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Women in the Malaysian Boardroom: The Case of Quota vs. Quality

Nurul Afidah Mohamad Yusof*, Zuriawati Zakaria,
Chia Mei Si, Muhammad Ashraf Anuar
Faculty Business and Finance, Universiti Tunku Abdul Rahman, Malaysia
**afidahj@utar.edu.my*

Abstract

In its initiative to promote gender equality, the government of Malaysia had imposed a 30% quota in 2011 for women to be part of the decision makers in the corporate sector. This paper examines the evolution of women directorship on corporate boards in Malaysia, as well as their respective profiles from the perspective of academic qualification, independence, commitment, industry experience, financial background, and multiple directorships during the pre- and post-quota period. The findings indicate an increase in the women representation on corporate boards from 2010 to 2018. A closer look into the women directors' profiles indicates that there was a positive shift from the pre- to post-quota from the perspective of academic, independence, commitment, industry experience, financial background, and multiple directorships. In other words, the appointment of women directors in Malaysia has generally been made based on quality, not just to make up the numbers in the quota.

Keywords:
Corporate governance;
Gender diversity;
Quota;
Quality;
Women directors.

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1. Introduction

The issue of gender diversity in the boardroom has been one of the much-publicised agendas in corporate governance. Evidently, there is a growing demand for more women to be given the opportunity to undertake top leadership positions in corporations. Deloitte (2015, 2017) highlighted that the number of countries with government legislation or relevant programme on gender diversity in the boardroom has increased from 13 countries in 2011 to 49 countries in 2014 and 64 countries in 2016. Nowadays, the presence of women directors is becoming more relevant and important (Lunawat et al., 2021). A study shows that there were only 10.6% women board members in the Fortune 1000 companies in 1996 and in 2017, the number of women board members in Fortune 500 companies has been recorded as 20.2% (Frances, 2018). Daily and Dalton (2003) suggested that companies with no woman director are exposed to the risk of negative publicity because the absence of women directors may imply unequal opportunities. To avoid any negative publicity, major stakeholders are becoming more at ease and appreciative upon the appointment of women directors (Lückerath-Rovers, 2009).

In the effort to increase the recruitment of women for the top leadership positions, countries across the globe have implemented various degrees of legislation (Chan et al., 2021). For instance, Australia has established the "If Not, Why Not" self-disclosure and censure programme; while Malaysia and India seem to be more aggressive with their quota-based system and strong legislative encouragement. Notwithstanding the tactic adopted by these countries, these policies

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are seen to have initiated the intended positive changes (Stevenson & Norris, 2016). In particular, Malaysia and India have evidenced a significant increase in the woman directorship appointments as a result of their respective government policies. Meanwhile, in the U.S., the state of California had passed a law in 2018, which requires at least three women on the boards of each California-based public corporation by 2021 (Green, 2018). Potentially, there are more states in the U.S. to follow suit (Green & Vittorio, 2018).

While it is conjectured that there is a significant positive correlation between boardroom gender diversity and corporate performance, the existing literatures show mixed results. While some studies (Lückerath-Rovers, 2009; Campbell & Minguez-Vera, 2010; Abdullah et al., 2012; Abdullah et al., 2016; El-Khatib, & Joy, 2021) suggested that women directors create economic value (based on the accounting and market performance of the firm), their presence in the boardroom is unfortunately discounted and undervalued by the market. Interestingly, Conyon and He (2017) found that the positive relationship between gender diversity and firm performance is dependent on the type of firms, whereby larger positive impact of gender diversity is found in high performing firms than their less-performing counterparts. The offered plausible reasons are that the latter is less likely to attract highly qualified women directors, and less effective in exploiting board members' human capital and social capital. Mitra et al. (2021) also suggested that shareholders are more supportive towards the women director’s appointment. This effect is even more apparent when the existing board has low or no female representation in it.

On the other hand, some other studies (Chauhan & Dey, 2017; Bauweraerts, et al., 2017) failed to establish any significant relationship between the presence of women directors and firm performance. For instance, Chauhan and Dey (2017) found that there was no relationship between women directorship and firm performance in India because of their low participation in the strategic decision-making process. Similarly, Fernández-Temprano and Tejerina-Gaite (2020) did not find significant support for the relationship between gender diversity and firm performance in the Spanish corporate setting. It was argued that the impact of board gender diversity on firm performance could not be fully understood from a unidimensional analysis. This is because there are also cognitive and behavioural factors which should be considered in analysing the board dynamics. It is also interesting to note that Yang et al. (2019) concluded that a more gender-balanced board perform neither better nor worse than an all-male board. Instead, a more gender-balanced board is unique because it performs differently as a result of the distinct priorities and different view on the strategic management matters.

