

Article

The Impact of Board Gender Diversity and Foreign Institutional Investors on the Corporate Social Responsibility (CSR) Engagement of Chinese Listed Companies

M. A. Gulzar ^{1,2}, Jacob Cherian ³ , Jinsoo Hwang ^{4,*}, Yushi Jiang ^{5,*} and Muhammad Safdar Sial ⁶

¹ School of Business, Zhejiang University City College, Hangzhou 310015, China; awais.gulzar@waikato.ac.nz

² Waikato Management School, The University of Waikato, Hamilton 3240, New Zealand

³ College of Business, Abu Dhabi University, Abu Dhabi 59911, UAE; jacob.cherian@adu.ac.ae

⁴ The College of Hospitality and Tourism Management, Sejong University, 98 Gunja-Dong, Gwanjin-Gu, Seoul 143-747, Korea

⁵ School of Economics and Management, Southwest Jiaotong University, Chengdu 610031, China

⁶ Department of Management Sciences, COMSATS University Islamabad (CUI), Islamabad 44000, Pakistan; safdarsial@comsats.edu.pk

* Correspondence: jhwang@sejong.ac.kr (J.H.); jys_a@sina.com (Y.J.)

Received: 26 November 2018; Accepted: 7 January 2019; Published: 9 January 2019



Abstract: The main purpose of this research is to examine the impact of board gender diversity and foreign institutional investors on the corporate social responsibility engagement of Chinese listed companies by considering a sample from the China Stock Market and Accounting Research (CSMAR) database of all non-financial firms listed on the Shanghai stock exchange and the Shenzhen stock exchange during the period from 2008–2015. The CSR is engaged by using the data from the CSMAR database at the firm level, and ranks the CSR disclosures of Chinese companies separately. The recent CSR promotion in China produced a visible increase in attracting female members on the board and members as foreign institutional investors by Chinese listed companies. The findings also showed that the greater the presence of female directors on the board, the stronger the CSR engagement would be. According to critical mass theory and team dynamics, these findings further broaden the accounts that emphasize social networks based on gender. Hence, female members on the board of directors emerged to be significant as a gender mix with extending CSR change. Therefore, our results added a new aspect to the emerging literature on CSR-engagement and gender especially in China. Due to intense political forces and networks in the Chinese listed entities, foreign institutional investors (FIIS) have less incentive to enhance CSR engagement further. Thus, the impact of foreign institutional investors on CSR engagement is as yet unknown, but we improved our knowledge about how the international aspects affect CSR in China. Furthermore, our results are robust, which concern control variables under consideration.

Keywords: female director; foreign institutional investors; CSR engagement; China

1. Introduction

The CSR concept has a much wider scope than accounting. CSR studies have merged with numerous disciplines, such as ecology and society [1], standard values and ethics [2,3], institutional monitoring, and social and economic systems [4] as well as many other disciplines. The CSR ideology aims to make the company accountable for the environment and society so that all stakeholders

can prosper and should not be harmed by their operations. The best approach can be that the company should inform stakeholders about the impact of their actions on the overall environment through annual reports or other means, such as information on websites, newsletters, and monthly magazines that cover these concepts. As there are no laws or requirements for its disclosure, most of the information is disclosed voluntarily, so researchers are interested in exploring the factors that force any company to disclose CSR related information in corporate reports.

In the modern business world, the sense of responsibility toward key stakeholders is an essential element and serves as a sensitive strategic element [5]. The policies and overall management of norms, morals values, and ethical culture are the main ingredients for companies to continue their project in the medium term and long term. Therefore, such companies must devise plans, policies, and systems that include all stakeholders without any biases [6]. Furthermore, the policies and practices should be implemented in such a way that shows a strong link with corporate culture and also improves relations with employees. This mechanism could also provide a vast range of opportunities recommended by the International Labor Organization (ILO), such as free work schedules, codes of conduct, job security, and training procedures. Furthermore, it can also help with client satisfaction, client loyalty, and enhance practices related to quality programs.

Our study explored the impact of board gender diversity and foreign institutional investors as well as CSR engagement in China specifically. In recent times, the foreign institutional investors and women became more important in the corporate governance sphere of China. According to Aguilera [7], the institutional investors and female directors on a board of directors faced increased pressure from stakeholders, which included investors, the government, NGOs (non-governmental organizations), the public and media, and global market forces to have corporations more accountability and sustainability mechanisms. This also created difficulty with decision making for the board of directors and institutional investors when deciding on matters, such as risk and return trade-offs between different stakeholders. The reason for institutional investors interest in corporate control of the corporation is when the results are not according to expectations [8], which goes along with the normal interests in financial and operational strategies of the corporation's [9,10]. Because institutional investors have large investments, it makes an exit strategy difficult compared to dispersed smaller investors, which is also one of the reasons for the above mentioned phenomena and institutional investors have further interests in monitoring corporate disclosures. [11].

