

The Role of Nomination Committee in Selecting Female Directors: A Case of Malaysia

Pirzada K.^{1*}, Mustapha, M. Z.² and Alfian E.³

Department of Accounting, Faculty of Business & Accountancy, University of Malaya, 50603 Kuala Lumpur, Malaysia

ABSTRACT

The growing importance of board diversity among directors has been established as a result of global financial crisis in 2008. According to the Malaysian Code of Corporate Governance 2012, nominating committee shall be responsible to select directors with diverse background that meet the needs of the company. This paper attempts to examine the impacts of having female directors in a nomination committee on gender diversity on board. For this purpose, 393 (50%) non-financial Malaysian listed companies were selected for the three year period of 2011 to 2013. Results indicated that having female directors in a nomination committee is significantly related to the level of gender diversity on board. The results also signify the importance to have female directors in nomination committee as it will influence gender diversity on board.

Keywords: Gender Diversity, Boards of directors, Nomination Committee, Malaysia

INTRODUCTION

Corporate governance studies are frequently motivated by desire to explore how boards work and how their conduct may contribute to value creation (Filatotchev & Boyd, 2009; Huse, Hoskisson, Zattoni, & Viganò, 2011; Ramly et al., 2015). In the second half of 1997, the world witnessed the collapse of East Asian economies. Corporate governance in private sector were developed after this period. In Malaysia, introduction of Malaysian

Code of Corporate Governance (MCCG), establishment of legal and stock market regulation and foundation of new authorities were among the efforts to create better governance among corporate players in Malaysia. One of the aspects addressed by the MCCG is the establishment of

ARTICLE INFO

Article history:

Received: 28 December 2015

Accepted: 25 April 2016

E-mail addresses:

kashan_pirzada@yahoo.com (Pirzada, K.),

zulkhairi@um.edu.my (Mustapha, M. Z.),

ervina_alfan@um.edu.my (Alfian, E.)

* Corresponding author

nomination committee. The main role of nomination committee is to select future directors for the company. Thus, nomination committee plays vital role in selecting and appointing the right board members because it will subsequently determine the composition of the board. Despite the important role of the nomination committee in the structure of corporate governance, it does not attract much attention among the scholars.

Social identity theory provides a classification of people on numerous social groups such as sex (gender), ethnic group, learning, or career. Each group is supported by some standards and stereotypes of communal group association, which are reflected in the behaviour of the people. Therefore, each social group has an influence on individual's definition of personality based on the characteristics of the assumed communal group (Williams & O'Reilly, 1998). As a consequence, a female nomination committee member may positively see another female candidate as possibly enhancing her otherwise marginal representation on a board, strengthening sense of defence, personality and confidence, and hence, she will likely desire a female nominee selection. Thus, the objective of nomination committee should lie on adapting board composition to the requirements introduced by a companies' external environment. Moreover, the group efficiency and diversity literature are being employed (Milliken & Martins, 1996) to clarify how board diversity will improve a board's competence towards successfully

accomplish its policy role. The two most significant mechanisms in forming social identity include self-categorisation and social comparison (Lynall, Golden, & Hillman, 2003).

This paper contributes to the existing literature in two ways. First, it adds to our understanding on the relationship between nomination committee and board composition, specifically with respect to gender diversity. Second, it sheds light on the role of nomination committee in selecting diversified directors.

GENDER DIVERSITY

Gender diversity is considered as one of the important types of diversity in the view of regulators. For instance, corporate board gender quota was first introduced in Norway, and this was later followed by other countries like Spain and Malaysia (Ramly et al., 2015). Proponents of gender diversity argued that female directors are needed in the board due to their advanced level of educational degrees and ability to bring different perspectives as compared to their male counterparts (Hillman, Cannella, & Harris, 2002; Ruigrok, Peck, Tacheva, Greve, & Hu, 2006). Moreover, it has been found that effectiveness of female directors can be identified in board planned participation (Nielsen & Huse, 2010a, 2010b), as well as planned and operation management and board negotiations (Huse, Nielsen, & Hagen, 2009).

