GENDER REPRESENTATION IN CORPORATE BOARDS AND OFFICERS AND ITS EFFECT ON THE FINANCIAL PERFORMANCE OF PUBLICLY LISTED COMPANIES

Khatlyn Joy Aratea, Jan Nadine Dionisio,
Rhea Lacupa, Nicole Olchondra

Abstract

Gender roles were dictated by the society even from the beginning and the discrimination between gender has become standardized. The society see males having a strong ability and as being self-reliant while they look at females as weak for being emotional that makes them incapable of running a business because, they thought of women as irrational thinker. In the business setting, the board of directors has the role of determining the corporate strategy therefore influences financial performance. In the recent years, there has been an ongoing debate about the representation of the females in companies especially in the executive positions. Since diversity is often regarded as a double-edged sword, meaning that increase in diversity can result in advantage and disadvantages when it comes to the outcomes, a board composed of diverse directors affects firm performance either positively or negatively. This study purports to assess the difference between male and female representations in corporate boards on the financial performance of publicly listed companies. The results of this research found that there is no significant difference between female and male representation on corporate board of directors and officers on the financial performance of publicly listed companies. Thus, causing the null hypothesis to be accepted. The findings of this study provide additional information to the existing literature concerning the impact of female representation on corporate boards and officers on a company's financial performance wherein male executives perform better in large corporations which involves complicated operations since they can multitask. Unlike women, they perform well when managing matters one at a time which is not always the case when you are in a board or executive position in a major company

Keywords: gender representation, financial performance, publicly listed companies

Introduction

The board of directors along with its important roles and responsibilities, plays a crucial part in any corporate entity. Thus, it is clear that its organizational structure must conformed to the functions that are designated to it. The key purpose of the board is to guarantee the company's prosperity by governing its affairs collectively through establishing policies for corporate management while meeting the relevant interests of its shareholders and stakeholders (Standards for the Board, IoD). An effective board of directors is a board that has diversity within its members and diversity with its skills (Barlow, 2016).

Likewise, the senior management who sometimes work in concurrence with the board, also has an essential role. Senior Managers are in charge of the overall operations and profitability of a company. Their objective is to maximize efficiency, productivity, and performance, by ensuring that all operations are running smoothly. Developing a strategic frame of reference, practicing the use of SWOT analysis, conducting self-assessment, communicating clearly with facts and inspiration, and many more (Reilly, 2019). He assembled this book for those experienced and new leaders to serve as guidelines to help managers to nurture senior management skills.

Having the jurisdiction to decide on serious issues and other matters, the members of the board as well as the senior management should be selected thoroughly, for their actions and decisions affect the whole organization in general, including its profitability, which is a central goal of a business. In addition, studying the fundamental factors of a firm's financial performance is considered to be necessary to reach further financial growth. According to the article written by Carl Dorvil (2014), there are five things that should be taken into account when putting together the board of directors.

First, is to create a diverse board because it will provide a unique idea that may or may not have otherwise had. The second is to have virtual board members. Next, is to have an odd number of board of members so that when it comes to decision making, there will always be a side or suggestions that wins out. Another one is to invest in your board to get the most out of the experience and their advice. Lastly, always be looking for new creative members by generating nominating criteria for taking someone new and then sitting down once a quarter to evaluate who is currently on the board and who might be a good addition or substitution based on new contracts that have made.

Gender roles were dictated by the society even from the beginning and the discrimination between gender has become standardized (Eagle, 1978). The society see males having a strong ability and as being self-reliant while they look at females as weak for being emotional that makes them incapable of running a business because, they thought of women as irrational thinker. Stereotyping on gender roles is based on how man and a woman acts in a society. For an example, woman create a "communal" image such as compassion, kindness, generosity, and friendly. On the other hand, man is known for being assertive, competent and self-reliant (Eagly, 1978).

According to Cartel et al., (2003) Gender, ethnic and societal where a person belongs affects their position for being a manager, directors and shareholder of major corporations. The European Commission are promoting gender equality by lessening the gender inequality from some

organization. To be specific their goal is to have at least 40% representation of the gender which are absent for a non-executive director in listed organizations. Some countries like Belgium, Israel, Italy, Spain, India, Germany, France, and Iceland uses a quota in order to increase female representation on the boards. However, this has been an issue because some people who have the power to select based on one's capability seen this as taking less value. (Moscoso et al., 2012). In Spain, a researcher had made a survey on selected firms about the relationship of gender disparity and the financial performance of an organization and the result is that gender disparity can make more advantages for an organization to improve their economic status and income Campbell and Mínguez-Vera (2008). Some researches show that having a lot of women in an organization will make a major difference in terms of decision making and the way how to manage a business. Creating more consideration for a large number of stake-holders will create a positive impact to an organization. Both men and women can give their perspectives that will result to a more effective and efficient business operation.