We focused on two vital questions that relate to corporate governance changing arrangements in China and effective reporting of CSR. First, does a representation of female members on a board of directors (BOD) increase the CSR performance of Chinese listed companies? Second, are institutional investors helped regarding creating awareness of CSR? We focused on both the questions by considering the CSR engagement of Chinese listed entities over eight years. Furthermore, the lacking of CSR and corporate governance in emerging markets has been widely discussed [12], and according to Monks and Minow [13], there is a significant lack of literature about CSR and corporate governance in emerging markets.

The literature is almost nonexistent about the foreign institutional investors and CSR studies in China, because most of the literature is related to studies conducted in the context of western countries. This lack of research in the above-mentioned fields also forces researchers to study the role of institutional investors and female directors in CSR [14].

According to Szeto [15], Confucian values play a central role in shaping CSR and giving modern corporate governance policies and the overall framework. It is believed by us that most of the research conducted in western countries will not be suitable or applicable in the Chinese context.

Most of the listed firms in China are controlled by the government, which is CSRC (2009). It can be said that the traditional agency theory, such as the separation of ownership and management, is not applicable to China. According to Dharwadkar, George [16], some specific agency problems related to small or non-controlling interests (NCI) shareholders exist in corporations in China. The majority shareholders who fully control the company and the legal protection is weak for small investors,

and the minority shareholders usually suffer. Hence, the principal–principal relationship takes place instead of a principal–agent relationship. This study also aimed at reducing the agency conflicts, which was based on the findings of this research with a Chinese background.

However, the increasing trend of female involvement on the boards of Chinese listed companies, and the rise in foreign institutional investor's opens up new potential channels for corporate social responsibility reporting.

Our study focused on the impact of board gender diversity and foreign institutional investors on CSR in the Chinese context, which was specifically on listed corporations of the Shanghai and Shenzhen stock exchanges. The common control variables in the study include the board size, the independent directors, the CEO power (duality), the board members meetings frequency, the board member average age, the state-owned enterprises, the firm listing age, the firm size, and the leverage in the multivariate analysis.

CSR issues have opened new research interests. Most studies relate CSR with firm size, firm values, corporate governance, profitability, and environmental pressures. Firstly, most studies were conducted in Western countries in a Western context [17–21], so we can clearly say that those living in different countries, which have different cultures, have a different view of CSR issues, expectations, and perspectives. This paper offers a slight solution to this problem by considering one of the emerging markets, which is China. Secondly, the lack of available studies about stakeholder theory, agency theory, and stewardship theory about CSR is eye-opening. This study fills this void in the literature.

Third, the latest studies showed that there is an increasing trend of CSR disclosure in emerging markets [22]. The growing trend is good, but the focus is more on disclosure quantity rather than quality in both developing and developed nations [23,24].

Furthermore, a very small number of research studies investigated disclosure quality [22]. This study combined and measured corporate social disclosure (CSD) by using three dimensions that combine two aspects of disclosure quality and quantity with the perspective of stakeholders. Fourth, past studies mostly examined the relationship between domestic institutional investors and CSR, but as our research included foreign institutional investors, which is the major contributor to the literature of CSR and Chinese corporate governance. Our study is the first study that shows the impact of foreign institutional investors on CSR. Furthermore, our research also indicates that there is a different implication of CSR-investors ownership in China as compared to Western countries. It is the first study that examines the board gender diversity and foreign institutional investors within the Chinese context.

Corporate social responsibility engagement taken as a dependent variable using the dichotomous procedure, which also referred as binary scale system, was adopted, and a score of 1 was given if the items were disclosed and 0 was given if it was not disclosed. The samples of 4256 firm-year observations were taken into consideration. The time span of the samples includes the years from 2008 to 2015. The findings showed that the greater the presence of female directors on the board, the stronger CSR engagement would be. Due to intense political forces and networks in the Chinese listed entities, the foreign institutional investors (FII) have less incentive to enhance CSR engagement further. Thus, the impact of foreign institutional investors on CSR engagement was not found.