Conventional opinions in opposition to females are nevertheless well-established, particularly men's occupation by tradition

such as managerial and executive positions. In general, females are seen as deficient in necessary executive features and less proficient than their male counterpart since womanhood is more likely to be related with “public” (societal and service focused) instead of “agentic” (success focused) features, which a lot consider as the feature of an excellent director. In the East, gender inequality is as yet a distinctive characteristic, where the insight and position of females keep on to being settled as tradition and are regularly congruent to passive and obedient manners, embracing family tasks and offering assistance to the men of the family. The occurrence of Confucian principles and the Chinese family commerce sample all over East Asia (Claessens et al., 2000) have reinforced family patriarchal ways of power by tradition inside the industry world. However, these patriarchal customs still continue to exist in the present Asia, with fast financial and political expansion has resulted to deep changes in the public and customary normative organisations (Brooks, 2006). These transformations are shown notably through high rates of contribution of womens’ effort and the actuality that there are presently more females than males having a tertiary education in most of Asia (Yi, 2011).

Malaysia offers an additional appealing case, as the power of the long-established Chinese family companies are customised through government-rank positive act supporting the majority bumiputra (native Malays with the Islamic belief) (Singam, 2003). Corporate governance ways

and communal approaches developed on sturdy religious, as well as ethnic customs, are progressively more subjective by globalisation and present principles concerning women (Koshal, 1998). Prior to the 1960s, a usually thought principle was that females were perfectly appropriate as housewives, and even whilst been knowledgeable, they ought to work as educators, care givers or in “womanly” career alike. Nevertheless, financial increase and liberalisation have resulted in transformations in communal principles concerning women’s contributions in the workforce in countries like Singapore. As oppose to an environment of comparatively little rank of women corporate board directors (Zainal et al., 2013), the Malaysian Cabinet in 2012 allowed it a must for companies to comprise at least 30% women depiction in boardroom rank position by 2016.

However, amid definite sectors, the rise in feminism is viewed to disagree with the main of Islam, which is the main belief in Malaysia. Islamic fundamentalism declares that the key functions, as well as tasks of women “are in the family — as submissive wives and devoted mothers and daughters”. As a result, women are given the responsibilities of care-givers and nurturers for the male components of their families, whereas men are in charge of their wellbeing as well as security. In actual fact, an added open-minded structure of this public speaking declares that females must only be approved to go after own dreams (e.g., a profession) through the unambiguous

consent of her spouse. For this reason, Malaysian women experience not merely the partialities originating from a worldwide legacy of patriarchy (worldly patriarchy), but the unfairness which surfaces from Islamic beliefs, decrees and rules which are over and over again gender-biased (Muslim patriarchy) as well.

Put in opposition to a background of improved discussion over corporate governance constitutions and gender parity in Asia, this paper symbolises a single early effort to explain for ethnic dissimilarities in analysing the Anglo-American model of branched out board membership. As Asian women are in general restricted to household and family responsibilities, the effects of women board depiction on company's economic deeds might not be similar as that revealed in the previous study. Board diversity makes sure that an extensive foundation of knowledge is present and boards made up of diverse genders, ages and racial groupings are capable of seize benefits of the dissimilarities to create a successful company. In contrast to the rest of the characteristics of board diversity, gender diversity has gotten a great deal of interest in the community and research fields equally (Erhardt et al., 2003). It is disputes that females enclose "an unfathomable and personal understanding of buyer markets and clients" (Stephenson 2004). According to Stephenson (2004), females in North America are in charge of 80 percent of the domestic expenditure and purchase over 75 percent of every product and service. In addition, Carter et al. (2003) declared

that variety would enhance originality and novelty, which could sequentially result in an effectual making of choices.

NOMINATION COMMITTEE

In recent years, nomination sub-committees, board audit and remuneration have been constantly supported in corporate governance codes in many countries. Waring and Pierce (2004) pointed out that even though audit and remuneration committee shear have been extensively spread with a rapid acceptance, NCs have usually been the last to be recognised. Based on the statistic references, postal investigation of Times 1000 companies, the FTSE350 (Gay, 2001), and the Global Vantage database (Vafeas & Theodorou, 1998; Dedman & Lin, 2002), it can be said that by 1999, almost 85 percent of the firms' boards consisted of audit and remuneration committee, yet nomination committee was not initiated.

