Women Directors' Specific Attributes and Company Performance: Insights from a Mixed Method Study in Malaysia

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ABSTRACT

Manuscript type: Research paper

Research aims: Drawing on resource dependence and human capital theory, this study aims to analyse the relationship between specific attributes of women directors on company performance, specifically on the market performance proxied by Tobin's Q.

Design/Methodology/Approach: Data for the analysis are extracted from the Top 100 Malaysian companies listed in the Minority Shareholders Watch Group's Corporate Governance Scorecard from 2018-2021. This is supported by data from interviews with the board of directors and top management to understand the impact of gender diversity on the company's performance.

Research findings: The findings suggest that the diversity of ethnicity and competency among women directors positively and significantly affects Tobin's Q. Additionally, the results demonstrate that the proportion of women directors and Blau's gender diversity show no impact on the market valuation. Moreover, this study also explores whether the

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COVID-19 pandemic and types of directorships have effects on gender diversity and company performance nexus.
Theoretical contribution/Originality: This current study's findings enrich the literature by outlining the importance of having diverse attributes among women directors. Unlike many previous studies, this study incorporates both quantitative and qualitative approaches, derived from several interview sessions with key industry players, to enrich the limited quantitative findings.
Practitioner/Policy implication: The findings led to policy recommendations for key stakeholders, suggesting that regulators should encourage companies to focus on the qualities rather than just the numbers when appointing women directors. Policy recommendations on extending training to the senior management level and reviewing the number of years and directorships may be used to provide a roadmap for regulators, policymakers and companies to better meet the national agenda on women directors' appointments. This approach could also benefit male directors and enhance overall board dynamics, ultimately advancing the national agenda for gender diversity.
Research limitation: Future studies may consider other attributes among women directors, such as age, experience, expertise and political ideologies. In addition, other theories, like the upper echelon and legitimacy theories, could be integrated into understanding the role of board diversity in affecting company performance.

Keywords: Board diversity, company performance, resource dependence theory, human capital theory, policy recommendations
JEL Classification: M48

1. Introduction

Gender diversity on corporate boards has emerged as a pivotal global issue, with implications for team performance, board communication dynamics, and overall company performance, as evidenced by a body of research (Terjesen et al., 2009; Carter et al., 2010; Aripin et al., 2016; Moreno-Gómez et al., 2018; Ramadan & Hassan, 2021). This study seeks to advance our understanding of the impact of gender diversity on company performance by exploring not just the level but also the unique attributes that women directors can bring to organisations. Inspired by Bennouri et al. (2018) and Brahma et al. (2021), this study focuses on several attributes of female directors that can explain cross-sectional variations in company performance. Examining these attributes can enrich our understanding of the impact of female directors, as Brahma et al. (2021) demonstrated that the "post-appointment company performance of female board representation can be explained by a number of female attributes" (p. 5706). Furthermore, Bennouri et al. (2018) asserted that by analysing the attributes of female directors, researchers could understand the channel through which gender diversity in the board can influence the decision-making and monitoring effectiveness of the board and, consequently, company performance. Additionally, this research goes further by offering insights drawn directly from board members and senior management in the industry.

Governments worldwide have recognised the need for gender diversity on corporate boards, responding to the underrepresentation of women in such leadership roles through policy initiatives. These measures include the Sarbanes-Oxley Act of 2002 in the United States, which has undergone updates since 2011, and the Hampton Alexander report in the UK, calling for 33% female representation in the Financial Times Stock Exchange (FTSE) 100 leadership teams by 2020. Several other countries, such as Germany, Norway, Spain, France, Iceland, Italy, Belgium, Finland, and Kenya, have implemented legal quotas mandating that companies appoint between 30% and 40% of women to corporate boards, thus underscoring the global significance of gender diversity at the board level. These endeavours are in harmony with the Sustainable Development Goals (SDG 5 - Gender Equality) set forth by the United Nations. They underscore the significance of gender equality and women empowerment in connection with sustainable development, economic growth, and the achievement of gender parity.

Turning our focus to Malaysia, efforts to increase women directors' presence in boardrooms began in 2011, when the Malaysian Cabinet introduced a policy to have at least 30% women on corporate boards by 2016 (The Star, 2011). Subsequently, the Malaysian Code on Corporate Governance (MCCG) 2012 recommended that companies openly disclose their gender diversity policy, targets, and measures to meet them (Malaysian Code on Corporate Governance, 2012). The MCCG 2017 further enhanced these recommendations, setting a goal for the Top 100 listed companies to appoint at least 30% female directors by 2020. Other listed companies were encouraged to include women in board and senior management positions. In 2015, the launch of 30% Club Malaysia signalled a commitment to collaborate with regulators and create an inclusive ecosystem, reflecting the Malaysian government's determination to empower women and promote their advancement as corporate decision-makers. Similarly, in the Corporate Governance Strategic Priorities 2017-2020 report, the Securities Commission (SC) has reiterated that mixed representation of male and female directors can bring different perspectives, competencies, functional expertise, approaches to stewardship, and risk-reward orientation to board deliberations, thus PLCs are required to disclose their gender diversity policies, measures and targets (Securities Commission Malaysia, 2018).

Despite commendable initiatives by the government and corporations in Malaysia, progress in women serving as company directors has been slow. Notably, the SC's Corporate Governance Monitor 2021 reported that 83% of publicly listed companies (PLCs) failed to meet the 30% requirement for female directors, and approximately 73% appointed just one female director. This data illustrates a critical issue regarding compliance with gender diversity recommendations and raises questions about why companies hesitate to appoint women to leadership roles.

To address the gender diversity gap, the Malaysian government recently mandated that all PLCs have at least one female director, with implementation starting in 2022 for large-capital companies and 2023 for others (Securities Commission Malaysia, 2021). This regulatory change was likely driven by the need to accelerate the appointment of female directors. The move has increased women's participation in boardrooms, as indicated by the SC's Corporate Governance Monitor 2022, which reported percentages of women directors at 29% for the Top 100 companies and 20.5% for all PLCs. These figures represent progress toward closing the gender diversity gap and increasing women's representation in decision-making. However, there is a valid concern that companies may respond to the mandate by appointing women directors to fulfil the legislative quota without considering the attributes and contributions these directors can bring. Therefore, examining the impact of these appointments empirically and whether they lead to substantive contributions is crucial.

Moreover, despite significant progress in women's education and labour market participation (Department of Statistics Malaysia, 2023), women continue to encounter challenges in breaking into boardrooms, and their representation in these roles still lags behind their increasing workforce participation. The worldwide scenario mirrors this, and comparable challenges regarding the delayed adherence to gender diversity mandates have been highlighted in various nations, extending beyond Malaysia. This concern may stem from various factors. As outlined by Hillman et al. (2007), only large companies show a greater tendency to appoint a more gender-diverse group of directors, aiming to enhance legitimacy within the corporate hierarchy. This inclination to gender imbalance on boards is attributed to the persistent structural obstacles female board candidates face. Moreover, the representation of women on boards is influenced by the unique characteristics of individual companies and industries, as highlighted by Brieger et al. (2019). A survey conducted in the United States (Groysberg & Bell, 2013) documented that women had to be more qualified than men to break the glass ceiling. In addition, other than the tendency for male directors to be oblivious to the female directors' experience, the latter shared that they never felt like full members due to disconnection from their male counterparts. Likewise, a low level of women board representation is due to a lack of support and resources (Amaechi, 2018) and overt or subtle resistance to their authority from subordinates and peers (Weck et al., 2022). The findings suggest that the treatment from the other gender has dimmed women's aspiration to serve as board members, resulting in companies' slow compliance with this requirement. While global efforts to promote gender diversity are commendable, the reality remains that women are underrepresented in corporate leadership roles, and disparities persist among countries.

