

Contributions of Women Directors in Malaysian Listed Companies towards Company's Financial Performance

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Abstract: *As the growing numbers of literature acknowledged the importance of women directors in enhancing the company's performance, either financially or non-financially, the number of women directors apparently is still minimal on the board's seats. Not only women boards are minority in terms of number, but their significant contributions are also still controversially debated. To answer this call, this study was conducted to strongly emphasize the importance of women directors by making known a few significant contributions that have the ability to enhance the company's financial performance. Thus, this paper aims to examine relationship between the contributions of women directors as stakeholder representative, good decision maker and in corporate social responsibility with the company's financial performance. Questionnaires were constructed and delivered to corporate officers in 250 public listed companies with women on boards. The results depicted that stakeholder representatives, good decision maker, and corporate social responsibility have a mixed significant relationship with company's financial performance. The initial relationship outcomes and multiple regression analysis showed that only the corporate social responsibility was found to have a significant positive relationship with the company's financial performance. The researchers believe that the findings and recommendations of this study are able to contribute a significant impact on the research area.*

Index Terms: *Keywords: Women Directors, Company's Financial Performance, Public Listed Companies, Gender Diversity, Corporate Governance.*

I. INTRODUCTION

The number of women on executive boards has slowly increased both globally and domestically. According to MSCI Report (2014), women currently hold 17.3% of all directorships among MSCI World companies. In the United States, women hold 19% of directorships at 16.9% of Fortune 500 companies. While an increasing number of women in the US hold directorships, this is still below target. On the same note, Weisul (2015) stated that while many board seats have been occupied by women across the country, there remains still lack of evidence of any increase in numbers of corporate seats among Fortune 500 companies since 2014.

Ito (2015) argued that Japan is among the worst country that appoints women to be seated on corporate boards. Only

3.1% of seats were held by women in 2014. Fortunately, two years after becoming the Prime Minister of Japan, Shinzo Abe developed a strategic plan to empower women in the corporate world. The initiative included the aim of getting 30% women to hold leadership positions by year 2020. As part of these efforts, the cabinet passed a bill in parliament and forced companies with 300 employees to disclose their plans and policies for hiring and promoting more female workers. Even with such a plan, Japanese boardrooms are nevertheless still 'boys' clubs' with only men conquering the boards.

In Malaysia, especially among listed companies, the percentage of women on boards is far behind targets. Prime Minister Najib said that Malaysia's companies are currently way behind in having women represented on corporate boards, at only 16% of public company boards and 10.3% of listed companies. In order to tackle this issue, Najib encouraged the executives of listed companies to serve on other listed companies' boards (Malay Mail Online, 2015). Leaderonomics.com (2016) stated that women accounted for only 15.2% of director positions in companies listed on Bursa Malaysia. Similarly, The Star (2016) stated that only 15% of women sitting on the board of 100 companies in Bursa Malaysia. According to Pemandu's analysis, as of 2017, about 19.1% of the Top 100 Public Listed Companies in Malaysia are made up of women, and 372 public-listed companies still do not have a single woman on their boards (Brown, 2017).

Although many laws and initiatives have been introduced and passed by various governments across the globe, the number of women on boards remains remarkably low. Despite the various benefits of having women on the corporate boards, opportunities are not fairly given. The literature agrees that having women on the board will increase a company's profits and bring other significant positive contributions. Likewise, gender diversity on boards brings value in terms of improved performance, better compliance, governance, risk management and stakeholder representation (Brown, 2017). However, these benefits seem to not be taken seriously by most companies. The importance of women presentation in the corporate boardroom is still debatable, such as in terms of policy implication. It has been claimed that empirical evidence pertaining to the contributions of women directors towards firm performance remains unclear (Yap, Chan & Zainudin,

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2017).