The stigma related to corporate governance has always been on cronyism as this issue will definitely affect the ability of companies to attract investors. It cannot be denied that cronyism is damaging to the need for competition on a level playing field, thus hindering the development of the company, which is against the principle of acting in the best interests of the company as a whole. Hence, due to the possibility that the management may steer the conduct of the company in a way to benefit themselves rather than the shareholders, MCCG provides for, among others, a nominating committee to be established where one of its function is to nominate and appoint

directors to the board. The outcome of a good corporate governance compliance started with the board of directors who were essentially involved in the management of the company.

In addition, the growing awareness to have female directors of various skills on the board has been one of the factors for the creation of nominating committee. Although there is a growing trend to form nominating committee in companies, the concern of how effectively they are being exercised lingers. Seeing the importance of the nominating committee in a company, it can be said that the appointment of the female members of nominating committee is indeed a major thing to be considered. Their appointment should not be just for the sake of complying with the requirements needed under the MCCG 2012 so that the company could enhance their legitimacy to the public's eyes.

BOARD COMPOSITION

The function and influence of audit, as well as the compensation committees and the existence of autonomous directors, have been relatively recognised at the beginning of accounting and executive remuneration committee's issues (Canyon & Peck, 1998; Klein, 2002). The concern about board structure is essential to board's efficiency and enactment. Furthermore, it eventually assists to confirm that the appropriate people are nominated to become part of an audit and remuneration committee. The basic issue of board structure is extensively analysed and examined in the corporate governance

studies, however, typically with an agency viewpoint which attributes the major interest in directors' independence.

Regarding the perspective of agency, boards are the inner key components which observe and supervise firm directors. Therefore, it is vital that firm managers are not reliant on firm management. Moreover, to achieve directors' board functions and accomplish real contributions, the levels of their skills and abilities are frequently examined. These observations propose that the board structure is a main beneficial element in their effectiveness. Corporate governance studies frequently discover how boards function and how their management can be enhanced to assist in the value construction. Furthermore, the demand for superior hypothetical heterogeneity insists. Despite all these facts, board and other committees continue relatively under-investigative development (Carpenter & Westphal, 2001).

In academic studies, the diversity notion is being frequently applied to team/group dynamics and it is also applied to board dynamics (Williams & O'Reilly, 1998; Webber & Donahue, 2001; Harrison & Klein, 2007; Joshi & Roh, 2009). This paper priorities focus on the correlation involving board gender diversity as an outcome (e.g., Carter, Simkins, & Simpson, 2003; Erhardt, et al., 2003; Nielsen & Huse, 2010a, 2010b). Whilst it is unquestionably a vital effect of diversity, it unwraps the problem to what could be probable backgrounds of diversity in the boardroom; thus making it a focal point of the paper.

NCs are the central point in the selection of directors; they are also the reason at which degree the board can be diversified. Board diversity is considered one of significant contemporary topics, the various actions of countries are such as: (1) Norway introduced corporate board gender quotas which require that board must consist of 40 percent female; (2) Australia passed the provisions advising firms to supply rules and assessable goals to gender diversity on board; (3) Malaysian Code of Corporate Governance emphasised on the higher proportion of gender diversity in each firm and the proportion of females needs to explicitly disclose in the annual reports; (4) US Securities and Exchange Commission is putting into effect fresh laws which compel firms to provide disclosure on to deal with gender diversity when nominating directors to the company board. UK Corporate Governance Code (Financial Reporting Council, 2010) expressed the

importance of gender diversity by giving a number of ethics to UK-listed firms has yield on a “comply-or-explain” basis. The subsequent FRC Guidance on Board Effectiveness (Financial Reporting Council, 2011) also strongly emphasised diversity as an influential assumption for useful boards, proposing that “a board is not constituted mainly of same minded persons” and its directors “have the intellectual potential to recommend transformation to a projected policy, and to declare other options.” Accordingly, this paper examines board diversity in terms of gender as the initial composition result to be defined by the composition of the NCs.

