

EFFECT OF BOARD COMPOSITION ON CORPORATE SOCIAL RESPONSIBILITY PRACTICES

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Abstract

This research work aims to determine, at an international level, the relationship between the composition of the board of directors and the level of practices related to corporate social responsibility (CSR) . For this purpose , a sample of 1,043 international companies is used . for the period 2003-2009. The empirical evidence obtained shows an inverted U-shaped relationship between board size and CSR practices, as well as a balance between independence (independent directors) and information/knowledge (executive directors) of the board. Furthermore, it has been found that companies with greater diversity among their directors in terms of nationality and gender , as well as with greater board activity , tend to present a higher level of social , economic and environmental performance . Finally, the results have shown that companies from Anglo-Saxon countries promote CSR practices to a lesser extent than their continental counterparts (located in Germanic and Latin environments), mainly as a result of their greater investor orientation .

Introduction

social and environmental highlighted by [Adams and Zutshi \(2004 \)](#) through the development of systems and policies based on benefiting both the company and its various ~~ing~~ groups ([Adams](#) , 2002 ; [Waddock](#) , 2003) . ____

The characteristics of companies that promote greater [CSR](#) performance diverge from the characteristics of companies that carry out such activities to a lesser extent (Harjoto and [Jo , 2011](#)); For example, the size and age of the company , profitability, characteristics of the board, etc., are determinants of the level of CSR performance . In this work we focus on the advice of management, which plays a fundamental role in determining the CSR activities of an organization (Goodstein , [Gautam and Boeker, 1994](#); [Pfeffer, 1972](#)), especially in terms of size , independence , diversity and activity - dad. Likewise, based on the previous studies by [Matten and Moon \(2008\)](#) and [Miras-Rodríguez, Carrasco-Gallego and Escobar - Pérez \(2013\)](#) , various cultural, legal and political aspects can influence the organization in terms of its orientation towards CSR. In this work we consider that different corporate governance systems generate different effects on decision making , mainly as a consequence of the shareholder- *stakeholder* relationship and the structure of the shareholding, as well as the macroeconomic and legal model of the country ([AECA, 2007](#)). Therefore , we consider that the different corporate governance systems, determined according to geographical areas, could significantly influence the level of CSR performance .

In this sense, the objective of this work is to analyze, at an international level, the relationship between the characteristics of the board of directors and the level of performance in CSR practices . Specifically , the characteristics analyzed in this work are the size and activity , as well as the type of directors in terms of independence and diversity in terms of gender and nationality . In addition, different government systems are taken into account. corporate: Anglo-Saxon, Germanic and Latin. For this purpose, an international sample of 1,043 listed non-financial companies is used for the period 2003-2009, consisting of 5,380 observations

obtained for 12 European and North American countries . The analysis is carried out through various dependency models for panel data , which allows controlling the unknown heterogeneity . _ _ servable and correct endogeneity problems between dependent and independent variables.

The empirical evidence obtained shows that an increase in the number of independent directors tends to increase the level of CSR performance of the company, but up to a certain point, since when the number of independent directors is excessively high , the company reduces its CSR practices . In the case of managers (advisors internal directors), the relationship is opposite, that is, companies that tend to carry out more CSR activities have a lower number of internal directors, but up to a maximum point , at which the level of performance would be reduced if the number of managers continues to decrease. On the other hand, the results show that Companies with more diverse boards in terms of nationality and gender, as well as with a higher level of activity , tend to present greater performance in social , economic and environmental practices . Regarding the impact of corporate governance systems, it has been found that companies located in Anglo-Saxon environments carry out CSR practices to a lesser extent than companies from continental environments , that is, those located in Germanic and Latin countries . This article is structured in 4 additional sections to this first one. The following section provides the theoretical framework and previous empirical research in order to establish our working hypotheses . The third section describes the _ _ methodology used : sample, variables and empirical models . The fourth section presents the results of our empirical analyzes and their subsequent discussion. Subsequently, the main conclusions and limitations of the study are analyzed, as well as some guidelines for

possible future research.

Corporate social responsibility practices and their determinants . Research hypotheses

Currently, companies operate in an environment where the exercise of responsibility is an essential requirement to compete, which causes [the](#) promotion of CSR practices to become a fundamental strategic element ([Garrigues Walker and Trullenque, 2008](#)). Precisely, the objective pursued with them is the adoption of strategies that are compatible between business and society ([Basu and Palazzo, 2008](#)).

However, although CSR is becoming increasingly important, there is no universally accepted definition. Most of them are based on 3 fundamental pillars : a) their purpose is to resolve the conflict of interests between shareholders and other interest groups, such as clients, suppliers, workers, etc.; b) they go beyond the strict legal requirements on business behavior, and c) they incorporate an ethical aspect, that of " doing good . " These 3 elements are incorporated into the business strategy to respond to the inconsistencies between the search for profitability and social and environmental objectives ([Heal, 2005](#)).

More specifically, CSR can be understood as a multidimensional construct composed of 4 mutually non- exclusive responsibilities: a) discretionary; b) legal; c) ethical, and d) economic ([Carroll, 1979](#)). Subsequently, [Carroll](#) (1991) develops his three-dimensional model, proposing 4 basic responsibilities of companies (economic, legal, ethical and philanthropic) that must be covered comprehensively, not sequentially. Thus, the company should cover its economic responsibilities but without forgetting the rest of the demands of its stakeholders ([Freeman, 1984; Wood, 1991; Donaldson and Preston, 1995](#)). Following the recommendations of the [European Parliament \(2013\)](#) , the only

way to guarantee the success of CSR practices is to merge them with your operations and your daily financial strategy, which will generate a series of benefits, both for the company itself and for their interest groups.

Among the benefits for the company derived from socially responsible behavior, we can highlight : increased visibility in its operating environment, improved reputation, increased competitiveness, improved internal decision-making , improvement in relationships with *stakeholders* , etc. ([Fombrun, Gardberg , & Barnett, 2000](#); [Adams, 2002](#)). Specifically, the benefits in relation to its *stakeholders* are very important from a strategic point of view, since CSR practices can discourage their activism and stop their intervention, improve their job satisfaction and loyalty (Adams , [2002](#)) .

This strategic behavior of the company can be justified based on the theory of legitimacy and stakeholders , which consider *the* company as part of a social system in which it impacts certain groups in society , and its perhaps those groups impact it ([Deegan, 2002](#)) . The Legitimacy theory conceives the company as a nexus of contracts that unites the interests of society with business interests , going beyond economic - financial objectives . It is based on the idea of the survival of the organization , for which it carries out actions within the limits of society , that is, it adopts socially responsible behavior ([O'Donovan, 2002](#)) to ensure said survival and growth in the market (Lindblom , [1993](#); [Archel, Husillos, Larrinaga and Spence, 2009](#)).

