Research Paper

Impact Women on Board (WOB) on Firm’s financial Performance: A study of Malaysia’s Public Listed Companies

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ABSTRACT

This study seeks to establish the impact women on board (WOB) towards the financial performance of Malaysia’s Public Listed Companies. This research were done on 52 companies of Public Listed registered in Bursa Malaysia which covered the period of 2010 to 2015, total observation of 260 firms/years. The independent variables to measure presence women on board include number women on board (NWOB), percentage women on board (PWOB) and number female non-executive directors (NFNED). The dependent variables used in this research are return on assets (ROA), return on equity (ROE) and return on capital employed (ROCE). The study adopted descriptive and explanatory research design. Also this study used a cross sectional and time series data collection approach that was analysed using E-views software. The observation of 260 firms/years was selected using simple random sampling. The collected data was analyzed using descriptive means, Pearson correlation and multiple linear regression via E-views. Regression analysis was employed in examine the impact and influences of WOB. Thus, the findings shows that NWOB, PWOB and NFNED has significant relationship on ROA, ROE and ROCE, except found insignificant relationship between PWOB and ROA. Besides, variables PWOB and NFNED has positive impact on the three measure; ROA, ROE and ROCE but has negative impact from NWOB on the three financial measure. The uniqueness of this paper that the study of NFNED and ROCE as few research only done in this relationship. This show the remarkable of this study as the relationship show positively significant for Malaysia’s Public Listed Companies. Although this study included only 52 companies, future studies may include larger sample by conducting more organizations and sectors and might re-examine the insignificant relationship between PWOB and ROA.

KEY WORDS: Corporate Governance, Women on Board, Financial Performance, Public Listed Companies, Malaysia.
1. Introduction

The purpose of this research is mainly focus to study the female representation on corporate board and the impact on firm financial performance that would be examined on Malaysia Public Listed Companies. Globally, over more than past two decades, the issue of female representation on corporate board has increased noticeably across several markets as to examine the impact on corporate performance. Initially, the pioneering work of this research topic was made by Morrison et al.’s (1987) with the title of “Breaking the Glass Ceiling”, that one of the discussions was the influence of women presence in corporate performance. Proceeding to the subject women on board, it has grab the attentions of many researchers across globally in developed and developing countries. (Smith, Smith and Verner, 2005; Qian, 2016; Adams and Ferreira, 2008)

The issue women on board were debated over the years due to several arguments and acceptance from number of past research. The main argument mostly question on whether more female representation affect the firm financial performance and also why fewer women representing in corporate board. Resulting from the arguments, it has produce acceptance from most researchers that lead them come up with an initiative to enhance more women to represent the corporate board, such initiative are amending law or board gender quota (Singh and Terjesen, 2008)

However, the current issue that, why women could not reach the top management position as the men do and also the problems in achieving the target amended in the firms for women percentage (Herring, 2009). This is a surprising qualm as more women than men graduate from university, yet fewer women than men make it to the career leader (Storvik and Teigen, 2010)

The contribution of this research paper is to understand the good corporate governance elements in a company that focusing on board gender diversity.

Research Objectives

- To study the influences of number women on board towards the financial performance of Malaysia’s Public Listed Companies.
- To study the influences of percentage women on board towards the financial performance of Malaysia’s Public Listed Companies.
- To study the influences of number female non-executive director towards the financial performance of Malaysia’s Public Listed Companies.

2. Literature Review

The underlying concept of corporate governance is based on the view of separation of ownership and management in large corporations which was first identified. Ultimately, corporate governance act as a mechanism to safeguard the interest of shareholders or owners and broader ranger stakeholder. Over the years, the role of BOD has progressed which has led from serving legal requirements to actually achieving the goals of company to move forward. A BOD act as an important corporate governance mechanism which is the quality of decision- making and corporate monitoring (Campbell & Minguez-Vera, 2008).