The glass ceiling effect aims to focus on gender diversity. In particular, the role of female on the corporate boards and how it will affect an organizations performance (Adler, 2001).

Nowadays, there a lot of studies appearing to know if there is really a connection between profitability and numerous factors. An organization is operating effectively and efficiently base on its financial performance and top executives, that is why the researches are looking for more information if these two are related to each other. In this study, a women capability is involved because of the rising issues about gender equality. Even though many researches were existing between the relationship of financial performance and gender inequality, most of the outcome are still uncertain. It leads the researcher to make a clear understanding as the we look for more information in comparing female and male representation on corporate boards and how it affects an organizations profitability (Yaron, 2018). Having a female director in an organization will help when there is a difficult situation because two mind set is working (Chen, et al.,2019).

Some other countries have established new corporate governance legislation (e.g. Sarbanes-Oxley Act) while many others have focused on developing board diversity, especially gender diversity. In connection with this objective, many countries have already introduced or are in the process of introducing legislation to increase board gender diversity. As a result, the role of women on boards is getting increased attention (Vinnicombe et al., 2008). The researches that examine the influence of board gender diversity on the creation of organization value have principally concentrate on financial performance rather than social performance (for a review, see, Terjesen et al., 2009). This is unexpected considering the growing importance of CSR worldwide (see, Kakabadse, 2007). As it has been stated: "Corporate social responsibility, once a do-gooding sideshow, is now seen as mainstream" (The Economist, 2008, p.3).

Review of Related Literature

Male Representation on Corporate Boards

A study in sociology and economics propose that male leaders prefer to keep hiring their fellow men and it is called "old boys' network" (McDonald, 2011). Interpersonal fit is having a good social relationship based on their similarities that makes people in that group easy give knowledge and resources to each other (Byrne, 1971: Ibarra et al., 2005). According to Eagly, 1987, 2007: Davison and Bruke, 2000; Heilman, 2001) there is meta- analytical evidence that men typically enjoy having a dominant social status. The reason why they hire and motivate men because they want their followers to work the way they do and to influence others about their methods (Ibarra, 1992; McDonald, 2011).

According to Eagly (1987), There is always been a stereotype between Men and Women, that men should be always be confident, self-reliant and capable of competing in order to fulfill their male social role expectations. On the other hand, women are expected to spread goodness, be kindhearted, sociable and shows sympathy for others. That makes men the provider of the family and women called as the lady of the house (Diekman & Goodfriend, 2006). Acker (1990), states that gendered organization theory is the formation of the organization that was built and exclusive for men.

Female Representation on Corporate Boards

According to Deloitte, women only hold approximately 16.9% of the board seats globally. Furthermore, a recent paper published by Professor Marc Goergen of IE Business School in Spain also identified that women on boards seems to be good thing in planetary health due to the direct connection between corporate boards with a high concentration of female directors and a firm's greater renewable energy consumption. Moreover, researches also shows that firm's reputation has been highly improved on those company having female directors and have recorded a decrease on incidents associated in corporate fraud, corporate tax aggressiveness, improve earnings quality and is more likely to have higher significance in helping corporate social responsibility initiatives (Bob Zukiz, 2020).

According to 2020 Women on Boards, a non-profit organization advocating the increase of the number of women in the corporate board, said approximately 22.6% of the board seats are now dominated by women among the nation's largest publicly-traded companies in the Russell 3000 index. An increase of 2.2 percent from 2019 having 20.4% and an increase of 6. 5% over four years have been recorded (Anne Stych, 2020).

Return on Assets

Return on assets is one of the important profitability ratios, it measures how well a company make use of its assets. It gives an idea to financial users to how efficient the performance of management in utilizing the company's resources to generate profits. ROA is calculated by dividing the company's net income by its total assets. ROA suggests that companies with higher amounts of assets should be able to earn higher levels of income. Understanding the trajectory provides a basis for taking a longer-term approach that can help companies outline effective strategies (Hagel et al, 2013).

Return on Equity

The return on equity or ROE is a profitability ratio that measures the company's efficiency to generate profit from its shareholders' investments and grow the company. For potential investors, this is an important measurement since it represents how effectively a company will use their money to generate net income. It serves as a good indication of whether the company can generate a profit that's worth taking the risk of investing (Sharma,2015).

A company that has a sustainable and increasing ROE over time is good at generating shareholder value because it knows how to reinvest its earnings wisely to boost productivity and profitability. On the other hand, decreasing ROE indicate that the firm has a poor decision making on reinvesting capital in ineffective assets (Corporate Financial Institute). To evaluate how the return on equity changes over time, many investors compute the return on equity at the start and end of each period. This makes it much easier to track a company's performance, progress and ability to maintain a positive earnings trend.