The remainder of this paper is organized as follows. Section 2 describe institutional background in a Chinese context, Section 3 explain the theoretical literature review, Section 4 reviews the empirical literature and hypothesis development, Section 5 describes the research methods and data, Section 5 describes the empirical results and discussion, and Section 5 concludes with implications for future research.

2. Institutional Background for Chinese Context

Most of the listed corporations in western countries, Asian countries (excluding China), and Latin American countries are owned and controlled by wealthy families, financial institutions, and some

individuals [25]. The government has nothing to do with the ownership of firms in most cases, but this situation is not the same as in China.

The government in China is the key factor for driving CSR [26,27]. China is the second biggest economy in the world, but it is viewed as a new and transitional economy that has distinguishing features from those of Anglo-Saxon countries, such as the UK, USA, and Australia. Most corporate governance literature uses the Anglo-Saxon environment as an example and setting when explaining any research and concept.

After the economic reforms in China, many state enterprises converted into corporations and listed on Chinese Stock Exchanges. However, these corporations even have substantial government voting rights or the government is the major shareholder. A study by Li and Zhang [28] showed that the government controls 63.5% ownership of entities in China, which is a sole controller. Furthermore, Mi and Wang [29] highlighted the agency problem created by the government while having ownership, because when they appoint managers and other senior officials, they do not have any incentive for shareholders wealth maximization. They are only concerned with government policies and interests.

Furthermore, the large shareholders' controlling rights serve as a useful tool for the CSR level in state-owned enterprises (SOEs), which also shows that somehow political involvement is an important aspect of CSR engagement. The considerable government ownership percentage in SOEs is also differentiating them from Non-SOEs. Therefore, it is of immense importance to study the CSR issues of the listed corporations in China.

Chinese corporations are well aware of the significance of the CSR issues and are willing to take part in CSR activities, and the overall environment and business ethics are somehow incompatible. Furthermore, corporations in China also spend a lot of money on advertising to give a positive, environmentally- and socially-responsible image.

3. Theoretical Literature Review

3.1. Agency Theory

According to the agency theory, there should be a direct relationship between voluntary disclosure and corporate governance [30–33]. This theory also suggests that there should be a proper framework of corporate governance that should make financial aspects transparent, which should ultimately lead to accurate information to shareholders from management. Moreover, a company with good governance systems should give greater detailed disclosures in its annual financial statements or reports [32,34].

Agency theory suggests that agency costs should be minimum, and they should maximize shareholders' wealth by having efficient deals between shareholders and management.

The board of directors (BODs) and institutional investors can work as a mechanism for resolving conflicts of interest between potential managerial opportunism and agency problems, such as employees–shareholders and owners–managers. Many authors recommend institutional investors and female directors as an excellent corporate governance tool in corporations [35,36]. By using CSR, the idea of [37] opposed by [38]. According to Webb [38], the non-executive directors and the female [39] additions to the board, do not make the decision making process slow at BODs but in fact increase CSR practices. Hence, the managers invest in CSR if they think that it will increase the company performance and ultimately its value.

According to Rediker and Seth [35], institutional investors can also help in monitoring opportunistic managers. This is possible only because of their power to appoint and fire managers. Furthermore, this also acts as a check on opportunistic managers and hence improves corporate governance practices.

3.2. Stakeholder Theory

According to the stakeholder theory perspective, nowadays entities operate globally and need to make contracts with lenders, suppliers, and customers that have different environments and policies. It is essential that companies should apply CSR policies. Furthermore, Eagly, Johannesen-Schmidt [40] found that there is a difference between the social and moral value systems of male and female directors. Moreover, it was also found that CSR disclosure is in greater demand by female investors. Hence, according to the stakeholder theory, there is a positive relationship between effective corporate governance and CSR engagement.

Stakeholder management, its dialogue, and partnership are now the main concepts in the studies of CSR [41]. Furthermore, we are contributing to literature by combining institutional/stakeholder perspective to CSR policies and strategies specifically in developed countries [41–44].

The stakeholder theory provides a useful mechanism to evaluate CSR, because it studies the impact of various institutional investors and characteristics of BODs on CSR. Prado-Lorenzo and Garcia-Sanchez [45] studied the stakeholders' theory by identifying the relationship of institutional investors and the CSR of Spanish corporations, and they found that financial institutions and government institutional investors influence the CSR.

In light of the above-mentioned literature, this research uses the stakeholder theory to study the impact of female directors and institutional investors on CSR activities in China. The authors argued that it is the stakeholder theory that well explains CSR activities of corporations and the role of those corporations in society.