In addition to the perception that male directors are sceptical about appointing their female counterparts, another perspective as pointed out by Michele Kythe Lim, the President and Chief Executive Officer of the Institute of Corporate Directors Malaysia (ICDM), should be considered. She opined that the lack of women empowerment, support systems, and opportunities among Malaysian women has impeded companies' movements towards achieving the target (Kuen, 2023). The slow fulfilment could be caused by the women, who are apprehensive about taking the role. Therefore, it is critical to better understand this issue by conducting both quantitative and qualitative research. In the accounting field, mixed methods have been used in gender studies, albeit sporadically, in which in-depth interview data supplements the somewhat limited quantitative data (Lyonette & Crompton, 2008; Doherty & Manfredi, 2010; Assenga et al., 2018).

This study makes three significant contributions to the literature. Firstly, it assesses the current representation of women directors in the Top 100 companies based on the quality of corporate governance following the implementation of the legal mandate. This assessment is pivotal in evaluating the efficacy of the requirement. Secondly, unlike previous studies that primarily examined the relationship between women's participation and company performance, this research extends the scope by using Blau's diversity index to gauge the attributes of female directors in terms of ethnicity, nationality and competency. This measurement effectively captures variance within a group of individuals and is a suitable measure of diversity for categorical variables. In line with Brinkhuis and Scholtens (2018), this study utilises Tobin's Q to measure company performance. This measure aligns with investor perspectives and forward-looking considerations, making it more informative than accounting-based measures such as return on assets (ROA) and return on equity (ROE). Lastly, the study conducts interview sessions with the board of directors and senior management to gain raw input and further insights on board diversity issues. By engaging in qualitative discussions with the upper echelons, the study aims to gain insights that quantitative analyses alone may not capture, allowing for exploring nuances, perceptions, and contextual factors surrounding gender diversity on boards and contributing to a more comprehensive understanding. Furthermore, the qualitative approach seeks to uncover potential challenges and opportunities related to gender diversity that may not be apparent through quantitative data alone. By delving into the lived experiences and perspectives of the board of directors and top management, the study aims to identify factors that influence decision-making processes, board dynamics, and company performance. Lastly, while quantitative measures, such as Tobin's Q, provide important indicators of company performance, qualitative insights can complement these measures by offering a deeper understanding of the human and social aspects contributing to board effectiveness. The combination of quantitative and qualitative methods in this study thus strengthens its robustness and enriches its overall analysis.

This research delves into the impact of women directorships on company performance, going beyond mere gender proportion to consider factors like ethnicity, nationality and competency. Aligned with Sustainable Development Goal 5 (SDG 5), our study aims to contribute to advancing gender equality and women's empowerment. By exploring diverse attributes of women leadership, this study provides insights that extend beyond the mere presence of female directors. Furthermore, it selects company performance as the dependent variable, as investors have high expectations for the Top 100 companies in the sample, often considering them blue-chip companies with strong performance and adherence to MCCG recommendations. Thus, this research aims to identify the attributes of women directors that can enhance board quality and, by extension, company performance. Lastly, this study aims to rigorously analyse the influence of female directors on company performance by expanding our investigation to incorporate multiple economic periods reflecting differential financial distress risk. This involves examining the pre- and during-COVID-19 periods, aligning with the methodology employed by Khatib and Nour (2021). These insights are anticipated to provide valuable input to relevant government ministries, such as the Ministry of Women, Family, and Community Development, in advancing their critical national agenda of promoting gender equality and increasing women's participation in decision-making roles at all levels.

2. Literature Review and Hypotheses Development

2.1 Gender, Ethnicity and Nationality Diversity and Company Performance

Research on gender diversity in boardroom positions and its impact on companies has garnered significant attention. Cox and Blake's (1991) study found that diverse senior management teams can lead to broader decision-making perspectives, increased creativity, innovation, and effective marketing to a diverse clientele. However, diversity can also bring communication challenges and interpersonal conflicts, potentially harming companies.

Resource dependence theory significantly impacts research in corporate boards. Developed by Pfeffer and Salancik in 1978, resource dependence theory focuses on how organisations interact to exchange resources, emphasising the critical role of resources in a company's long-term success (Pfeffer & Salancik, 1978, p. 2). Hillman et al. (2000) expanded this theory, asserting that board diversity enhances a company's ability to navigate a complex and uncertain external environment by tapping into diverse expertise. Moreover, the researchers suggested that a diverse board enhances the functioning of organisations, whereby it brings together a broader range of information, connects with external stakeholders, signals a commitment to diversity, attracts individuals from diverse backgrounds, allows a better grasp of complex markets, and stimulates creativity and innovation. These advantages lead to more effective problem-solving by considering various perspectives, promoting openness and cultural sensitivity, and ultimately facilitating internationalisation (Fernández-Temprano & Tejerina-Gaite, 2020). Carter et al. (2010) echoed and postulated that women directors with external networks facilitate access to resources, improve communication with stakeholders, and contribute to sustained commitment to social and financial objectives, aligning with the predictions of resource dependence theory regarding the positive impact of gender diversity on business performance.

Numerous studies indicate that the presence of women on corporate boards positively affects the company's performance. In a multi-country analysis, Low et al. (2015) showed that having more female directors positively impacted company performance in Hong Kong, South Korea, Malaysia, and Singapore. However, in countries with high female economic engagement, the benefits of gender diversity appeared less pronounced, possibly due to tokenism or resistance to gender quotas. Further, Badru et al. (2019) show that women on corporate boards positively influence the allocation of IPO proceeds for investment opportunities in Malaysia. Kagzi and Guha (2018) identified a positive relationship between the board gender diversity index and company performance in India. In research conducted in the United States (Carter et al., 2003), the United Kingdom (Brahma et al., 2021) and Australia (Yarram & Adapa, 2023), scholars observed consistent findings indicating a positive correlation between women's representation on boards and company financial performance (both ROA and Tobin's Q) consistent with the notion that women exhibit distinct qualities such as patience, attention to detail, resilience, and thoroughness in task execution, in contrast to men. However, in terms of risk-taking, the perception that men are more prone to taking risks than women requires a re-evaluation, as the definition of risk varies between genders. Men typically engage in risks related to physical and financial aspects, while women are inclined to step out of their comfort zones, taking risks that could impact their reputation. Consequently, studies suggest women take as many risks as men (Sundheim, 2013; Devine, 2017).