It is also argued that the mere presence of women directors is insufficient to materialise the benefits of women directorship. Instead, examining the proportion of women board members in relation to firm performance is more relevant. For instance, Yap et al. (2017) did not find any significant relationship between the presence of women directors and firm performance; however, the relationship turned positive when gender diversity was examined based on the proportion of women directors. In a similar vein, Campbell and Minguez-Vera (2007) found that in Spain, when women directorship was measured in terms of its presence, there was no impact on the firm’s value. However, when women directorship was measured using the percentage of women directors, a positive impact was observed. Azmi and Barrett (2013) highlighted that the effects of having women directors become more significant when certain thresholds, i.e., three or more, are reached. Kramer et al. (2007) suggested that a board with higher women participation is more dynamic, supportive, and collaborative. It will also make women directors more comfortable to discuss and share their views and hence increase their effectiveness (Elstad & Ladegard, 2012). Studies in Norway conducted by Torchia et al. (2011) and Joecks et al. (2013) also found similar results. Torchia et al (2011) recommended a threshold of 30% women board members whilst Joecks et al. (2013) proposed three or more women board members. However, Pathan and Faff (2013) suggested that the appointment of women directors beyond a certain threshold might also decrease the possibility of appointing more capable male directors.

The notion of better firm performance with certain thresholds of women representation on the board resonates with the decision of some countries to enforce quota policy for board gender diversity (Tuo et al., 2021). As suggested by Abad et al. (2017), gender diversity has a significant positive impact on the stock market, and this further supports the law requirement for higher proportion of women directors in several countries. Lee and Shin (2021) highlighted that the mandated gender quota for large public companies in Korea resulted in positive responses from the investors. In particular, the gender quota has improved the firm value, especially for companies with little gender diversity. However, a study by Ahern and Dittmar (2012) concluded that gender quotas harm the governance quality and firm value. The imposition of the gender quotas was found to have resulted in a dramatic change in the board composition not only in terms of gender representation, but also in terms of age, education, and experience. This implies the possibility of younger and less experienced female directors to be newly appointed just to comply with the quota requirement. However, theoretically, the quota itself is not a problem. It is the implementation that should be observed accordingly. The quality of the appointed women directors is indeed the crux of the matter. As highlighted by Stevenson and Norris (2016), companies with more experienced women directors can contribute to a healthier corporate performance. Hopefully, this will bring corporations towards achieving a more balanced board representation.

This paper examines the evolution and the quality of women directors in public listed corporate boards by analysing their profiles based on academic qualification, independence, commitment, industry experience, financial education, and multiple directorships. Ultimately, this paper aims to examine the correlation between the quality of women directors and the implementation of the 30% quota policy for the Malaysian corporate sector. For the purpose of this study, the 30% quota for women board members policy is referred to as the board member diversity policy. This paper mainly expects to contribute to the literature by offering an insight regarding the effectiveness of the gender quota policy in the corporate boardroom.

The subsequent section elaborates the Malaysian development regarding gender board diversity which makes the country a good setting for this research. The following section presents the theoretical framework supporting this research, and its respective research questions. This is followed by the research methodology section. The next section offers the result and its respective discussions. Finally, the last section concludes the research findings.

1.1 The Malaysian setting

In its initiative to promote gender equality, Malaysian government has imposed a 30% quota for women to be part of decision-makers in the public sector agencies in 2004. In 2011, a similar policy was approved, requiring 30% women in decision-making positions in the corporate sector. Subsequently, another government policy was announced in 2017, which extended the 30% women composition to the public listed corporate boards, expected to be achieved by year 2020 (Baharudin, 2021).

In addition to the government's 30% quota, the Malaysian Code on Corporate Governance 2012 has also promoted board diversity whereby companies are encouraged to devise action plans so that women candidates are not left out in the recruitment process (MCCG, 2012). The focus on gender diversity in the boardroom was made even stronger in the most recent Malaysian Code on Corporate Governance 2017 whereby at least 30% of the board members in "Large Companies" have to be made up of women (MCCG, 2017). Generally, it also encourages companies to ensure that women are considered for both the board positions, as well as the senior management positions in the recruitment exercise. The training and experience in the senior management positions will ultimately serve as the talent pipeline for future board candidacy. In a similar vein, Malaysia had launched its own 30% Club in May 2015. The 30% Club started as a campaign in the U.K., aiming at achieving a minimum of 30% women involvement on the Financial Times Stock Exchange-100 (FTSE-100) boards, and it has currently been extended to 12 other chapters worldwide.