Thus, this paper aims to determine whether women directors' contributions, such as stakeholder representation, good decision making, and effective corporate social responsibility are relevant in the Malaysian context and whether women directors strongly influence the financial performance of Malaysia's public listed companies. The research objective of this study is to examine relationship between the contributions of women directors and a company's financial performance.

II. LITERATURE REVIEW

From the outlook of agency theory, one method to reduce costs due to agency conflicts is the board of directors in the company to consider having women on the corporate seats. Gender diversity on the boards can act as a tool to reduce agency costs, thus improving financial performance and promoting better control (Alvarado, Briones, & De Fuentes Ruiz, 2011). Additionally, Fontecha (2013) also agreed that the boards must not be monopolized by a single gender, because diversity can promote more dynamic boards.

A number of scholarly works claim that women directors can contribute to higher company's financial performance. Women on Boards February 2011 (2011) provided some evidence showing that companies with more women representation on the board will perform better than those with boards without women representation. Fontecha (2013) explained that effective boards usually have two or more women represented on the corporate seats and companies with one or zero women will have lower return on equity (ROE), return on sales and return on investment (ROI) as compared to companies that have three or more women on their boards. In a more recent study, Yap, Chan and Zainudin (2017) proved that a higher degree of female representation influenced financial performance.

According to Vivian, Layton and Prince (2015), companies with gender or racial diversity are more likely to have above-average financial returns, while the companies that have less in both element dimensions will achieve average and below-average financial performance. It has been proven that companies with a higher proportion of women at the board level typically achieve above-average operating margins, higher degree of organization and higher valuations. Correspondingly, Schwab, Werbel, Hofman and Henriques (2016) suggested using relative degree of managerial gender diversity as an indicator of firm performance. Additionally, Azmi and Barrett (2013) and Ijas (2012) also found that a company that has one or more women on their boards achieved higher ROE as compared to company without women representation on their boards.

In terms of boards diversity, Zainal and Zulkifli (2013) stressed that there are no fixed regulations regarding board diversification. Companies in countries such as Malaysia are encouraged to promote diversity in the workplace such as in terms of the gender, age, race and background. International Corporate Governance Network (ICGN, 2016) noted that gender diversity forms a competitiveness issue for a company as a whole and is a critical dimension of governance, both in a board's oversight of the companies and in a board's own

composition and talent pool. Besides, by increasing the representation and presence of skilled and competent women on boards, it will strengthen the culture of corporate governance and contribute in fulfilling the interest of the stakeholders.

Bear, Rahman and Post (2010) explained that gender diversity on boards refers to a state in which companies have more female directors on their boards. Research has been conducted showing that having more women on its board leads to an enhancement of a firm's reputation. Additionally, having more women on boards contributes to more participative communication among boards of directors due to leaderships styles of women directors and male directors. Women tend to have different leadership styles than men, which enable them to make wise decisions.

Burke and McKeen (1993) argued that acting as stakeholder representatives is one of the main duties of women directors, as they may be considered as mentors for all women in the organization and become responsible for monitoring social justice and fair recruitment policies. Daily and Dalton (2003) recommended that companies have more women representatives on their boards when the final customers of those particular industries are majority women. For instance, in the United Kingdom (UK), women make up over 51% of the UK population. Thus it is believed that having women on the board will improve the understanding of customer needs ("Women on boards February 2011," 2011). This is because by matching company's directors with the marketplace environment, they will gain a deeper understanding of their customer's buying patterns. Further, Rosener (2003) claimed that women are a dominant market force; therefore, gaining an in-depth understanding on the female perspective is vital in maintaining the competitiveness of a company and to generate high quality goods and services that meet the consumer wants and needs. Berman (1999) conducted a study which found a positive relationship between stakeholders' representation and a diverse corporate board in terms of gender, ethnicity and race. It was found that diversity can enhance the ability of a company to attract better labor pools.