Stakeholder theory also considers the relationship between business and society, but taking into account the existence of different interest groups with different demands, instead of considering society in general as the theory of legitimacy ([Carroll, 1989](#); [Donaldson and Preston, 1995](#); [Freeman, 1984](#) ; Jones, 1991; [Jones and Wicks, 1999](#);

[Mitchell, Agle and Wood, 1997; Post, Rahman and Rubow, 2011](#)). From this point of view, the company has more objectives than the creation of value for shareholders , acquiring social and environmental responsibilities ([Donaldson and Preston, 1995; Kiel and Nicholson, 2003](#)). Thus, companies carry out CSR activities to meet the different demands of their interest groups , ultimately also achieving survival .

Currently, the corporate reputation and image of many companies are strongly related to their social and environmental development . Therefore , CSR can be conceived as a strategic decision made ultimately by the board of directors, which forms the company's decision-making group (Forbes [and Milliken , 1999](#)). In this sense , boards are increasingly considering CSR issues . more frequently ([Ingley, 2008](#)), being a very important factor in the promotion of these activities. The characteristics of the board are essential and can affect the decision - making process , including those related to CSR (see [Webb, 2004; Ayuso and Argandoña, 2007; Huang, 2010](#)). This is the main objective of the work : to know if the level of performance of CSR activities of companies depends on the characteristics of their boards , as this is the main decision - making body . _ Specifically , the size , the _ _ _ independence, diversity and activity , as shown below .

2.1. *Effect of board characteristics on corporate social responsibility practices*

The first of the factors we analyze is the size of the board . Given that the company's strategic decisions are made by the board , its characteristics can affect the decision - making process ([Fodio and Oba, 2012](#)). Size can be used as a proxy for board efficiency ([Jia and _ _ _ _ Zhang, 2013](#)). In general , it can be thought that larger boards are more inefficient because it is more difficult to reach agreements due to

multiple interests ([Brown, Helland , & Smith, 2006](#)) . These agreements will be even more difficult to make in the case of decisions voluntary ~~sha~~ as those related to CSR activities, and therefore a larger size could harm the level of performance in this sense .

However, other authors show an opposite relationship. An increase in the number of directors will introduce different personal characteristics that will help link the organization with its external environment and secure critical resources, including prestige and legitimacy (Mintzberg , [1993](#); [Pearce and Zahra , 1992](#)). [Zahra](#) (1989) considered that large councils are capable of _ _ _ collect and process information in a timely manner, ensuring an appropriate fit between the company and its environment . However , most previous studies are focused on the relationship between board size and disclosure of CSR information , finding a positive relationship between both (Kent and Ung , 2003). With the aim of expanding the previous literature in this sense, we propose the following hypothesis, extending the arguments used in the case of disclosure of information on CSR practices towards the performance level . _ _ _ _ _ Following the research of Dalton, Daily, Johnson and Ellstrand (1999) , a larger board enjoys the ability to bring together managers with different characteristics in relation to experience, training, dependency ties, etc. These authors postulate that the size of the council should be sufficient to be composed of members who can cover the various roles, which are often very different . Taking these arguments into account , the following hypothesis is proposed :

H1. The larger the size of the ~~board~~ the greater the commitment to CSR practices .

Another notable aspect is the level of independence of the council. In relation to this aspect, agency theory highlights the role of the board in avoiding conflict between

managers and owners ([Jensen and Meckling, 1976](#)). The board appears as a control tool over the actions taken by managers, in an attempt to protect the interests of shareholders ([Fama and Jensen, 1983](#); [Rouf, 2011a](#); [Cai, Keasey and Short, 2006](#); [Haniffa and Cooke, 2005](#)). *This theory was complemented with a stakeholder perspective ,developedby* [Hill and Jones](#) (*1992*) and called agency - *stakeholder theory* . These authors proposed that managersarethegroupof *stakeholders* thathavecontractualrelationships *with other stakeholders* , at the same time that they are the only group with direct control over the company 's decision making . _ In this sense, there may be differences between managers and other *stakeholders* , so 2 relationships would appear at the same time: owners-managers and *stakeholders* - managers.

To introduce independence on the board, the existence of non-executive directors is necessary, professionals completely unrelated to the organization who have no relationship with it that could interfere with their opinions ([Wan-Hussin, 2009](#)). Their prestige is strongly linked to their actions so they are interested in preserving a good image abroad that does not damage their professional reputation . _ _ By Therefore, independent directors will be more interested in demonstrating the company's socially responsible behavior ([Zahra and Stanton, 1988](#)), since their prestige is at stake . Independent directors show greater objectivity and independence in their analysis of the management and behavior of the company, and are more willing to assume social commitments to satisfy the interests of the parties . stakeholders ([Ibrahim and Angelidis, 1995](#)), in order to guarantee the fusion of corporate and social objectives.

Although some previous studies have not found relevant the relationship between the

type of manager (executive vs. non- executive) and CSR practices ([Chapple and Ucbasaran, 2007](#); [McKendall, Sánchez and Sicilian, 1999](#) ; [Wang and Dewhirst, 1992](#)), in In general, there are numerous results that show a significant relationship . Specifically, companies with a higher percentage of independents tend to carry out socially responsible activities ([Harjoto and Jo , 2011](#); [Webb, 2004](#); [Johnson and Greening, 1999](#) ; [Zahra, Oviatt and Minyard, 1993](#)) to a greater extent, since these directors tend to be more aware of social and environmental demands, assuming their responsibility in these aspects ([Ibrahim and Angelidis, nineteen ninety five](#); [Ibrahim, Howard , & Angelidis, 2003](#)). In contrast , insiders tend to be more concerned about issues related to economic benefits ([Coffey and Wang , 1998](#)). Based on these arguments, the following hypothesis related to the independence of the board is proposed:

H2. The higher the percentage of independent directors , the greater the commitment to CSR practices.

[Another](#) relevant aspect that can influence the level of CSR performance is the diversity of the board, which can be explained through the theory of resources and capabilities ([Pfeffer and Salancik , 1978](#)). This theory considers organizations as dependent on external resources found in their environment and suggests that the effectiveness of organizations results not only from their ability to manage resources but also from their capacity to manage resources . ity to secure essential resources from their environment ([Pfeffer and Salancik, 1978](#)). Therefore, the survival of companies depends on their ability to obtain and maintain these resources, among which are the skills and characteristics of their directors ([Pfeffer, 1972](#)).

Specifically, diversity can raise concerns that would have no place on more traditional boards ([Carter, Simkins , & Simpson, 2003](#)), such as those related to CSR activities ([Bear, Rahman , & Post, 2010](#)). Diversity among board members is considered necessary for its effectiveness ([Van der Walt and Ingley, 2003](#)), since it reduces the spirit of " *groupthink* . ", which tends to impoverish decision-making ([Abdullah, 2013](#)). Diversity introduces heterogeneity into this process, through a variety of ideas and opinions ([Catalyst, 1995](#)), which is critical for voluntary and complex decisions of the CSR type. Furthermore, it helps to better understand the needs and desires of the different interest groups, since each of them is represented through different characteristics of the board members (Van der [Walt and Ingley , 2003 ; Ayuso and Argandoña, 2007](#)). Likewise, board diversity can improve creativity and innovation, and generate global relationships and more effective solutions , because a greater variety of points of view are taken into account ([Brammer, Millington and Pavelin, 2007](#)). Among the characteristics that provide diversity to the council, gender and nationality can be highlighted.