Other than the traditional measurement, the proportion of women directors, previous studies also examined board gender diversity by assessing the power of group heterogeneity using Blau's Index. This is because both genders possess distinct attributes and contributions. Islam et al. (2023) found that a highly gender-diversified board stimulates a new outlook in the boardroom that eliminates homogeneous thinking in decision-making. Lee-kuen et al. (2017) reported that a well-balanced mix of women and male directors in Malaysia complements each other's perspectives, experiences, and approaches and enhances collaboration. In alignment with the resource dependence theory, these findings suggest the potential for women to positively impact company performance.

On the contrary, some studies found a negative link between board gender diversity and company performance. Heterogeneous gender boards often lead to conflicts, miscommunication, and divergent viewpoints (Wang et al., 2019). Nguyen et al. (2020) echoed these concerns in developing countries, suggesting that voluntary regulations yielded more positive results. Some research failed to identify a significant correlation between the proportion of women on boards and company performance (Iacoviello et al., 2015; Ionascu et al., 2018; Bustamam et al., 2022). Marquez-Cardenas et al. (2022) noted no improvement in company performance, partly due to underrepresented women on Latin American boards. Ramadan and Hassan (2021) reported that investors did not view board gender diversity positively.

As a result, the effectiveness of boards in achieving desired outcomes through the inclusion of women is uncertain, as academic research has yet to establish a clear and conclusive connection between gender diversity and board performance. Further research is needed to explore the impact of mandatory requirements in the Malaysian context, considering the identical regulatory framework imposed on companies. As such, this study's null hypothesis is presented as follows:

Hypothesis 1: Gender diversity on the board does not relate to company performance.

This study examines board diversity in Malaysia, where corporate boards reflect ethnic and national backgrounds due to the country's multi-ethnic nature and attractiveness to foreign investors. Carter et al. (2010) underscore the benefits of ethnic diversity on boards, enhancing decision-making on issues specific to diverse ethnic groups. Such diversity provides valuable insights to management for optimal corporate decisions, and companies with diverse boards receive positive perceptions from product and labour markets. Similarly, the increasing trends of globalisation and business expansion have altered the operational dynamics of businesses. This shift is evident in the tendency of companies to incorporate more foreign individuals onto their boards (Oxelheim et al., 2013; Schmid & Roedder, 2021).

Resource dependence theory is applicable in both developed and developing markets when examining the impact of board diversity on company performance. Singh (2007) found that ethnic minority boards possess substantial human and social capital due to advanced education and extensive social networks. This aligns with the challenges faced by companies operating in sectors where these directors are appointed, such as globalisation, increased regulation, corporate social responsibility, reputation management, learning, and increased interconnectedness. Additionally, aligned with the principles of resource dependence theory, research indicates that these foreign directors contribute expertise, knowledge, and new networks, collectively benefiting the company (Mnzava, 2022). All these aspects support the resource dependence explanation and demonstrate that companies appointing ethnic minority directors are responsive to calls for increased diversity (Singh, 2007; Carter et al., 2010).

Prior studies documented mixed findings on the effects of ethnicity and nationality diversity. Studies conducted in Malaysia suggest that an increase in ethnic diversity offers superior harmonisation, greater innovativeness and creativity, and a better quality of decision-making and oversight function, which eventually leads to a greater level of company performance (Marimuthu, 2008; Abdullah & Ku Ismail, 2013; Rahman et al., 2020). Similar findings emerged in Nigeria, where Ujunwa (2012) observed that board ethnicity and nationality diversity positively impacted company performance. In South Africa, board diversity is also positively correlated with market valuation, reinforcing the value of ethnic diversity in the stock market. A recent comprehensive study conducted in the Middle East and North African countries found that board diversity in ethnicity and nationality enhances pay-for-performance sensitivity (Sarhan et al., 2019). These results align with resource dependence theory's predictions that ethnic diversity enhances board independence, executive oversight, and decision-making and strengthens the organisation's external linkages for resource acquisition, ultimately improving market valuation (Ntim, 2015).

Meanwhile, Gul et al. (2016) found that ethnic diversity in Malaysia fails to influence company performance, possibly due to the heavy political connections in the country. A study by Eulerich et al. (2014) on board diversity attributes such as nationality predominantly revealed adverse effects on corporate performance. This could be attributed to the excessive internationality on boards, which may hinder communication among board members and impede decision-making processes in the German context (Eulerich et al., 2014). However, Sarhan et al. (2019) showed that diversity in director nationality positively affects corporate financial performance. Meanwhile, Fernández-Temprano and Tejerina-Gaite (2020) discovered that nationality mix is associated with higher performance levels only in the case of executive directors. The fragmented evidence on the ethnicity and nationality mixes on firm performance suggests that decisions regarding board diversity must consider cost-benefit considerations alongside moral values (Sarhan et al., 2019). In addition, Ruigrok et al. (2007) noted that foreign directors tend to be more independent, hold fewer directorships at other Swiss boards, and differ significantly in educational background, educational level, and board tenure. They concluded that effectively managing diversity on corporate boards requires understanding the characteristics, qualifications, and affiliations that these directors bring to the boardroom, emphasising the importance of considering national circumstances rather than relying solely on research from other countries.

Despite a plethora of studies on board ethnicity and nationality across different contexts, the benefits of board diversity along these dimensions remain highly contingent on the companies' specific environment and market maturity, necessitating further exploration within the dynamically evolving Malaysian market context. While the potential for a connection between the two diversity dimensions and company performance exists, the direction of this relationship lacks clarity. Hence, the null hypotheses are as follows:

Hypothesis 2: *Ethnic diversity among women directors does not relate to company performance.*

Hypothesis 3: *Nationality diversity among women directors does not relate to company performance.*

2.2 Competency Diversity and Company Performance

Human capital theory states that investments in education and training yield higher wages and lower unemployment rates. This theory emphasises the importance of human resource capital for organisations, such as education, skills, qualifications, and experience. A study by Kesner (1988) found that extensive experience is necessary for directors to serve on influential board committees. This led to the belief that the lack of experience is the reason for the low representation of women on corporate boards. However, Terjesen et al. (2008) debunked this myth by studying the human capital dimensions of new directors in FTSE 100 companies. They discovered that women are more likely to have MBA degrees, international experience, and university degrees, which positively impact company performance. Women also account for most university graduates in Europe and the USA. Therefore, it is reasonable to hypothesise that women on corporate boards enhance human capital and improve company performance.

Beyond social and ethical considerations, female representation on boards can provide access to a larger pool of human capital, benefiting a company's competitiveness and performance. Women have different values at the workplace, focusing on task accomplishment, high standards, challenges, attention to detail, self-development, and work-life balance. This makes them a valuable source of human capital with the potential for value creation and the ability to introduce new management practices. Ultimately, the representation of women on boards improves board functioning (Wellalage & Locke, 2013; Kulkarni & Mishra, 2022).

Studies have shown that board competency diversity affects a company's performance. Saha and Maji (2022) studied Indian companies and found a positive impact of board educational diversity on financial performance. Volonté and Gantenbein (2016) examined the relationship between human capital and internationalisation decisions. They found that director characteristics such as international experience, industrial know-how, CEO experience, and financial know-how influence company performance. Similarly, studies conducted in Malaysia showed that a competent board of directors leads to better board oversight and shareholder protection (Johl et al., 2015).

