Does Board Gender Diversity Affects Dividend Payout? Evidence from a review of literature

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Abstract

The objective of this paper is to review the literature on how board gender diversity impacts dividend payout among public listed companies in Malaysia. Traditionally, higher-level management positions are held by men. Leadership and decision making are predominantly male, while the minority are women directors. When corporate boards show diversity, there is a significant presence of women or the addition of women to the board. In the past, present, and indeed the future, board gender diversity is the issue that is a growing trend and is getting more attention. The shareholders and investors are putting pressure on the boards of directors' to show increased performance. The findings from this paper will provide evidence on whether board gender diversity influences the dividend payout. Board composition without gender discrimination is the new normal for corporations to thrive after the global lockdowns from Covid-19. Other relevant matters on the impact of board gender diversity will also be discussed.

Keywords: board gender diversity; board characteristics; board composition; board traits; female directors; dividend payout; Malaysia

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1.0 Introduction

Previous empirical evidence on dividend policy decisions focused on dividend policy and financial performance, determinants, or factors that influence dividend decisions, the effect of corporate governance mechanisms on dividend policy, etcetera. In many studies, the empirical evidence supported a direct relationship between profitability and dividend policy (Kuzucu, 2015; Labhane & Mahakud, 2016; Yusof & Ismail, 2016). Variables such as profitability (Dewasiri et al., 2019; Labhane & Mahakud, 2016), firm size (Awad, 2015; Dewasiri et al., 2019; Yusof & Ismail, 2016), liquidity (Labhane & Mahakud, 2016), leverage (Kuzucu, 2015), investment opportunity (Dewasiri et al., 2019; Yusof & Ismail, 2016) are important determinants of dividend policy in both advanced and emerging economies.

On corporate governance and dividend policy, factors such as board size (Abor & Fiador, 2013; Uwalomwa, Olamide, & Francis, 2015), board independence (Pahi & Yadav, 2018), CEO duality, reporting quality (Jiraporn, Kim, & Kim, 2011) have been found to influence the payment of dividends positively. The direct relationship between corporate governance and dividend policy is positive but subjective (Mitton, 2004).

A recent study on corporate governance by Bae, El Ghoul, Guedhami, and Zheng (2020), supported the dividend outcome model, which postulates that board reforms strengthen the monitoring role of the board and empower outside shareholders to force management to disgorge dividends.

Gender issues in finance literature have been gaining attention by focusing on the effects on firm value (Jubilee Ribed Vianneca, 2018) or effect of female institutional directors on firm value (Pucheta-Martínez, Bel-Oms, & Olcina-Sempere, 2018), performance (Gordini, 2017; Kılıç, 2016; Lafuente, 2019), risk-taking, earnings management (Orazalin, 2019), bonds(Oyotode-Adebile Renee, 2019), debt (Benjamin Samuel, 2019; Usman, 2019), investment efficiency (Shin, Chang, Jeon, & Kim, 2019), share prices (Gul, Srinidhi, & Ng, 2011), and investor perspectives on board gender diversity (Groening, 2019).

Inspired by Sustainable Development Goal (SDG) number 5 on gender equality, it is motivated to review how literature has to say regarding the impact of women on the board. There is skepticism on whether adding women changes the whole environment of the effectiveness and efficiency of the board or just to push quota. Furthermore, to see whether better dividends when we have women on the board. Growing concern that women continue to play down on corporate boards in most countries of the world. Social movement plays a vital role, such as women's empowerment or women's rights trend. There is no law on women representation, but there are campaigns to create awareness and codes that act as guidelines. For example, 2020 Women on Boards Index is a national campaign to increase the percentage of women directors to 20% or more by the year 2020.

A significant amount of attention has been paid to analyzing the relationship within mature economies such as the United States and Scandinavia, with only a handful of studies that have been conducted using data from emerging economies. Gender diversity among directors offers new and better perspectives and, henceforward, improved the performance of the firm. However, the evidence in these is also mixed. As Campbell and Mínguez-Vera (2008) mentioned, it is different because the data collected from different countries having different board systems and due to different study times. Besides geographical area, different valuation methods and unobserved factors may affect the outcomes. These differences may also be considered by different cultural, legal, social, and economic environments in which the companies are working. European countries have strict laws and gender quotas in place. For example, Norwegian law calls strict quotas, with one rule needing that women be represented by at least 40% of the board members.