Gender diversity on boards can be explained by individual social role theory , which suggests that board members behave in accordance with their stereotypes ([Eagly, 1987](#)) . In the case of women , the literature has characterized them by greater empathy , communication skills , participation and cooperation, as well as as well as caring about others and accepting the ideas and opinions of others (Eagly [and Karau , 1991; Eagly and Johannesen-Schmidt, 2001; Eagly, Johannesen-Schmidt and van Engen, 2003](#)). These characteristics drive women who participate in boards to be more sensitive about social and environmental issues than about the needs economics of the company ([Ibrahim and Angelidis, 1994; Gutner, 2000; Marx, 2000](#)). Therefore , women tend to favor CSR activities ([Harrigan, 1981 ; Kesner, 1988](#)), taking into

account the needs of a wide variety of *stakeholders* .

Previous evidence shows this idea; female directors tend to be more socially responsible ([Krüger, 2010](#)). Thus, a greater number of women on the board can raise awareness among the rest of [the](#) members about CSR initiatives ([Wims, 2003](#)), causing an increase in the level of performance of activities of this type (see [Bernardi](#) , [Bosco](#) and [Vassill, 2006](#); [Bear et al., 2010](#); [Prado-Lorenzo and García-Sánchez, 2010](#); [Ibrahim and Angelidis, 1994](#)). In the case of diversity in relation to nationality, foreign directors are considered to play a key role in supporting CSR strategies ([Ayuso and Argandoña, 2007](#)). The disparity in the characteristics of these directors favors problem solving through new ideas and global relationships ([Ezat & el -Masry, 2008](#); [Samaha , Dahawy , Hussainey & Stapleton, 2012](#)) . Directors of different nationalities have different cultures, values , ideas , opinions , experiences, etc. , so this heterogeneity tends to have a positive impact on ~~social~~ and environmental performance . ([Fields and Keys, 2003](#); [Jackson, Joshi , & Erhardt, 2003](#)).

Although [Stanwick and Stanwick \(1998\)](#) do not find a relevant relationship between gender and nationality diversity and the social development of the company, we propose the following hypothesis based on the majority opinions indicated above:

H3. The greater the diversity on the board, the greater the commitment to the CSR practices.

Finally, the possible impact of the board's activity on the level of CSR performance is ~~mixed~~ There are 2 opposing positions : on the one hand, some authors, such as [Lipton and Lorsch \(1992\)](#) , postulate that boards with a greater number of meetings are more efficient and tend to better serve general interests; That is, an

active board has more control over the issues that society demands . This attitude may imply a greater interest in the promotion of practices related to these issues (social and environmental). On the other hand, too many meetings can represent an ineffective and inefficient board, negatively affecting the results ([Vafeas, 1999](#)).

However , previous literature is more focused on the relationship between disclosure of CSR information and the level of board activity than between the level of CSR performance and said aspect (Frías- ~~Adro~~ Rodríguez [-Ariza and García-Sánchez, 2013](#); [Prado-Lorenzo, Gallego-Álvarez and García-Sánchez, 2009](#)). Therefore, we propose the following hypothesis with the objective of expanding the evidence found for the disclosure of information, extending the arguments in this ~~on~~ towards CSR performance .

H4. CSR practices vary depending on the board's activity.

2.2. Legal and corporate governance systems _

Throughout the literature , various studies, such as those by [Jamali and Mirshak \(2007\)](#) , [Matten](#) and [Moon \(2008\)](#) and Miras [-Rodríguez et al. \(2013 \)](#) , confirmed that cultural differences affect regulation and orientation towards CSR , which demonstrates that _ _ _ _ _ Companies from different contexts develop different responses to changes in business behavior. The pressure exerted by the general public, ~~plinas~~ and other regulatory bodies creates differences in the degree to which companies come closer to achieving their CSR performance (Kolk [and Perego , 2008](#)).

In this sense, according to the meta-analysis by [Sánchez- Ballesta and García-Meca \(2007\)](#) , corporate governance mechanisms influence and develop forms of corporate behavior, and consequently, influence decisions regarding CSR.

Furthermore, [Aguilera and Cuervo-Cazurra \(2004\)](#) and [Aguilera, Flores and Vaaler \(2007a\)](#) concluded that the differences in this orientation towards CSR are the result of the differences between corporate governance systems ^a. The empirical results of the first authors show that countries with a liberal government and a strong presence of foreign institutional investors tend to be more responsible in their strategies and in the development of good governance codes. These practices depend on the local conditions of each country and the agents involved in each environment .
economic.

With the aim of expanding the proposals of [Jong \(1991\)](#) , [Moerland \(1995a, 1995b\)](#) and [Weimer and Pape \(1999\)](#) , we can consider 4 corporate governance systems: Anglo - Saxon, Germanic, Latin and Asian. This classification is determined by factors such as legal characteristics , the importance of the capital market and the current ownership structure in each case. Furthermore , in each of these systems the organization of the company is considered as a structure with different objectives. Therefore , managers ' incentives will vary in each case . These systems have the characteristics listed in [Table 1](#) .

Taking into account the aforementioned arguments, the following hypothesis is proposed:

H5. The specific characteristics of the corporate and legal governance system in the country of origin do not moderate the relationship between board and CSR.

^a Corporate governance has been defined by [AECA \(2004\)](#) , which summarizes it as follows:

« Corporate governance is understood as the way in which companies are organized , directed and controlled . » According to [Zheka \(2005\)](#) , corporate governance: a) defines the distribution of rights and responsibilities among the different participants in the company ; b) establishes standards and procedures for decision - making , and c) provides structures through which the company's objectives are established and their supervision is carried out.

Table 1

Characteristics of legal systems _

Systems	Legal
Main Features	
Anglo-Saxon	<ul style="list-style-type: none"> • Instrumentalist vision of the company, oriented towards shareholders as main actors .Low concentration of ownership , which aggravates the agency problem between managers and shareholders, offset by the presence of a strong capital market
Germanic	<ul style="list-style-type: none"> • Institutional vision of the company, where the agents The main banks are industrial banks, employees and, in general, oligarchic groups, due to their high concentration of ownership .Greater importance of the

capital market , but always less than that of the Anglo-Saxon system

.The relationship between performance and executive compensation is low _ _

Latino • Institutional vision of the company

.Oligarchic groups , such as financial institutions , Families and the government play a very important role , due to the high concentration of property

.The importance of the capital market is somewhat less than in previous systems _

.The relationship between performance and executive compensation is not commonly established, except in France, where levels are close to countries such as the United Kingdom and Canada.