However, in the Indonesian context, Kontesa et al. (2020) found that only board networking and experience significantly affected company performance, not education. This suggests that shareholders should prioritise board members with extensive networking and experience. Studies have shown that gender diversity on corporate boards can enhance human capital, increase company performance, and improve board functioning. However, the impact of specific board characteristics may vary across different contexts. Despite human capital theory highlighting the importance of education and training for individuals and their contributions to organisations, the empirical evidence is less emphatic. In light of the mixed findings, this study postulates the null hypothesis as follows:

Hypothesis 4: Competency diversity among women directors does not relate to company performance.

3. Data and Methodology

3.1 Sample Selection and Data Collection

This paper employs a mixed methodology of primary and secondary data collection, where secondary data is taken from the annual reports (profiles of the women directors), Thomson Reuters

Datastream and Refinitiv Eikon dataset (financial data). To meet the study's goal, the sample comes from the Top 100 PLCs in Malaysia from 2018 to 2021 that appear in the Minority Shareholders Watch Group (MSWG) Corporate Governance Scorecard (Husnaini & Basuki, 2020; Teh, 2022). The rationale behind choosing companies listed on the MSWG Corporate Governance Scorecard lies in the anticipation that these PLCs are more likely to comply with the 30% women directors' requirement outlined in the MCCG 2017recommendations and other mandates from the Malaysian government (Lim et al., 2019; Rosli & Hasbolah, 2022; Ahmad et al., 2020). The sample covers periods before COVID-19 and during the COVID-19 pandemic, which extends past literature (Khatib & Nour, 2021; Qadri et al., 2023). This study contend that employing panel data analysis that covers multiple periods offers a richer and more thorough insight into the research topic.

The quantitative analysis using secondary data is supplemented with qualitative methodology using face-to-face and online interviews with the board of directors and top management of selected companies to understand further their views on gender diversity and its impact on companies' performance, as well as suggestions for policy recommendations from the industry practitioners themselves (please refer to the appendix for full interview protocol). The research team was able to get access to an interview with four listed companies, comprising companies that have achieved and have not yet achieved 30% of the women on board as per the recommendation of MCCG, to gain diverse views on the topic. The details of each interviewee are presented in Table 1 below:

Table 1: Summary of Interview Sessions Conducted

Method	Venue	Duration (minutes)	Designation	Board Gender Composition		Interviewee Gender	Industry Sector
				Male	Female		
Face to face	Head Quarters	60	Independent Non-Executive Director	4	3	Male	Telecommunication & Media
Virtual	Webex	48	Chief Corporate Officer	8	2	Male	Construction
Virtual	Webex	60	Head (Group People)	7	3	Female	Property
Virtual	Webex	60	Independent Non-Executive Director	4	2	Female	Plantation

Based on the Securities Commission report, there was a marginal improvement in the number of women directorships among PLCs, especially in 2020 (Securities Commission 2021: p. 8). Despite the continuous upward trajectory in trends throughout the sample period under consideration, this study identified a noteworthy occurrence wherein certain companies lacked gender equality on their boards or did not have at least one female member. This anomaly has raised questions regarding the efficacy of the board's gender diversity policy. Consequently, this research seeks to ascertain how companies address and respond to such calls for gender diversity.

The researcher followed the iterative coding process by O'Dwyer (2004) and Miles et al. (2014) of data reduction, display, and conclusion drawing/verification/interpretation. The audio was transcribed and analysed thematically to arrive at the common themes that cut across all interview transcripts.

3.2 Measurement for Dependent Variable

Table 2 contains the definition of the variables used in this study. For performance measures, this study follows the literature by using Tobin's Q (Jubilee et al., 2018; Nguyen et al., 2020). Tobin's Q represents the market expectations about future earnings. The rationale for selecting Tobin's Q as the measurement for company performance is that, compared to return on assets (ROA) and return on equity (ROE), Tobin's Q is less affected by accounting conventions and earnings manipulations. Tobin's Q is measured by the total market value of the company divided by the total asset value of the company (Lim et al., 2019; Brahma et al., 2021; Hosny & Elgharbawy, 2022).

3.3 Measurement for Independent Variables

Gender diversity is measured by the proportion of female directors (FEM) (Lim et al., 2019; Ahmad et al., 2020) and Blau's index (BLAU_GEN). In addition, this study further explores the diversity of female directors' attributes. This study measures ethnic diversity (BLAU_ETH) based on the three largest ethnic groups in Malaysia, namely the Malays, Chinese and Indians, followed by other races. This study believes that as a multiple-ethnicity country, Malaysia provides a unique setting to evaluate the pros and cons of ethnic diversity, as Rachagan et al. (2015) and Gul et al. (2016) suggested. This study also includes nationality diversity (BLAU_NAT) by identifying local and foreign women directors. Past studies show that directors' nationality and company performance produced varied findings (Estelyi & Nisar, 2016). Finally, for competency diversity (BLAU_COM), this study employs four categories based on female directors' education level, i.e., Bachelor, Masters, Doctoral and others (Singh et al., 2015).

Table 2: Definition of Variables

Items	Acronym	Operational Definition	Supporting Literature
Tobin's Q	Tobin's Q	Total market value divided by the total asset value of the company	Brahma et al. (2021); Hosny & Elgharbawy (2022)
Gender Diversity	FEM	Percentage of female directors on board	Lim et al. (2019); Ahmad et al. (2020)
	BLAU_GEN	Blau's index $= 1- [(a/e)^2 + (b/e)^2]$ note: a = number of male directors b = number of female directors e = total directors	Gul et al. (2016)
Ethnic Diversity	BLAU_ETH	Blau's index $= 1- [(a/e)^2 + (b/e)^2 + (c/e)^2 + (d/e)^2]$ note: a = number of Malay female directors b = number of Chinese female directors c = number of Indian female directors d = number of female directors from other races e = total female directors	Rachagan et al. (2015); Gul et al. (2016)
Nationality Diversity	BLAU_NAT	Blau's index $= 1- [(a/e)^2 + (b/e)^2]$ note: a = number of local female directors b = number of foreign female directors e = total female directors	Estelyi & Nisar (2016)
Competency Diversity	BLAU_COM	Blau's index $= 1- [(a/e)^2 + (b/e)^2 + (c/e)^2 + (d/e)^2]$ note: a = number of female directors with bachelor degrees b = number of female directors with masters degrees c = number of female directors with PhD d = number of female directors having other qualification e = total female directors	Singh et al. (2015)
Company Size	FSIZE	Natural log of total assets	Gul et al. (2016; Hosny & Elgharbaw (2022)
Independent Director	BIND	Percentage of independent board members	Gul et al. (2016); Hosny & Elgharbawy (2022)
Audit Firm Size	BIG4	1 if a company is audited by Big4 auditors and 0 otherwise	Gul et al. (2016)