Glass Ceiling Theory

Stockdale & Crosby in 2004 states that Glass Ceiling is a figure of speech that describes for analyzing and inspecting about the gender discrimination that happens everywhere, mostly in business world. A women ability being underestimated is called as "Glass Ceiling". This situation creates difficulties for a woman to improve and be promoted in an organization. An example of this is India, a country known for having an unequal treatment between men and women. Most of the women in this country find it hard to prove their selves to be eligible to become a leader in every aspect even though they have attained a degree (Wesarat, 2017).

Nowadays, women are starting to run and have their own business. There is also an increase in research study where female workers and leaders are the samples. Men and women business owners have resemblance when it comes to business characteristics, demographic factors, and dilemmas but men are more advance in terms of approach to venture creation/acquisition, problems, business goals, performance, skills, work experiences, and education. On the other hand, women are having an inadequate sponsorship, access to appropriate networks, role models, and mentors—which are all available for male business owners (Linehan & Scullion, 2009).

Even now, discrimination still exist in our society and one of the factors why women cannot be seen as great leaders. Result from some of the studies shows that women are not having an advantage for being a leader and elected as official is because of the lack of support they are experiencing (Linehan & Scullion, 2009).

Socio Cultural Theory

The sociocultural theory also called socio structural theory or social role theory was proposed by Eagly and Wood

(1999). This viewpoint holds that a society's gender distribution of labor drives all other gender differences in behavior. Women's stronger nurturance, for example, is a result of, rather than a cause of, their responsibility to care for children. Individuals' adaptations to the roles they are assigned as well as the roles that are prescribed result in psychological gender disparities. Male and female biological differences are significant because they are amplified by culture. Men's stronger size and strength have traditionally pursued occupations like as warfare, which have provided them with greater status, power, and income than women. Men's behavior became more dominant once they were in those roles, whereas women's behavior adapted by becoming more subordinate. Women's biological aptitude for childbearing and breastfeeding prompted them to care for children, which led to develop nurturance and relationship skills.

The disproportionate assignment of nurturant roles to women, as well as men's greater participation in paid positions of higher power and status, has fostered stereotypes that associate agency with men and communion with women. Furthermore, men and women have different skills due to the gendered division of labor (Imran, 2013). When gender stereotypes emerge in a group as a result of a task or context that is culturally associated with one gender or a mixed gender membership, members' expectations for one another's behavior will be shaped by stereotypes. When members of a group carry out social roles that are more closely tied to the context than gender, such as manager and employee in the workplace, these more proximate roles to determine their behavior rather than gender stereotypes. Even in instances where gender stereotypes have no bearing on behavior, men and women may behave differently due to their gender differentiated skills (Triana,2009).

Social role theory covers a wide range of concerns, including positive, power-related behaviors as well as reassuring or feeling-related behaviors, which are referred to

as socio emotional behaviors (Kumar, 2013). The theory's explanation is not very specific and thorough. However, the theory predicts that in the same situation, women will act more collectively and less instrumentally than men. Which explains that these differences will be greatest when gender is most salient, and that gender differences will be weak or absent when people enact formal, institutional roles (Pearce, 2009).

Upper Echelons Theory

Upper echelons theory suggests that the collaborative interpretations and analyses of the strategic environment of the top directors are the reflection of the organization they belong. These interpretation and analyses lead the significant management decisions and choices which particularly affect organizational results, whether good or bad (Hambrick, 2007). This theory defines that what materially affecting the evaluation of the circumstances influencing the company decisions and choices are the experiences, values, and personalities of the company's top executives.

The necessity to integrate and generate research on women at the top of corporations and organizations rooted from the increasing number of women in the upper echelons. Possible relationship between gender diversity and financial performance has been the prevalent subject of the studies as they attempt to study such. Research on this topic can guide policy and practice, improving the performance of organizations and the individuals who work within the company. (You, 2018). Understanding the supply aspect of female appointment in relevance to the whole upper echelons could substantially provide a systematic approach in knowing and understanding the shortage of women in the upper echelons which makes it a principal aspect to explore about because apparently, even though there is a global rise to gender diversity in the top of the organizations, women still remain to be underrepresented in the upper echelons (Terjesen, 2018).

Theoretical Framework

Social Role Theory

Social Role Theory explains that broadly shared gender stereotypes created from the gender division of labor that distinguishes a society. Men's prominent engagement in top positions and higher power and the unequal designation of roles to women have develop stereotypes (Eagly and Wood, 1999).

Parsons and Bales (1955) had provided furthermore, the division of labor according to gender cause men and women distinguished skills. Shortly, we assert that gender diversity and similarities in behavior indicate gender role beliefs that successively represent people's concepts of men's and women's social roles in the community.

In postindustrial societies, for instance, men are more likely compared to women to be employed, particularly in supreme positions, and women are more likely than men to engage in caretaking tasks at home as well as in their working environment (Eagly and Wood, 2012).