THEORETICAL FRAMEWORK

The following theoretical framework shows the relationships among the variables (Figure 1). Gender diversity as a board

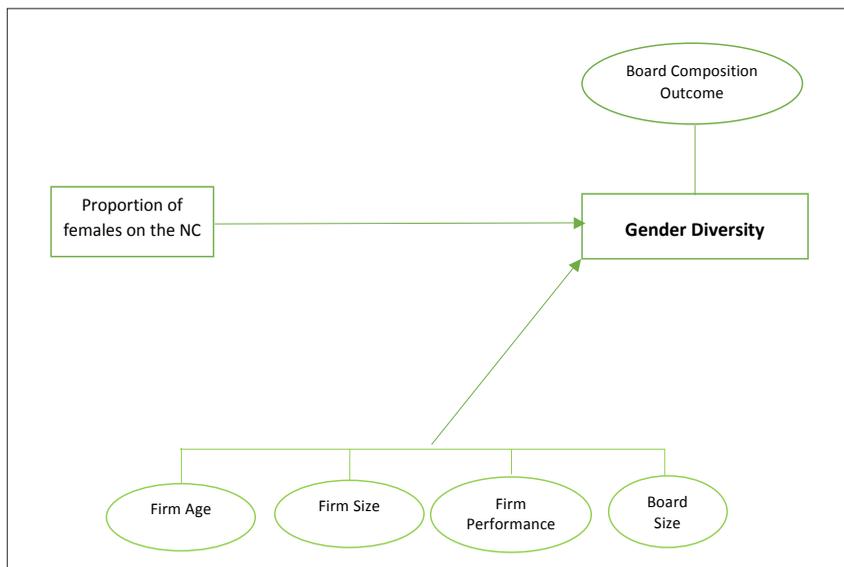


Figure 1. Theoretical Framework of the Study

composition outcome is the dependent variable in this paper. NCs attribute is presented as presumable predictors of diversity which can occur on a board. One independent variable was taken into consideration for proportion of females on the nomination committee to determine the role of nomination committee in selecting diversified board of Malaysian listed firms in Bursa from 2011 to 2013. Besides, the above key variable's study considered four controlled variables – firm age, firm size, firm performance and board size.

HYPOTHESIS DEVELOPMENT

The theory dealing with social identity suggests that people are divided by different social groups based on gender, ethnicity, education and profession. Each group is bound by rules and conceptions according to its social category membership which will have influence on its behaviour (Ashforth & Mael, 1989; Hogg & Terry, 2000). Therefore, each social category represents specific qualities which have impacts on social group's members. A higher number of female nomination committee members may increase their minority representation, enhance the view of safety measures, individuality and confidence, and privilege the nomination of female candidates.

From the above argument, the high number of female representation in the nomination process will lead to a greater number of female board candidates. Female's presence in the NC influences its members, supports gender equality matters and possible obtains new and distinct

perspectives. Thus, the study assumes that female's higher proportion in NC will lead to a greater level of gender diversity in the whole board.

H1. There is a positive association between proportion of female directors on the NC and gender diversity on the board.

MALAYSIA CORPORATE SECTOR

In 1990s, a significant expansion was observed in the Malaysian corporate sector, which showed an increase in the amount of listed companies Bursa Malaysia from 285 (in 1990) to 708 (in 1997) as a consequence of the beginning of the second board of the KLSE. Also, smaller firms with better future progress chances were permitted to join to capital market. However, a very little growth was seen later in 1998 due to the Asian Financial Crisis in 1997/98. Afterwards, the new companies' growth increased until 2006, but after the 2007/2008 global crisis, many companies were delisted. Figure 2 shows the breakdown of the total number of corporations named in Bursa Malaysia from 2003 to 2013 that reflected the trend.

Corporates are considered an important pillar of economic prosperity and internal regulatory reforms, further improve the governance structure in the organization. This paper selects the Malaysian listed corporation and interested to identify the nomination committee role in selecting diversified board. Currently, two primary classes of public listed corporations in Malaysia are available: (i) large privatised entities such as Telekom Malaysia, Tenaga