Morgan Stanley Capital International (MSCI) examined the 617 world's largest companies' board composition. Women held just 17.3% of board seats at the 2,494 companies spread across 47 countries that comprise the MSCI All Country World index. Findings showed average employee productivity growth was higher for companies that hired three or more women on board between the year 2012 and the year 2016 than boards that have 1 or 0 women directors. More women in the workplace have a material impact on investor returns and have a significant impact on productivity growth (Flood, 2018, March 12). The findings support the argument that women underrepresented in senior corporate roles worldwide and account for fewer than 1 in 5 board directors of the world's leading publicly traded companies.

Malaysian Code on Corporate Governance (MCCG) 2017 added gender diversity as a step to further improve board diversity. Big companies are expected to have 30% of women on their boards in line with the latest MCCG. Otherwise, the companies are required to disclose measures that have been taken and the timeline to achieve 30% of women leaders on the boards. Part of government calls to encourage women participation on corporate board. The goal of this literature review is to review the literature on how board gender diversity impacts dividend payout in Malaysia.

This paper is motivated by the question to be re-examined: Does board gender diversity have a more significant influence on dividend payout in the context of Malaysia?

2.0 Literature Review

The role that dividends play is agency theory and signaling theory. In a non-perfect market situation, the agency theory explains their role in corporate governance while signaling theory, which suggests that dividends signal strong financial points (Sanan, 2019). According to Aguilera, Filatotchev, Gospel, and Jackson (2008), a lot of the corporate governance studies takes an agency theory approach because agency theory describes the relationship between shareholders and the directors and managers, regularly considering the costs of resolving conflicts and aligning interests across groups. A usual assumption in agency theory is that external directors will act independently from their internal directors. Therefore, they are good monitors for shareholders' interest.

Carter, Simkins, and Simpson (2003) link gender diversity and firm value showed a positive relationship between the percentage of gender diversity on Fortune 1000 boards and firm value. The agency theory shows that a high dividend payout helps in reducing available funds from being taken advantage of by managers. According to the agency theory, the addition of female directors is well-thought-out as a better monitor of management's decisions, offer more significant benefits to shareholders, and resolve the shareholder-manager conflict of interest. Then it is more likely it disciplines management through directly influencing dividend policy.

Moreover, investors in developing economies will call for an immediate reward for their investments instead of waiting for more future dividend payments, so it can be argued that the presence of women able to address any conflict in a more approachable manner and decide higher dividend policy. Shareholders will stress managers to give out the extra profits or liquidity from the year as a dividend, which in turn forces the managers to seek more financial resources from equity markets or debt markets if investment opportunities happen. So, agency costs will be reduced (Rozeff, 1982).

The agency viewpoint gives two conflicting hypotheses about the corporate governance role of dividend payouts : (1) outcome model (2) substitution model. The outcome model proposes that substantial shareholder rights force major shareholders to hand over cash, so dividends are an 'outcome' of good corporate governance. The substitute model is that dividends are a "substitute" for weak governance (La Porta, Lopez de Silanes, Shleifer, & Vishny, 2000). According to Fernández and Arrondo (2005), dividend payouts and a great board are two choices for reducing agency costs.

Next, according to signaling theory, directors arrange dividends as a device to share, send, and alert information to shareholders (Sanan, 2019). Interpreting how La Porta et al. (2000) described, dividend payout is not just telling you about company's financial health to markets, it gives a signal with firm's reputation on the line because no dividend declaration is a negative signal, not only of financial performance but also, of quality of management.

Nevertheless, the dividend payout is a cash outflow (an expense) from the company to its investors based on the company's profits in a specified period. Dividend policy is vital because it is an investors' source of income, and it reflects the firm's performance. Scholars have offered countless theoretical and empirical models depicting the factors the managers should take into consideration when making dividend payouts. The dividend amount is typically informed in the quarterly or annual revenue announcements. Dividend payments and share repurchase are the main ways the company can directly return cash to the shareholders (Baker & Weigand, 2015). Other benefits, such as share price changes, are more dependent on the company's market performance (Fabozzi & Drake, 2009).

