Commission and Bursa Malaysia (Malaysian Securities Commission, 2019). Hence, strengthening the mandatory disclosure requirement and best practices by the stakeholders, government and regulatory body are seen as a key factor for successful implementation on gender equality policy in Malaysia.

The finding of this study can't be generalized in some perspectives due to its limitation. First, due to the lack of disclosure of data on %age of women on board, the scope of the study is only among the population of Malaysian public listed companies which data for the final sample comprises only 240 companies (with three-years observation). Therefore, for the future research it is recommended to widen the research method using questionnaire or interview to achieve richer insights thus have better generalization on the finding. Furthermore, this study only coves three years' period of study which only can refer as short-term implication of the policy. Hence, future research might want to consider longer- period of study to analyses the long-term impact as well and may provide the comparison for pre and post implication of the implemented policy.

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