Asian • Institutional vision of the company, focused on oligarchic groups , such as financial institutions and employees

- .Low or moderate concentration of ownership _
- .Considerable importance of capital markets _ _
- .Limited relationship between performance and remuneration _ _ of the executives

Source: own elaboration .

1. Empirical research

1.1. Sample and population

The sample used to test the previous hypotheses is made up of 1,043 international, non-financial and listed companies for the period 2003-2009. Following the work of [La Porta, Lopez-de-Silanes, Shleifer and Vishny \(2000\)](#) , financial companies are excluded due to the different characteristics of their assets, which make them not comparable to their similar names . financial. The sample consists of a total of 5,380 observations obtained from the following countries : Canada, Denmark, Finland, France, Italy, Netherlands , Norway , United Kingdom , United States of America, Germany, Spain and Sweden. Table 2 details the frequencies by country in order to

show [their representativeness](#) in it . The data were obtained from the fusion of information contained in two databases : a) *Thomson One* _ _

Table 2

Sample frequencies by country _ _

Country	Freque ncy	Percent age	Accu mulat ed
Germany	150	2. 7 9	93 .1 4
Canada	373	6. 9 3	6.9 3
Denmark	4 7	0. 8 7	7.8 1
Spain	250	4. 6 5	97 .7 9
United States	2,886	53.64	90 .3

			5
Finland	5	1.	8.8
	6	0	5
		4	
France	112	2.	10
		0	.9
		8	3
Holland	172	3.	19
		2	.1
			1
Italy	268	4.	15
		9	.9
		8	1
Norway	3	0.	19
	0	5	.6
		6	7
United	917	17.04	36
Kingdom			.7
			1
Sweden	119	2.	100
		2	
		1	
TOTAL	5,380	100	

Analytic [b](#), for accounting and financial data, and b) *Ethical Investment Research Service* (EIRIS) [c](#), for data on CSR and corporate governance.

1.2. *Dependent variable*

CSR performance should be measured using a multidimensional construct to address all actions carried out , especially in the social and environmental spheres (Carroll , [1979](#)). Specifically , we make use of the CSR database . EIRIS for measuring CSR through an index obtained from the unweighted sum of various items. The value of each element analyzed is in the range from -3 to $+3$. Companies are considered socially responsible when the total score is above the threshold of 0 and not responsible otherwise . _ _ Specifically , the calculation carried out by EIRIS uses 4 degrees associated with 4 scores. The first degree is very positive and implies a rating of 3. The second is less positive and has the value of

1. On the contrary, very negative receives a score of -3 , and less negative, -1 . The EIRIS process begins with company data that has previously been made public. Questionnaires are then sent to companies in areas where public data is unclear . This leads to considerable dialogue between EIRIS and companies , encouraging them to address issues of interest to _ _ _ _ _ investors and improve public reporting .

To obtain this multidimensional construct , called « CSR » , several areas were analyzed, including environmental issues, human rights and relations with stakeholders. CSR is determined from the unweighted sum of these concepts. The first of them refers to the company's management system and environmental policies, its impact on the environment, and whether the company has committed to publishing reports on this issue . Another area of analysis concerns human resources, focusing on issues such as the overall scope of the company's strategy, policy, system and human rights information. As for the parts interested parties, the analysis focuses on the aspects of the policy, management systems , quantitative information or the level of commitment assumed by the company of *stakeholders* in

general, its policy and its practices in support of equal opportunities and diversity , health and safety systems in _ _ implemented work procedures, its support for the training and development of employees, relationships with customers and suppliers and the level of commitment to community or social projects.

1.3. Independent and control variables _

- *Council size* (“ TAMCONS ”) . _ _ Numerical variable that represents the total number of directors . This variable is used to test hypothesis H1 . In addition, the square of this variable, called « TAMCONS2 » , is included , which allows determining the existence of a possible U - shaped relationship between board size and CSR practices . _ _ The idea has been used ,for example , by Andrés [and Valledado \(2008 \)](#) to analyze the relationship between board size and banking performance . [Adams and Mehran \(2005\)](#) observed that the inclusion of new directors positively affects the performance of the bank, but the increase in its performance shows a decreasing marginal growth.
- *Independent directors* (" %INDEPENDIENTES "). It represents the percentage of independent directors on the board to test hypothesis H2 . Additionally, it includes the square of this variable as for the previous one , calling it « %INDEPENDENT2 » .
- *Internal directors* (« %INTERNAL »). It represents the percentage of internal or executive directors on the board. This variable aims to give robustness to the independent results of hypothesis H2. Additionally, the square of this variable is included as before, and is called " %INTERNAL2 " .

- *Women* (" WOMEN% "). This variable is used to represent the board diversity. It is measured by the percentage of women and is used to test hypothesis H3.
- *Foreigners* (« % FOREIGNERS »). This variable is used to represent establish the diversity of the board through the percentage of directors from a country other than the country of their company This variable is also used to test hypothesis H3.
- *Council activity* (" ACTCONS ") . Numerical variable that represents sets the number of council meetings per year . _ _ It is used to test hypothesis H4.
- *Corporate governance systems* (" Anglo- Saxon " , " Germanic " , " Latin "). Regarding the effect of institutional factors, 3 *dummy* variables have been defined by representing the 3 corporate governance systems considered in the sample : Anglo-Saxon, Germanic and Latin. The Asian system is not included, since the sample does not contain any of the countries in this group .

In order to avoid biasing the results , some control variables are included , the effect of which has been tested in several previous studies. In particular, the following have been used:

- *Company size* (“ LOGACTIVES ”) . _ _ _ _ Company size is measured by the logarithm of total assets . _ _ _ _ Large companies are well known and the literature shows examples of their impact on CSR activities ([Bies, Bartunek, Fort and Zald, 2007](#) ; [Aguilera, Rupp, Williams and Ganapathi, 2007b](#)). Small businesses focus on social behavior from the of local events, employee satisfaction and health (Jenkins, [2006](#) ; [Perrini, 2006](#); [Spence , 2007](#)), although in general they are active in CSR and are less interested in social issues, so they are less capable of identifying and managing actions of this type ([Lepoutre](#) and [Heene, 2006](#)) . Small businesses focus on surviving rather than having an impact on their environment ([Baker , 2003](#)) . _ _ _ _ So a positive relationship is expected between the tam _