Despite being the tool to push for the gender diversity agenda, quota policy has been criticised for potentially being a merely box-ticking exercise. It becomes a concern that in obliging the quota, women directors are appointed for diversity requirement rather than for their talent. However, at the same time, it is deemed to be necessary to have quotas in place. Otherwise, without enforcement, the progress would probably be very slow (Saieed, 2019). It is also noteworthy that while many countries have imposed such a quota to encourage boardroom gender diversity, many of them, including Malaysia, do not impose any sanction for non-compliance (Seierstad et al., 2017). This is sometimes being referred to as the "soft law" board gender quotas, whereby the worst that could happen is probably the "name and shame" by the relevant authorities. However, it could still assert pressure on the companies, hence resulting in women being appointed as directors in haste and without comprehensive consideration. In addition, Lee and Shin (2021) also indicated that there is an interplay between the mandated quota with the firm and board characteristics which influences the policy's effectiveness. Therefore, while gender diversity in the boardroom is certainly an applaudable idea, the agenda has to be carried out meticulously. It is believed that quality should take precedence over the quota that is set by the government.

According to the Global Gender Gap Report (World Economic Forum, 2020), women in Malaysia face larger gender inequalities compared to other countries in Southeast Asia in terms of gender parity based on four indicators, which are health and survival; economic participation and opportunity; education attainment; and political empowerment. In 2006, Malaysia was ranked at 72 for global gender gap ranking and placed 104th among 153 countries in 2020, well below Singapore by half. Furthermore, females only hold 20.4% of the senior roles in the workforce. To date, there is a lack of study that examine the impact of quota policy imposed by the Malaysian government. Thus, an analysis on the quality of women representation on public listed corporate boards from various perspectives during pre- and post-quota policy is used to bridge the research gap.

1.2 Theoretical Framework

The studies on the topic of gender diversity in boardrooms have been discussed in light of multiple theories. This research is developed based on two main theories, namely the Agency Theory and the Resource Dependence Theory. Firstly, the Agency Theory arises from a contractual relationship between a principal and agent who are engaged to represent the principal in dealings with a third party. The concern in this contractual relationship is that while the agent has been conferred with a certain extent of authority to make decisions on behalf of the principal, there are uncertainties with regards to whether the agent indeed acts in the best interest of the principal. The adaptation of the Agency Theory in works involving the theory of the firm was popularly introduced by Jensen and Meckling (1976). Secondly, the Resource Dependence Theory was introduced in the seminal work by Salancik and Pfeffer (1978). It highlights the role of the board of directors as the critical link between the firm and external resources. It is suggested that board diversity brings in valuable resources to the boardroom that may help to increase firm performance in accomplishing better economic outcomes (Arioglu, 2019; Hillman et al., 2000).

By and large, the two main functions of board of directors are monitoring and advisory. Both of these functions are reflected in the chosen theories in this research. Agency Theory focuses on the monitoring function, whereby the board of directors evaluate management decisions. According to the Agency Theory, board gender diversity is positively related to board independence, and consequently results in the alignment of the management and shareholders' interests (Mallette & Fowler, 1992). Meanwhile, Resource Dependence Theory focuses on the advisory function, whereby the board of directors acts as a link to important external resources. Diverse directors are also expected to bring with them unique information and connection that can ultimately improve their advisory function to the firm (Reddy & Jadhav, 2019).

Based on the two theories discussed above, it is apparent that gender diversity in the boardroom is expected to enhance board effectiveness in carrying out their duties due to the independence and valuable resources aspects that women directors could bring to the boardroom. Therefore, in view of the implementation of the 30% quota policy for the Malaysian corporate boards, it is worthwhile to examine if the policy implementation is merely a box-ticking process, or it has been implemented in the spirit of better governance. Therefore, this research examines the quality of women directors before and after the said policy implementation. It is hypothesised that if there is a significantly positive change in the quality of the appointed women directors between these two periods, it indicates that the companies have given a serious consideration in appointing their respective women directors on the board, rather than just simply complying with the quota requirement.

1.3 Data and research methodology

The sample data used in this study was obtained from companies listed in FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) for a period of 9 years i.e., from 2010 to 2018, which covers the before and after the quota policy implementation in the Malaysian corporate sector. FBMKLCI is a capitalisation-weighted index which comprises the 30 largest companies by market capitalisation on the Bursa Malaysia's Main Market. However, only 29 companies were included in the research sample due to the incomplete data of one company. Large companies were chosen in this study for two reasons. Firstly, they are bound to follow the latest MCCG2017 requirements of the 30% women directors quota policy. Secondly, large companies have both the resources and capacity to readily adopt the policy compared to the smaller companies (Abdullah, 2014). Furthermore, most of these companies scored top notch in corporate reporting transparency (Tan, 2019).