Most of these beliefs can be summarized in two dimensions, which are often labeled agentic and communal (Bakan, 1966). Men, more than women, are thought to be agentic – that is, masterful, assertive, competitive, and dominant. Women, more than men, are thought to be communal – that is, friendly, unselfish, concerned with others, and emotionally expressive. These qualities are similar to those that Parsons and Bales (1955) had labeled as instrumental and expressive (or task-oriented and socio-emotional). Both men and women are distinctively disseminated into social roles because of differences in terms of physical attributes where in men are bigger, faster, and have a considerable strength while women are expected to conceived and look after children. Considering these physical differences, specific undertakings are more efficiently

performed by one gender than the other, depending on the situations and culture of a certain society. Task specialization develops an association between men and women as they engage in a labor distribution. Gender role beliefs emerge for the reason that people observed female and male behavior and presume that genders hold a relative configuration.

These characteristics are observable in collectively-shared beliefs or can be refer as stereotypes. On a daily basis, people bring about these gender roles as they depict specific social roles. In order to prepare men and women for their usual family and employment roles, societies take up substantial socialization to encourage personality attributes and skills that assist role execution. Therefore, both genders are perceived to possess qualities that allow them to accomplish a particular role (Eagly and Wood, 1991).

Occupational Gender Segregation

According to McGrew (2016), Occupational gender segregation has been a source of debates from the start especially, for gender. It happens when a woman is experiencing an unfair treatment in their workplace, they are under presented despite of their educational attainment. This situation leads to a large gap between a man and woman's wage and it will also take an effect to their careers because, their employer sees them having no potential in performing a job that they think is suitable only for men. This is where gender inequality exists due to having an unfair treatment based on their "natural differences". One sex is getting an advantage on their workplace more than they deserve.

This is one of the reasons why less than 50% of women were unemployed and wages of men is way higher than the wage of a woman can get. Gender discrimination that the society influenced is taking a huge effect for a woman to show her ability and skills (European Institute for Gender Equality, 2016). A study from Harvard University conducted by Claudia Goldin claims that this happens because of stereotyping where men usually underestimate women's ability and by doing this, it can affect the overall productivity of an organization. On the other hand, Rachel Kranton of Duke University and George Akerlof of Georgetown University states that it happens because of the social pressure that men can get from the society and the fear that women may surpass them in workplace (McGrew, 2016).

Hsieh and Hurst (2020), states that segregation in workplace can have a bad effect to the economic growth. For instance, it may slow growth and productivity by not knowing the skills of the other sex. They do not have much idea in terms of decision making due to not letting a woman to give their opinion about the operations. Also, having a low income of a woman will decrease a family income that will result to a decrease of demand from the consumers.

Contingency Management Theory

The primary assumption of Contingency Theory is that there is no best way to lead an organization considering that are there are also too many internal and external factors affecting the leadership style given the circumstances (Rodriguez, 2010).

According to Cengage, an effective organization should identify the condition of the task, requirement of job and the people involved as part of identifying the situation of the management (*Contingency Approach to Management | Encyclopedia. Com*, n.d.).

Furthermore, the contingency approach to management anticipates that there is no universal answer to many questions due to people, organizations and situations that may differ and can be modified over the period of time. This theory is similar to situation theory in which there is an assumption that there is no simple way that is always right. Some of the factors that can influence this theory includes the size of the organization, adaptability of the firm to its

environment, differences among resources and operations activity, assumption of managers to employees, strategies and technologies being used *(Contingency Approach to Management | Encyclopedia.Com, n.d.).*

"Contingency approach to management advocates that managerial actions and organizational design must be appropriate to the given situation and a particular action is valid only under certain conditions. There is no one best approach to management and it all depends on the situation" (Francis, 2014).

In addition to that, there are eight (8) features of this approach. First, Management is externally situational, Management is entirely situational, there is no best way of doing anything, one needs to adapt himself to the circumstances, It is a kind of "if" "then" approach, It is a practically suited, Management policies and procedures should respond to environment. Managers should understand that there is no best way of managing, and lastly, It dispels the universal validity of principles.

Conceptual Framework

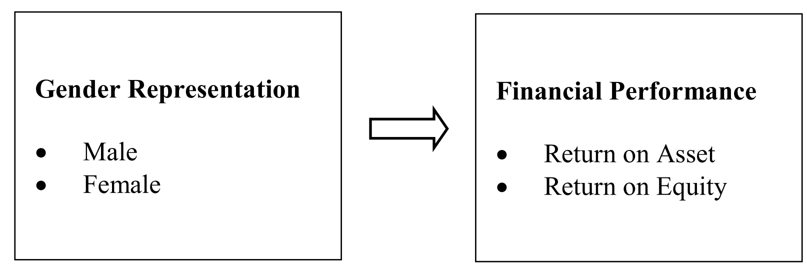

Figure 1. Research paradigm of the study

Figure 1 shows the framework used by the researchers to determine the relationship between male and female representation on corporate board and officers on the financial performance of publicly listed companies. The independent variables are the representation of male and female in the corporate boards. The variations of the variables do not depend on other variables. The financial performance is the dependent variable and is what is being measured in this study. The financial performance of the companies is measured using the return on asset and return on equity.