Besides that, dividend payout is related to the decision to divide the company's net profits into dividends distributed to the shareholders and kept as retained earnings (Salman Sarwar, 2013). Determinants of dividend policy as recorded in empirical evidence are profitability, industry type, companies' size and industry type, liquidity, leverage, investment opportunities, business risk, life cycle, tax, free cash flow, growth that studies used to determine dividend payout. Profitability is mostly positively related as highly profitable, mature, liquid companies give a higher dividend to their shareholders, while the companies with a better investment opportunity, financial leverage, and business risk have lower dividend payout ratio (Qammar, Ibrahim, & Alam, 2017; Yusof & Ismail, 2016). At an early stage, the reasons companies do not pay dividends are to focus on retained earnings (Mehar, 2002).

Board gender diversity is a part of board diversity. This issue is not new. Board diversity mostly shows definite rational conclusions resulting in problem-solving through creativity and innovation, so diversity of the members of the Board of Directors results in elevated decision-making, enhanced vision, uniqueness of ideas, and creative marketing to culturally diverse customers (Mirza & Malik, 2019). The need for this creativeness and innovations are essential for the board members' decisions through the contribution of facts and figures.

The argument between those who think we ought to be more diverse because it is the right thing to do and those who think we ought to be more diverse because it indeed improves shareholder value (Brancato & Patterson, 1999). So there are two stances (1) equity (2) shareholders value (Carter et al., 2003).

It is interesting to see how shareholders or stakeholders' opinions on the addition of women directors, Adams, Gray, and Nowland (2011) stated policymakers worldwide, in-process mandating gender quotas for boards of public listed companies. Since the benefits and costs of these quotas increase to shareholders, it is significant to understand how they react to the appointment of female directors. Authors stated that shareholders value the addition of women directors than men. Companies with workplace practices to promote gender equality in the workplace appear to benefit the most from board gender diversity, concluded that appointing women on the board will resolve value-decreasing investor conflicts.

Singh, Terjesen, and Vinnicombe (2008) study defined the gender differences in educational background and experiences in for board seats. Boards in the UK show that women are significantly more likely to bring global diversity to their boards and to own an MBA degree. Newly appointed male directors are significantly more likely to have various corporate board experience, including the chief executive or chief operating officer's roles. In contrast, newly appointed female directors are significantly more likely to have experience as directors on boards of smaller companies. Their outcome challenges the view reported by some chairman that women lack adequate human capital for the board of directors positions.

Ye, Deng, Liu, Szewczyk, and Chen (2019) study on board gender diversity global evidence, used companies in 22 countries from 2000 to 2013, analyzed with multiple regression showed a positive association between board gender diversity and dividend payouts confirm that board gender diversity enables corporate governance, and so promotes dividend payouts. However, the right institutional environment weakens the effect of board gender diversity on dividend payouts probably due to institutional ownership is positively linked with board gender diversity and that corporate dividend payouts increase when female senior executives own shares in a company.

Van Uytbergen and Schoubben (2015), examined the on financial policies for a set of non-financial companies from 14 European Union countries from 2008 to 2012, their results showed that companies with insider holders and more female directors have a positive impact on cash policy. Pucheta-Martínez and Bel-Oms (2015) studies companies in Spain is supported by Byoun (2016) with similar results. Byoun, Chang, and Kim (2016) used a sample of Standard & Poor's 500 companies from 1997 to 2008; gender diversified boards will pay a dividend to shareholders more than with non-gender diversified boards. Female directors can be more effective in monitoring management as compared with their male colleagues. They have better attendance records than male directors by using a sample of companies in the United States and found that male directors have fewer attendance problems, the more gender-diverse the board is, and women are more likely to join monitoring committees (Adams & Ferreira, 2009). If the ratio of female directors greater, then higher dividends payments in US companies. Monitoring and resolving conflicts of interest between managers and shareholders, therefore, decrease agency problems (conflict of interest between principal needs and agent needs arises) (Jurkus, Park, & Woodard, 2011).