It is indeed difficult to get a completely objective way to measure the intangible qualities of an exceptional board member. Working within this caveat, this study refers to previous literature and the best practices requirements by the relevant authorities (e.g., Securities Commission Malaysia, Bursa Malaysia) in examining the profiles of the respective women directors in Malaysia. The profiles of the women directors were examined based on six characteristics, i.e., academic qualification, independence, commitment, industry experience, financial background, and multiple directorships.

The data were extracted from the companies' official websites and annual reports for the 9-year period. A descriptive analysis was used to report the evolution and quality of women directorship in Malaysia. Meanwhile, an inferential analysis, namely paired sample statistics, was used to examine the correlation between the quality of the women directors and the implementation of the 30% quota policy. They were analysed by using the Statistical Package for Social Science (SPSS). The operationalization of these profiles is presented in Table 1.

Table 1: Operationalization of Profiles

Profile Perspective	Operationalization
Academic Qualification	Categories of academic qualification: Bachelor degree, Master's degree / Professional qualification, Ph.D.
Independence	Independent or Non-independent director
Commitment	% of board meeting attendance
Industry Experience	Previous experience relevant to the firm's industry
Financial Background	Any formal education in business
Multiple Directorships	Dummy 1 for 2 - 5 directorships; Otherwise, 0

1.4 Results and discussion

The following sections present the descriptive analysis on the development of women representation on public listed corporate boards, and the profile analysis based on the six selected criteria.

1.4.1 Evolution of women representation on the board

Prior to the diversity policy implementation, it is obvious that majority of the companies did not have any women representation on their boards. However, starting from 2012, it was found that there were more companies with women directors compared to those without. It is also very interesting to see that in 2018, all companies had women representation on their boards. Nevertheless, the percentage of companies which have reached the 30% threshold is still very low whereby the highest percentage recorded was 23.33% in 2017.

Figure 1 illustrates the evolution of women directorship in Malaysia from 2010 to 2018, whereby firms are classified into three categories, i.e., no woman director, less than 30%, and more than 30% women directors. It is noteworthy that the positive evolution of women directorship found in this study may be attributed to the quota policy set by the government in 2011 and 2017.

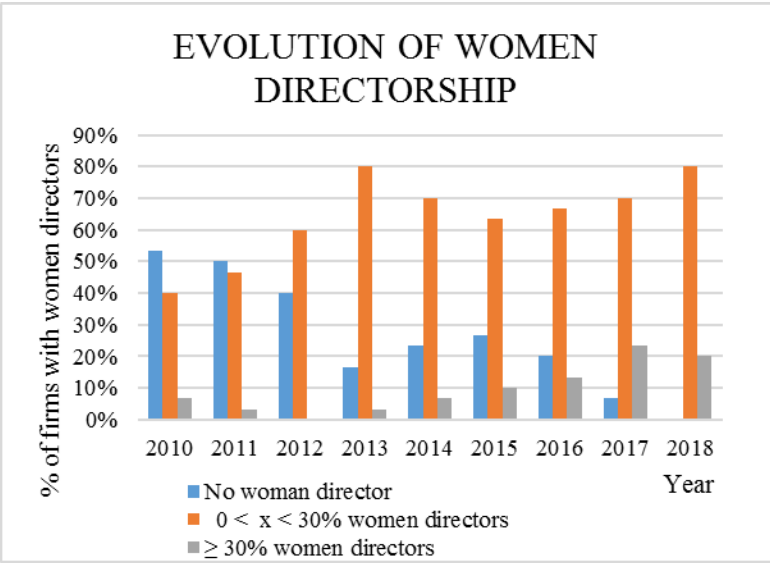

Figure 1: Evolution of Women Directorship

1.4.2 Academic

As highlighted in their seminal work on the upper echelon theory, Hambrick and Mason (1984) suggested that demographic characteristics are indeed important for any crucial strategic decision making in corporations. In line with this view, Jung and Ejermo (2014) suggested that educational background is one of the demographic aspects of the board member which have substantial effect on the organisational decision making.

Figure 2 illustrates the academic background of the women directors in this study from 2010 to 2018. The results indicate that majority of the women board members are bachelor's degree holders, followed by master's degree and doctorate degree holders. There was none holding an academic qualification lower than the bachelor's degree level. Therefore, this suggests that women directors in this study basically have the necessary knowledge foundation that would enable them to carry out their duties and responsibilities as a board member accordingly. Hence, this signals how companies emphasise on quality to select woman directors in achieving the quota imposed by the government.