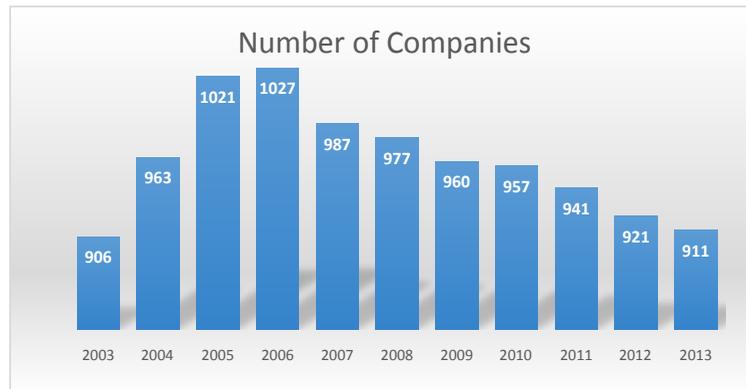


Figure 2. Listed companies in Malaysia

Nasional and Petronas Dagangan; and (ii) smaller-sized corporations, which are mostly owner-dominated initiatives, looking for different channels to elevate wealth (Report on Corporate Governance, 1999). Therefore, the corporate sector in Malaysia encompasses of corporations with distinctive features which are dissimilar from other capital market in established countries. Supplementary to that, it justifies the significance of studying corporate governance in Malaysia, especially its nomination committee role in director nomination process for diversified board.

METHODOLOGY

A sample of 50 percent companies are considered from a total population of 924 companies in the period of 2011 to 2013. In this paper, nine non-financial sectors were considered to examine the role of nomination committee in selection the diversified board, sectors comprising on Trading/ Services, Consumer products, industrial

products, plantation, property, construction, technology, hotel, and mining. Financial sectors are excluded because financial companies are subjected to different set of regulations in Malaysia.

Blau's index (Blau, 1977) is considered as one of the traditional measures of diversity and it measures the dispersion of features in a grouping; the other is Harrison and Klein's (2007) which demonstrates three various compositions of diversity; separation, variety and disparity. Thus, this study measured gender diversity using the Blau's index.

The paper is also interested in the attributes of several firms that may influence gender diversity as a board composition outcome. The better the company performs, the superior the possibility of corporation creativity and innovation will be, including encouraging directness and worldwide viewpoints that can be attained through employing female and different ethnic directors to the board. An accounting based

measure of performance, ROE, is used in line with the proof that accounting based measures of performance are linked more with board's procedures. Size of a firm is measured by overall sales of the firm. Superior corporations regularly need to enhance board capability which can also be represented by greater acceptance for varied environments of directors that, in turn, may influence the probability of board separation. A firm era refers to a number of years since the firm was established. Long recognised corporations are more probable to encirclement intensely entrenched procedures which discourage them from employing directors from diverse backgrounds (Minichilli, Corbetta, & MacMillan, 2010). The paper also controls for board size that is prone to impact board composition outcome.

This research used secondary data that are accessible from corporations' yearly reports available on Bursa Malaysia. As for the preliminary data analysis, descriptive statistics, correlation tests and graphical presentations of ethnic groups were analysed in order to determine the role of nomination committee in selecting diversified board.

MODEL

The previous studies claimed that females on NC add value by improving level of gender diversity on board. In order to examine female's proportion on nomination committee matters (H1), this paper estimated a simple model equation that

shows relationship between females on NC and gender diversity. ROE, firm size, firm age and board size were used as control variables. The model is stated as in Eq. (1).

$$Gender\ Diversity_{it} = \beta_1 Female\ NC_{it} + \beta_2 LnROE_{it} + \beta_3 LnFirm\ size_{it} + \beta_4 Firm\ age_{it} + \beta_5 Board\ size_{it} + \epsilon$$

Where,

- FGender_i* Gender i, is the diversity index,
- FemalesNC* Females on NC, measured as the proportion of females on NC by the board size
- LnROE* Natural log of ROE, measured by net income by shareholder equity.
- LnFirm Size* Firm size, measure by the natural log of total sales of the firm.
- Firm age* Firm age, count, no of year since firm establishment.
- Board Size* Board size, count, no of directors, serving on the board.
- i* Firm i
- t* Year
- ε* Error term

RESULTS

Table 1 presents descriptive statistics and results of the variables. The average gender diversity on board is 0.1178 and females in the Malaysian firm's NC constitute the average of 0.0609, whereas the largest board

size is 14. The largest standard deviation is 1.83878 of firm size, which is not very high and this indicates less variation in the data. In addition, ROE and firm age have a negative skewness of -0.085 and -0.68, respectively. Females on NC have 4.107 kurtosis, which is more than 3, which is said to be leptokurtic. Nevertheless, the paper cannot rectify this as it causes reduction of other important observations of the data, making it very useful for a follow-up analysis.

is explained briefly to give more insights into gender diversity.