On the same note, companies with women on their boards are able to attract and retain excellent employees. According to Catalyst (2012), women are drawn and attracted to companies that already have women on their boards, because they see the opportunities of career development in the company. Having women in the boardroom sends a strong message that a company is progressive and recognizes merit and equality. These companies become employers of choice for the best candidates. According to Adam and Ferreira (2009), women on boards are able to bring new ideas to the table, thus improving the company's financial performance and on the same page, Torchia, Calabrò, and Huse (2011) also argued the presence of three women on a board forms a critical mass that changes board dynamics to foster creativity and encourage new ideas.

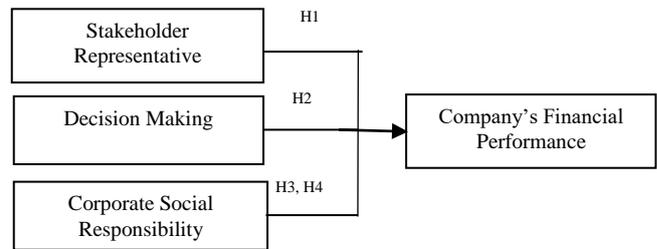
In addition, Adams and Ferreira (2009) argued that a decision is effective and efficient if it brings new ideas

and perspectives that can add value to decisions. They found that women directors are capable of adding value to decision-making processes, as they are not mere tokens. This was supported by Azmi and Barret (2013), who found that broad gender diversity on boards will lead to greater perspectives that help to reach better and sound decisions. Likewise, Bernandi and Threadgill (2010) stated that a board with gender diversity has a variety of opinions and independent ways of thinking and is more likely to derive sound and better decisions. Thus, a more gender diverse boards may potentially reduce the risk of corporate corruption because the boards tend to question the management practices. In this regard, Bart and McQueen (1993) reasoned that boards are able to cut bankruptcy risk by 20% with just one female director on the board.

From the perspective of corporate social responsibility, Hyun, Yang, Jung and Hong (2016) claimed that women are more caring concerning moral and social issues. Gender diverse board tends to be active and performs well in relating to corporate social responsibility. Similarly, Terjesen, Searly and Singh (2009) explained that boards with more women are more active in promoting non-financial performance, such as employees and customer satisfaction and continuously innovate its corporate social responsibility activities. Women are more likely to be oriented with voluntary social responsibility than their male counterparts, who are more likely oriented to economic profits. Women on boards are mostly outside directors, and are thus more philanthropic. Some of these women directors are young and able to fill generation gaps. Another study conducted by Bernandi and Threadgill (2010) showed a positive correlation between total social responsibility with the number of women on the board. The results support the hypothesis that there is an association between the social responsibilities with the number of women on board. This result also provides supporting evidence that charitable giving habits are influenced by the presence of women on the board. Women on boards are also more likely to organize donation and charity programs and commit to other philanthropic activities.

In the Malaysian context, encouragement for companies to promote diversity in the workplace is part of a corporate social responsibility (CSR) agenda, as recommended by Bursa Malaysia and the Malaysia Code on Corporate Governance (MCCG). This encourages a more balanced board. Consequently, it is the responsibility of the board of directors to promote good corporate governance and make the effort to place more women on the board.

In light of the above, most of the studies above have reviewed the contributions of women directors in developed countries, while few were conducted to study the contributions of women directors in Malaysia. Within the same scope, one good question to ask now is to what extent the various contributions of women directors in Malaysia really influence the financial performance of the company. This question helps the researchers to develop the following conceptual framework for this study:



III. HYPOTHESIS DEVELOPMENT

Berman (1999) argued that there is positive relationship between a diverse corporate board in term of gender, ethnicity and race with firm's performance. Bart and McQueen (1993) showed the positive Complex Moral Reasoning (CMR) results conducted by the researchers that showed women on boards enhance protection of the interests of stakeholders as compared to men. However, another study conducted by Lukerath-Rovers (2009) has found that there is a negative correlation between service industries with presentation of women on boards, which means women on boards are unable to understand the buying patterns of the customers whose majority of them are women. Francoeur, Labelle and Sinclair-Desgagn (2008) from their study also found that although there is no relationship between gender diversity and company's financial performance, agreed with the fact that appointing women on boards would be the right thing to do. Based on the arguments in these previous studies, the following Hypothesis 1 is created and needs to be tested:

Hypothesis 1: There is significant relationship between contributions of women directors as stakeholder representatives and company's financial performance.