Despite the support on board gender diversity, some studies challenge that having an all-male board is better. For example, Maznevski (1994) and Hambrick et al. (1996) challenged prior findings that if the decision-making group is non-diverse, they perform better than diverse groups. So, there is a time and place to be diverse. Hambrick et al. (1996)'s findings showed that non-diverse top-management teams outdone a diverse team. They also reported that actions and responses of diverse teams were slower to respond to competitors' initiatives. It means, when there is homogeneity, there is less argument, and consensus decisions are made faster. Such findings supported by Palvia et al. (2014), Adams and Ragunathan (2015), Saeed and Sameer (2017), Gyapong, Ahmed, Ntim, and Nadeem (2019) that increasing number of women directors on board harm companies' dividends which revealed that companies with a high level of capital had gender-diverse boards.

There is research on whether board gender diversity has financial impact by Chapple and Humphrey (2014) because worldwide, rising concerns of regulatory pressure on companies to address the underrepresented women issues. Regulators have taken many ways to deal with it. Chapple and Humphrey (2014) examined jurisdiction that has issued recommendations and disclosure requirements, rather than implementing quotas. Authors used the market-level approach and compared the performance of portfolios of companies with gender-diverse boards and non-diverse. Authors also examined having more than one woman on the board is linked to performance, and if there is an industry type effect. They concluded not to find evidence between diversity and performance. Weak evidence of a negative correlation between having many women on the board and performance, but that in some industries, diversity is positively correlated with performance.

Gyapong et al. (2019) added the moderating effect of ownership concentration between gender diversity and dividend policy in Australian companies. Although board gender diversity has a positive impact on dividend, it is just noticeable in widely held companies. When there is high ownership concentration, board gender diversity decreases dividend payout. Women directors have the most significant impact on dividend payments when there are at least three or more on the board. Gyapong et al. (2019) concluded that effective corporate governance mechanisms could ease principal and agent (shareholders and directors) conflicts but not principal and principal (minority and majority shareholders) agency conflicts.

Emerging market, using SMEs from Ghana for the year 2015, test board gender diversity and dividend policy with the moderating effect of capital structure (Djan, Zehou, &

Bawuah, 2017). Capital structure act as an intervening variable. With the moderating effect, it could either improve or weaken dividend policy. The author used a structured questionnaire and published annual reports, but their findings on interaction term and dividend policy are insignificant, so the capital structure does not moderate the relationship between board gender diversity and dividend policy. They recommend policymakers should not implement without proper investigation on taking gender equality from another country and should carefully examine the influence of capital structure and the connection of relation before appointing more or less of women directors.

Kajola, Olabisi, Soyemi, and Olayiwola (2019) used 19 Nigerian listed companies from consumer goods and industrial sectors from 2010 to 2016, documented positive and significant association between female directors and dividend policy. The outcome is consistent with another board gender, and dividend policy studies that are female directors are more involved in monitoring activities.

Al-Amarneh, Yaseen, and Iskandrani (2017) investigated using Random Effects Generalised Least Squares (REGLS) model as estimation technique on 13 commercial banks in Jordan covering from 2005 to 2014, documented diversified boards have the propensity to pay a higher dividend to shareholders because women can address the needs of investors better in intolerant emerging economies.

Ahmadi, Nakaa, and Bouri (2018) used Cotation Assistée en Continu (CAC) of 40 companies in France and showed that board characteristics are positively correlated to the firm's performance, so indicating a significant relationship between board gender diversity and firm performance.

Al-Rahahleh (2017) also partly examines the impact of board gender diversity on dividend policy non-financial companies listed Jordan from 2009 to 2015. The results showed that board gender diversity positive impact on dividend policy. Women representation on the boards of non-financial companies in Jordan is low than in other countries. The causes of the reduced board gender diversity in Jordan range from lack of awareness about the benefits of gender diversity to the lack of legislation that regulates this issue. It is recommended to non-financial companies in Jordan to increase their compliance with the code on corporate governance and implement diversity policies to enhance the effectiveness of the boards and keep favorable relationships with their shareholders. Also, regulatory bodies step up in pushing gender diversity in the boardroom.