Further looking into the theoretical discussion, Jensen & Meckling's (1976), agency theory is one of the underlying theories of the corporate governance that analyses the relationship among managers, employees, boards and shareholders. This highlights the responsibilities of managers as the agents of owners and the roles of board as the agents of owners. (Alvarado et al, 2011) Further, Resource dependence theory views board member as contributors of tangible and intangible assets that are vital for firm’s performance (Pfeffer & Salancik, 1978). Besides, according to Pfeffer & Salancik, (1978) boards are able to connect the top management to the external environment that protect critical resources thus this role is regard as the economic function of the boards. In addition, Stakeholder theory denotes that the management need to safeguard their long-term interest and
fulfill their fiduciary duty to the stakeholders and thus influences the role of the board according to Abrams (1951), it specifies that a corporate entity consistently seeks to deliver a balance stakeholder interest so that each interest constituency may obtain degree of satisfaction (Alvarado et al., 2011). Lastly, Human Capital Theory specifically examines the role of individual’s education, knowledge, experiences and skills in improving productive and cognitive capabilities that promote individual and the firm (Becker, 1964) and Singh et al. (2008) claim that this theory is the basis in analyzing gender’s differences among directors (Dunn, 2012).

Looking into recent empirical studies, Tu, Loi, and Yen (2015) investigated the impact gender diversity in the board of directors on firm’s performance and find that percentage of women on board has positive and significant impact on ROA and ROE in Malaysia. Rose, Munch-Madsen & Funch (2013) study the impact of female board representation on corporate performance on Nordic countries that consist of Denmark, Sweden, Finland, Norway and Germany of for year examined on 2010. The percentage women on board shows significant positive influence on ROA, ROE and ROCE in line with old study. Yasser (2012) examined the relationship of board gender diversity and impact on firm performance that conducted in Pakistan by using data of Karachi Stock Exchange (KSE) observed from 2008 to 2010 and the results shows no significant results between the board gender diversity and firm performance in Pakistan. Lastly, Darmadi (2011) examines the association between board gender diversity and financial performance on the 169 companies listed in Indonesia Stock Exchange (IDX) By using the Multivariate Analysis, it was found that the ROA and Tobin Q has significant relationship negative with gender diversity.

To begin with, it is proven that the company’s maturity has an influence on the composition of the board (Carter et al. 2002). A high level of board diversity has been found to be positively related to profit levels, greater returns on equity (ROE), larger total returns to shareholders and greater returns on assets (ROA) (Carter, et al., 2007).

**Conceptual Framework**
Researchers formed an investment portfolio which features companies committed to promoting women on corporate boards. Recent studies have looked at the broader relationship of number of women on boards, as a percentage figure, and firm financial performance with mixed negative results. In the US literature on women in boards, it appears that women are more likely to be independent non-executive directors have significant impact on financial performance as women tend to have better understanding (Simpson et al., 2010).

**Hypothesis:**

- $H_1$: Number Women on Board (NWOB) is significant with Return on Asset (ROA)
- $H_2$: Number Women on Board (NWOB) is significant with Return on Equity (ROE)
- $H_3$: Number Women on Board (NWOB) is significant with Return on Capital Employed (ROCE)
- $H_4$: Percentage Women on Board (PWOB) is significant with Return on Assets (ROA)
- $H_5$: Percentage Women on Board (PWOB) is significant with Return on Equity (ROE)
- $H_6$: Percentage Women on Board (PWOB) is significant with Return on Capital Employed (ROCE)
- $H_7$: Number Female Non-Executive Director (NFNED) is significant with Return on Assets (ROA)
- $H_8$: Number Female Non-Executive Director (NFNED) is significant with Return on Equity (ROE)
- $H_9$: Number Female Non-Executive Director (NFNED) is significant with Return on Capital Employed (ROCE)

3. **Research Design and Methodology**

In this research, explanatory and descriptive research design is used to test the objectivity and produce quantifiable data as explanatory is defined by Saunders, Lewis and Thronhill (2003) as a
research that creates casual connection between two variables. In short, explanatory research examines the theories and explains the purpose of the research in understanding the causes, meanings and impacts that relating to the idea of the researchers. Whereas, the descriptive research is specifically designed to measure characteristic described in research question and it also provide a list of elements to be deliberate in hypothesis that derived from theories. This research relates to an explanatory research, quantitative data is more appropriate than qualitative method. Thus, the interpretation of the numbers is viewed as a strong scientific evidence of how phenomenon works. Thereupon, quantitative research is appropriate to carry out for this research via document analysis on published annual reports from Bursa Malaysia (KLSE).