3.4 Empirical Model

This study examines the association between female directors and company performance by estimating the following regression model:

$$\text{Tobin's Q} = a_0 + \beta_1(FEM\ or\ BLAU\_GEN) + \beta_2 BLAU\_ETH + \beta_3 BLAU\_NAT + \beta_4 BLAU\_COM + \beta_5 FSIZE + \beta_6 BIND + \beta_7 BIG4 + \varepsilon \quad (1)$$

where company performances are measured by Tobin's Q. Experimental variables, consist of FEM or BLAU_GEN, BLAU_ETH, BLAU_NAT and BLAU_COM. The model included control variables such as company size, independent directors and audit firm size, similar to past studies (Gul, 2016; Hosny & Elgharbawy, 2022), as shown in Table 2. This study additionally performed the Breusch-Pagan/Cook-Weisberg test to identify any heteroscedasticity concerns. The results revealed a Prob>chi2 value of 0.00, indicating that the variables are suitable for analysis and no heteroscedasticity issues were detected. A link test for model specification was conducted to validate the robustness further. The findings indicate that the squared predictions exhibit explanatory power (Prob > F = 0.00, Root MSE = 0.91), confirming the adequacy of our model specification.

4. Discussion of Findings

4.1 Descriptive Statistics

Table 3 summarises the descriptive statistics of the dependent, experimental and control variables for 400 firm-year observations from 2018 to 2021. Regarding dependent variables, the average for Tobin's Q is 2.07, with a minimum of -4.64 and a maximum of 6.24. This study's average Tobin's Q is slightly higher than Lim et al. (2019), which is most likely because this study's sample comprises the Top 100 PLCs that are market leaders with strong corporate governance practices. Regarding the experimental variables, for FEM and BLAU_GEN, the average values are 26% and 0.34, which means the majority of firms in our sample have not met the target of 30% female directorship. The minimum value of zero for FEM and BLAU_GEN indicates that some boardrooms are still reluctant to appoint female directors despite encouragement from the Malaysian government. The maximum values of 80% and 0.5 for FEM and BLAU_GEN, respectively, indicate that there are companies where female directors exceed male directors as well as a balanced number of male and female directors. Similarly, for BLAU_NAT, the results exhibit that some companies recruited all local female directors, whilst a number of companies have a balanced number of local and foreign women directors. Moving onto BLAU_ETH, results showed that several companies appointed women directors from one race (minimum of 0.00), whilst some companies have a highly diversified ethnicity among women directors (maximum of 0.75). These results bode well as Malaysia is a multicultural country, and companies are expected to integrate directors from different races. As for BLAU_COM, the minimum and maximum diversity of 0.00 and 0.67, respectively, illustrate the practice of recruiting women directors from the same education level, as well as from diverse education levels.

Concerning control variables, the total assets of the sample firms range from RM37 million to RM857 billion, with an average of RM4.2 billion. Additionally, 30% of board members are independent directors and four-fifths of the sample firms are clients of the Big 4 audit firms.

Table 3: Descriptive Statistics

Item	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Tobin's Q	-4.64	6.24	2.07	2.18	-0.97	1.68
FEM	0.00	80.00	26.13	14.26	0.48	0.32
BLAU_GEN	0.00	0.50	0.34	0.13	-0.99	0.50
BLAU_ETH	0.00	0.75	0.19	0.24	0.57	-1.44
BLAU_NAT	0.00	0.50	0.02	0.11	3.65	11.51
BLAU_COM	0.00	0.67	0.24	0.25	0.16	-1.77
FSIZE	17.44	27.48	22.16	2.46	-0.20	-0.66
BIND	0.00	93.75	30.24	28.82	0.09	-1.65
BIG4	0.00	1.00	0.80	0.40	-1.50	0.26

Refer Table 2 for variable definitions. N=400

Table 4 shows the diversity trend of female directors' attributes over the sample period. Generally, gender and nationality diversity among female directors remain stable. However, there is a gradual rise in the ethnic and competency diversity among female directors, with BLAU_ETH increasing from 0.18 in 2018 to 0.21 in 2021, whereas BLAU_COM increases from 0.21 to 0.26 between 2018 and 2021. The average BLAU_GEN of 0.34 suggests that the majority of the Top 100 firms have not met the 30% representation of women directors from 2018-2021.

Table 4: Trend in Ethnicity, Nationality and Competency of Female Directors

Period	2018		2019		2020		2021	
Variables	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**
BLAU_GEN	0.34	0.14	0.34	0.13	0.34	0.13	0.35	0.11
BLAU_ETH	0.18	0.23	0.19	0.24	0.18	0.241	0.21	0.25
BLAU_NAT	0.03	0.12	0.02	0.11	0.03	0.11	0.02	0.09
BLAU_COM	0.21	0.24	0.24	0.24	0.25	0.25	0.26	0.25

Refer Table 2 for variable definitions.

4.2 *Quantitative and Qualitative Analysis*

Table 5 reports the ordinary least squares regression analysis on the association between board gender diversity (FEM in Panel A and BLAU_GEN in Panel B), the three specific attributes of women directors and company performance (indicated by Tobin's Q). The adjusted R^2 is 54% in both models, suggesting a reasonable model fit. Both FEM and BLAU_GEN are not significant, suggesting that having board gender diversity does not enhance market performance, consistent with previous studies by Iacoviello et al. (2015) and Ionascu et al. (2018).

Concerning the women directors' attributes, BLAU_ETH positively influences company performance with a coefficient (t-value) of 0.72 (2.92) and 0.68 (2.73) in Panel A (B), respectively. Corresponding with resource dependence theory, the results show that ethnic diversity among women directors could lead to better decision-making and more effective corporate governance (Fernández-Temprano & Tejerina-Gaite, 2020). By considering a more comprehensive range of viewpoints, diverse ethnicity among women directors can make more informed and balanced decisions, positively impacting company performance. Besides, the reasons behind this relationship include diverse perspectives in decision-making, enhanced risk management, talent retention and attraction, and improved stakeholder trust and reputation. These factors are conducive to more robust company performance and market valuation (Kagzi & Guha, 2018). Another attribute of diversity namely competency among female directors, measured by the BLAU_COM, also positively affects the firm performance for both Panels with a coefficient (t-value) of 0.63 (2.47) and 0.52 (2.04). However, diversity in the nationality of female directors (BLAU_NAT) does not necessarily bring diverse perspectives, experiences, and expertise from their experience in different countries to the decision-making process (Sarhan et al., 2019). This insignificant result could be due to the deficient presence of foreigners among female board members in Malaysia, as indicated by the average BLAU_NAT of a mere 0.02 (see Table 3). The control variables FSIZE and BIND correlate with company performance but not BIG4.