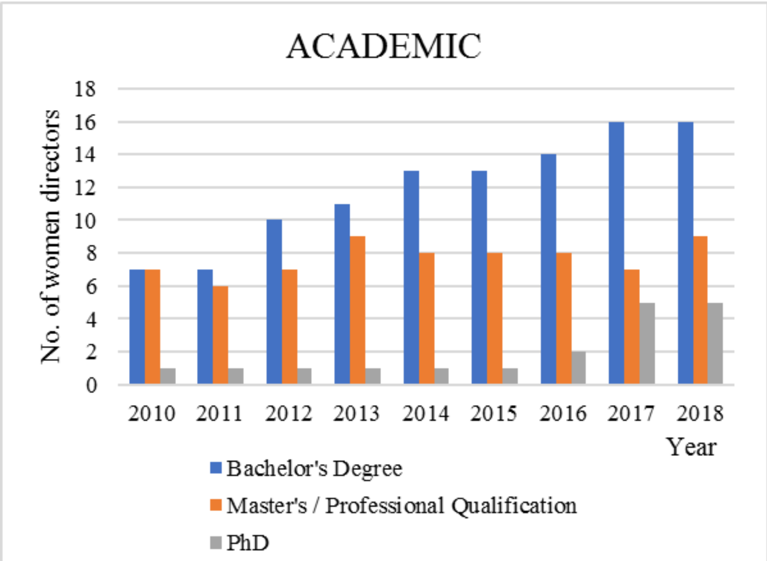

Figure 2: Academic Background of Women Director

1.4.3 Independence

Board independence is important as it engenders public trust. Therefore, the independent director status implies the high accountability of these women in carrying out their board duties. Figure 3 illustrates the independence status of the women directors in this study from 2010 to 2018. The data shows remarkable increase in the number of independent women directors, starting with 14 in 2010 to 50 in 2018. This indicates a growing trend where women play more prominent roles in the boardroom over time. In addition, it is also found that starting from 2012, the number of independent women directors exceeded the number of non-independent women directors. The increase in the number of independent women directors would benefit companies because it gives additional monitoring on their board of directors towards reducing agency problem.

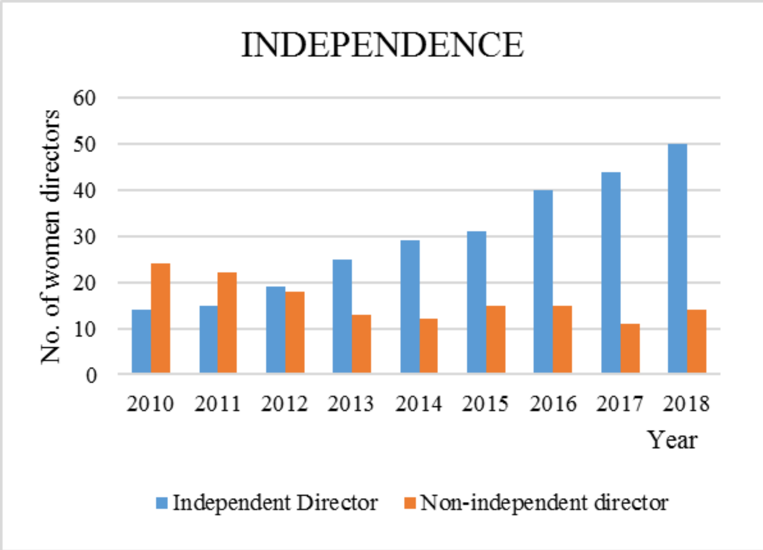

Figure 3: Independence Profile of the Women Directors

1.4.4 Commitment

Board commitment is another important quality for business development which helps firms to achieve their business objectives and resolve their respective problems. The commitment of the board members could be measured by their board meeting attendance for a given financial year. Board meeting attendance represents the work seriousness and provides first-hand assessment of business problems (Al-Matari et al., 2014). Generally, board meeting attendance could be used as a proxy for the quality of board supervision and board diligence (Palaniappan, 2017). Figure 4 illustrates the commitment profile of women directors in this study from 2010 to 2018. It shows that of 65% to 85% of the women directors had full attendance throughout this period. The results indicate high commitment among majority of the women directors.