In this research, the information and data is collected through secondary data method. As it is stated that internet is a great platform where secondary data can be found and it is a good place to find relevant information, especially regarding certain topics. Besides secondary data is collected by anyone else based on past papers and articles, it also attempts to explain, interpret and analyze the primary sources.

The target population for this study would be the Public Listed Companies (PLC) in Malaysia which consists of 813 firms (Bursa Saham, 2015). Then, sample size of 52 firms is selected from out of 813 firms and why 52 firms preferred is because it limit the time in collecting required data of each companies which would be collecting for 5 years of time series from 2010 to 2014. Lastly, the Random Probability sampling was engaged to extract the sample size for this study so an equal opportunity was been given to each sample to be selected fairly.

There is no threat of emotional or physical damage to contributors as the data collection did not involve interference or interaction with any living subjects. Besides, the nature of the data source is assured that there are no problems associated with privacy, sensitivity, secrecy or intellectual property.

Descriptive statistics was adopted in this research as to provide a sharp and reasonable view of the sample data chosen. Since correlation analysis was engaged to examine the relationship between independent and dependent variables. Lastly, the multiple regression analysis is employed in this study as to examine the impact the strength of relationship between multiple independent variables with multiples dependent variable (Saunders, Lewis and Thornhill, 2009). This regression model is suggested to test the independent variables as shown below the equation i.e. number of women on board NWOB, the percentage of the women on board PWOB and the presence of female non-executive directors NFNED. The model is as follows:

\[
R_{OA} = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NFNED
\]
\[
R_{OE} = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NFNED
\]
\[
R_{OCE} = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NFNED
\]

Where:-
ROA = Return on Assets
ROE = Return on Equity
ROCE = Return on Capital Employed

4. Results and Findings

DESCRIPTIVE MEANS

Table 1: Descriptive Analysis Output
According to table 4.1, the 52 Public Limited Companies registered in Bursa Malaysia experiences an average of 10.12% of Return on their Assets (ROA) and the standard deviation is 8.49. Meanwhile, the 52 companies of public listed undergo a mean of 21.30% of Return on Equity (ROE) and the standard deviation value at 32.82. Another financial measure is Return on Capital Employed (ROCE) that encounter an average of 24.60% for the 260 observation of 52 Public Listed Companies in five years with the standard deviation of 29.09.

Furthermore, the 52 companies of public listed registered in Bursa Malaysia undergo the mean value of 0.68 of number women on board (NWOB) which round off nearly to 1 number woman on board and the standard deviation is 0.80. Furthermore, 260 observations for Public Listed Companies experiences a mean value of 76.9% of percentage women on board (PWOB) where this value is much higher than the value 3.28% obtained by Campbell and Vera (2008) and the standard deviation is 9.04. The 52 companies of public listed registered in Bursa Malaysia for 5 years encounter an average of 0.63 of number female non-executive director (NFNED) that can be said has 1 female non-executive director when rounding off with the standard deviation of 0.75. With this, the P-value shows are significant for all the variables at 0.000, which is below the range of 0.05.

Pearson Correlation Analysis

Number Women on Board (NWOB) on Financial Performance

According to the table 2, the NWOB has very weak relationship with ROA, ROE and ROCE with the value of -0.0152, 0.024 and -0.956 respectively in addition the relationship of NWOB on ROA, ROE and ROCE is not significant as the P value is 0.8062, 0.6989 and 0.1238 respectively which all of the variables is higher than 0.05. This finding opposing the agency theory.

Percentage Women on Board (PWOB) on Financial Performance

Based on table 3, the PWOB has very weak relationship with ROA, ROE and ROCE with the value of 0.0404, 0.0641 and -0.0533 respectively and the relationship of NWOB on ROA, ROE and ROCE is
not significant as the P value is 0.5163, 0.3030 and 0.3915 respectively which is not below the range of 0.05. The result indicates that the *PWOB affects positively to the ROA and ROE* of the Public Limited Companies registered in Bursa Malaysia. There are similar results found from past research on PWOB and ROA in the studies of Adams and Ferreira (2008); Campbell & Vera (2008).