year of the company and CSR practices . _ _ _

- *Profitability* (" ROA "). To measure this concept , following [Reverte \(2009\)](#) and [Clarkson, Li, Richardson and Vasvari \(2008\)](#) , we use an accounting measure of financial results: return on assets (ROA). Throughout the literature , this relationship between CSR and profitability has been widely analyzed , without reaching a consensus or unanimity in the results . _ By For their part, authors such as [Orlitzky, Schmidt and Rynes \(2003\)](#) , [Allouche and Laroche \(2005\)](#) or [Prior, Surroca and Tribó \(2008\)](#) , among others, demonstrated that financial resources are closely linked to CSR practices . The greater the resources available to a company, the higher the level of social practices . [Kim, Park , and Wier \(2012\)](#) stated that a company 's profitability has a positive influence on CSR . On the contrary, authors such as [Waddock and Graves \(1997\)](#) , [Aupperle and Stanwick \(1998\)](#) or [Hillman and Keim \(2001\)](#) propose the existence of a relationship but of a negative sign between CSR and profitability or financial performance , justifying that the resources assigned to this strategy generate a competitive disadvantage for the companies that promote it with respect to their competitors (due to fewer financial resources). On the other hand, other authors, such as [Macarulla and Abadía \(1996\)](#) or [Preston and O'Bannon \(1997\)](#) , consider that there is no relationship between these variables.
- *Indebtedness* (" ENDDEUDA "). Represents the risk of debt _ or default ([Prior et al., 2008; Surroca, Tribó and Waddock, 2010](#)) measured by the ratio of total debt to total assets. For this variable, [Kim et al. \(2012\)](#) obtained evidence that the most socially responsible companies maintain a similar level of debt to companies that are less socially committed. Without However, there is no consensus on the effect of this variable on CSR practices.
- *Growth Opportunities* (“ MTOB ”) . The opportunities to create

Foundation are usually measured by the market -to- book ratio . For this variable, [Kim et al.](#) ([2012](#)) obtained evidence that most socially responsible companies have more opportunities for growth and, therefore, ~~the~~ economic performance .

• *Industry* (" SECTOR "). To represent the company sector of _ _ activity, a multinomial variable (SECTOR) is used, based on the Compustat code for the corresponding economic sector . The companies in the sample are from the following sectors : raw materials, energy and consumer discretionary commodities , health care , financial activities , industrial activities, information technology, telecommunications services, and utilities. According to [Margolis and Walsh \(2003\)](#) and [Waddock and Graves \(1997\)](#) , The effect of the industry in which the company operates must be considered in the analysis of CSR due to the different characteristics of each economic activity .

1.4. *Analysis models* _

In order to contrast the hypotheses indicated above, different dependency models are used for panel data based on linear regressions. Specifically:

$$(1) \text{CSR}_{it} = \emptyset_0 + \emptyset_1 \text{TAMCONS}_{it} + \emptyset_2 \text{TAMCONS2}_{it} + \emptyset_3 \% \text{INDEPENDENTS}_{it} + \emptyset_4 \% \text{INDEPENDENTS2}_{it} + \emptyset_5 \% \text{FOREIGNERS} + \emptyset_6 \% \text{WOMEN} + \emptyset_7 \text{ACTCONS} + \emptyset_8 \text{Log ASSETS}_{it} + \emptyset_9 \text{ROA}_{it} + \emptyset_{10} \text{DEBT}_{it} + \emptyset_{11} \text{MTOB}_{it} + \emptyset_{12} \text{SECTOR}_{it} + \emptyset_{13} \text{Anglo-Saxon}_{it} + \mu_{it}$$

$$(2) \text{CSR}_{it} = \emptyset_0 + \emptyset_1 \text{TAMCONS}_{it} + \emptyset_2 \text{TAMCONS2}_{it} + \emptyset_3 \% \text{INDEPENDENTS}_{it} + \emptyset_4 \% \text{INDEPENDENTS2}_{it} + \emptyset_5 \% \text{FOREIGNERS} + \emptyset_6 \% \text{WOMEN} + \emptyset_7 \text{ACTCONS} + \emptyset_8 \text{Log ASSETS}_{it} + \emptyset_9 \text{ROA}_{it} + \emptyset_{10} \text{DEBT}_{it} + \emptyset_{11} \text{MTOB}_{it} + \emptyset_{12} \text{SECTOR}_{it} + \emptyset_{13} \text{Germanic}_{it} + \emptyset_{14} \text{Latin}_{it} + \mu_{it}$$

$$(3) \text{CSR}_{it} = \emptyset_0 + \emptyset_1 \text{TAMCONS}_{it} + \emptyset_2 \text{TAMCONS2}_{it} + \emptyset_3 \% \text{INTERNAL}_{it} + \emptyset_4$$

$$\begin{aligned}
 & \%INTERNAL2_{it} + \emptyset_5 \%FOREIGN + \emptyset_6 \%WOMEN + \emptyset_7 ACTCONS + \emptyset_8 \\
 & LogASSETS_{it} + \emptyset_9 ROA_{Item} \\
 & + \emptyset_{10} DEBT_{it} + \emptyset_{11} MTOB_{it} + \emptyset_{12} SECTOR_{it} + \\
 & \emptyset_{13} Anglo-Saxon_{it} + i + \mu_{it} \\
 (4) \quad & CSR_{it} = \emptyset_0 + \emptyset_1 TAMCONS_{it} + \emptyset_2 TAMCONS2_{it} + \emptyset_3 \%INTERNAL_{it} + \emptyset_4 \\
 & \%INTERNAL2_{it} + \emptyset_5 \%FOREIGN + \emptyset_6 \%WOMEN + \emptyset_7 ACTCONS + \emptyset_8 \\
 & LogASSETS_{it} + \emptyset_9 ROA_{Item} \\
 & + \emptyset_{10} DEBT_{it} + \emptyset_{11} MTOB_{it} + \emptyset_{12} SECTOR_{it} + \\
 & \emptyset_{13} Germanic_{it} + \emptyset_{14} Latin_{it} + i + \mu_{it}
 \end{aligned}$$

The selection of these 4 models is due to the multicollinearity problems that would appear if the %INDEPENDENT and %INTERNAL variables were incorporated into the same model. The same would happen if the 3 corporate governance systems were introduced at the same time: Anglo-Saxon, Germanic and Latin. For this reason they have had to be divided into 2 models. Numbers 1 and 2 consider the percentage of independents for the different government systems; The first takes into account the Anglo-Saxon system and the second the continental systems (Germanic and Latin). Models 3 and 4 are _

Table 3

CSR practices score _ _ _

Item	Half	OF	Mi n	Max
Environmental policy and commitment	— 0.51784	1.9384 13	-3	3

	39			
Environmental management systems _	—	2.1860	-3	3
	0.31394	29		
	05			
Environmental information	—	1.8479	-3	3
	1.7565059			
	6			
Level of improvements in environmental impact _	—	1.8612	-3	3
	1.2031687			
Scope of policy on human rights issues _	—	1.3673	-3	3
—	0.45167	23		
	29			
Scope of systems on human rights issues—	—	1.2940	-3	3
— —	0.76059	61		
	48			
Scope of reporting on human rights—	—	1.3422	-3	3
issues _ _	0.71635	61		
	69			
Policies towards interest groups in	0.21245	1.6351	-3	3
general _ _	35	64		
Management systems towards interest—	—	2.1311	-3	3
groups in general _ _ _	0.10278	42		
	81			
Quantitative information towards interest—	—	1.8644	-3	3
groups in general _ _	0.90613	13		