Figure 3 presents line graphs, which offer more insights. Gender diversity fluctuates and board size also constantly fluctuate with some spikes, with females on NC presented in a descending order. Therefore, it can be said that a pessimistic connection involving gender variety and optimistic association, amid board magnitude, is available. Figure 3 presents 3-year data of the 393 nonfinancial companies listed in BURSA, Malaysia.

GRAPHICAL EXPRESSIONS

In order to see the actual association of gender diversity at board level with board size and proportion of females on nomination committee, graphical expression

CORRELATIONS TEST

Table 2 presents the results of correlations test. Gender diversity on board has a strong relationship with females on NC and board size at 1% significant level. This means

Table 1
Descriptive Statistics of NC and Board Characteristics

	Gender Diversity	Female on NC	LnROE	Lnfirmsize	Lnfirmage	Board Size
Mean	.1178	.0609	2.1067	12.1556	3.2964	7.25
Std. Deviation	.15507	.13732	.93865	1.83878	.66294	1.920
Skewness	.839	2.165	-.085	.009	-.068	.872
Kurtosis	-.748	4.107	.883	.436	.011	.842
Minimum	0	0	0	4.51	1.10	4
Maximum	.50	.75	6.07	17.68	5.22	14

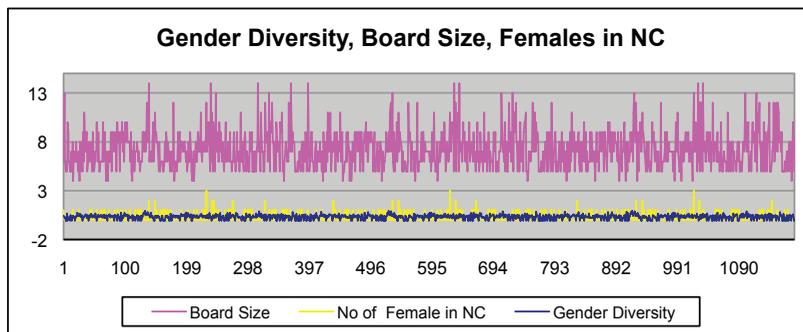


Figure 3. Graphical expression of Females in NC, Board Size & Gender Diversity

females on NC have a strong positive association with gender diversity, firm size and board size at 1% significant level, which means that females on NC do have impact on the overall gender diversity at board level.

The results also indicate that gender diversity and females on NC have weak positive relationship with ROE due to

zero or less number of females on board at 1% significant level. However, ROE and firm age have a weak positive association with level of gender diversity and females on NC. Hence, results of 2-Tailed show a statistically significant and positive correlation between females on NC and level of gender diversity on board.

Table 2
Descriptive Statistics of NC and Board Characteristics

Correlation	1	2	3	4	5	6
1 Gender Diversity	1	.561**	.044	.029	.005	.116**
2 Females n NC	.561**	1	.014	.090**	.025	.095**
3 LnROE	.044	.014	1	.293**	.053	.150**
4 LnFirmSize	.029	.090**	.293**	1	.376**	.380**
5 LnFirmAge	.005	.025	.053	.376**	1	.136**
6 Board Size	.116**	.095**	.150**	.380**	.136**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558a	.311	.307	.13253

a. Predictors: (Constant), Board Size, PFN, Lnfirmage, lnROE, Lnfirmsize

b. Dependent Variable: Gender Index

REGRESSION ANALYSIS

Table 3 which showcases model summary indicates that the overall regression model is significant.