**Number Female Non-Executive Director (NFNED) on Financial Performance**

| Table 4: Correlation Statistic – NFNED |
|-------------------------------|-----------------|-----------------|-----------------|
| NFNED | ROA | ROE | ROCE |
| CORRELATION | 0.009163 | 0.044691 | -0.077438 |
| PROBABILITY | 0.8831 | 0.4731 | 0.2133 |

Based on table 4, the NFNED has *very weak relationship* with ROA, ROE and ROCE with the value of 0.0091, 0.0446 and -0.077438 respectively. The relationship of NWOB on ROA, ROE and ROCE is not significant as the P value is 0.8831, 0.4731 and 0.2133 respectively which is not below the range of 0.05. The result denotes that the *NFNED affects positively to the ROA and ROE* of the Public Limited Companies registered in Bursa Malaysia.

**Multiple Linear Regression**

| Table 5: Model 1 - Determinant of ROA |
|-------------------------------|-----------------|-----------------|-----------------|
| Model | R² | Adjusted R² | F-Statistic | Prob. (F-statistic) |
| 1 | 0.8111 | 0.7614 | 16.3089 | 0.0000 |

a. Dependent Variable: ROA
b. Predictors: (Constant), NWOB, PWOB, NFNED

According to table above, the coefficient of determinant of R square (R²) is 0.811, and adjusted R square is 0.7614, meaning that the 76.1% of the variance can be predicted by independent variables. Correspondingly, the F test conducted in this research paper shows a value of 16.3089, intending the F value has relationship between the ROA and the three indicators which shows the regression model is significant.

| Table 6: Beta Coefficient of ROA determinants |
|-------------------------------|-----------------|-----------------|-----------------|
| Model | β Coefficient | Std. Error | t-statistic | Prob. |
| 1 | Constant | 9.3237 | 0.4953 | 18.8230 | 0.0000 |
| NWOB | -5.9083 | 2.9956 | -1.9722 | 0.0499 |
| PWOB | 0.2368 | 0.1755 | 1.3490 | 0.1788 |
| NFNED | 4.8055 | 2.1668 | 2.2177 | 0.0277 |

a. Dependent Variable: ROA

Therefore the empirical formula is written as follows for model 1

\[
ROA = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NFNED
\]

\[
ROA = 9.3237 - 5.9083 \times NWOB + 0.2368 \times PWOB + 4.8055 \times NFNED
\]

(Sig: 0.0000) (Sig: 0.0499) (Sig: 0.1788) (Sig: 0.0277)

According to the equation above, the NWOB has a strong significant negative impact on ROA with the coefficient beta value of -5.9083 and significant value of 0.0499. Further, PWOB has weak insignificant positive impact on the dependent variable with the coefficient beta of 0.2368 and significant value of 0.1788. This means that when change in 1 unit of NWOB, PWOB and NFNED,
there will be change of (0.866) unit change in ROA. Lastly, NF NED have a significant positive impact on ROA with the coefficient beta value of 0.2368 with the significant value of 0.0277 respectively. This negative relationship between NWOB and ROA is similar to past research of Carter, Simkins and Simpson (2003). Based on regression results, NWOB is significant with ROA of the Public Listed Companies in Malaysia, hence hypothesis (H₁) is accepted. According to table above, the NF NED variable is found to be significant with ROA at significant values of 0.0277. Corresponding to the regression results, the NF NED is significant with ROA of the Public Listed Companies in Malaysia, therefore the hypothesis (H₁) is accepted. Lastly, PWOB variable is found to be insignificant with ROA, at a p-value of 0.1788.

The second dependent factor to be measured on this research paper is the Return on Equity (ROE).

Table 7: Model 2- Determinant of ROE

<table>
<thead>
<tr>
<th>Model</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>F-Statistic</th>
<th>Prob. (F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>0.7277</td>
<td>0.6560</td>
<td>10.1464</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROE
b. Predictors: (Constant), NWOB, PWOB, NF NED

According to table above, the coefficient of determinant of R square (R²) is 0.7277, and adjusted R square is 0.6560, meaning that the 65.6% of the variance in the dependent variable (ROE) can be predicted by independent variables (number women on board, percentage women on board and number female non-executive directors). Correspondingly, the F test conducted in this research paper shows a value of 10.1464, intending the F value has relationship between the ROE and the three indicators which shows the regression model is significant.