38

Level of commitment to interest groups – 2.1010 -3 3
in general _ _ 1.0351317

Policies for equal opportunity and0.68475 1.8129 -3 3
diversity issues _ _ 84 36

Systems and practices on equal – 1.4672 -3 3
opportunity and diversity issues _ _ 1.6486951

9

Health and safety systems _ – 2.6157 -3 3
0.06449 75

81

Systems and practices to advance job – 1.5320 -3 3
creation and security _ _ _ 2.0698866

8

Systems for employee relationship – 2.4103 -3 3
management _ 1.3420045

7

Support systems for employee training – 2.0353 -3 3
and development _ _ _ 1.5635648

9

Policies to maintain good relationships 1.7838 2.2674 -3 3
with clients and/or suppliers 29 66

Systems to maintain good relationships– 1.6567 -3 3
with clients and/or suppliers 0.96821 04

56

Level of commitment to community or–	1.8386	-3	3
charitable work _	0.28996	11	
	28		
CSR	–	24.578	– 55
	13.0299	67	60
	3		

similar to the previous 2, but considering the percentage of inmates. In all of them, the subscript i represents the company and t refers to the time period. ϕ are the parameters that must be estimated. The random error term is decomposed into 2 parts: μ_{it} , which varies between companies and over time, and the individual effect s_i , which characterizes each company but is invariant over time.

Finally, the econometric methodology in this case must take into account that the dependent variable takes values between

–60 and 60. The most appropriate is the Tobit model for panel data, because it allows us to consider a dependent variable with limits on the right and left, as is the case. The Tobit model provides coefficients using the maximum likelihood method. Furthermore, the random effects estimator has been used to control individual heterogeneity, taking into account that individuals are observed in different time periods.

4. Research results _ _

4.1. Descriptive statistics

Table 3 shows the descriptive statistics of the indicators on CSR performance. _ _ The value of the “ CSR ” variable is –13.03 (in a range between –60 and 60), which indicates that, in general, the companies in the sample do not carry out CSR practices. CSR, since the score is negative. However, the standard deviation is high and some company/s have a score of 55, being close to the maximum value of 60.

In relation to the main actions related to CSR performance, the companies analyzed show greater concern for environmental issues, followed by issues related to human ~~its~~ ^{resources}. On the contrary, very little attention is paid to relations with the rest of *the stakeholders*. The individual analysis of each of the items reveals that CSR commonly shows greater concern for relationships with customers and suppliers, and for the use of

environmental management systems .

Table 4 shows the descriptive statistics of the variables used in this [study](#) . In the case of « TAMCONS » , the value shows that, on average, there are about 11 or 12 directors, of which 72% are independent and approximately 26 % are executive. In addition , 16 % of the directors are foreigners for a term medium, and 8 % , women. The mean of the « ACTCONS » variable is 8.6, which means that the directors usually meet about 8 or 9 times a year . _

Regarding the control variables, the average of « ROA » is 1.67, and that of « Indebtedness » , 0.68. The *market-to-book* ratio has an average of 2.8, showing that the market value of companies is usually greater than their book value. This could be understood as the existence of growth opportunities. Finally, according to the frequency of the variables that represent the different corporate governance systems , 77 % of the companies in the sample are considered Anglo-Saxon; 12% are Latin, and 11% have a Germanic system.

4.2. Explanatory analysis

Table 5 shows the empirical results obtained using STATA to estimate models 1 to 4. [Models 1 and 2 include the variables that represent independent directors](#) , while models 3 and 4 include the variables that represent the independent directors . internal or executive directors . Furthermore, models 1 and 3 consider the possible effect of the characteristics of the Anglo-Saxon corporate governance system, and models 2 and 4 consider the characteristics of continental systems (Latin and Germanic).

The results are consistent in all models .

« TAMCONS » presents a positive effect on the « CSR » variable , being significant at the 99% confidence level in all models . This result shows that larger boards, which present more different characteristics (experience, links of dependency, independence, training, etc.) ([Dalton et al., 1999](#)), favor CSR practices, as proposed in the hypothesis

H1.

However, " TAMCONS2 " has a negative impact on the dependent variable , being significant at the 99% confidence level in models 1, 2 and 3 and significant at the 90% level in model 4. This means that when the number of directors increases, the CSR practices are more important in the company and are carried out to a greater extent ; when the number of directors is excess sively high, the company carries out fewer CSR activities. The reason may be that when the number of directors increases , there begins to be a greater variety of opinions and points of view, making it more difficult to reach an agreement . We found a non - linear relationship between CSR practices and board size , as proposed _ _ [Dwivedi and Jain \(2005\)](#) , and as [Andrés and Vallelado \(2008\)](#) found for development in the banking sector . This result confirms an inverted U - shaped relationship

Table 4

Descriptive statistics

	Half	OF	Min	Max
CSR	−13.02993	24.57867	−60	55
TAMCONS	11.23	3.2	1	32
	81	504		
		66		
%INDEPENDENT	0.7180145	0.3178682	0	9
%INTERNAL	0.2540786	0.2957675	—	8
			1.7	

5

%FOREIGN	0.1576433	0.2704394	0	1
%WOMEN	0.0800346	0.1363742	0	1
ACTCONS	8.56	3.76	0	53
	6598	323		
Log ASSETS	8.86	2.0	0.03922	14.72
	7667	671	07	243
		22		
ROA	1.67	72.14753	-20,21	4568.6
	1184			6
INDEBTEDNES	0.68	1.20	0.0	31.
S	2473	74	1	57
MTOB	2.80	23.8221	-1290.84	35
	478			9.6
				1
SECTOR	3.53	1.9	0	8
	746	317		
		67		
Anglo-Saxon	0.7762082	0.4168229	0	1
Latin	0.1171004	0.3215697	0	1
Germanic	0.1066914	0.3087493	0	1

between board size and CSR practices . — — — — In other words, adding a new advisor has a positive effect on these [practices](#) , but this increase presents diminishing marginal returns ([Adams and Mehran, 2005](#)). Therefore , including a new advisor would reduce these practices beyond a certain number. In our case, this occurs

when the board presents 19 or 20 members. *bros*, whose value maximizes the objective function taking into account the estimated coefficients.

The variable « %INDEPENDENTS » has a positive impact on models 1 and 2, and these effects are significant at 99% confidence. This means that the presence of non-executive directors ensures that the company presents additional interests to those of the *shareholders* ([Rouf, 2011b](#); [Haniffa and Cooke, 2005](#); [Cai et al., 2006](#)), for example, in CSR practices, as seen proposed in hypothesis H2. However , " %INDEPENDIENTES2 " has an effect negative on the dependent variable, being significant at the 99% confidence level as well. This means that, as in the previous comments, there is an inverted U-shaped relationship between the number of independent directors and CSR practices. In this case, the value that maximizes the objective function is around 4 directors, so adding a new independent member reduces the development of CSR activities .