3.3. Stewardship Theory

Because the agency and stakeholder theories are incompatible with each other, the stewardship theory takes a moderate approach. Letza, Sun [46] further argued that the instrumental component of the stakeholder theory and the agency theory suppose the human nature is self-interested, and managers cannot be trusted to efficiently satisfy the principal's interests. This view was negated by the stewardship theory, which argued that managers have a diverse range of motives and values, which are achievement, self-recognition, respect, and good corporate governance [46].

The corporations' managers always try their best to satisfy almost all stakeholders, because they want the organization to be successful. Therefore, the stewardship theory is in support of CSR practices, because they will increase the value of the corporation [47]. This study is also using the stewardship theory to examine the impact of female directors and institutional investors on CSR practices in China.

4. Empirical Literature Review and Research Hypothesis

4.1. Board Gender Diversity and Corporate Social Responsibility

Since the 1970s, issues related to CSR have been studied and presented in many accounting journals [1,48–50], but yet a single definition of CSR has not been presented for what is included in CSR. The term is also referred to as social accounting [51], sustainability accounting [52], social, environmental and ethical accounting [53], and social and environmental accounting [54]. Furthermore, according to Gray, Owen [55], CSR is a social concept that deals with any issue related to ecology, societal changes and moods, and other matters in the overall environment.

There is very limited research available on board gender diversity and CSR. Past studies to some extent also suggested that board gender diversity affected CSR [56–60]. However, some of the studies showed the impact of boardroom gender diversity on CSR overall. On the other hand, some only considered to study some dimensions of CSR, such as education promotions, donations, running hospitals, and spending on the environment.

According to [59], women members on management boards bring more benefits and hence improve companies' overall CSR scenario. It was also found that companies that had more female

directors on the board engaged more in philanthropy activities than their counterparts that had less number of female directors on their boards [61].

According to Coffey and Wang [62], the board gender diversity and CSR is positively related. We can say that donations and charities are aligning with the long-term goals of the firms and human in nature. Bear, Rahman [59] argued that diversity in the board increases robustness in decision making, independence, and effectiveness. It also makes the responsiveness of the corporation better and to a wider group of stakeholders by satisfying them in a broader context [61]. However, according to Post, Rahman [57], the female directors only support CSR when they are more in number at BODs, for instance, three or more females on the board have more impact on the corporation's board to implement CSR. On the other hand, if the number falls below three, the female directors have no impact on implementing CSR.

Khan [63] found no relationship between female directors on the board and CSR in Bangladesh's banks. He used both a multivariate analysis and a content analysis. He also argued that female officials on the board are new in the roles and responsibilities and less in number on the board, so they have little or no impact on CSR [57].

The [59] examined the impact of gender diversity on CSR and corporation reputation using OLS. They found a significant positive relationship between women on the board and a corporation's reputation. Furthermore, Ayuso and Argandoña [64] studied 946 companies on the Dow Jones Global Index Annual Review in 2004 from thirty-one countries where board diversity supports stakeholder engagement. Moreover, the authors also argued that the women on the board and stakeholder engagement have a positive relationship with financial performance.

The agency theory suggests that agency costs should be minimal, and there should be a maximization of shareholders' wealth by having efficient deals between shareholders and management. However, according to stakeholder theory perspectives, nowadays entities operate globally and need to make contracts with lenders, suppliers, and customers that have different environments and policies. It is essential that companies should apply CSR policies. Furthermore, Eagly, Johannesen-Schmidt [40] found that there was a difference between the social and moral value system of male and female directors. Moreover, it was also found that CSR disclosure is in greater demand by female investors. According to the stakeholder theory, there is a positive relationship between effective corporate governance and CSR engagement.

Hypothesis 1 (H1). *Ceteris paribus, female directors have a positive impact on CSR engagement.*

4.2. Foreign Institutional Investor and Corporate Social Responsibility

The inclusion of foreign institutional investors in research is the new dimension and the latest issue with Chinese listed entities. Foreign investors also further demand that Chinese entities should comply with CSR norms and global policies thoroughly with true spirit [65].

Trade, investment, and internationalization bring numerous benefits to emerging nations through the contribution of knowledge, skills level, and most crucially increased employment. According to [66], it seems that institutional investors will always support the policies and activities related to CSR. One possible reason to support CSR activities could be that they show their sense of responsibility and reliability to their overall clients by using CSR as a tool [67]. Second, the institutional investor is usually interested in the benefits of the company in the long term, which considers companies' spending and involvement in CSR [68]. Moreover, previous studies also support this view [10,69,70].