Bart and McQueen (2013) in their study have found that women scores are significantly higher than men in making decisions. Thus, women are better in solving arising issues and be able to help the company to minimise business risk and obtain higher profits. Other than that, a study conducted by Alvarado, Briones and De Fuentes Ruiz (2011) utilizing a Hausmen test showed a positive relationship between the presence of women on boards with the company's performance success. Besides that, Adam and Ferreira (2009) conducted a study and found that there is a positive and significant relationship between gender diversity and participation in decision making that could lead to higher company's performance. Based on these arguments, the following Hypothesis 2 is postulated:

Hypothesis 2: There is significant relationship between contributions of women directors as a good decision maker and company's financial performance.

Bernandi and Threadgill (2010) study showed that there is a positive correlation between total of social responsibility with the number of women on boards. The results supported the hypothesis of the study which was there is an association between the social responsibility with the number of women on board. Besides, Bear et al (2010) in their study proved that there is a positive relationship between the numbers of women directors with the strength ratings for corporate social responsibility. Besides, a study conducted by Hyun et al. (2016) also found a positive relationship between number

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of women independent directors and firm's corporate social responsibility score. Lastly, Ijas (2012) showed that there is a significant positive correlation between gender diversity and corporate social responsibility. This has proved that board with more women on boards is positively associated with corporate responsibility performance. Based on the arguments by these previous authors, the following Hypotheses 3 and 4 are posited and require further investigation:

Hypothesis 3: There is significant relationship between contributions of women directors on corporate social responsibility and company's financial performance.

Hypothesis 4: Women directors' involvement in corporate social responsibility is the most influential contribution towards company's financial performance.

In light of the above hypotheses and conceptual framework (Fig. 1), the test of relationship between independent variables and dependent variable indicates the quantitative aspect for this study. The following section entails further explanation on the methodology adopted.

IV. METHODOLOGY

For this study, quantitative research design was employed due to the nature of this study that involves relationship and measures. The main data collected and obtained for this study was primarily generated from the questionnaire distributed to the corporate officers (include directors and company secretaries). In view of the selection of sample, this study had given focused on listed companies with women on boards in the area of Klang Valley. Embracing the purposive sampling technique, these companies had deliberately been selected due to the fact that most established listed companies are situated in Klang Valley, of which most strategic area to perform business. A total of 250 of listed companies had fulfilled the above-said criteria, suggesting the sample for this study. Of this number, only 148 respondents replied and answered the questionnaires. In harmony with a quantitative approach, a Likert-scale questionnaire was constructed. The scale used contained five (5) items which are one (1) for strongly disagree, two (2) disagree, three (3) neutral, four (4) agree and lastly five (5) for strongly agree. In order to measure the variables, the questionnaire was developed through "adopt and adapt" techniques from the past research. The questionnaire was adapted from an original instrument of past researchers and adapted technique was used because of modification made in order to ensure questionnaire is significant with background of the study.

Prior actual distribution, a pilot study involving 30 respondents, as suggested by Isaac and Michael (1995) and Hill (1998), had been carried out. The questionnaire was first distributed to respective respondents through email and later the researchers proceeded in running the reliability test after achieving the targeted number of respondents for the pilot study. From the test, it was found that the Cronbach Alpha value for independent variables which were stakeholder representative, decision making and corporate social responsibility are 0.781, 0.762 and 0.860 respectively. Meanwhile, the Cronbach Alpha value for the dependent variable, that is, company's financial performance is 0.910.