On the other hand, the variables « %INTERNOS » and « %INTERNOS2 » pre- have opposite effects to the variables related to the

independent directors. In this case, « % INTERNAL » negatively affects the CSR variable (and is significant at 99% confidence) in models 3 and 4, as proposed in hypothesis H2. However , « %INTERNOS2 » has a positive and significant effect on the dependent variable at 90% confidence. This result shows a U-shaped relationship between the number of internal directors and CSR activities. The value that maximizes the objective function is around 8 directors, so including a new additional director would increase socially responsible practices.

Therefore, there is an optimal level of independent and internal directors that facilitates CSR practices. This represents a *trade-off* between independence (independent directors) and knowledge/information (internal directors) ([Andrés and Vallelado, 2008](#)).

The two variables that represent board diversity , _ « % FOREIGNERS » and « % WOMEN » have a positive impact on the dependent variable, and are statistically significant at the 99% confidence level in all models (1 to 4). This means that boards with a greater number of women and members from different countries carry out CSR activities to a greater extent, in accordance with hypothesis H3 . The presence of women positively influences the responsible behavior of the company, because female members have more

Table 5

Empirical results . Effect of board characteristics on CSR practices _ _ _

Model 1	Model 2	Model 3	Model 4

EE Coefficient EE Coefficient EE Coefficient EE Coefficient								
TAMCON	1.704	0.245	1.7629	0.258	1.067	0.249	0.901	0.237
S	613*	6673	17*	6208	872*	6799	8366*	1617
TAMCON –		0.009	–	0.009	–	0.010	–	0.009
S2	0.0462	385	0.0483	9893	0.0260	0278	0.01690	2241
	363*		767*		274*		84***	
INDEPEN	3.871	0.942	3.9087	0.961				
DENT	267*	9503	91*	2674				
INDEPEN –		0.126	–	0.130				
DENT2	0.5252	8475	0.5318	388				
	656*		349*					
INTERNA					–	1.178	–	1.148
L					4.8482	355	5.7273	999
					77*		24*	
INTERNA					0.331	0.191	0.33422	0.190
L2					2218*	7106	59***	3098
					**			
FOREIGN	6.017	0.751	5.6304	0.770	8.041	1.009	9.880	0.789
	906*	2114	01*	618	476*	289	408*	8443
WOMEN	12.299	1.301	12.583	1.339	15.048	1.305	16.787	1.253
	85*	51	96*	791	51*	652	8*	028
ACTCONS	0.1962	0.041	0.1983	0.042	0.197	0.041	0.189	0.040
	089*	2178	696*	6101	5466*	9475	9522*	6295
Log	0.2558	0.084	0.2716	0.084	0.263	0.086	0.246	0.082

ASSETS	515*	6309	393*	1438	9105*	1266	2527*	8158
ROA	—	0.010	—	0.010	—	0.010	—	0.010
	0.0086	7223	0.0092	727	0.0078	7262	0.0060	7159
	602		016		429		81	
INDEBTE	—	0.001	—	0.001	—	0.001	—	0.001
DNESS	0.0013	6968	0.0013	6976	0.0012	6973	0.0010	6947
	068		972		033		195	
MTOB	—	0.005	—	0.005	0.000	0.005	—	0.005
	0.0002	1531	0.0004	1556	0545	2158	0.0017	124
	532		773				217	
SECTOR	—	0.104	—	0.104	—	0.108	—	0.106
	1.9284	0371	1.9475	3411	1.8771	0396	2.0084	3693
	95*		75*		58*		33*	
Anglo-	—	0.570			—	0.603		
Saxon	17.992	4546			17.045	3261		
	22*				59*			
Germanic			16.099	0.847			14.583	0.623
			83*	5249			69*	7264
Latin			19.513	0.720			19.809	0.680
			29*	6051			52*	7076
cons	—	1.887	—	1.988	—	1.879	—	1.751
	14.644	467	33.105	808	8.1898	569	23.710	415
	34*		07*		82*		29*	
sigma u	19.969	0.264	20.074	0.294	19.675	0.428	17.599	0.220
	04*	2445	21*	7896	26*	9704	45*	686

sigma e	7.677	0.086	7.6796	0.085	7.676	0.086	7.597	0.086
	329*	2566	88*	9301	758*	3528	764*	8985
rho	0.871	0.003	0.8723	0.004	0.867	0.005	0.842	0.004
-	2238	9578	294	1912	8784	8227	9081	4553

*, ** and *** indicate the significance at 1%, 5% and 10% respectively.

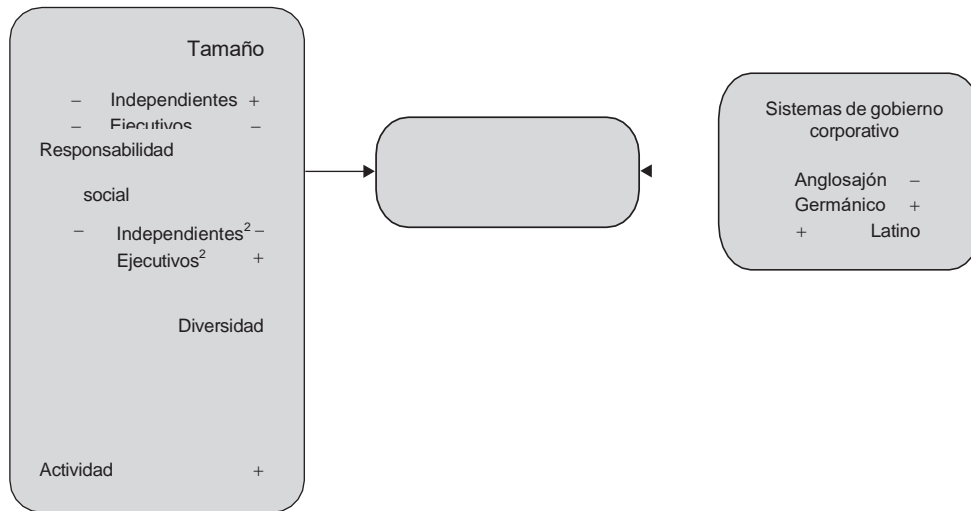


Figure 1. Research results . _

philanthropic objectives ([Lane, 1995; Ibrahim and Angelidis, 1991; Williams, 2003](#)). This evidence enhances previous results from researchers such as [Krüger](#) (2010), which show that women have more altruistic behaviors , which determines a greater volume of social actions . Furthermore, the diversity of Nationalities provide a heterogeneity of experiences and ideas that tends to have a positive impact on responsible performance (Fields and Keys , 2003; Jackson et al., 2003) , so that foreign directors play a determining role . in CSR strategies (Ayuso and Argandoña , 2007).

