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Kuwaiti Women and Firm Performance

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Abstract

This study investigates the link between Kuwait women serving as board directors and firms' performance in Kuwait as listed on the Kuwait Stock Exchange from 2009 to 2011. In order to investigate this relationship, an OLS regression analysis was used to interpret the impact of both the presence of Kuwaiti women on boards of directors and Kuwaiti women's presence at the head of boards of directors on firm performance. Overall, the study found that the presence of Kuwaiti women is not an effective mechanism for improving firm performance. This evidence provides insights for governments, regulators, investors, and academics in their efforts to analyze this impact and study the obstacles facing Kuwaiti women to working effectively as board members.

Keywords: women on boards, firm performance, board of directors, Kuwait

1. Introduction

In dealing with the conflict of interest between shareholders and managers as well as the conflict among shareholders, agency theory has suggested several government mechanisms, and board of directors is one of the important mechanisms used in the literature to control these conflicts and solve agency problems that might impact firm performance. The majority of previous studies investigated the question of how effective a board of directors is in reducing conflicts and improving performance by studying board independence, board size, role duality, director ownership, and board committees (Note 1).

The literature on the relationship between the presence of women on boards of directors and firm performance provides no clear conclusion and inconclusive results. This study provides empirical analysis to shed more light on the issue and will expand the current literature by studying the role of the board of directors from different perspectives—namely, the impact of the presence of Kuwaiti women board members on firm performance. Thus, the study's purpose is to explore the relationship between the presence of Kuwaiti women on boards and firm performance. In investigating this relationship, this study tried to understand if the proportion of Kuwaiti women on boards has any impact on firm performance. This study will be the first of its kind to examine this relationship. The Kuwaiti government, Kuwaiti listed firms, and investors will completely understand the real impact of having women inside board rooms as well as their roles and their impact on firm performance.

The remainder of the study is organized as follows. Section two presents the current rules in Kuwait and section three presents the previous studies and hypothesis development. Section four deals with the two research methods and the analysis while section five presents the results from the two methods. Finally, section six presents general discussion about the study, and section seven presents the conclusion.

2. Kuwaiti Women on Boards

In Kuwait, all Kuwaiti listed firms must have at least three directors representing shareholders. Directors are elected and removed by shareholders during the annual general meeting (AGM). The board of directors is accountable to the shareholders for their decisions. However, in reality, the election of directors is arranged by the large shareholders. Previous research has indicated that the directors in most listed firms in Kuwait are highly controlled and influenced by large shareholders (Al-Saidi & Al-Shammria, 2014). Kuwait is comprised of very close family members. Al-Saidi and Al-Shammria (2014) indicated that the majority of non-executive directors (male and female) cannot be involved or participate in the affairs of listed firms because they are not truly independent. An independent director or separated chairman and CEO roles are not mentioned in Kuwaiti rules. Moreover, Kuwaiti rules do not include any articles about board diversity or about having women board

members. However, Al-Saidi and Al-Shammria (2014) found that the level of board diversity in Kuwait is relatively low. Meanwhile, female board directors account for 15% of board members in the USA and 12% in the UK (Note 2).

Table 1 shows the percentage of Kuwaiti women on boards from 2009 to 2011. In 2009, the proportion of women board members who are also family members is 17% overall, with no women included in the banking sector and the highest percentage being 33% in the food sector. From 2009 to 2011, there has been a slow but steady decrease in the number of appointments of women on Kuwaiti boards. This appointment is quite significant in Kuwait as, even without legislation or rules, listed firms have consistently included women on their boards. For example, the industrial sector and services have increased the percentage of firms with women on their boards, with 11% and 18% of firms reporting women board members in 2011, up from 9% and 17%, respectively, in 2009. In addition, in the food sector, 33% of the firms have had women board members over the past three years. However, investment and real estate sectors decreased the percentage of women board members. Overall, sector trends indicate that firms within the industrial, food, and services sectors lead in having more women on boards whereas financial firms have the fewest.