All Cronbach Alpha values clearly showed that the questionnaire construction for each variable is reliable and considered fit for actual distribution. Subsequently, the questionnaires were distributed to the entire sample for an actual data collection.

For the actual data analysis, factor analysis was first carried out for all the construct variables. Overall, the results for this test showed that Kaiser-Meyer-Olkin (KMO) value was 0.721, the significant value was $p=0.000$ and the Bartlett's test for sphericity was large, 2443.149, i.e., $(\chi^2(351) = 2443.149, p < .001)$. Further, the reliability test was run again for the actual data to obtain the Cronbach Alpha values for the all the variables. In this regard, the Cronbach Alpha values for stakeholder representative, decision making, corporate social responsibility and company's financial performance are 0.758, 0.574, 0.716, and 0.950 respectively. As both factor analysis and reliability tests yielded satisfactory results, it is adequate to assume the reliability and validity elements was presence in this study and therefore further statistical analysis is deemed fit to be carried out.

V. FINDINGS AND DISCUSSION

This section presents the findings obtained in this study. Data received were then tested and analyzed using the Statistical Software SPSS (Version 22.0) in order to see the goodness of the data and to test the relationship between women directors' contributions and the company's financial performance. Table I below presents the profile of the respondent that described the characteristics of the sample in this study. From the same table, it was found that highest age range of the respondents is between 41-50 years old (36.4%) followed by the age range of 31-40 years old (26.4%). Surprisingly, the age range percentage of respondents between 21-30 years old and above 50 years old is quite the same, which is 18.6%. While for the attribute of races, it was found that Malay and Chinese corporate officers formed the respondents, which is 61 (43.4%) and 70 (50%) respectively. Of this 140 respondents, majority 97 of them are female (69.3%) and remaining 43 (30.7%) are male company secretaries. This shows that the majority of respondents that have answered the set of questionnaire distributed are female corporate officers. Lastly, it was also notified that executive director, non-executive director and company secretary have answered the questionnaire, for which the highest frequency is company secretary with 111 respondents (79.3%), followed by non-executive director of 18 respondents (12.9%) and executive director of 11 respondents (7.9%).

Table I: Profile of Respondent

N=140		
Items	N	Percentage (%)
<i>Age</i>		
21-30	26	18.6
31-40	37	26.4



41-50	51	36.4
50>	26	18.6
Races		
Malay	61	43.6
Chinese	70	50.0
Indian	6	4.3
others	3	2.1
Gender		
Male	43	30.7
Female	97	69.3
Position		
Executive Director	11	7.9
Non-Executive Director	18	12.9
Company Secretary	111	79.3

As for the findings, before the researchers proceed with the analysis, some tests of goodness of data had been conducted, which comprised testing the normality, linearity, reliability, outliers, homoscedasticity and homogeneity of data. Herman (2004) stated that the assumption of normality is crucial to run correlation and regression analysis in order to quantify the distribution of Skewness and Kurtosis. The normal value of Skewness and Kurtosis that indicates the data is normally distributed if within -2 to +2. All of the variables met the requirement as the value of Skewness and Kurtosis is within the accepted range; signify that all of the variables were normally distributed (company's financial performance, Skewness= -0.079, Kurtosis= -1.620; stakeholder representative, Skewness= -1.511, Kurtosis= 1.436; decision making, the Skewness= -0.168 and Kurtosis= -0.863; and corporate social responsibility, Skewness= -2.672 and Kurtosis= 8.077). For linearity, it can be concluded that all of independent variables in this study are having linear relationship with dependent variable as all the sig. values (p value) are above 0.05. Homoscedasticity of data and homogeneity of variance tests were also carried out. Observation on linear regression line and the scatterplot reveals that the variance around the regression line is somewhat the same, consistent with the line for all the variables. In view of homogeneity of variance tests, Levene's test was carried out. The findings of this test reveal that the no homogeneity of variance is presence since all the scores, that is the significant value for each independent variable are greater than 0.05 (stakeholder representative, p= 0.599; decision making, p= 0.561; and corporate social responsibility, p=0.238). Overall, the result of testing the goodness of data shows outstanding results that all the data collected is compatible for final analysis. All the Pearson's Correlation assumptions were also encountered and the analysis was run to identify the relationship between all the independent variables and dependent variable.