Finally, related to H4 , « ACTCONS » , which represents the number of meetings held on the board per year , positively impacts the dependent variable . This effect is significant at 99% confidence level in all models , showing that greater board activity leads to more socially responsible practices . Directors who meet numerous times tend to be more diligent and directed toward general interests to a greater extent. The control of the company will be increased in this way, and this provides an adequate environment to manage environmental and social issues.

In the case of the dummy variables representing corporate governance systems (H5), “ Anglo -Saxon ” negatively impacts CSR practices, while the “ Germanic ” and “ Latin ” variables have a positive effect . These 3 variables are statistically significant at the 99 % confidence level in the different models. This means that companies with Anglo - Saxon corporate governance systems carry out CSR activities to a lesser extent than companies with continental (Germanic and Latin) systems . — — These practices depend on the conditions of the countries and the

agents involved in economic development ([Matten and Moon, 2008](#); [Miras-Rodríguez et al., 2013](#)). These results are in accordance with previous evidence shown by [Aguilera and Cuervo-Cazurra](#) (2004) and with [Aguilera et al., 2007b](#) , [who](#) defend that countries with a strong presence of foreign investors and less shareholder-oriented (insider vision - instrumentalist of the company) tend to carry out more socially responsible strategies and develop codes of good governance . With the aim of facilitating the understanding of the results, Figure [1 shows](#) the main evidence obtained with this investigation .

Finally, regarding the control variables, the only significant ones are « LogASSETS » and « SECTOR » . The first has a positive and significant impact (99 % confidence) on the dependent variable , which means that the largest companies They tend to promote CSR to a greater extent. However, small companies focus more on local corporate responsibility, but in general they neither implement CSR activities nor are they interested in other social issues, making it more complicated to identify and manage such activities (Lepoutre [and Heene , 2006](#)).

« SECTOR » has a negative effect on the dependent variable and is significant at 99% confidence in all models. This means that companies in less polluting sectors, such as information technologies, telecommunications and services, tend to carry out fewer CSR practices.

5. Final conclusions

The objective of this research work is to show the relationship

between the composition and activity of the board of directors and CSR performance , as well as to determine the effect of different corporate governance systems on said performance . We leave, Therefore , from the idea that the CSR strategy does not remain invariant between companies, countries or periods of time and varies depending on economic, political, social and legal factors . Among these specific determinants, some authors consider the characteristics and composition of the board of directors as a determining aspect in the development of CSR practices (Goodstein et al., 1994; Pfeffer, 1972). Other authors, such as Aguilera et al. , 2007a and Miras-Rodríguez et to the. (2013) , take into account the legal, cultural environment and corporate governance systems as an additional explanatory factor for the level of economic , social and environmental performance .

For this study , a sample composed of 1,043 international, non-financial and listed companies for the period 2003-2009, belonging to 12 countries. The empirical evidence obtained shows a positive effect of the size of the board and independent directors on the socially responsible activities of the company . Specifically, when the number of directors increases , CSR practices are more important in the company . still , but when the number of directors is excessively large , the company begins to reduce such activities . _ This shows an inverted U - shaped relationship between board size and responsible corporate performance (Adams and Mehran, 2005). Our results show the same relationship in the case of independent directors , but a U - shaped relationship in the case of executive directors . This means that there is a point at which including new

independent directors reduces CSR practices , but still n ~ _ add a new executive director can increase. Therefore, we have found a *trade-off* between independence (represented by non- executive directors) and knowledge or information, provided by internal directors .

These results show the objective behavior of independent directors, allowing the interests of *stakeholders* to be safeguarded , reducing not only agency problems between managers and shareholders, but also between managers and other interest groups ([Hill and Jones, 1992](#)). The prestige of independent directors is closely related to that of the company, so they are interested in taking care of the company's image among its stakeholders , since their professional reputation is at stake. Therefore , this type Directors will be more interested in demonstrating the socially responsible behavior of the organization, assuming social commitments that satisfy the *interests* of other stakeholders ([Zahra and Stanton, 1988](#); [Ibrahim and Angelidis, 1995](#)). This guarantees organizational legitimacy.

Likewise, our results show that the diversity introduced into the board through foreign members and women positively impacts the socially responsible behavior of the organization, as well as the activity of the board . According to the theory of resources and capabilities ([Pfeffer and Salancik, 1978](#)). The survival of the organization depends on its ability to obtain and maintain critical resources that it obtains from the environment, among which are the specific characteristics and skills of its directors ([Pfeffer, 1972](#)). Diversity allows for the incorporation of new ideas, opinions, particular characteristics , skills and global relationships that could not

otherwise be considered on the board. It also raises concerns that would not be taken into account in the most common advice . classics, such as those related to voluntary and current decisions , such as CSR ([Carter et al., 2003; Bear et al., 2010 \).](#)

In the specific case of women 's participation in boards, the greater concern for social and environmental issues is explained through social role theory , which suggests that female counselors behave in accordance with their stereotype of women ([Eagly, 1987 \).](#) This stereotype characterizes them as empathetic, cooperative, democratic, who care about others and who They take other opinions into account. Thus, women directors will be more sensitive to social and environmental issues than the rest of the board.colleagues , favoring CSR activities in companies _ _ _ _ _ those that belong. In the case of ethnic diversity, foreign directors are considered key in supporting CSR strategies, since they introduce different experiences and new ideas.coming from their cultures, favoring new concerns that would not be taken into account in more traditional advice ([Ayuso and Argand o ñ a, 2007; Ezat and el-Masry, 2008; Samaha et al., 2012 \).](#)

At the same time, differences between government systemsCorporate studies show that companies with Anglo-Saxon systems carry out fewer CSR activities than those with continental systems (Germanic and Latin) , since their main objective focuses on maximizing shareholder wealth due to their vision . CSR instruments. These results are in line with previous studies, such as those by [Aguilera and Cuervo-Cazurra \(2004\)](#) and [Aguilera et al. \(2007a, 2007b \)](#) , who showed that differences in CSR practices are the result of different ciations in

corporate governance systems and their own characteristics.

This work contributes to the previous literature on government corporate and CSR in various aspects. First, the characteristics and composition of the board of directors are related to CSR practices, which are decided by the board itself. Furthermore, the role that the different systems of government play in this relationship. Likewise, an appropriate analysis technique is incorporated to analyze the CSR practices represented through an index that provides greater

comparability between countries. The use of panel data is also providing more generalizable results by taking into account different time points.

Future lines of research could improve the limitations of this study. Firstly, it would be interesting to expand the study sample, taking into account a longer period of time and incorporating companies from other countries. In particular, Asian countries could be considered, which could not be included in the sample due to data availability. Including them, you could consider an additional corporate governance system, with very particular characteristics. In the same way, future works should extend the time period of analysis, thereby allowing an analysis before and after the economic and financial crisis. Furthermore, it would be interesting to take into account not only the governance systems, but also the level of investor protection and the existence of good governance codes, socioeconomic and cultural aspects and/or pressures from different market agents regarding CSR practices.



Conflict of interest

The authors declare that they have no conflict of interest.

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