Statement of the Problem

This study purports to assess the difference between male and female representations in Corporate Boards on the Financial Performance of publicly listed companies. Thus, it seeks to provide answers for the following questions:

1. How may the profile of publicly listed companies be described in terms of:
   1.1 Type of industry,
   1.2 Number of years the company has been publicly listed, and
   1.3 Net Income?

2. How may the gender representation in corporate Board of Directors and Officers be described?

3. What are the firm performance ratios of the selected publicly listed companies in terms of:
   3.1 Return on Asset, and
   3.2 Return on Equity ?

4. Is there a significant difference on the financial performance of publicly listed companies between male and female representation on board of directors and officers?

Hypothesis of the Study

The following hypothesis was formed in relation to the problems identified:

There is no significant difference between female and male representation on corporate boards and officers on the financial performance of publicly listed companies.

Method

Research Design

The study followed a descriptive research design which aims to observe and describe the behavior of the variables without implementing any influence on the same. The study also adopted an independent t-test research design which assesses whether the means of two groups are statistically different from each other. This enabled the researchers to determine the significant difference between male and female representation on corporate boards and officers on the firm financial performance of the publicly listed as of the year 2019.

Respondents and Sampling

The points of interest in this study are forty (40) publicly listed companies with available information online. The previous year 2019 financial data was utilized across all the firms listed. The firms listed are from various industries as the publicly listed companies are representation of the traded stocks in the Philippine Stock Exchange. The researchers implemented a purposive sampling, also known as judgmental, selective, or subjective sampling, a form of non-probability sampling in which researchers depend on their own judgment when selecting members to participate in the study. In this study, companies are selected based on a particular profile such as the gender of the company board of directors and officers. The method for performing purposive sampling is fairly simple. Researchers reject companies who do not fit the particular criteria.

Research Instruments

The researchers used secondary sources of data. Chosen companies information were collected from the Audit of Financial Statements, which are readily available from the Philippines Stock Exchange (PSE) website. The financial statements that were obtained by each company were dated on 2019. Other information came from the website of the selected companies.

Data Gathering Procedures

The sources of the researchers are secondary sources from the publicly listed companies to measure both financial and non-financial data. The Audited Financial Statements of publicly listed companies are all gathered from in the Philippine Stock Exchange Electronic Disclosure Generation Technology (PSE Edge) website which is an online system facilitating the submission and distribution of publicly listed companies' disclosure reports which are submitted to the Philippine Stock Exchange which are downloadable and is open for public viewing.

Data Analysis and Statistical Treatment

The data analysis assessed the information gathered from 2019 Audit of Financial Statements of Forty (40) companies that were listed publicly in the Philippine Stock Exchanges. The hypothesis was tested using Independent t-Test on the gender representation in corporate boards of directors and officers and its effect on the financial performance of publicly listed companies. An independent sample t-Test also known as two sample t-Test is a parametric analysis used between two groups to identify if there is a statistically significant difference.

Results and Discussion

Table 1. Profile of the publicly listed companies

	Frequency		Percentage		Total
Type of Industry	**Male**	**Female**	**Male**	**Female**	
Financial	1	0	10%	0%	5%
Holding Firm	4	4	40%	40%	40%
Industrial	1	2	10%	20%	15%
Property	1	1	10%	10%	10%
Services	3	3	30%	30%	30%
Total	**10**	**10**			**100%**
No. of years the company has been publicly listed					
20 years or less	2	5	20%	50%	35%
More than 20 years to 40 years	6	2	60%	20%	40%
More than 40 years to 60 years	1	3	10%	30%	20%
More than 60 years to 80 years	1	0	5%	0%	5%
Total	**10**	**10**			**100%**
Net Income					
20 billion or less	5	9	50%	90%	70%
More than 20 billion to 40 billion	1	0	10%	0%	5%
More than 40 billion to 60 billion	3	1	30%	10%	20%
More than 60 billion to 80 billion	1	0	10%	0%	5%
Total	**10**	**10**			**100%**

With the observation from the forty publicly listed companies, the results on the type of industry these companies belong show that 40% are holding firms established with the purpose of owning and controlling the assets of one or more companies, 30% of companies account to service industry composed of a diverse range of services, including retail and business services, casino and gaming, education, and transportation, 15% are from industrial sector that create a finished product such as in manufacturing, shipping, and electronics, 10% belongs to property sector which involved in the development of land for residential, commercial, institutional or recreational purposes, and the remaining 5% are on the financial field that are made up of firms and institutions that provide financial services to commercial and retail customers. This sector composed of a broad range of industries including banks, investment companies, insurance companies, and real estate firms.