Table 1. Kuwait listed firms with at least one woman on the board of directors (Note 3)

No	The	2009		2010		2011	
	Sectors	Firms	Women %	Firms	Women %	Firms	Women %
1	Bank	9	0	9	0	9	0
2	Investment	51	23%	41	20%	42	19%
3	Insurance	7	14%	7	14%	7	14%
4	Real estate	38	18%	37	16%	38	15%
5	Industrial	28	9%	27	11%	27	11%
6	Services	58	17%	55	17%	56	18%
7	Food	6	33%	6	33%	6	33%
Total	Seven sectors	197	17%	182	16%	185	16%

3. Literature Review and Hypothesis Development

Previous studies have examined how the presence of women affects firm performance from three aspects—namely, the proportion of women on boards of directors, women in top management or in charge of boards of directors, and women considered as the large shareholder with a high level of ownership concentration. However, this study considered only the first aspect because ownership concentration and the number of women appointed to top management or in charge of boards are not significant in Kuwait (Note 4). Several studies have examined the role of boards of directors in impacting firm performance using several theories, such agency theory, human capital theory, and resource independence theory. This study used agency theory as a theoretical framework. Agency theory argues that the board of directors can reduce the conflict between shareholders and managers and increase the firm's performance. Jensen and Meckling (1976) argued that the board of directors is an important mechanism for controlling and monitoring managers and for resolving the agency problems between managers and shareholders as well as between firms and debt holders. Thus, relying on this theory, board diversity can affect firm performance and increase board independence because members from different experiences, ages, backgrounds, and genders might control firms' managers and impact firm performance. Meanwhile, Adams and Ferreira (2009) found that the presence of women board members reduces the agency problems and increases controlling and monitoring inside the firms. However, this impact could be positive or negative according to their qualifications, skills, and independence.

As presented in Table 2, literature exploring the relationship between the presence of women on boards and firm performance has found mixed results, showing positive, negative, and no significant relationships. For example, Erhardt, Werbel, and Schrader (2003), Taghizadeh and Saremi (2013), Julizaerma and Sori (2012), Priya and Nimalathasan (2013), Yu, Zuobao, and Zie (2013), and Smith, Smith and Verner (2006) have argued that the presence of women on boards would benefit the firms because they can use their skills, abilities, and discussions to increase firm performance. These scholars argued that women have some characteristics, such as independence, flexibility, low agency problems, more knowledgeable, and better qualifications. They also concluded that more women board members mean more views and more discussions as well as more opinions. Terjesen, Sealy, and Singh (2009) argued that women contribute to more effective corporate governance by playing direct roles as leaders and mentors and by playing indirect roles as symbols of opportunity for other

women board members.

Although other studies, such as Adams and Ferreira (2009), Rey, Nguyen, and Vo (2013), Wellage and Locke (2013), Ekadah and Mboya (2011), Fauzi and Locke (2012), Schwizer, Soana, and Cucinelli (2012), Darmadi (2011), Salehnezhad and Abbasi (2013), Yasser (2012), Carter, D'Souza, Simkins, and Simpson (2010), Alverez, Sanchez, and Domingues (2012), Nuria, Briones, and Ruiz (2001), and Bouaziz and Triki (2012), found that women are not an effective mechanism positively impacting firm performance. They argued that the issue is not the presence of women or not, but rather the board composition. They also argued that women are not different on boards of directors; rather, the most important issues are qualifications, behaviors, and experience. Kanter (1977) argued that a few women board members are "tokens." These tokens are very quiet and highly visible, and they are always in line with stereotypes about boards of directors. Nepotism and favoritism are the main criteria for getting their jobs. This is likely to result in no impact on firm performance and, thus, firms would not have any benefits from such participation.

Table 2. Summaries of previous studies examining the impact of the presence of women on boards on firm performance