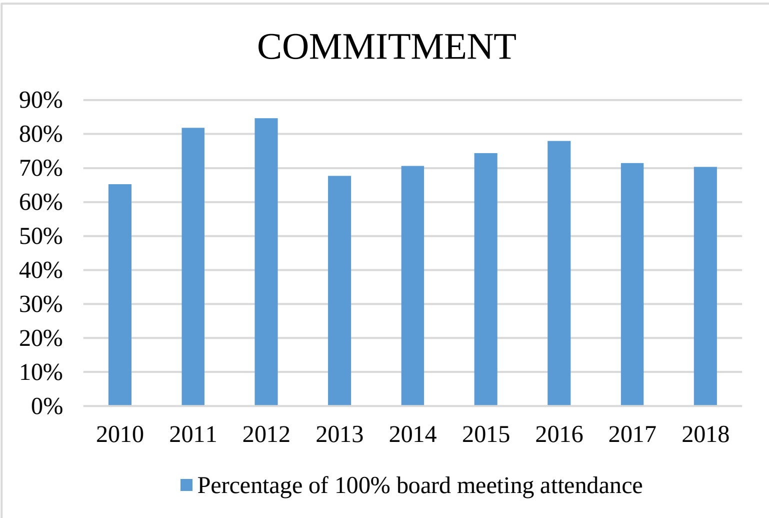

Figure 4*: Commitment Profile of the Women Directors*

1.4.5 Industry experience

The upper echelons theory (Hambrick & Mason, 1984) suggests that the monitoring and supervision of the directors are influenced by their mental constructs. As iterated by Tejerina-Gaite and Fernández-Temprano (2020), this could be observed from the directors' career/industry experience. A generally experienced board director is deemed to be very valuable in making superior decisions which ultimately leads to better firm performance. A board director is considered to be experienced if he has served many companies as management team or board member throughout his career life. However, it is believed that experience which comes from the industry that is closely related to the company whose board he is sitting on would provide an edge in the supervision and decision-making process. This paper examines the experience of the women directors in the industry that is particularly relevant to the company whose board she is sitting on.

Figure 5 illustrates the industry experience profile of the women directors in this study from 2010 to 2018. The results indicate that the number of women directors with previous relevant industry experience showed a gradual increase each year from 2010 to 2018. Starting with only 19 women directors in 2010, the number increased to 50 women directors in 2018. There was only marginal difference in 2011, but the difference between those with and without prior industry experience became more significant from year 2012 to 2018, ranging from 9 to 36. This positive progress is a good indicator that the appointments of these women directors are more likely to be based on merits rather than fulfilling the given quota.

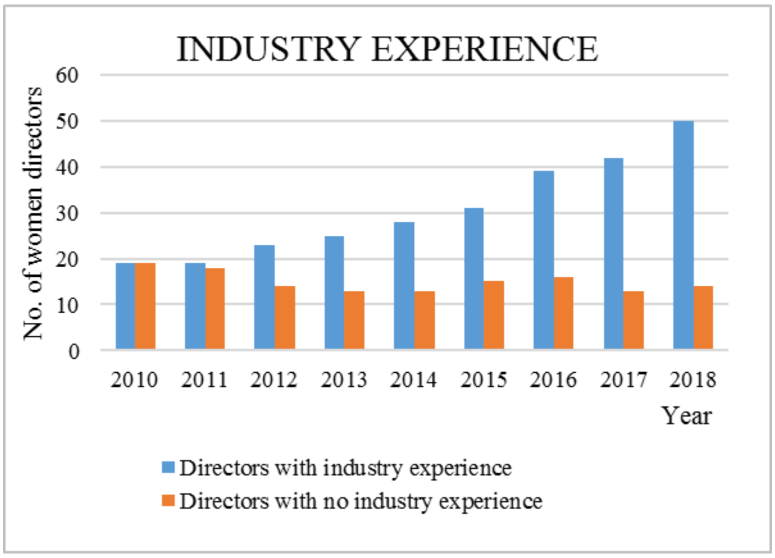

Figure 5: Industry Experience Profile of the Women Directors

1.4.6 Financial education background

Having financial background is certainly an advantage to a board member. The basic knowledge and ability to read, understand, and interpret financial statements will help the board members to better comprehend the complex business transactions and their respective impacts in their decision-making process. This is in line with the conjectures by Ahmad et al. (2019), in examining the moderating role of accounting qualifications on the relationship between proportion of women directors and firm performance. In addition, the case of Rolls Royce provides interesting anecdotal evidence on how the lack of accounting and finance representation on the corporate boards contributed to the downfall of the company in 1970's (Mahadeo et al., 2012). Figure 6 illustrates the financial education profile of the women directors in this study from 2010 to 2018. The results indicate that women directors with financial education outnumbered those without financial education in each of the nine years. The gap between these two was also wider, i.e., 37.5% in 2010 to 56.25% in 2018. This suggests that these women directors are mostly capable from the perspective of financial education background. It is believed that by having financial education, these women directors will be able to cope with the various dimensions of business decisions, hence creating additional values to the companies. This is another indicator that the appointment of these women directors is more likely to be based on merits rather than merely fulfilling the given quota.