Muhammad (2018) measured the effect of board gender diversity and ownership concentration on the dividend policy of 387 companies in Indonesia from 2014 to 2016. The study used Generalized Least Squares as an estimation technique and found a direct relationship between board gender diversity and dividend policy.

Board gender diversity studies in Malaysia mostly examined firm performance. This paper included governance studies on Malaysia to compare international views of female directors and evidence on gender diversity. Low, Roberts, and Whiting (2015) used Malaysia, Hongkong, South Korea, Singapore, in investigating the association between board gender diversity and firm performance. Studies that support the influence of board diversity presence of women on Malaysian boards are significantly associated with firm performance. This study provides empirical support that the presence of women on

Malaysian boards is significant with firm performance. This paper recommends that policies that foster board diversity remain important. However, in contexts where diversity is not empirically linked with firm performance, the policy focus should first be directed to measures that encourage openness (Rachagan, Marshall, Poon, & Satkunasingam, 2015). Board gender diversity proxies, for example, women dummy variables, the percentage of female directors, the Blau index, and the Shannon index (Yap, Chan, & Zainudin, 2017). However, in Yap et al. (2017) study, the result from using the percentage of female directors, the Blau index, and the Shannon index were significant and positively related to the firm's performance. Just having a female director on the board has zero impacts on the firm's performance, but if there is more than one member, then this could impact the firm's financial performance. The presence of female directors on the board creates a better market expectation of the company's competitive advantages, which are reflected by an increase in the firm value, as proposed by Tobin's Q. This is because more women on board are expected to contribute to a diverse perspective and decision making, which is crucial for companies' strategic decision making and for ensuring performance in the long run. Because of the socialization process whereby unconventional female directors adopt the behavior and norms of conventional male directors to be recognized by top decision-makers (Rose, 2007). So, the advantages of having females directors cannot be seen influence firm performance, and, as a result, positive discrimination favoring female boardroom appointments is likely to continue as a feature of the corporate governance landscape in Malaysia.

Since 2004, the Malaysian government has implemented the policy in public sectors that wants decision-making positions to include more women. In 2011, the policy was applied to the private sector where 30 % board of directors are to be assigned to women with 2016 being the deadline for compliance (Abdullah, 2014). According to a study by Abdullah (2014), big companies able to comply readily because large companies have more resources and the ability to follow policy than smaller companies. Another perspective on board gender is positively related to board size and the family members on the board. Larger board size means larger women ratio in it. The presence of women on the board is related to the presence of more family members on the board. This means that family relations, rather than viable motives, influence the appointment of women to the board. There is also a positive relation between board independence and the number of female directors. From there, board independence is also positively related to the number of independent female directors. The authors concluded a negative association between gender diversity and dividend payout. That is, firms with low financial performance are more likely to have women on their boards. Hence, this suggests that the appointment of women to the board is driven by tokenism and family connection rather than by the business case(Abdullah, 2014).

Hussain, Rahman, and Masri (2020) study board traits and dividend policy using 336 non-financial companies from 2005 to 2016. Board size, tenure, age, and dividend payout are positive. Nevertheless, board diversity, board independence, CEO duality are strongly negative and statistically insignificant. It is perceived that companies with diverse boards are will pay dividends and pay more dividends than non-diverse boards. Authors concluded that board diversity has a significant influence on dividend payout policy and particularly noticeable for companies with more significant agency problems. Their findings too consistent with the argument that board traits do affect the dividend payout policy positively, which is beneficial for shareholders.

Malaysian board gender diversity and performance (Ahmad, Raja Kamaruzaman, Hamdan, & Annuar, 2019; Hassan & Marimuthu, 2014; Lim, Lye, Yuen, & Teoh, 2019; Yap et al., 2017)

Jubilee Ribed Vianneca (2018) tested Malaysian banking sectors to see any value-added with a diverse board of directors, found a positive relationship between the proportion of female directors and the value of the bank. However, female independent directors tend to have a negative relationship.