In terms of number of years, a company has been publicly listed, the results exhibit a 40% of companies are traded for more than 20 years to 40 years, 35% for companies whose been publicly listed for a period of 20 years and below, 20% are being traded for more than 40 years to 60 years, and 5% trade for more than 60 years to 80 years in Philippines Stock Exchange.

As to their income, the table indicates that 70% or 14 companies has a net income of 20 billion or below, 20% or 4 companies obtain a profit of more than 40 billion to 60 billion, 5% or 1 company that earn more 20 billion to 40 billion, and 5% of the sample companies make a revenue of more than 60 billion to 80 billion.

Table 2. Description of gender representation

Male Dominated Companies (10 or 50% of the Sample Companies)			
	Male Representation	Female Representation	Total
Frequency	159	21	180
Percentage	88%	12%	100%
Female Dominated Companies (10 or 50% of the Sample Companies)			
	Male Representation	Female Representation	Total
Frequency	61	99	160
Percentage	38%	62%	100%
Average Percentage on Both Female and Male Dominated Companies			
		Total Frequency	Total Percentage
Male Representation		220	64.7%
Female Representation		120	35.3%
Total		**340**	**100%**

With the observation on the twenty (20) sample companies, gender representation in the corporate Board of Directors and Officers can be described that male representation is more dominant than female representation showing an average of 64.7%. On the other hand, female representation indicating a 35.3% average as shown on the table above.

Table 3. Firm performance in terms of return on assets (ROA)

Firm Performance in Terms of Return on Assets (ROA)		
Companies	Male Dominated Companies	Female Dominated Companies
Company 1	3.00%	2.50%
Company 2	3.10%	5.30%
Company 3	4.00%	3.00%
Company 4	5.00%	0.00%
Company 5	6.00%	0.00%
Company 6	11.80%	2.50%
Company 7	1.40%	4.26%
Company 8	2.70%	7.70%
Company 9	6.10%	3.70%
Company 10	7.50%	-11.50%
AVERAGE	**5.06%**	**1.75%**

Table 3 shows that the Average Firm Performance in Term of Return on Asset (ROA) for Ten (10) Male Dominated and Ten (10) Female Dominated Companies listed in the Philippines Stock Exchange are 5.06% and 1.75%, respectively.

Table 4. Firm performance in terms of return on equity (ROE)

Firm Performance in Terms of Return on Equity (ROE)		
Companies	Male Dominated Companies	Female Dominated Companies
Company 1	10.00%	12.00%
Company 2	8.20%	8.46%
Company 3	14.10%	3.00%
Company 4	7.00%	0.00%
Company 5	13.00%	0.00%
Company 6	20.20%	8.10%
Company 7	11.90%	12.00%
Company 8	8.40%	28.70%
Company 9	12.90%	7.10%
Company 10	22.50%	-9.00%
AVERAGE	**12.82%**	**7.04%**

Table 4 shows that the Average Firm Performance in term of Return on Equity (ROE) for Ten (10) Male dominated and Ten (10) Female dominated companies listed in the Philippines Stock Exchange are 12.82% and 7.04%, respectively.

Table 5. Return on assets of the publicly listed companies

	Male Representation		Female Representation	
	Frequency	**Percentage**	**Frequency**	**Percentage**
Return on Assets				
5% or less	6	60%	8	80%
Greater than 5% to 10%	3	30%	2	20%
Greater than 10% to 15%	1	10%	0	0%
15% or more	0	0%	0	0%
Total	10	100%	10	100%

Table 5 shows the Return on Assets from the twenty (20) publicly listed companies in the Philippine Stock Exchange. For male representation in corporate boards and officers 6 companies listed in the Philippine stock exchange fall under 5% or less range equivalent to 60% while, there are no companies fall under greater than 15% or more. On the other hand, for female representation in corporate boards and officers 8 companies listed in the Philippine stock exchange fall under 5% or less range equivalent to 80% and no companies fall under greater than 10% to 15% and 15% or more.

Table 6. Return on equity of the publicly listed companies

	Male Representation		Female Representation	
	Frequency	**Percentage**	**Frequency**	**Percentage**
Return on Equity				
5% or less	0	0%	5	50%
Greater than 5% to 10%	4	40%	3	30%
Greater than 10% to 15%	4	40%	2	20%
15% or more	2	20%	1	10%
Total	10	100%	10	100%

Table 6 shows the Return on Equity from the twenty (20) publicly listed companies in the Philippines Stock Exchange. For male representation in corporate boards and officers 4 companies listed in the Philippine stock exchange fall under the ranges of greater than 5% to10% and greater than 10% to 15% equivalent to 40% each while there are no company fall under than 5% to or less. On the other hand, for female representation in corporate boards and officers 5 companies listed in the Philippine stock exchange fall under the 5% or less range equivalent to 40% while there is 1 company fall under 15% or more equivalent to 10%.