Table 4 below presents the results of regression test which was conducted on the proportion of females on the nomination committee with regard to gender diversity in the board. The results show that there is a significant positive relationship between

Table 4
Regression results using Gender Diversity as a dependent variable

	Model			
(Constant)	Coef.	t	Sig	VIF
Females on NC	.130	3.788	.000	1.009
LnROE	.614	19.766	.000	1.099
Lnfirmsize	.008	1.711	.087	1.420
Lnfirmage	-.006	-2.090	.037	1.145
Board Size	-.004	-.527	.599	1.187

the proportion of females on NC and the level of gender diversity on the board at 5% significant level. The regression results also validate that there is a collinearity issue as the VIF value is less than 5. Hence, the results support our hypothesis.

The above results also illustrate that the performance, firm size and firm age are not significant at 5% significance level. The results also reveal that the board size has a positive impact on gender diversity. However, all four control variables VIF are less than 5 and thus, there is no collinearity.

CONCLUSION

Based on the findings, it can therefore be concluded that a significant impact of board procedure and results could credit not just to the work of the entire board but also its sub-committee. There are varying views of studies conducted. For example, Ruigrok et al. (2006) insisted that NC has a valuable force on board composition, whereas Vafeas (1999) said that there could be a changeover consequence involving the NC and other governance methods like insider ownership. Meanwhile, McKnight, Milonas, Travlos, and Weir (2009) proposed that the occurrence of NC could be pricey.

However, MCCG's emphasis to adopt NC since 2000 and uniformed compliance of companies with this recommendation at present demonstrate that one of the important steps in forming well-composed and effective board is to have board succession process. This paper has provided evidence to show the importance of NC in board succession process, by their power on one

category of board composition outcomes such as diversity as variety (gender).

The examination of the three-year data, with the reflection of responsibility and influence of NCs on composition of firm's board in Bursa, 393 companies were provided by portrayal on the theoretical frameworks of social identity. The purpose of investigation is to enhance the under-researched area among board committees by applying the single theory approach to discover the interconnection involving NCs and board composition, which is crucial in the selection and appointment processes. Based on our findings, we can therefore draw conclusion that the structural characteristics of NCs have significant influence on compositions of board's outcomes. The propositions of our results are well-timed in the stir of calls for boards to appoint more female directors from various backgrounds. It was found that board gender diversity is positively influenced by increasing existence of females on NC.

Future researchers are required to interview the consequences of certain board by, for instance, increasing qualitative study of how they work and to which consequence. This paper adds to NC study by giving sturdy numerical data of the consequences of NC characteristics on probable board composition during a three-year time of the Malaysia's scheduled non-financial firms. Results are pinpointing essential fundamental basic of director selection and selection procedures in board backgrounds from an Asian financial system that could

be significant in the rest of backgrounds. We recommend further studies to look into this issue so as to provide diverse frameworks to get deeper view in the function and power of NCs in creating crucial board's decisions concerning director's selection in which corporate governance is in due course reliant.

ACKNOWLEDGMENT

We are immensely grateful for the financial support of the Postgraduate Research Grant (Project No: PG002-2014A) at University of Malaya, Malaysia.

REFERENCES

- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20-39.
- Blau, P. M. (1977). *Inequality and heterogeneity: A primitive theory of social structure* (Vol. 7): Free Press New York.
- Carpenter, M. A., & Westphal, J. D. (2001). The strategic context of external network ties: Examining the impact of director appointments on board involvement in strategic decision making. *Academy of Management Journal*, 44(4), 639-660.
- Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate governance, board diversity, and firm value. *Financial Review*, 38(1), 33-53.
- Claessens, S., & Fan, J. P. (2002). Corporate governance in Asia: A survey. *International Review of Finance*, 3(2), 71-103.
- Conyon, M. J., & Peck, S. I. (1998). Board control, remuneration committees, and top management compensation. *Academy of Management Journal*, 41(2), 146-157.
- Council, F. R. (2010). *The UK corporate governance code*. London: Financial Reporting Council.
- Council, F. R. (2011). *Guidance on board effectiveness*. London: FRC.
- Dedman, E., & Lin, S. W. J. (2002). Shareholder wealth effects of CEO departures: Evidence from the UK. *Journal of Corporate Finance*, 8(1), 81-104.
- Erhardt, N. L., Werbel, J. D., & Shrader, C. B. (2003). Board of director diversity and firm financial performance. *Corporate Governance: An International Review*, 11(2), 102-111.
- Filatotchev, I., & Boyd, B. K. (2009). Taking stock of corporate governance research while looking to the future. *Corporate Governance: An International Review*, 17(3), 257-265.
- Gay, K. (2001). A Boardroom Revolution? The impact of the Cadbury nexus on the work of non-executive directors of FTSE 350 companies. *Corporate Governance: An International Review*, 9(3), 152-164.
- Harrison, D. A., & Klein, K. J. (2007). What's the difference? Diversity constructs as separation, variety, or disparity in organizations. *Academy of Management Review*, 32(4), 1199-1228.
- Hillman, A. J., Cannella, A. A., & Harris, I. C. (2002). Women and racial minorities in the boardroom: how do directors differ? *Journal of management*, 28(6), 747-763.
- Hogg, M. A., & Terry, D. I. (2000). Social identity and self-categorization processes in organizational contexts. *Academy of management Review*, 25(1), 121-140.
- Huse, M., Hoskisson, R., Zattoni, A., & Viganò, R. (2011). New perspectives on board research: changing the research agenda. *Journal of Management & Governance*, 15(1), 5-28.