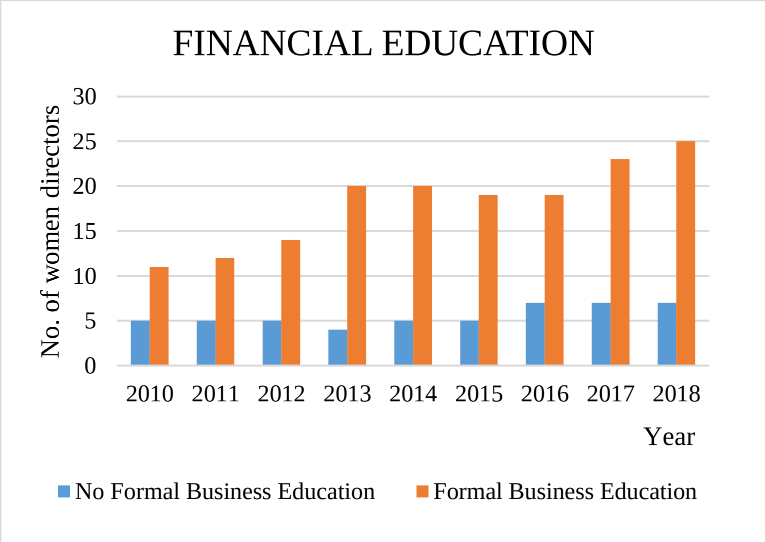

Figure 6: Financial Education of the Women Directors

1.4.7 Multi directorship

In judging the effectiveness of a board member, it is also important to consider the number of boards he is sitting on. According to the Quality Hypothesis, being on multiple boards provides certain advantages such as networking and knowledge of other industries. Meanwhile, the Business Hypothesis suggests that directors on multiple boards would be too busy to the extent that they may not be able to effectively monitor the management, leading to high agency costs (Abdul Latif et al., 2013).

In view of both hypotheses, Bursa Malaysia Main Market Listing Requirements allows the board members to sit on multiple boards but restricted to a maximum of 5 listed companies. Figure 7 illustrates the multiple directorships profile of the women directors in this study from 2010 to 2018. In 2010 to 2012, the number of women directors with multiple directorships is well below those with one appointment. However, in 2013 to 2018, a growth in the number of women directors with multiple directorships is observed. Generally, the results indicate that there was an increase in the number of women directors who hold multiple (within the range of 2 to 5) directorships as permitted by Bursa Malaysia, i.e., from 13 women directors in 2010 to 45 women directors in 2018. This implies good quality of the appointed women directors from the perspective of their monitoring and supervision ability.