Despite the positive light of board gender diversity, Bolbol (2012) found a negative but significant association between board gender diversity and dividend payout.

3.0 Methodology

In synchrony with the aims of this article, review methods are similarly undertaken. However, the scope, direction of research and the timeline are different. Knowledge production within the fields of dividend policy, corporate governance and gender studies have accelerated at a tremendous speed while remaining fragmental and interdisciplinary. Keeping up with current, novel findings require an assessment of the collective evidence in a specific area of business research (Snyder, 2019). The quality and validity of review papers follow rigorous, fixed approaches through searches of relevant words (ibid) that must fit the objective and parameters of the article objectives.

In order to explain how this review paper came about, systematic literature review was used as content credibility is supported by the papers sourced and the processes were transparent, reproducible and iterative (Dionisio & de Vargas, 2020). A three-step methodology to collect the relevant literature and evaluating the research work done in the broad area of dividend policy payout. The first part involves setting the keyword to start the search process. In this case, the words were dividend policy, dividend payments, corporate governance, board composition, board of directors and gender. Other interchangeable search words were board gender diversity, women on board, female directors, dividend payout, and dividend policy, Malaysia. The online databases used to search for the articles were Web of Science, Scopus, Emerald Insight, ScienceDirect and Google Scholar. The timespan for the searches were by default, from 1970 to 2020. From these keywords, the hits are shown in Table 1.0.

Table 1: Search hits by Databases

Keywords	Web of Science (WOS)	Scopus	Emerald	Google Scholar
Dividend policy, corporate	66	80	1940	19,200

governance, board of directors				
Gender diversity, board of directors	786	550	3393	21,400
Gender diversity, dividend payout	13	10	58	4,120
Board composition, dividend payout	19	15	299	15,500

Not all the hits were tabulated for data analysis. Article that fulfilled the search critera were thematically analyzed manually through codes. The identification of emergent areas for future research provided the strong support for the research gap.

4.0 Findings and Discussion

The findings from the literature reviewed in the area of board gender diversity and dividend police showed the rapidly expanding topic. Affiliation statistics showed the most publications were from the USA and UK with many questions linked to dividend payout decisions remaining unanswered. The findings are important with the current downturn in the world economy battling the pandemic. Nevertheless, interpreting the findings from literature and the combined analyses of earlier studies have evidenced that gender diversity in the boardroom leads to better financial performance of the firm. This could be different in Asia, where gender diversity does not increase a firm’s performance (Yap et al., 2017). Even so, board gender diversity added in MCCG 2017, so debate of Malaysian corporate governance in every so often limited to agencies involved directly in law enforcement, that is, the Ministry of Finance (MOF), Bursa Malaysia Securities, Securities Commission and Registrar of Company. So, this crucial issue has to be addressed consequently in order to improve companies’ dividend payout. It can be said presence of women directors or addition of women help send positive signal to the company’s environment or investors improving its name, help send positive signal to potential job candidates, by doing so inviting qualified and eligible individuals outside the circles from which board candidates are typically employed. Next, increase the competition within the firm’s employees since women know that they are not excluded from the top management posts, which are available depending only on each individual's qualification and skills, and perhaps also matching the firm's internal organization with its environment making symmetry. Women may have a slight edge over men in terms of impacting strategic planning. Women can add significant representative value both inside and outside the organization, linking the firm with other communities. Malaysia aspires to be the first ASEAN country to achieve at least 30% of women directors on the boards of the top 100 public listed companies by 2020. The emphasis on women to be on board of directors was part of the 6th Malaysian Prime Minister's agenda, with emphasis on 30% of women on the PLC board (boardroomdiversity.org). As highlighted in the 2018 annual budget, by the end of 2018, at least 30% of women should participate as directors in Government-linked companies

(GLCs), Government-linked investment companies (GLICs) and statutory bodies (Bank Negara Malaysia (BNM), Securities Commission Malaysia (SCM), Companies Commission of Malaysia (CCM), Malaysian Investment Development Authority (MIDA). The Budget's addition of the 30% women on the board's agenda for GLCs and GLICs. The 30% quota of women as board members is mandatory. The 30% Club will continue to support and work with the government to push women participation on the boards of Malaysian companies. The 30% Club will continue to help companies recognize and appoint suitable women candidates on their boards. It is seen as essential to support the drive to have more female leaderships on companies' boards. It is not about the lack of women leaders, because we do have enough of them. It is about the lack of opportunities, awareness, and infrastructures.