Table 8: Beta Coefficient of ROE determinants

<table>
<thead>
<tr>
<th>Model</th>
<th>β Coefficient</th>
<th>Std. Error</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>15.7979</td>
<td>2.2974</td>
<td>6.8762</td>
<td>0.0000</td>
</tr>
<tr>
<td>NWOB</td>
<td>-38.5262</td>
<td>13.8943</td>
<td>-2.7728</td>
<td>0.0061</td>
</tr>
<tr>
<td>PWOB</td>
<td>2.1280</td>
<td>0.8144</td>
<td>2.6128</td>
<td>0.0096</td>
</tr>
<tr>
<td>NF NED</td>
<td>24.6845</td>
<td>10.0503</td>
<td>2.4560</td>
<td>0.0149</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROE

Therefore the empirical formula is written as follows for the model 2

\[
ROE = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NF NED 
\]

\[
ROE= 15.79 - 38.5262 NWOB + 2.1280 PWOB + 24.6845 NF NED
\]

The result of regression analysis shows that the all the three indicators of ROE is significantly influencing presence women on board as shown in table and equation above as all the factors are in probability level below 0.05. According to the equation above, the NWOB has most impact on ROE, that the coefficient beta value shows -38.5262 with significant value of 0.0061. Hence hypothesis
(H₄) is accepted. Following by second highest coefficient beta value is NFNED that indicates 24.6845 and the significant value is 0.0149 which less than 0.05 at significance level. Corresponding to the regression results, the NFNED is significant with ROE of the Public Listed Companies in Malaysia, therefore the hypothesis (H₄) is accepted. The lowest beta value is 2.1280 that are the PWOB with significant value of 0.0096. Based on the past research, similar findings can be found by Therefore, based on the regression analysis of this research paper, the hypotheses (H₅) is accepted. This means that when change in 1 unit of NWOB, PWOB and NFNED, there will be change of (11.714)unit change in ROA.

Table 9: Model 3- Determinant of ROCE

<table>
<thead>
<tr>
<th>Model</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>F-Statistic</th>
<th>Prob. (F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>0.7347</td>
<td>0.6648</td>
<td>10.5132</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROCE
b. Predictors: (Constant), NWOB, PWOB, NFNED

According to table above, the coefficient of determinant of R square (R²) is 0.7347, and adjusted R square is 0.6648, meaning that the 66.4% of the variance can be predicted by independent variables of ROCE that are the number women on board, percentage women on board and number female non-executive directors. Correspondingly, the F test conducted in this research paper shows a value of 10.5132, intending the F value has relationship between the ROCE and the three indicators which shows the regression model is significant.

Table 10: Beta Coefficient of ROCE determinants

<table>
<thead>
<tr>
<th>Model</th>
<th>β Coefficient</th>
<th>Std. Error</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>20.3654</td>
<td>2.0101</td>
<td>10.1315</td>
<td>0.0000</td>
</tr>
<tr>
<td>NWOB</td>
<td>-25.7937</td>
<td>12.1565</td>
<td>-2.1218</td>
<td>0.0351</td>
</tr>
<tr>
<td>PWOB</td>
<td>1.4171</td>
<td>0.7125</td>
<td>1.9887</td>
<td>0.0481</td>
</tr>
<tr>
<td>NFNED</td>
<td>17.4798</td>
<td>8.7932</td>
<td>1.9878</td>
<td>0.0481</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROCE

Therefore the empirical formula is written as follows for the model 3

\[
ROCE = CONSTANT + \beta_1 NWOB + \beta_2 PWOB + \beta_3 NFNED
\]

\[
ROCE = 20.3654 - 25.7937 NWOB + 1.4171 PWOB + 17.4798 NFNED
\]

The result of regression analysis shows that the all the three indicators of ROCE is significant in influencing presence women on board as shown in table and equation above as all the factors are in probability level below 0.05. The above equation suggests that increase in one unit of PWOB and NFNED will change the ROCE by 18.8969 units while increase in 1 unit of NWOB will decrease the ROCE by 25.793 units. According to the equation above, the NWOB has most impact on ROCE, that the coefficient beta value shows -25.7937 with significant value of 0.0351. Hence hypothesis (H₇) is accepted. Following by second highest coefficient beta value is NFNED that indicates 17.4798 and
the significant value is 0.0481 which less than 0.05 at significance level. This positive relationship has been supported with theory which supported the relationship of this both variables. Corresponding to the regression results, the hypothesis \( H_8 \) is accepted. The lowest beta value is 1.4171 that is the PWOB with significant value of 0.0481. Therefore, based on the regression analysis of this research paper, the hypotheses \( H_8 \) is accepted.