The institutional investors' role in deciding to implement CSR has received a lot of focus from researchers and scholars. The determining or deciding power of the institutional investor of CSR practices is common in developed or western market contexts. According to Aguilera, Williams [7], institutional investors in the developed market are more concerned about social and environmental concerns but similar studies are almost nonexistent in emerging economies.

Institutional investors have a significant effect on the direction or any decision of an entity with voting rights power [9]. Large institutional shareholders receive extensive attention from the board and management, which is emphasized by the stakeholder theory. They tend more towards supporting the CSR related actions [66,68].

Western-management practices, styles, and internationalization have a significant effect on the current trends of CSR in Asia [69]. In China, a lot of investment comes from the US and other developed European countries, and the demand for CSR disclosures is common there. In the world, CSR disclosures pressure is generally increasing, and foreign investors put a positive impact on the CSR scenario. Furthermore, foreign investors prefer to invest in companies that are socially responsible for further reducing risk [51].

There are mixed results of the effects of institutional investors on CSR [71–74]. Dasgupta, Hettige [74], further argued that foreign institutional investors put a minimal impact on corporate social responsibility in Mexico. This also shows that foreign investors have little information and experience concerning the overall environment that leads to difficulty with CSR engagement.

Chai [71] also investigated the relationship between the foreign institutional investor (FII) and CSR by using panel data from 1,017 Korean companies and found a direct association between FII and CSR. He also further argued that big firms spend much more on advertisement. Harrison and Eskeland [73] conducted a research study on four countries using panel data from Venezuela, Argentina, Ivory Coast, and Mexico), and they found a significant direct or positive association between FII and CSR.

Likewise, Eskeland and Harrison [75] used panel data from four host countries, which were the Ivory Coast, Venezuela, Morocco, and Mexico, to study the impact of foreign investors on CSR. Fixed effect estimators and random effect estimators were used to test the hypotheses. The empirical evidence showed that there was a positive relationship between CSR and foreign institutional investors. According to Eskeland and Harrison [75], foreign institutional investors are more interested in environmental management as compared to other types of investors. They also favor using better technology that can produce less waste, less pollution, and cleaner energy.

Hypothesis 2 (H2). *Ceteris paribus, the foreign institutional investor has a positive impact on CSR engagement.*

5. Research Design

5.1. Samples and Data

This study aimed to check the impact of board gender diversity and FII in CSR engagement of Chinese nonfinancial listed entities on the Shenzhen and Shanghai stock exchanges during the period from 2008 to 2015 taken from CSMAR database. We used panel data by considering data over time and across companies. It also provided a large number of data points, which increased the degree of freedom and decreased the collinearity among all explanatory variables [76].

5.2. Variables Measures

5.2.1. Dependent Variable

CSR disclosures separately ranked the individual Chinese listed entities using 12 sub-categories. The dichotomous procedure, which is also referred as the binary scale system, was adopted. A value of 1 was given if the item was disclosed, and 0 was given if the term was not disclosed. This method treated all disclosures with equal importance and weight. Previous studies also used this

method [30,77]. The analysis also further checked that 12 items were present or absent in the disclosure using the formula below.

$$\sum_{11}^1 \frac{X}{11} \times 100$$

5.2.2. Independent Variables

The proportion of female directors on the board was one of the independent variables, and data for it was collected from the profile section of the directors from the CSMAR database. McGuinness, Vieito [78] calculated the females on the board percentage by dividing the number of female directors by the total number of directors serving on the board from any companies that were considered. FII in the Chinese listed companies considered as a dummy variable in the research study.

5.2.3. Control Variables

According to [Khan and Vieito [79], Abdullah, Mohamed [80]], some other variables may also have a relationship with CSR engagement, and these variables include the board size, the independent directors, the CEO power (duality), the board member meetings frequency, the board member average age, the state-owned enterprises (SOE), the firm listing age, the firm size, and leverage. The board size was measured by adding the number of directors on the board [80]. The further director was considered independent if the director has no relationship with a company, such as its suppliers, major shareholders, customers and had no other past or current influence or position in the company. It further argued that it is the independent directors who are interested more in complying with rules and regulations, and they yearn for responsible behavior from the companies [81]. This behavior leads to improvement in the image of not only the company but also of the independent directors, which also helps them to be elected on other boards of corporations [82]. Hence, most studies found a positive relationship between the independence of the board and CSR.