In 2017, Deloitte's Women in the Boardroom: A Global Perspective Report highlighted that hiring female directors at all board seats is only at 15%, up by 3% compared to 2015. Malaysia initiatives to push such agenda because 30% women in the board seems the right and bright thing to do. According to year 2017 Malaysia's Performance Management & Delivery Unit (PEMANDU)'s analysis, about 19.1% in the Top 100 Public Listed Companies in Malaysia are made up of women. According to Malaysian Directors Academy (MINDA)'s executive director, board members that provide reasons such as it is hard to choose women candidates, said the 30% Club is the platform to reach out to arrange the matchmaking. All male board needs to change their mindset. To encourage the 30% agenda, incentives (such as granting government contracts and including tax incentives) could be suggested for Public Listed Companies (PLCs).

Malaysia made healthy development in comparison with other Asian countries. It seems skeptical due to the cultural history but now voluntarily embraced because the value women bring to board or they know that if they do not change, companies will be questioned during Annual General Meeting (AGM) by informed shareholders or investors. According to Credit Suisse (CS) Gender 3000: The Reward for Change, Malaysia ranked 12th out of 22, with 13.9% women on boards of Public Listed Companies. Internationally, the male still dominates board seats than women. As of 2018, according to Progress of Women Corporate Directors by Company Size, State and Industry Sector, women held 20.8% of the board seats on Russell 1000 (The Russell 1000 represents the top companies by market capitalization, comprises approximately 90% of the total market capitalization of all listed American stocks and a bellwether index for large-cap investing) that is up from 17.9% in the year 2015 (Gender Diversity Index).

Lastly, the analyses from literature reviewed indicated the general trens in the area of board diversity towards decision making in dividend policy. The findings provided the support for researchable gaps, that is, in identifying fertile research streams and the potential for further investigation in this area.

5.0 Conclusions

Dividend payout is an important issue because it is the people's investment, and the dividend is the companies commitment to investors that they are guaranteed to get it back.

Not only have that, but minority shareholders expect to receive dividends because it could be their source of income. Comparing international findings and Malaysian literature lead to some similarities, where the presence of women directors could give a positive image towards the firm, and it shows efforts being made. Moreover, one female director is enough to change the dynamics of the board but requires more than one to see any positive or negative changes in performance. Board gender diversity could be a positive impact in terms of monitoring effectiveness and communication with investors. The goal of this literature review was to see Malaysia's progress in terms of board gender diversity in general. Also, the body of knowledge between board gender diversity and dividend payout in Malaysia. The reviewed literature suggests that there are advantages of having and adding female directors to the board. This conclusion by many scholars outside and inside Malaysia, consistent with the theoretical notion of agency and signaling theory, showed that women on corporate boards involve in the monitoring of the management than their male directors. Indirectly, women on board used dividend payment as a means of controlling the managers, so fewer agency conflicts that may occur between owners and management. Recent research supports, but a continuation of recent research with consistent and supported methodologies will help justify its use and application. We could see many techniques used to get positive results such as Random effects GLS technique, OLS, Tobit, and Logit showed similar results with international literature.

It is suggested that shareholders seek to promote board gender diversity by adding more female directors on the board. The statutory bodies (Securities Commission and Bursa Malaysia) and other policymakers are recommended to alter the several corporate governances, in particular board diversity and sectorial codes, by mandating corporate organizations to reserve 30% of board members solely for women, as this will be of significant benefits to the shareholders, board of directors and stakeholders. Also, the Chairman of the board could lead to a better function of the board, so study on females and independence of the chairperson could be the studies in future studies. The significance of the findings from the review of literature will provide the impetus for further studies. Most importantly, board decsions after the pandemic and the lockdown period will have to be adjusted towards a "new normal".

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