Table 7. Interpretation of Profitability Value

Profitability Value	Accept or Reject Null Hypothesis	Interpretation
Less than 0.05	Reject Ho	There is a significant difference
Greater than 0.05	Accept Ho	There is no significant difference

A 0.05% significance level was utilized in this study. If the result of the p-value is greater than the significance level, there is no significant difference between female and male representation on corporate boards and officers on the financial performance of publicly listed companies. On the other hand, there is a significant difference between female and male representation on corporate boards and officers on the financial performance of publicly listed companies if the result of the p-value is less than the significance level.

Table 8. Significant difference of Female and Male on Corporate Boards and Officers on Return on Asset

	ROA (FEMALE)	*ROA (MALE)*
Mean	0.01746	0.0506
Variance	0.002694249	0.000905822
Observations	10	10
Hypothesized Mean Difference	0	
df	14	
t Stat	-1.746614003	
P(T<=t) one-tail	0.051298263	
t Critical one-tail	1.761310136	
P(T<=t) two-tail	0.102596526	
t Critical two-tail	2.144786688	

The calculated t (-1.74) is lower than the t critical (2.15), thus it failed to reject the null hypothesis in favor the alternative hypothesis. Hence, the empirical data shows that there is no significant difference between the ROA of male and female respondents.

Table 9. Significant difference of Female and Male on Corporate Boards and Officers on Return on Equity

	ROE (Female)	*ROE (Male)*
Mean	0.07036	0.1282
Variance	0.009935874	0.002593289
Observations	10	10
Hypothesized Mean Difference	0	
Df	13	
t Stat	-1.634057221	
P(T<=t) one-tail	0.063109259	
t Critical one-tail	1.770933396	
P(T<=t) two-tail	0.126218518	
t Critical two-tail	2.160368656	

The calculated t (-1.63) is lower than the t critical (2.16), thus it failed to reject the null hypothesis in favor the alternative hypothesis. Hence, the empirical data shows that there is no significant difference between the ROE of male and female respondents.

Conclusion

This study examined the effect of gender representation on board of directors and officers in the financial performance of publicly listed companies. The main purpose of this study is to examine whether gender representation on corporate BOD and officers has an effect on the financial performance on the selected publicly listed companies. Previous studies related on this topic shows different findings.

This study analyzed the BOD and officers of selected companies' data from PSE website. With the results of the analysis, the objective of the research can now be answered. T-test: Two-Sample Assuming Unequal Variances and purposive sampling provided factual evidences of the effect on the financial performance of the company on the gender representation of their BOD and officers.

This research studied the board of directors and officers of publicly listed companies. With this analysis, an answer to the research objective can be given. An independent t-test and descriptive statistics have presented empirical evidence on the effects of gender representation on the financial performance of a publicly listed company. The research objective of this study is as follows:

Is there a significant difference on the Financial Performance of publicly listed companies between male and female representation on Board of Directors and Officers?

The results of this research found that there is no significant difference between Female and Male Representation on Corporate Board of Directors and Officers on the Financial Performance of Publicly Listed Companies. Thus, causing the null hypothesis to be accepted.

The findings of this study provide additional information to the existing literature concerning the impact of female representation on corporate boards and officers on a company's financial performance wherein male executives perform better in large corporations which involves complicated operations since they can multitask. Unlike women, they perform well when managing matters one at a time which is not always the case when you are in a board or executive position in a major company (Mantyla, 2012).

Recommendations

Existing corporation

For existing corporations, the researchers recommend to elect or hire officers and directors based on their qualifications and not on their gender as it shows in the research conducted that gender representation does not have any effect in financial performance of a company. It would also give both genders the fair treatment they deserved and would lessen the gender discrimination in the society especially in business world.

Investors

Investing in companies that encourage gender diversity has become increasingly popular in the past few years. This study showed that the representation of male and female on corporate boards and directors does not affect the financial performance of companies publicly listed in PSEI. In our society, discrimination between gender has been standardized. According to the study made by Eagly, 1978. Males are seen as powerful and self-reliant by the society;

however, females are seen as weak for being emotional, making them incapable of leading a business because women are thought to be irrational thinkers which makes some of the investors to not take the risks to invest in gender diverse companies. The researchers recommend to set aside the investor's gender issues for it will not affect the financial performance of the company. Female and Male Board of Directors and Officers both have an effective leadership style and able take different approach to challenges and solutions in the workplace.

Future Researchers

For the development of the study, the researchers recommend to use other variable in determining the effects of gender representation of board of directors and officers to the financial performance of the company. For instance, net profit margin, operating margin, earnings per share, and etc. Future researchers may also conduct study that is related to the topic so that it would give additional credibility to the research findings. In addition, methodology applied in this research may use to other industries to analyze if there are similarities with the results obtained. Lastly, as the researcher collects information from the Philippine Stock Exchange Index which is broad and complex, we advise future researchers that may also use different industries, since the researchers used the population of large corporations, they may use Small to Medium Size Enterprises as their respondents.