No	Authors	Country	Performance measure	Average number of women	Study's sample	Impact
1	Erhardt et al. (2003)	USA	ROA and ROI	25%	127 firms in 1993 and 1998	Positive
2	Taghizadeh and Saremi (2013)	Malaysia	ROA and ROE	4.4%	150 firms in 2008	Positive
3	Adams and Ferreira (2009)	USA	Tobin's Q and ROA	8%	1500 firms from 1996 to 2003	Negative
4	Rey et al. (2013)	USA & France	Tobin's Q	18.3% for USA and 12.2% for France	100 USA & 120 France in 2010	Not impact
5	Wellage and Locke (2013)	Sir-Lanka	Tobin's Q	7.3%	88 firms from 2006 to 2010	Negative
6	Ekadah and Mboya (2011)	Kenya	ROA	Not reported	44 firms from 1998 to 2009	No impact
7	Schwizer et al. (2012)	Italy	Price to book value	5.2%	246 firms from 2006 to 2009	No impact
8	Darmadi (2011)	Indonesia	Tobin's Q and ROA	11%	169 firm in 2007	Negative
9	Salehnezhad and Abbasi (2013)	Iran	Tobin's Q	94%	76 firms from 2009 to 2012	No impact
10	Julizaerma and Sori (2012)	Malaysia	ROA	10%	954 firms from 2008 to 2009	Positive
11	Yasser (2012)	Pakistan	EVA	28%	100 firms from 2008 to 2010	No impact
12	Bouaziz and Triki (2012)	Tunis	Tobin's Q, ROA, ROE	Not reported	26 firms from 2007 to 2010	Negative
13	Fauzi and Locke (2012)	NZL	Tobin's Q, ROA	17%	79 firms from 2007 to 2011	Negative
14	Priya and Nimalathasan (2013)	Sir-Lanka	ROA, ROE	Not reported	Listed hotels and restaurants for the period of 2008-2012	Positive
15	Yu et al. (2013)	China	ROS, ROA	Not available	1000 listed firms from 1999 to 2007	Positive
16	Gonzalez and Smith (2012)	France and Spain	ROA, ROE, MV	71% in Spain and 83% in France	Unbalanced firms from 2004 to 2010	Positive in France
17	Alverez et al. (2012)	Spain	Five performance measures	40%	117 listed firms from 2004 to 2006	No impact
18	Smith et al. (2006)	Denmark	Four performance measures	13%	2005 firms from 1993 to 2001	Positive
19	Carter et al. (2010)	USA	Tobin's and ROA	1.3 from all directors	S&P 500 firms from 1998 to 2002	No impact
20	Nuria et al. (2001)	Spain	Four performance measures	46.7%	146 listed firms from 2005 to 2007	No impact

3.1 Hypothesis Development

In Kuwait, the current laws are silent about board composition, which is subject to firms' strategy and influence of large shareholders. However, we can assume that the presence of women affects firm performance positively for several reasons:

- This is consistent with agency theory, which argued that board independence increases firm performance; as board diversity increases board independence, board diversity increases firm performance and value.
- Previous studies have found a significant positive relationship between the presence of women and firm performance.
- Large firms in Kuwait are family firms that have the ability to support their members in their work and give them large opportunities to participate and be involved.

In summary, it can be argued that the presence of women on boards of directors in Kuwait's listed firms leads to better firm performance compared to Kuwaiti firms with boards composed without women. This leads to the following hypothesis:

The proportion of Kuwaiti women directors is positively related to firm performance.

3.2 Control Variables

In order to identify the specific impact of the presence of women board members on firm performance, the current study controls for the impact of board size, ownership concentration, debt ratio, firm size, firm age, and industry type. For ownership concentration, agency theory argues that the separation of ownership and control results in a conflict of interest that leads to expropriation by managers Thus, large shareholders reduce this conflict. However, La Porta, Lopez-de-Silanes, and Shleifer (1999) and La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1999) argued that large shareholders negatively impact firm performance because of the expropriation issue. Some other scholars, on the other hand, have found that ownership concentration is endogenously determined (Demsetz & Lehn, 1985). In terms of board size, agency theory argued that small boards allow for effective controlling and monitoring as well as reducing the domination of the CEOs.

Moreover, Jensen and Meckling (1976) argued that debt can be used as an effective mechanism for reducing agency problems and increasing firm performance. Debt also increases the threat of bankruptcy as a risk, thereby leading managers to work hard and increase firm performance. In terms of firm size, large firms have more agency costs and problems that are expected to increase as a large size allows for greater managerial discretion resulting in increased monitoring (Jensen & Meckling, 1976). Similarly, newer firms are expected to have smaller profits because they have less experience and are still building their name and market position. Finally, this study includes the industry variable to control for any other factor not otherwise controlled for. Demsetz and Lehn (1985) argued that the industry dummy variable is important for controlling for the possible relationship between firm performance and corporate governance mechanism that might come from industry impacts.

4. Methodology

The sample of this study consists of 197 publicly listed Kuwaiti firms listed in the year ending 2009. However, after excluding the financially listed firms and unavailable data, our final sample became 121 firms with 363 observations for three years (2009 to 2011). The data related to the study are collected from two sources—namely, annual reports and financial statements attached to annual reports.

These data are analyzed using three techniques—namely, descriptive analysis, Pearson correlation, and the OLS regression. In this study, as presented in Table 3, the dependent variables are Tobin's Q (TQ), which is the total liabilities plus market value of shareholders equity divided by total assets, and return on assets (ROA), which is measured by net income after interest and tax divided by total assets. The independent variable is the proportion of women.