- Huse, M., Nielsen, S. T., & Hagen, I. M. (2009). Women and employee-elected board members, and their contributions to board control tasks. *Journal of Business Ethics*, 89(4), 581-597.
- Joshi, A., & Roh, H. (2009). The role of context in work team diversity research: A meta-analytic review. *Academy of Management Journal*, 52(3), 599-627.
- Klein, A. (2002). Audit committee, board of director characteristics, and earnings management. *Journal of accounting and economics*, 33(3), 375-400.
- Lynall, M. D., Golden, B. R., & Hillman, A. J. (2003). Board composition from adolescence to maturity: A multitheoretic view. *Academy of management Review*, 28(3), 416-431.
- McKnight, P. J., Milonas, N. T., Travlos, N. G., & Weir, C. (2009). The Cadbury Code Reforms and Corporate Performance. *IUP Journal of Corporate Governance*, 8(1), 22-42.
- Milliken, F. J., & Martins, L. L. (1996). Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of management Review*, 21(2), 402-433.
- Minichilli, A., Corbetta, G., & MacMillan, I. C. (2010). Top management teams in family-controlled companies: 'familiness', 'faultlines', and their impact on financial performance. *Journal of Management studies*, 47(2), 205-222.
- Nielsen, S., & Huse, M. (2010a). The contribution of women on boards of directors: Going beyond the surface. *Corporate Governance: An International Review*, 18(2), 136-148.
- Nielsen, S., & Huse, M. (2010b). Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, 7(1), 16-29.
- Ramly, Z., Sok-Gee, C., Mustapha, M. Z., & Sapiei, N. S. (2015). Gender Diversity, Board Monitoring and Bank Efficiency In Asean-5. *South East Asia Journal of Contemporary Business, Economics and Law*, 7(1), 9-21.
- Ruigrok, W., Peck, S., Tacheva, S., Greve, P., & Hu, Y. (2006). The Determinants and Effects of Board Nomination Committees. *Journal of Management & Governance*, 10(2), 119-148.
- Stephenson, C. (2004). Leveraging diversity to maximum advantage: The business case for appointing more women to boards. *Ivey Business Journal*, 69(1), 1-5.
- Vafeas, N. (1999). The nature of board nominating committees and their role in corporate governance. *Journal of Business Finance & Accounting*, 26(1-2), 199-225.
- Vafeas, N., & Theodorou, E. (1998). The relationship between board structure and firm performance in the UK. *The British Accounting Review*, 30(4), 383-407.
- Waring, K., & Pierce, C. (2004). *The handbook of international corporate governance: A definitive guide*. Kogan Page Publishers.
- Webber, S. S., & Donahue, L. M. (2001). Impact of highly and less job-related diversity on work group cohesion and performance: A meta-analysis. *Journal of Management*, 27(2), 141-162.
- Williams, K. Y., & O'Reilly, C. A. (1998). Demography and diversity in organizations: A review of 40 years of research. *Research in Organizational Behavior*, 20, 77-140.
- Zainal, D., Zulkiffi, N., & Saleh, Z. (2013). Corporate board diversity in Malaysia: A longitudinal analysis of gender and nationality diversity. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 3(1), 136-148.