According to Chau and Gray [83], the board's chairman can mitigate the relationship between voluntary disclosures and board independence. It was also found that when the chairman has the dual role, such as an executive director along with chairmanship, a high number of non-executive directors have a reduced number of voluntary disclosures in their annual reports. Hence, we can say that there exists a negative relationship between dual role and voluntary disclosures. Petrenko, Aime [84] coded CEO dual power as a 1 (dummy variable) if executive directorship and chairmanship are the same. It was otherwise coded as a 0. The meetings of the board's frequency were measured by the total number of meetings taken place in one financial year. The studies on members age on the board and CSR also showed that age diversity has an impact on CSR even though the number of studies is limited [56,57]. It was not clear which age group of the members had a significant relationship while performing on the board.

According to Hafsi and Turgut [56], the older members on the board were more concerned and ready to accept the issues related to the welfare of the society, whereas the younger members were more concerned and ready to deal with matters related to ethical and environmental factors. Heyden, Oehmichen [85] obtained the age and tenure of the board's members from the directors' profile on the CSMAR database, so we also put a controlled variable for every year considered from 2008 to 2015 using an industry dummy and the year concerned.

Previous literature states that there is a significant relationship between these variables and CSR reporting which is the reason we chose these variables. Past research literature shows a direct link between corporate social disclosure and the size of the firm. It also means that larger corporations have more CSR activities and more impact on society [86–88]. There is even a significant positive relationship between leverage and CSR [89]. According to [Myers [90], Schipper [91]], high leveraged entities usually give more disclosures to satisfy lenders and shareholders, so that they do not demand anything that cannot be satisfied. However, it is important to mention that some researchers found a negative relationship between leverage and CSR engagement [92,93]. According to Waddock and

Graves [66] slack resource theory, there is a negative relationship between debt ratio and CSR, because firms with high leverage always focus on short-term goals, such as profit maximization, instead of long-term performance of the corporation.

There is a positive relationship between independent directors who have CSR activities on their profile and voluntary disclosures of CSR [94,95]. According to Laksmana [96], frequent and regular board meetings also help to ensure the transparency of disclosures to stakeholders. It was also found that when a CEO has the dual role of chairmanship and CEO, it leads to a negative performance of the corporation, and the efficiency of the board decreases drastically because of the domination of the CEO and less CSR disclosures [97]. Furthermore, the age of the corporations and the size of the board have a positive relationship with CSR engagement and as discussed above.

5.3. The Model

Following [98,99], we used pooled (OLS) regression as a baseline methodology to estimate the equation below.

$$\begin{aligned} \text{CSRindex}_{it} = & \beta_0 + \beta_1 \text{FD}_{it} + \beta_2 \text{FII}_{it} + \beta_3 \text{Bsize}_{it} + \beta_4 \text{ID}_{it} + \beta_5 \text{CEOpower}_{it} + \beta_6 \text{BMMF}_{it} + \\ & \beta_7 \text{BMAA}_{it} + \beta_8 \text{SOE}_{it} + \beta_9 \text{FA}_{it} + \beta_{10} \text{FSIZE}_{it} + \beta_{11} \text{LEV}_{it} + \beta_{12} \text{YearDum}_{it} + \beta_{13} \text{Industry} \\ & \text{Dum}_{it} + \epsilon_{it} \end{aligned} \quad (1)$$

where CSRD index (corporate social responsibility index) measure by dichotomous procedure, which is also referred to as the binary scale system, was adopted. A value of 1 was given if the item was disclosed, and a value of 0 was given if it is was not disclosed. The FD (female directors) were measured by the percentage of female director on the board. The FII (foreign institutional investor) was considered as the dummy variable equal to one if the foreign institutional investor existed, otherwise it was equal to zero. The Bsize was the board size measured by the total number of directors on the board. The ID (independent directors) was measured by the percentage of independent directors. The CEO power (chief executive power) was measured if the CEO and the Chairman were, and it was equal to one, otherwise it was equal to 0. The BMMF (the board member meeting frequency) was measured by the total number of meetings that took place in one year. The BMAA (the board member average age) was measured by the average age of board members. The SOE (the state-owned enterprises) was consider a dummy variable equal to one if the firm is controlled by the government, otherwise it was equal to zero. The FA (the firms age) was measured by the listing age of the firm, and the FS (the firm size) was measured by taking the natural log of the total assets. The LEV (leverage) was measure by the total debts divided by the total assets.