Table II: Results of Correlation Analysis

Variable	1	3	3	4
Dependent Variable (DV)				
Company's Financial Performance	1			
Independent Variables (IVs)				

Stakeholder Representative	.039	1		
Decision Making	.101	.069	1	
Corporate Social Responsibility	.345**	.149	-.002	1

** Correlation is significant at the 0.01 level (2-tailed)
Note: significant value; corporate social responsibility (p=0.000), stakeholder representative (p=0.651) and good decision maker (p=0.235)

With respect to the relationship, findings as shown in Table II indicate that there were positive relationships between all the variables, namely stakeholder representative (r= 0.039, p= 0.651), good decision maker (r= 0.101, p= 0.235) and corporate social responsibility (r= 0.345, p=0.000). However, in terms of the strength of relationship, the stakeholder representative contribution and company financial performance have the weakest relationship (r= 0.039, p >0.01). Similarly, contribution of women directors in decision making was found have weak relationship with company's financial performance (r= 0.101, p > 0.001). These results indicate that there were weak relationships between both contributions of women directors as with company's financial performance. Despite these results, contribution of women directors in corporate social responsibility was found to represent the strongest relationship, though at moderate level with significant value (r= 0.345, p<0.001). Hence, analysis of findings has recognized that corporate social responsibility is statistically significant with the company's financial performance. This result indicates that the more women directors contributes in corporate social responsibility practices of the company, the better the company to perform financially.

Table III: Coefficients of Determination Table

	Standardize Coefficient			Collinearity Statistics	
	Beta	t	sig	Tolerance	VIF
Constant		.076	.940		
Stakeholder Representative	-.020	-.250	.803	.973	1.028
Decision Making	.103	1.285	.201	.995	1.005
Corporate Social Responsibility	.348	4.299	.000	.978	1.023

Note: R² = 0.129; Sig= 0.000; Durbin Watson= 2.133

Multiple regression analysis was employed to measure the causal-relations between the three IVs and DV in this study. The multiple regression model is $CFP = \beta_0 + \beta_1SR + \beta_2DM + \beta_3CSR + \epsilon_i$ where CFP represents company's financial performance (DV), SR refers to stakeholder representative, DM represents decision making and CSR refers to corporate social responsibility. In this light, the assumptions for regression analysis were satisfied with f ratio in the ANOVA table test for overall good fit regression model. Based on the results (f-value=6.743, p<0.000), R²=0.129, the regression model fit was considered good. Additionally, analysis on collinearity diagnostic as shown in Table III also



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indicates that there was no evidence of a strong multicollinearity effect, where all the VIF values are equal to 1/tolerance.

As predicted, consistent with the finding yielded by Pearson's correlation coefficient above, the most significant contribution of women directors towards company's financial performance is also the corporate social responsibility ($\beta = 0.348$, $p = 0.000 < 0.001$). This result provides strong support for Hypothesis 3 and Hypothesis 4 that there is a positive relationship between contribution of women on boards in corporate social responsibility and company's financial performance. On the other hand, contribution of women as stakeholder representative ($\beta = -0.020$) is negative and statistically not significant ($p = 0.803 > 0.001$) with company's financial performance. This result confirms the previous finding as shown in Table II and concludes on the rejection of Hypothesis 1 for this study. Further, the regression coefficient for contribution of women directors in decision making towards company's financial performance is positive ($\beta = 0.103$), but not statistically significant ($p = 0.201 > 0.001$). Hence Hypothesis 2 is also rejected. The findings, as a result indicate that contribution of women directors in corporate social responsibility was the only variable that is significant ($\beta = 0.348$, $p = 0.000 < 0.001$). A β value of 0.348 indicates that a change of one standard deviation of CSR contribution of women directors results in a 0.348 standard deviation increase in the company's financial performance.