Table 5: Regression on the Association between Board Gender Diversity, Specific Attributes of Women Directors and Tobin's Q

	Panel A		Panel B	
Item	**Coefficient**	**t-value**	**Coefficient**	**t-value**
(Constant)	11.99	14.89***	11.94	14.63***
FEM	-0.01	-1.34		
BLAU_GEN			-0.18	-0.34
BLAU_ETH	0.72	2.92***	0.68	2.73***
BLAU_NAT	0.73	1.64	0.61	1.38
BLAU_COM	0.63	2.47***	0.52	2.04**
FSIZE	-0.55	-15.58***	-0.55	-15.53***
BIND	0.01	4.51***	0.01	4.54***
BIG4	0.02	0.15	0.03	0.17
R^2	0.55		0.55	
Adj R^2	0.54		0.54	
F-value	53.72		52.80	
Significance	<0.001		<0.001	
Year	Yes		Yes	
Root MSE	1.11		1.11	
Breusch-Pagan	34.78		34.90	

***, **, * refer to significant levels at 1%, 5% and 10%
Refer Table 2 for variable definitions.
N = 400

The research asserts that there is a relationship between gender diversity in company leadership (specifically on the board) and positive organisational outcomes. These outcomes can be attributed to several factors. For instance, gender diversity is believed to contribute to a broad range of perspectives within the company's decision-making processes. This diversity can lead to more comprehensive and well-informed decisions, as individuals bring unique viewpoints shaped by their varied experiences and backgrounds. Companies with gender diversity are posited to be more attractive to talent. This diversity can contribute to a positive organisational culture and attract a wider pool of skilled individuals, ultimately aiding talent retention and recruitment efforts. To substantiate the claim that appointments of female directors prioritise quality over quantity, PLCs with gender diversity are posited to be more attractive to talent. This diversity can contribute to a positive organisational culture and attract a wider pool of skilled individuals, ultimately aiding talent retention and recruitment efforts. Our finding suggests a counterpoint by showing that having multi-national female directors on the board (BLAU_NAT) might not necessarily bring the expected diversity in perspectives, experiences, and expertise.

Qualitative data from interviews suggests that the competency of the appointed directors is a leading indicator of whether they would add value to the board, making the board more effective in influencing its overall performance. The interviewees emphasise the importance of the candidates' quality, such as their experience, education, expertise, character, probity, and how the newly appointed director will fit into the current dynamics of the board, more than whether they are female or male. This aligns with the quantitative finding that a higher proportion of women directors may not necessarily impact company performance, supporting the notion that the quality of directors is paramount. Companies also look at the current board composition and the nature of the industry they operate in to look at the gap to be filled by the new appointment to complement the board. This has been demonstrated by how a construction company finds a suitable director by looking at the gap in the current board's expertise that is too heavy on financial expertise. Hence, they look for candidates with more construction-related technical expertise to fill in the current board gap in terms of competency:

> *"You can't just look at gender. Yes, you know, you got to look at other criteria. You've got to look at, the experience and the skills gap within the board. Our board, at the moment is too financial, potentially with too much financial*

expertise. And what we need is actually more industry expertise. So, what we're trying to do is get some female engineers, directors with property development experience, engineering experience, and finding those isn't easy. Because, okay, you know, you've got to look at the character to have a well-functioning board. It's not just about diversity, you know, you've got people that are able to communicate. Well, that people that can articulate, people that can work, collaboratively with the other board members and the management as well. That's when you have a very well-functioning cohesive board."

[Chief Corporate Officer, Construction Company]

The same interviewee also noted that competent female directors have contributed tremendously to the board with valuable and constructive insights, bringing fresh perspectives and inquiring more before making any decisions.

"We've had some amazing female directors in the past. We, we had a lawyer by background and the insight she brought into the board are fantastic. Really fantastic. Really added a lot of value, um, and came up some really constructive ideas and, uh, you know, and the way she communicated was fantastic as well. You know, so all board members, regardless they're male or female, have to have those traits; it is not just about diversity."

[Chief Corporate Officer, Construction Company]

Hence, it is apparent that beyond board gender, appointments of new directors should look at diversity in competency and overall fit with the board dynamics as a contributing factor of an effective board that could bring a positive outcome to the company's bottom line, as shown by both primary and secondary data analysis above.

Considering the insignificant findings for FEM and BLAU_GEN on company performance (Tobin's Q), this study performed additional tests by considering the types of directorship, namely percentage of executive female directors on the board (FEM_ED), percentage of non-independent non-executive female directors on the board (FEM_NINE) and percentage of independent non-executive female directors on the board (FEM_INED), which perhaps could provide additional insights. The rationale for replacing FEM and BLAU_GEN with FEM_ED, FEM_NINE and FEM_INED is that Malaysia's national agenda is seen to have its focal point on increasing the number of women directors, irrespective of their executive or non-executive roles. Perhaps more emphasis should be given to women directors holding management positions.

Table 6 presents the multiple regression analysis using FEM_ED, FEM_NINE, and FEM_INED. The results suggest that executive women directors have a stronger positive influence on market performance than independent or non-independent non-executive women directors. Consistent with the main findings, ethnic diversity and competency diversity among women directors are the primary drivers of Tobin's Q.

Table 6: Regression on the Effects of Types of Women Directorship and Specific Attributes of Women Directors on Tobin's Q

	Panel A		Panel B		Panel C	
Item	**Coefficient**	**t-value**	**Coefficient**	**t-value**	**Coefficient**	**t-value**
(Constant)	0.01	15.57	11.88	14.84	11.93	14.92
FEM_ED	0.01	1.80*				
FEM_INED			0.00	0.72		
FEM_NINE					-0.00	-1.40
BLAU_ETH	0.69	2.91**	0.66	2.78***	0.70	2.88***
BLAU_NAT	0.60	1.36	0.63	1.44	0.68	1.54
BLAU_COM	0.51	2.28**	0.45	1.97**	0.48	2.12**
FSIZE	-0.54	-16.30***	-0.56	-15.53***	-0.55	-15.53***
BIND	0.01	4.77***	0.01	4.23***	0.01	4.37***
BIG4	0.04	0.23	0.04	0.27	0.04	0.26
R^2	0.55		0.55		0.54	
Adj R^2	0.54		0.54		0.53	
F-value	54.19		52.75		52.76	
Significance	<0.001		<0.001		<0.001	
Year	Yes		Yes		Yes	
Root MSE	0.92		0.92		0.92	
Breusch-Pagan	27.99		36.72		36.51	

***, **, * refer to significant levels at 1%, 5% and 10% two-tailed, respectively.
FEM_ED = Percentage of executive female directors on board; FEM_NINE = Percentage of non-independent non-executive female directors on board; FEM_INED = Percentage of independent female directors on board; Other variables are defined in Table 2.
N = 400

Furthermore, this study conducted additional regression analysis on the association between board gender diversity, specific attributes of women directors, and Tobin's Q by partitioning the sample period into pre- and during COVID-19, as shown in Table 7. This study classified 2018 and 2019 as pre-COVID-19 and 2020 and 2021 as during COVID-19 period, quite similar to Khatib and Nour's (2021) study. For the pre-COVID-19 period, female executive directors positively influenced Tobin's Q. As for female director attributes, BLAU_ETH and BLAU_COM positively influenced Tobin's Q during COVID-19 period. For the pre-COVID-19 period, none of the diversity of female director attributes has a significant effect on Tobin's Q.