6. Empirical Results and Discussion

6.1. Descriptive Statistics

Table 1 shows the descriptive statistics. The CSR index average value is 0.30, and the PFD and the FII mean values are 0.12 and 0.14, respectively. On average 36 percent of independent directors exist in Chinese companies, and the mean value of the board size is 9. Furthermore, the CEO power mean value is 0.17 for 83% of the corporations, and the position of the CEO and the chairman are separate. The average meetings held in one year are nine, and 50% of debt in Chinese entities is under consideration. An average of 60 percent of corporations are state-owned. For detailed descriptive statistics, see Table 1 below.

Table 1. Descriptive statistics of variables.

Variable	Mean	Deviation	Observations
CSR index	0.3019474	0.1480728	4256
PFD	0.1240988	0.1283987	4256
FII	0.1437632	0.3508907	4256
ID	0.3699925	0.0662303	4256
B.Size	9.545455	2.309339	4256
CEOP	0.179704	0.3839858	4256
BMMF	9.966643	4.441063	4256
BMAA	51.27363	3.826847	4256
SOE	0.599859	0.4899843	4256
FA	11.58388	2.634835	4256
FS	23.07651	1.749106	4256
LEV	0.5098044	0.2168527	4256

6.2. Correlation Matrix

A Pearson correlation analysis is shown in Table 2. There are no figures for the multicollinearity problem from the correlation coefficient results that came in our research. Furthermore, we also made use of the variance inflation factors (VIFs to assess multicollinearity in our research data. We had a 2.04 VIF score for the firm size variable, which does not indicate any multicollinearity problems, because the score is below 5 according to Baccouche, Hadriche [100].

6.3. Results and Discussion

The regression results are presented in Table 3. The significant variables that were considered were the board gender diversity and the foreign institutional investors. Hence, the results shown in Table 3 indicate the significance of female directors' in support of CSR engagement. The presence of female directors was used as a proxy for board diversity. The female director shows a significant positive relationship with CSR engagement with a p -value of 0.045, which is at the 5% level. Thus, this result shows strong support of Hypothesis1. The results of this area can also be extended and applied to US diversity effect settings [56,101–103], so we can say that the positive impact of female directors on CSR engagement showing board gender diversity also supports a linear association between the presence of female directors and CSR engagements. This result also supports the stakeholder theory.

Table 3 results (model 2) showed that there is an absence of positive significant FIIs effect on CSR engagement ($b = 0.008$; $P = 0.196$). Thus, this result does not support Hypothesis 2, and it is in contrast with the results from researches of other developing economies, because it generally showed that FIIs support social engagement [69,104]. Our findings reaffirm results found in developed market contexts [105,106] and still agree with some sense of the political bridge-building concept of foreign investment [107–111]. FIIs do not give top priority to CSR engagement in China because most of the firms are state-owned or politically connected entities. Moreover, foreign investors showed little influence on Chinese corporations' CSR engagement.

Table 2. Correlation matrix.

	1	2	3	4	5	6	7	8	9	10	11	12	VIF
1-CSR	1.0000												
2-PFD	0.0590 ***	1.0000											1.06
3-FII	0.0473 ***	−0.0166	1.0000										1.05
4-B.Size	0.1108 ***	−0.0733 ***	0.1117 ***	1.0000									1.41
5-ID	0.0000 ***	−0.0039	−0.0270 *	−0.2468 ***	1.0000								1.12
6-CEOP	−0.0693 ***	0.0853 ***	−0.0209	−0.1416 ***	0.0867 ***	1.0000							1.08
7-BMMF	0.0437 ***	0.0501 ***	−0.0672 ***	0.0235	0.0428 ***	−0.0127	1.0000						1.08
8-BMAA	0.0630 ***	−0.1043 ***	0.0159 ***	0.0628 ***	0.0778 ***	−0.0650 ***	−0.0359	1.0000					1.11
9-SOE	0.0770 ***	−0.1771 ***	0.0873 ***	0.1937 ***	−0.0291	−0.2309 ***	−0.0722 ***	0.1535 **	1.0000				1.29
10-FA	0.0952 ***	0.0501 ***	0.0691 ***	0.0409 ***	−0.0142	−0.1278 ***	0.0616 ***	0.2057 **	0.3133 ***	1.0000			1.23
11-FS	0.2217 ***	−0.0824 ***	0.1562 ***	0.4456 ***	0.0541 ***	−0.1328 ***	0.1704 ***	0.2014 **	0.2912 ***	0.1894 ***	1.0000		2.04
12-Lev	0.1314 ***	−0.0658 ***	0.0343 **	0.2577 ***	0.0179	−0.1254 ***	0.1920 ***	0.0737 **	0.2129 ***	0.2620 ***	0.5959 ***	1.0000	1.66

Note: ***, **, * represents $p < 0.01$, $p < 0.05$, $p < 0.1$.