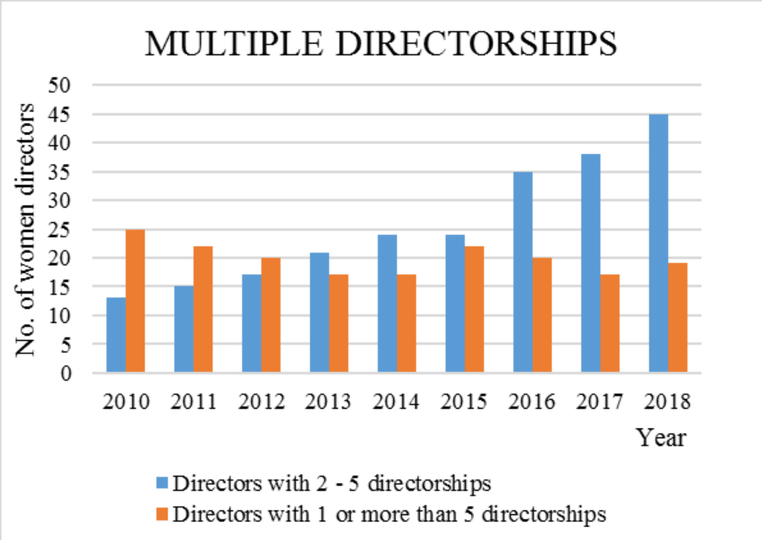

Figure 7: Women Directors Holding Multiple Directorships

1.4.8 Profiles of women directors during pre- and post-quota period

Table 2 shows the paired mean differences in academic qualification, independence, commitment, industry experience, financial education, and multiple directorships of women directors in top-30 listed companies in Malaysia for the years 2010 to 2018. The board member diversity policy was implemented in 2012. Therefore, the years 2010 to 2012 were termed as pre-policy period and the years 2013 to 2018 were termed as post-policy period. In general, women involvement as board members increased during post-quota period with the implementation of MCCG 2012. In terms of board position, on average, the pair differences show that post-quota had higher numbers of women holding independent director positions with 0.71 compared to pre-quota with only 0.38. The academic qualification of women directors was also higher with 2.25 on post quota, complimented by higher financial background and industry related experience at 0.68 and 0.66, respectively. The commitment shown by the women directors increased post-quota, from 0.95 to 1.41. The same trend is found for women holding multiple directorships, whereby the mean points almost doubled in post-quota period, with 0.62 compared to 0.36 in the pre-quota period.

Table 2*: Profiles of Women Directors during Pre and Post Quota Period*

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Academic_Pre	1.5162	29	1.4169	0.2631
	Academic_Post	2.2528	29	0.8420	0.1564
Pair 2	Independence_Pre	0.3755	29	0.3763	0.0699
	Independence_Post	0.7093	29	0.2955	0.0549
Pair 3	Commitment_Pre	0.9455	29	0.8243	0.1531
	Commitment_Post	1.4083	29	0.5741	0.1066
Pair 4	Industry_Pre	0.4803	29	0.4474	0.0831
	Industry_Post	0.6803	29	0.3810	0.0707
Pair 5	Financial Background_Pre	0.4079	29	0.4157	0.0772
	Financial Background_Post	0.6648	29	0.3332	0.0619
Pair 6	Multiple Directorships_Pre	0.3624	29	0.3983	0.0740
	Multiple Directorships_Post	0.6162	29	0.4510	0.0838

As shown in Table 3, the quality or profiles of women directors based on the characteristics of academic qualification, independence, commitment, industry experience, financial background, and multiple directorships were statistically significant at 1% level between the pre- and post-quota period. Overall, this suggests that systematic differences between pre- and post-quota were apparent in the examined profiles of women directors upon the call for gender diversity in the boardroom by the MCCG 2012.

Table 3*: The Quality of Profile of Women Directors*

Paired Samples Statistics									
		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		*t*	*df*	Sig. (2-tailed)
					Lower	Upper			
Pair 1	Academic_Pre - Academic_Post	-0.7366	1.1258	0.2091	-1.1648	-0.3083	-3.523	28	0.001
Pair 2	Independence_Pre - Independence_Post	-0.3338	0.3261	0.0606	-0.4579	-0.2097	-5.512	28	0.000
Pair 3	Commitment_Pre - Commitment_Post	-0.4628	0.6388	0.1186	-0.7057	-0.2198	-3.901	28	0.001
Pair 4	Industry _Pre – Industry _Post	-0.2000	0.3592	0.0667	-0.3366	-0.0634	-2.999	28	0.006
Pair 5	Financial_Pre – Financial_Post	-0.2569	0.4201	0.0780	-0.4167	-0.0971	-3.293	28	0.003
Pair 6	Multiple Directorships_Pre – Multiple Directorships_Post	-0.2538	0.4543	0.0844	-0.4266	-0.0810	-3.009	28	0.005

1.5 Conclusion

In the effort of governance and institutional reforms in Malaysia, the agenda of women empowerment and gender equality have often been on the front-page news. The 30% quota policy is one of the measures taken to promote these agendas. However, while the objective is commendable, it is the implementation of the quota policy that needs careful consideration. It is important for these women directors to be appointed as board members for the right reasons, and not a mere 'box-ticking' appointment. This paper examines the evolution of women representation in the boardroom, as well as the profiles of the respective women directors of the Malaysian public listed companies on the KLCI. The findings are positive in terms of both the quantity and quality. The trend indicates that for a period of 9 years from 2010 to 2018, there was an increase in the women representation on corporate boards. A closer look into the profiles of the women directors indicates that there was a positive shift from the pre-quota to the post-quota in terms of the quality from the perspective of academic, independence, commitment, industry experience, financial background, and multiple directorships. In other words, the appointment of the women directors in Malaysia has generally been made based on quality, not just to make up the numbers in the quota. The findings suggest that the initiatives taken by multiple agencies in promoting greater participation of women in the boardroom have shown promising results. Therefore, current initiatives should be continued and further improved in order to advance this agenda to the next level. Overall, this study highlights the evolution and the profiles of the women directors in Malaysia, which could be taken as the level and quality of gender diversity in the Malaysian corporate boardroom. With cautious interpretation, it also provides an indicator to the policymakers with regards to the effectiveness of the implementation of quota policies.

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