<table>
<thead>
<tr>
<th>Hypotheses ( H_i )</th>
<th>( \beta ) Coefficient</th>
<th>Significant Level ( (P &lt; 0.05) )</th>
<th>Result</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H_1 )</td>
<td>-5.9083</td>
<td>0.0499</td>
<td>ACCEPTED</td>
<td>NEGATIVE</td>
</tr>
<tr>
<td>( H_2 )</td>
<td>-38.52629</td>
<td>0.0061</td>
<td>ACCEPTED</td>
<td>NEGATIVE</td>
</tr>
<tr>
<td>( H_3 )</td>
<td>-25.79373</td>
<td>0.0351</td>
<td>ACCEPTED</td>
<td>NEGATIVE</td>
</tr>
<tr>
<td>( H_4 )</td>
<td>0.2368</td>
<td>0.1788</td>
<td>REJECTED</td>
<td>POSITIVE</td>
</tr>
<tr>
<td>( H_5 )</td>
<td>2.128011</td>
<td>0.0096</td>
<td>ACCEPTED</td>
<td>POSITIVE</td>
</tr>
<tr>
<td>( H_6 )</td>
<td>1.417130</td>
<td>0.0481</td>
<td>ACCEPTED</td>
<td>POSITIVE</td>
</tr>
<tr>
<td>( H_7 )</td>
<td>4.8055</td>
<td>0.0277</td>
<td>ACCEPTED</td>
<td>POSITIVE</td>
</tr>
<tr>
<td>( H_8 )</td>
<td>24.68455</td>
<td>0.0149</td>
<td>ACCEPTED</td>
<td>POSITIVE</td>
</tr>
<tr>
<td>( H_9 )</td>
<td>17.47986</td>
<td>0.0482</td>
<td>ACCEPTED</td>
<td>POSITIVE</td>
</tr>
</tbody>
</table>

5. **Discussion & Conclusion**

The research conducted to investigate whether presence of women on board variables (number of women on board; \( NWOB \), percentage women on board; \( PWOB \), and number female non-executive directors; \( NFNED \)) has impact on financial performance in Malaysia's Public Listed Companies. This research were done on 52 companies of Public Listed registered in Bursa Malaysia for the period of 5 years and has employed multiple linear regression analysis to find significant of the factors on financial performance. The independent variables are \( NWOB \), \( PWOB \) and \( NFNED \) and the dependent variables are the return on assets; \( ROA \), return on equity; \( ROE \) and return on capital employed; \( ROCE \). All the independent variables are found to be significant and influencing towards the three financial measure of firm's performance concluding that those variables has impact on the financial performance, except for the factor of \( PWOB \) towards the \( ROA \) that shows insignificant findings. This insignificant relationship can be concluded that both variables does not linked to each other in determining the impact of women presence on board in Malaysia’s Public Listed Companies.

**RECOMMENDATION & FUTURE DIRECTIONS**
Recommendation for future researchers is to investigate other variables that did not used in this research. It is suggested that to implement independent variables such as women's age, women's education background, number of attendances in Board Meeting, or years of tenure. These variables can be investigated whether these variables has impact on firm financial performances. Secondly, the future researchers also may investigate the financial performance in different other measure such as Return on Sales (ROS) or Return of Investment Capital (ROIC), Net Profit Margin (NPM) or Gross Profit Margin (GPM) in studying the women presence impact on the firm financial performance. Hence, future researchers can explore and create new knowledge by performing these different new elements in the study. The future research also can study the relationship of ROA and PWOB variables which is found insignificant in this research. In a nutshell, the future researcher also can increase the sample size since the research only used 52 out of 813 Malaysia's Public Listed Companies to get more appropriate results.

REFERENCE