Based on the findings, the stakeholder representative seems to have no relationship with company's financial performance, thus rejecting Hypothesis 1 of the study. This study was not focusing on services industry where the majority of consumers are women themselves. Stakeholder representative may significantly have the relationship with company's financial performance if the scope of this study is focusing mostly on an industry that sees women directors' contribution as vital and taken their presence as part of the company's daily strategic operations such as production and services. This can be supported by Harvard Business Review (2013) which argued that women directors are in tune with the women consumer's need and demands than their male counterparts in an industry that the majority of its consumer is women.

Furthermore, the decision making contribution by the women directors seems to have no relationship with the company's financial performance, thus rejecting Hypothesis 2 of the study. This may be due to the collective decision making made in the corporate board. The voice of women director will be less heard and appreciated if there is only one women director on the board. This can be supported by a study conducted by Adams and Ferreira (2009) which they argued that corporate boards which are dominated by the male directors will make it difficult for the women director to voice out their opinions and ideas and influence the decision making process of the company. Lastly, it may be due to ineffective decision making of the whole board. Hambrick, Cho and Chen (1996) argued that homogeneous group is better in making decisions as compared to heterogeneous group because diverse group tend to disagree with each

other's opinions and weakens team consensus thus leading to ineffective and delay decisions.

For contribution in corporate social responsibility, it was discovered that there is a statistically significant relationship and moderate correlation between the contributions of women directors with company's financial performance. This result leads to an acceptance of Hypothesis 3 and supports Hypothesis 4 of this study. In support, Hyun et al. (2016) provide evidence that there is a positive relationship between number of women directors and firm's corporate social responsibility score. It is then proven that having more women directors on boards leads the company to do better corporate social responsibility exercises as compared to companies with fewer women on boards. The result may also be due to the attributes of women which are more sympathetic and active in taking care of the needs of the stakeholder especially the society (Ijas, 2012). Meanwhile, Terjesen, Searly and Singh (2009) explained that boards with three or more female directors will be more active in promoting non-financial performance such as employees and customer satisfaction and continuously innovate its corporate social responsibility activities. This finding implies that Malaysian companies can now further strengthen their strategies on how to increase more women on boards and get them engage in the social responsibility exercise of the company.

VI. CONCLUSION

The findings of this study have certain policy repercussions. They suggest that there is a dire need to increase the number of women on boards so as to make them be heard and appreciated. This effort will not only bring more checks and balances to decision making, but may also inject creativity and innovation, which can satisfy many groups of stakeholders. As such, it is high time for Malaysian companies to have more women on their boards and engage in the social responsibility exercises. For this effort, the company can now start to have a specific internal policy or guideline to hire qualified women directors who can contribute effectively for the benefits of the company and the stakeholders. Considering the finding of this study and the extant literature, the contributions of women directors in social responsibility activities will eventually strengthen financial performance in the long run. This study has certain notable limitations. It is suggested that industries centered on women can be examined further to ensure more robust and representative results. This study fails to consider women-centered industries as part of its inclusive criteria for sampling selection. Due to this, the finding showed no significant relationship between women directors' contributions as stakeholder representatives and financial performance. Additionally, the scope of this study considered only the contributions of women directors in three significant areas as highlighted by the literature. Admittedly, there may be other contributing factors or groups of contributions which could be investigated in future research. For instance, the influence of ownership structure and cultural elements would also enrich the findings and provide further

explanations. Additionally, the results derived from this study are only valid for Malaysian firms, and cannot be generalized to firms in other countries, due to different and unique governance characteristics, such as legal, ownership structure and cultural values. Further research should consider these limitations to achieve more informed and enriched findings.

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