Table 7: Regression on the Effects of Types of Women Directorship and Specific Attributes of Women Directors on Tobin's Q for Pre-COVID-19 and COVID-19 Periods

		Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Pre-COVID-19	(Constant)	11.33	13.34	11.65	13.69	11.68	13.71
	FEM_ED	0.01	2.42*				
	FEM_INED			0.00	0.05		
	FEM_NINE					-0.00	-0.52
	BLAU_ETH	0.61	1.57	0.58	1.47	0.62	1.53
	BLAU_NAT	1.03	1.39	0.99	1.30	1.04	1.36
	BLAU_COM	0.40	1.10	0.31	0.82	0.32	0.87
	FSIZE	-0.52	-12.88***	-0.53	-12.89***	-0.53	-12.97***
	BIND	0.01	3.81***	0.01	3.63***	0.01	3.56***
	BIG4	-0.14	-0.62	-0.16	-0.74	-0.17	-0.75
R^2		0.53		0.51		0.51	
Adj R^2		0.51		0.49		0.49	
F-value		30.22		28.52		28.59	
Significance		<0.001		<0.001		<0.001	
Year		Yes		Yes		Yes	
Root MSE		0.92		0.92		0.92	
Breusch-Pagan		27.99		36.72		36.51	
During COVID-19	(Constant)	12.01	15.31	12.14	15.93	12.22	16.03
	FEM_ED	0.00	0.91				
	FEM_INED			0.00	1.34		
	FEM_NINE					-0.00	-1.48
	BLAU_ETH	0.76	2.17**	0.72	2.07**	0.76	2.18**
	BLAU_NAT	0.68	0.07	0.14	0.19	0.19	0.25
	BLAU_COM	0.05	2.04**	0.62	1.86*	0.66	1.99**
	FSIZE	-0.57	-15.32***	-0.58	-15.85***	-0.57	-15.79***
	BIND	0.01	4.03***	0.01	3.77***	0.01	3.68***
	BIG4	0.23	1.10	0.28	1.35	027	1.30
R^2		0.59		0.60		0.60	
Adj R^2		0.58		0.59		0.59	
F-value		40.21		40.56		40.69	
Significance		<0.001		<0.001		<0.001	
Year		Yes		Yes		Yes	
Root MSE		0.92		0.92		0.92	
Breusch-Pagan		27.99		36.72		36.51	

***, **, * refer to significant levels at 1%, 5% and 10% two-tailed, respectively.
FEM_ED = Percentage of executive female directors on board; FEM_NINE = Percentage of non-independent non-executive female directors on board; FEM_INED = Percentage of independent female directors on board; Other variables are defined in Table 2.

4.3 Additional Quantitative and Qualitative Analysis

Table 8 replaces the dependent variable Tobin's Q with ROA measured by total net income divided by total asset and ROE measured by total net income divided by total equity.Using accounting returns to measure firm performance yields lower explanatory power, as compared to using Tobin's Q, as reflected by R2. In Panel A, the result shows theat BLAU gender diversity positively influenced ROA, and diversity in nationality among female directors has positive association with both ROA and ROE.

Table 8: Regression on the Association between Board Gender Diversity, Specific Attributes of Women Directors and Accounting Returns

Model	**Panel A**				**Panel B**			
Item	**ROA**		**ROA**		**ROE**		**ROE**	
	Coef.	**t-value**	**Coef.**	**t-value**	**Coef.**	**t-value**	**Coef.**	**t-value**
FEM	0.00	0.71			-0.00	-0.05		
BLAU_GEN			0.09	2.05**			0.12	0.64
BLAU_ETH	0.04	1.47	0.03	1.27	-0.00	-0.05	-0.02	-0.26
BLAU_NAT	0.15	2.30**	0.15	2.28**	1.17	3.37***	1.15	3.38***
BLAU_COM	0.01	0.47	0.00	0.00	0.09	1.27	0.06	0.86
FSIZE	-0.00	-1.32	-0.00	-1.36	-0.01	-1.65*	-0.01	-1.69*
BIND	0.00	1.94*	0.00	2.01**	0.00	2.47***	0.00	2.53***
BIG4	0.01	1.22	0.01	1.38	0.04	2.26**	0.04	2.44**
(Constant)	0.05	0.18	0.04	0.37	0.21	1.88*	0.18	1.53
R^2	0.08		0.09		0.17		0.17	
Adj. R^2	0.07		0.08		0.16		0.16	
Root MSE	0.09		0.31		0.09		0.31	

***, **, * refer to significant levels at 1%, 5% and 10% one-tailed, respectively.
ROA = Total net income divided by the total asset value of the company; ROE = Total net income divided by the total equity value of the company; Other variables are defined in Table 2.
N = 400

All interviewees know the current regulation that listed companies in Malaysia must have at least one woman on board and the recommended 30% of women on board. Some may support this policy as an enabler to help women climb the corporate ladder and reach the boardroom. However, others express that other initiatives are more effective in achieving this objective. First of all, since there is difficulty in finding competent women candidates with C-suite experience that could add value to the board, it is suggested that the policy not only covers the board level but trickle down to the management level where training and exposure could be given to women and preparing them for the board, hence increasing the pool of credible women to be elected to the board, as recommended by the Independent Director of a telecommunication and media company as follows:

> *"So, you must have women who have been in the C-suite so they can graduate to the board. So, now, we have this slight disconnect where we have a mandate to fill boards. However, there is a scarcity of women who have had C-suite experience. So, we will go through a bumpy period. Moreover, that is maybe why your data is not conclusive that women translate into better bottom line financial results. It is because we don't have enough women who have got the C-suite experience who then can really truly add value, which is what has happened in the mature markets. So, you could argue that we need to go further than the boards. Drive it into the management."*
>
> [Independent Director, Telecommunication & Media Company]

Secondly, regarding training and exposure to be 'board ready' through management position, as mentioned above, upskilling, training and certification initiatives should be the main focus of governing bodies to achieve diversity objectives. This is both mentioned by the Independent Director of Plantation Company as well as the Chief Corporate Officer of the Construction Company as follows:

> *"The strategy, they need to think out the strategy to achieve that policy. Look at the current strategy, maybe it's not enough. To re-look at the strategy, what works, what doesn't. It can't remain the same. Not policy, strategy that can promote a lot of women in the board. I'm not sure whether the trainers of board of directors can play a bigger role in making introductions. It's not good only you pay them, they train you, and off you go. You can bring the certificate and that's it."*
>
> [Independent Director, Plantation Company]

> *"Women must be board ready. It's not something you just go into; you must be board ready. You must understand, you know, your issues, duties. You have to understand board governance, you know, you can't, you know, it's not something you walk into."*
>
> [Chief Corporate Officer, Construction Company]

Thirdly, to achieve the diversity objective, more demand for women directors needs to be created by limiting the number of years and the number of boards that a director can sit on (where appointments in subsidiaries also have to be counted as one and not lump together as one group of companies even though the director sits on ten subsidiaries within the group as it jeopardises the quality of the director's oversight on board matters), and restricting family members to be appointed to the board (for family-owned companies). This is essential to speed up the turnover of directors and ensure there is a diverse board with healthy tension within, where directors are not so familiar with each other that they no longer ask difficult questions regarding critical decisions for the companies.