Table 3. Study variables

No	Variables	Operationalisation
1	**Dependent variables**	
2	Tobin's Q (TO)	Ratio of market value of a firm's equity (the firm's share price at the end of the year multiplied by the total number of shares outstanding) + total debt/the book value of total assets
3	Return on assets (ROA)	Net income after interest and tax divided by total asset
4	**Independent variable and control variables**	
5	Percentage of women on boards (KW) (Note 5)	The proportion of women in the board of directors
6	Board size (BS)	Total number of members of board of directors
7	Ownership concentration (OWNER)	The ownership concentration by all large shareholders with more than 5%
8	Debt ratio (DET)	Total liabilities divided on total assets
9	Firm size (FSI)	Total assets
10	Firm age (FAG)	Years since listed
11	Industry type (INDU)	Four KSE classifications—namely, real estate, industrial, services, and food

directors on boards. To measure the connection between independent and dependent variables, six control variables (Note 6) are included in the regressions: board size, ownership concentration, debt ratio, firm asset, firm age, and industry type. Thus, to achieve the study objective, two regressions will be used:

Model 1:

$$TQ = B_0 + B_1 KW + B_2 BS + B_3 OWNER + B_4 DET + B_5 FSI + B_6 FAG + B_7 INDU + \varepsilon$$

Model 2:

$$ROA = B_0 + B_1 KW + B_2 BS + B_3 OWNER + B_4 DET + B_5 FSI + B_6 FAG + B_7 INDU + \varepsilon$$

5. Results and Discussion

5.1 OLS Assumptions

Table 4 presents the correlation matrix for all of the study's variables. It indicates no multicollinearity problem. Gujarati (2003) argued that multicollinearity is a series problem; the correlation among independent variables more than 80%. In addition, according to Table 4, firm performance based on Tobin's Q negatively affects ownership concentration and debt whereas firm performance based on ROA affects the proportion of women on boards of directors, ownership concentration, debt, firm size, and firm age. Board size also impacts the proportion of women negatively whereas ownership concentration and debt have a significant relationship with firm size.

Table 5 presents the descriptive analysis for the study's variables. The analysis of residuals and plots of the studentised residuals against predicted values indicate problems of heteroskedasticity, linearity, and autocorrelation. Table 5 also indicates the problem of normality. (Note 7) Therefore, five variables are transformed into normal scores. (Note 8) Focusing first on the dependent variables (performance measures), the mean value for the Tobin's Q was 0.74; thus, the market value of the firm is less than the book value of the assets. Also, the variation in the sample is considerable, with a maximum of 6.5 and a minimum of 0.02. Similarly, the ROA measure has a mean value of -0.15%, with a maximum value of 0.28 and a minimum of -0.52. These findings possibly indicate the effect of the economic crisis and Dubai crisis during the study's sample. However, for independent variables, it can be seen that the mean for the presence Kuwaiti women on boards of directors is 0.047 whereas the average board size of Kuwaiti firms is six. In terms of ownership concentration, the mean for all years is 0.56, suggesting that this variable is quite high in Kuwait. Also, the mean for the debt ratio for the sample is 0.39, indicating that this mechanism is common in Kuwait. Finally, for the period under study, the mean percentage of firm size is KD182,361 and the average firm age is 10.2 years.

Table 4. Correlation matrix

Variables	TQ	ROA	KW	BS	OWNER	DET	FSI	FAG
TQ	1							
ROA	-0.19**	1						
KW	-0.04	-0.16**	1					
BS	-0.052	0.068	-0.12*	1				
OWNER	-0.28**	-0.16**	0.018	-0.21**	1			
DET	-0.19**	-0.17**	-0.06	0.048	-0.18**	1		
FSI	0.025	0.14**	0.011	0.25**	-0.16**	0.087	1	
FAG	0.014	0.11*	-0.072	0.34**	-0.18*	-0.019	0.32**	1

Note. *ρ <0.10; **ρ < 0.05. For a definition of the variables, see Table 3.

Table 5. Descriptive analysis

Variables	N	Minimum	Maximum	Mean	SD	Skewness	Kurtosis
TQ	363	0.02	6.5	0.74	0.70	**3.5**	**18.3**
ROA	363	-0.52	0.28	-0.15	0.10	**-1.3**	**4.1**
KW	363	0	0.60	0.047	0.10	**2.7**	**7.8**
BS	363	3	10	6.00	1.4	0.59	0.16
OWNER	363	0.09	0.99	0.56	0.21	-0.06	-0.77
DET	363	0.01	0.91	0.41	0.22	0.210	-0.797
FSI	363	2523	5696758	182361	415637	**7.8**	**77.9**
FAG	363	1	29	10.2	1.1	**3.1**	**-0.179**

Note. *ρ <0.10; **ρ < 0.05. For a definition of the variables, see Table 3.