References

Agarwal, R. (n.d.). *Return on Investment (ROI) : Advantages and Disadvantages.* Retrieved from Return on Investment (ROI): Advantages and Disadvantages (yourarticlelibrary.com)

Avlokulov, A. (2020, May 27). *Return on Assets and Financial Soundness Analysis: Case Study of . . .* Research Leap. https://researchleap.com/return-assets-financial-soundness-analysis-case-study-grain-industry-companies -uzbekistan/

Badenas, F. (2015). *A qualitative study of male and female perceptions in differences in the working and domestic sphere: A comparison of the French and Finnish cultures.* Retrieved From: https://jyx.jyu.fi/bitstream/handle/123456789/46309/URN%3ANBN%3Afi%3Ajyu-201506132317.pdf%3Bsequence%3D1

Barlow, J. (2016). Board Effect: *Building an Effective Board of Directors*. Retrieved from: https:/www.boardeffect.com/blog/building-effective-board-of-directors/

Burton, L., & Parker, H. (2010). Gender typing in management: Evaluation of managerial subroles for sp011. *Advancing Women in Leadership Journal,* 30, 1-10

Carter DA, Souza FD, Simkins BJ, SimpsonWG (2010) The gender and ethnic diversity of US boards and board committees and firm financial performance. *Corporate Governance: An International Review* 5^2 : $7^{3\ 0}$ –414.

Charness G, Gneezy U (2012) Strong evidence for gender differences in risk taking. *Journal of Economic Behavior & Organization* ^{2}7: 94–58.

Clemens, A. (2019, April 22). *Gender segregation at work: "separate but equal" or "inefficient and unfair."* Equitable Growth. https://equitablegrowth.org/gender-segregation-at-work-separate-but-equal-or-inequitable-and-inefficient/

Corporate Finance Institute (n.d.). *Return on Investment (ROI). The benefit from investing in a certain resource*. Retrieved from Return on Investment - Learn How to Calculate & Compare ROI (corporatefinanceinstitute.com)

Eagly, A. H., & Wood, W. (2012, January 1). *Social role theory*. ResearchGate. https://www.researchgate.net/publication/285179532_Social_role_theory

Fernando, J. (2021). Return on Investment (ROI). Retrieved from Return on Investment (ROI) Definition (investopedia.com)

Fondas N, Sassalos S. (2010). A different voice in the boardroom: How the presence of women directors affects board influence over management. *Global Focus* 12: 13–22

Galloway, B. J. (2012). The Glass Ceiling: Examining the Advancement of Women in the Domain of Athletic Administration, *McNair Scholars Research Journal,* Vol. 5: Iss. 1, Article 6. August 10, pp. 52-59.

Hambrick, D. (2007). Upper Echelons Theory: *An Update. Academy of Management Review*. 32. 334- 343. 10.5465/AMR.2007.24345254.

Jabbar, A., & Imran, A. (2013). Perception of Glass Ceiling in the Educational Institution: An Evidence from Pakistan. *World Applied Sciences Journal*, *23*(9), $^0 6^2$ -634.

Jackson SE, May KE, Whitney K (2015) Understanding the dynamics of diversity in decision making teams. *Team effectiveness and decision making in organizations* 204: 261

Knight, J. (2017, October 5). *A Refresher on Return on Assets and Return on Equity*. Harvard Business Review. https://

hbr.org/2016/04/a-refresher-on-return-on-assets-and-return-on _equity?fbclid=IwAR13bg9cMhg9mtbxJoFX0y_ZA3omjUka9GiJbah9Blsb0jI9mYFLE7_UHvg

Kokemuller, N. (2017). *What Does a Negative ROI Mean?* Retrieved from How to Calculate the Annual Growth Rate for Real GDP (bizfluent.com)

Linehan, M., & Scullion, H. (2009). European female expatriate careers: Critical success factors. *Journal of European Industrial Training*, *25*(2), 73 6-418

Martins, L. L., Milliken F. J. (2010). Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review.*

Ridgeway, C. L. (2001, January 1). *Small-group Interaction and Gender*. ScienceDirect. https://www.sciencedirect.com/science/article/pii/B0080430767039991

Women gaining corporate board seats at a faster rate than men, study shows. (n.d.).

Rink, F. (2019). *Gender Differences in How Leaders Determine Succession Potential: The Role of Interpersonal Fit With Followers. Frontiers*. Retrieved From: https://www.frontiersin.org/articles/10.3389/fpsyg.2019.00752/full

Stockdale, M. S., & Crosby, F. J. (Eds.) (2004). *The psychology and management of workplace diversity.* Oxford, UK: Blackwell

Watson W, Kumar K, Michaelsen L (2013) Cultural diversity's impact on interaction process and performance: Comparing homogeneous and diverse task groups. *Academy of Management* Journal 36: 590–602