> *"So, the government has already mandated a percentage of women, right? So what else can you really do? It is for me to increase the demand for women. So how do you do that? Right now, you look at some boards and some directors have been there forever, right? Singapore has just put in a new rule that says no director can be more than 9 years, but they can become non-independent, you can do two-tier voting to get them in. They can sit there forever. Go and look at some of these, especially the family-owned companies. Not family-owned, they are public listed, but they are dominated by a family. You can see all the siblings are on the board. I mean that is not a very diverse board, right? So again, family ties on the board maybe should be reduced. You cannot have family members on board."*
>
> [Independent Director, Telecommunication & Media Company]

Lastly, having a balance of women on the board of directors is pivotal as described by Head (Group People) of Property Company, recognising the benefits that diverse perspectives, including those of women, can bring to decision-making processes within companies. The interviewee also emphasises the need for creating a database of potential women candidates for board positions for companies to tap into a pool of talent that may have been overlooked or underrepresented in the past. This not only benefits individual women by providing them with opportunities for professional advancement but also enriches the talent pool available to companies seeking qualified board members, hence could became a catalyst in promoting gender diversity, fostering inclusive decision-making processes, and aligning with best practices in corporate governance for Malaysian PLCs:

> *"We would like to see a lot of women to be on board as board of directors to have a balance. When it comes to decisions, perhaps we women should be listened to. If they make sound justification for certain projects or certain decisions that needs to be made, I think women should be given that opportunity. Probably for the government of the day, you know…like I said, look at the database. It's not the same people being elected as board of directors A, B, C, but give that opportunity to other women. Yes. They have not been discovered, but of course, we are very competent. So, I'm sure there are a lot of them out there."*
>
> [Head (Group People), Property Company]

5. Conclusion and Implications

This study addresses a notable gap in the research on board diversity, specifically within the context of women directors in Malaysia. While extensive studies have been conducted on board diversity, with a particular focus on gender diversity, there has been a dearth of research exploring the specific attributes or characteristics of women directors that may potentially enhance company performance. The impetus for this study arises from the promising increase in the presence of women directors in the Top 100 Malaysian PLCs in recent years. In response to this trend, this research takes a more comprehensive approach by examining the diversity of attributes among women directors, including ethnicity, nationality and competency. The study broadens the discourse on board diversity by drawing on insights from an integrative multi-theory approach, encompassing resource dependence and human capital theories.

This study contributes to the existing body of knowledge in several ways. Firstly, the study breaks new ground by transcending the traditional focus on the mere presence and percentage of women directors. Previous literature predominantly revolved around these numerical aspects. However, the study adopts Blau's diversity framework, scrutinising attributes like competency, ethnicity, and nationality. Surprisingly, the study findings challenge the conventional belief that an increased percentage of women directors alone leads to enhanced company performance. Instead, the diversity in attributes emerges as a driving force, highlighting the paramount importance of the quality of women directorships.

Secondly, uniquely positioned at the intersection of quantitative analysis and qualitative depth, the study is among the pioneers in a dual-dimensional approach. Beyond statistical rigour, the study engages in insightful interviews with directors and senior managers, providing a nuanced understanding of board dynamics. This integration of qualitative insights solidifies and enriches the quantitative findings, offering a comprehensive and holistic view of the intricacies within the boardroom.

The study's implications extend beyond the boardroom, resonating with regulators, policymakers, and companies alike. The conventional wisdom that a higher number of women directors directly correlates with improved company performance is dispelled. Instead, the study urges stakeholders to focus on diversifying attributes, particularly competency, ethnicity, and nationality among women directors. This revelation advocates for formulating and implementing regulations fostering such diversity, thereby enhancing board dynamics and fortifying company performance.

Recognising the dearth of talent pool readiness, the study underscores the critical role of investing in training initiatives. This goes beyond the board level, reaching senior managers. The proactive encouragement of early training for senior managers addresses the talent shortage and empowers women directors with essential skills. This strategic approach aligns with the broader goal of nurturing a pipeline of qualified individuals ready to contribute effectively at the board level. Finally, the study proposes reviewing policies related to directorship characteristics, including multiple directorships, long tenure, and positions in family-owned companies. Limiting these characteristics could help mitigate complacency and entrenchment, potentially leading to more effective corporate governance.

Our research transcends the conventional narrative, offering a paradigm shift in understanding the nuanced dynamics of women directors in Malaysia. The findings contribute to academic discourse and provide actionable insights for stakeholders to shape policies and practices that foster genuine diversity and enhance overall corporate performance. Furthermore, this study's findings hold substantial implications for key stakeholders, including regulators, policymakers, and companies. It suggests that the mere appointment of more women directors may not yield significant advancements in company performance. Instead, the study emphasises the critical role of diversifying competency, ethnicity, and nationality among women directors to enhance board dynamics and concurrently strengthen company performance. This insight can catalyse Malaysian regulators and policymakers to consider implementing regulations promoting diversity within women directors and the boardroom.

Although our findings hold up across various econometric models, this study has certain limitations; notably, this study only considered competency, ethnicity and nationality as the attributes of women directors. As such, future studies may extend the female director attributes-performance nexus by incorporating other attributes such as age, experience, expertise and political ideologies Moreover, future research could extend the board diversity realm by measuring competency diversity based on the directors' professional certificates. Lastly, this study only used human capital and resource dependence theories to answer the research objectives. Future research may, therefore, rely on other theories like upper echelon and legitimacy theory, which can provide additional insights.

In conclusion, this study significantly contributes to board diversity and the role of women directors in enhancing company performance. It underscores the need to move beyond a narrow focus on numerical representation and instead consider the diversity of attributes among women directors. The research offers practical recommendations for stakeholders to improve corporate governance and performance in the Malaysian context.

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Appendix

INTERVIEW PROTOCOL

1. To examine the level of diversity for directorship positions in Malaysian public listed companies.
   i. What do you think about board gender diversity as a whole?
   ii. What do you think about board gender diversity in your company?
   iii. Are you satisfied with the current state of your board's gender diversity?

2. To explain how board gender diversity attributes affect the company performance.
   i. Do you think board gender diversity could affect your company?
   ii. Could you please explain your appointment criteria to join the BOD?

Probes: Are there any diversity/government requirements being considered? If yes, they have a gender diversity requirement: Is it because of the unique attributes that women and men could offer? And to adhere to the government's encouragement and mandatory requirement?

   iii. Do you think female and male directors are different? Why? Give an example.
   iv. What attributes do you look for in appointing women directors? (competency, age, ethnicity, nationality)

v. Other than gender diversity, what are other diversity attributes that you look for in an efficient board? E.g., competency, age, ethnicity and nationality (especially for women directors)
vi. Do you think women directors influence the company's ESG performance and disclosure? If yes, how? Do you have any examples?
vii. Is it hard to find a good candidate for a women's directorship? What is your experience with this?

3. To make recommendations to policymakers and business leaders on setting gender diversity Guidelines based on the strengths and weaknesses of inclusive culture.
   i. If you were given a chance to make some proposals to the government in an effort to improve women's participation on the decision-making level, what would that be?

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