5.2 OLS Results and Discussion

Table 6 reports the results from the regression by examining the relationship between firm performance and the presence of women on boards of directors. This study used two performance measures—namely, Tobin's Q and ROA. Based on Tobin's Q, the *F* value is significant at the 1% level and the adjusted R square is 35%. Meanwhile, based on ROA, the *F* value is significant at the 1% level and the adjusted R square is 21%. Based on Tobin's Q, the proportion of women is found to have no significant relationship ($p > 0.10$). Based on ROA, the proportion of women on boards of directors is found to have a negative significant relationship ($p < 0.10$). Thus, the results of both performance measures allow us to reject the study's hypothesis and do not support agency theory. Therefore, the result found no Kuwaiti evidence of the effectiveness of women on firm performance.

These results are consistent with those of Adams and Ferreira (2009), Rey et al. (2013), Wellage and Locke (2013), Ekadah and Mboya (2011), Fauzi and Locke (2012), Schwizer et al. (2012), Darmadi (2011), Salehnezhad and Abbasi (2013), Yasser (2012), and Bouaziz and Triki (2012). Thus, we can conclude that Kuwaiti women are not effective for improving firm performance. Several interpretations of these results are possible. First, in the absence of a corporate governance code, not only women, but also all directors are not truly independent. Thus, Kuwaiti women are not independent. Second, the current Kuwaiti laws are silent about board diversity. Third, requirements for becoming a board member do not exist in Kuwait; the main criteria are the family name and the relationship with the large shareholders. This is consistent with the study of Al-Saidi and Al-Shammria (2014), who studied corporate governance in Kuwait and found that all directors in Kuwait's listed firms are not truly independent, but they worked for the interest of large shareholders and for the interest of their families. This is consistent with the findings of Adams and Ferreira (2009), who argued that this is because they face more performance pressure. Finally, as the majority of Kuwait's listed firms have only one woman on their board of directors, the benefits and impact of such diversity will not be obvious or significant.

In terms of control variables, the board size is not significant based on both measures. This is not consistent with the result of Yermack (1996), who suggested that the board size negatively impacts firm performance; it is also inconsistent with the findings of Julizaerma and Sori (2012). However, ownership concentration was found to have a significant negative ($p < 0.01$) relationship with both performance measures. The negative result suggests

that performance is better with a more diffused ownership concentration. This is consistent with the results of La Porta et al. (1997) and La Porta et al. (1999), who argued that it is a major conflict of interest between large shareholders and small shareholders. They further argued that the conflict between large shareholders and small shareholders creates a "tunneling" problem, which means large shareholders use firms' resources and monies for their interests and benefits.

The results also indicated that debt negatively impacts firm performance based on both performance measures. This is inconsistent with the agency theory view, which means debt is not an effective mechanism in improving firm performance in Kuwait. However, this is consistent with the results of Haniffa and Hudaib (2006) and Taghizadehand and Saremi (2013), who found that debt is an effective mechanism because there is a close relationship with the local banks. Firm size was also found to be negatively significant with both measures. Although firm age is not significant in both performance measures, it is inconsistent with the results of Julizaerma and Sori (2012). Finally, firms in the real estate sector seemed to underperform (highest significant negative coefficient) compared to other sectors. This is also consistent with the results of Coles, Victoria, and Nilanjan (2001), who found that firms in sectors with growth opportunities, concentrated competitors, and stable markets should have higher profits and performance.

Table 6. OLS regression using TQ and ROA as the dependent variables

Variables	**Dependent variables**	
	TQ (model 1)	**ROA (model 2)**
Constant	0.508 (1.478)	0.284(0.940)
KW	-0.091 (1.436)	-0.153* (2.745)
BS	-0.039(-1.201)	0.009(0.319)
Ocon	-1.577***(-7.164)	-0.652***(3.371)
DT	-1.581***(6.912)	-1.205***(-5.997)
FSI	-0.118* (2.074)	-0.222***(4.452)
FAG	-0.013(-0.271)	-0.022(-0.528)
IND1	-0.471** (-2.106)	-0.726***(-3.692)
IND2	-.406* (-1.856)	-0.194(-1.009)
IND3	-0.004(-0.021)	-0.201(-1.057)
F-value	22.891	11.860
Adj-R Square	0.35	0.21

Note. The excluded sector is industry 4 (food sector). *ρ <0.10; ** ρ < 0.05; *** ρ <0.01 *t*-statistics are in parentheses. For a definition of the variables, see Table 3.

6. Conclusion

Although previous studies have examined the relationship between the presence of women on boards of directors and firm performance, empirical studies have produced mixed results when investigating this relationship. Agency theory argued that board diversity increases board independence and, thus, increases board effectiveness and performance. However, this study found that the proportion of Kuwaiti women on boards does not have to be more valuable than that of their male counterparts. This relationship was tested with data from 2009 to 2011 on 121 non-financial firms listed on the Kuwaiti Stock Exchange (KSE, 2011).

The main limitation in this study is an econometrics issue, which occurs in all corporate governance studies—namely, endogeneity and causality issues. In other words, the direction of causality might be converse, suggesting that high performing firms will attract more women board members, while others have argued that the presence of women and firm performance are jointly endogenous (Agrawal & Kneber, 1996). This study did not take causality and endogeneity into account. Future research could consider these issues in order to control this limitation. In addition, this study uses Kuwait's non-financial listed firms only. This implies that the results should be interpreted with the Kuwaiti environment; to deal with this limitation, future studies could examine the relationship between women on boards and firm performance for another country from the Gulf Council Countries (GCC).

Kuwait is one of the leading GCC countries. Although there is no corporate governance code, Kuwait still attracts a lot of investors and foreign firms because it has good investors' protection and working in a safe environment in which all monies are guaranteed by the Kuwaiti government. Kuwait has also witnessed a

considerable number of debates among regulators and researchers about whether introducing a code of corporate governance will help listed firms improve their performance and value as well as protect the investors. Previously, several scandals and financial problems have related to board composition, false financial statements, and fraud across the world. Thus, the Kuwaiti government must introduce immediate regulations to increase the confidence of Kuwaiti and foreign investors. Otherwise, these investors will go elsewhere. The government must also ensure that effective mechanisms of corporate governance of board composition be put into place to organize board composition.

In conclusion, the presence of women board members in Kuwait is unlikely to have any positive impact on firm performance. Kuwait's government must introduce a corporate governance code as soon as possible and should enhance board diversity and impose more requirements and conditions for listed firms to appoint board members. More consideration should be given for high level skills and expertise while increasing the proportion of woman board members, or at least maintaining a balance between women and men, rather than having only one or two women board members.

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Notes

Note 1. For example, Black, Jang, and Kim (2006) found that greater board independence predicted higher share prices. In addition, Brickley, Coles, and Terry (1994) found that the stock market reaction to poison pills is positive when the board has more independent directors and negative when it does not. Similarly, Brown and Caylor (2004) and Kaplan and Minton (1994) found a positive relationship between the proportion of non-executive directors and firm performance. Yermack (1996) reported a negative relation between firm performance and board size, and Haniffa and Hudaib (2006) found that firms with role duality did not perform better. On the other hand, Brown and Caylor (2004) found that having an audit committee is not related to firm performance, whereas Short and Keasey (1999) found a non-linear relationship between firm performance and ownership concentration by insiders.

Note 2. According to the report by the Equal Opportunity for Women in the Workplace Agency (2008).

Note 3. The data from 2012 are available. However, this year is not included because the KSE changed the industry classifications. Thus, they are not consistent with previous years. Previously, the industry sectors included the seven sectors presented in Table 1, but now they are 13 sectors.

Note 4. Only four Kuwaiti listed firms have women as large shareholders, and two listed firms appointed Kuwaiti women to top management positions.

Note 5. The researchers also used boards' of directors characteristics (independent non-executive directors and role duality), audit committee and type of auditor; however, these factors are excluded from the study because they were not significant or effective. The researcher also used the ownership concentration by women, but this variable is excluded from the study because it was not significant (only five firms have women as large shareholders).

Note 6. The researchers also used boards' of directors characteristics (independent non-executive directors and role duality), audit committee and type of auditor; however, these factors are excluded from the study because they were not significant or effective. The researcher also used the ownership concentration by women, but this variable is excluded from the study because it was not significant (only five firms have women as large shareholders).

Note 7. The data are said to be normal if the standard skewness is within ±1.96 and standard kurtosis of ±3 (Brooks, 2002).

Note 8. The researchers applied rank, log and normal scores techniques. However, normal scores produced better estimations.

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