Table 3. Regression results.

Variable	Model 1	Model 2
	Coefficient (<i>p</i> -Value)	Coefficient (<i>p</i> -Value)
PFD	0.0351 ** (0.045)	
FII		0.0080 (0.196)
ID	0.0013 * (0.099)	0.0011 * (0.097)
B.Size	0.0017 * (0.098)	0.0010 * (0.092)
CEOP	−0.0141 ** (0.014)	−0.0137 ** (0.017)
BMMF	−0.0019 (0.704)	−0.0011 (0.824)
BMAA	0.0090 (0.879)	0.0020 (0.972)
SOE	0.0124 ** (0.016)	0.0111 ** (0.030)
FA	0.0075 * (0.088)	0.0078 * (0.075)
FS	0.0071 ** (0.000)	0.0066 *** (0.001)
LEV	−0.0113 ** (0.039)	−0.0111 ** (0.040)
YEAR/IND	YES	YES
Intercept	1.054 *** (0.000)	1.075 *** (0.000)
Adjusted R ²	0.1304	0.1301
F_Value	19.77 ***	20.29 ***
# of obs.	4256	4256

Note: ***, **, * represents $p < 0.01$, $p < 0.05$, $p < 0.1$.

The non-significant relationship showed that foreign institutional investors do not have any relationship with the CSR practices of Chinese listed companies. Furthermore, Dasgupta, Hettige [74] found no relationship between foreign owners and CSR, and they argued that foreign investors have little knowledge of local laws and the environments. As a result, they found it extremely difficult to engage and gauge CSR. Similarly, Rasic [112] found no relationship between foreign institutional investors and CSR with a value of $\text{Chi}^2 = 6.27$ and a $P = 0.652$.

If we argued theoretically, the research finding does not support stakeholder theory and argues that investors as part of diverse stakeholders should keep satisfying all stakeholders for the long-term success and survival of the corporation.

This study takes into consideration some other corporate governance variables that include independent directors, board size, CEO power, board member meeting frequency, SOE, board member average age, firm age, firm size, and leverage. There is a positive relationship between independent director and CSR engagement at the 10 percent level of confidence. It is also in contrast with the US and Europe [101,113]. It is also possible that it could be due to institutional differences. Yu and Zheng [107] further argued that due to weak legal protections specifically in China, independent directors could easily be removed by politically appointed executive directors. This also shows that despite reforms, governance framework inside corporations is still not useful or performing as it supposed to be. Our results also aligned with this view.

Moreover, in China, the independent directors have a relatively weaker voice about CSR engagement. The CEO power has a negative association with CSR engagement, which means that when the CEO has a dual role of chairmanship and CEO, it leads to the negative performance of the corporation, and the efficiency of the board decreases drastically because of the domination of the CEO and less CSR disclosures [97]. Furthermore, the age of the corporations and the size of the board had a positive relationship with CSR engagement, which was at 10 percent level of significance. A positive relationship existed between the firm size and the corporate social responsibility engagement, which was at the 1 percent level of significance. This means that larger corporations have more CSR activities and more impact on society [86–88]. We found a negative relationship between leverage and CSR engagement [92,93]. According to Waddock and Graves [66] slack resource theory, there is a negative relationship between debt ratio and CSR, because firms with high leverage always focus on short-term goals, such as profit maximization, instead of long-term performance of the corporation.

6.4. Robustness Tests

6.4.1. Alternative Measure of Board Gender Diversity

To ensure the robustness of our results, we used a comprehensive measure of boardroom gender diversity Blau Index (BI) [114], which is measured by the formula, $1 - \sum_{i=1}^n p_i^2$. The BI is more superior method to measure the diversity of the board as opposed to simply calculating the percentage of female directors on the board [115]. The coefficient of BI is positive and significant in the first model ($\beta = 0.039$, $p < 0.05$). Furthermore, the coefficient of FII in the second model is insignificant ($\beta = 0.0078$, $p > 0.1$). Table 4 results also align with our main findings.

Table 4. Regression results: robustness test.

Variable	Model 1	Model 2
	Coefficient (<i>p</i> -Value)	Coefficient (<i>p</i> -Value)
BI	0.0398 *** (0.005)	0.0396 *** (0.005)
FII	—	0.0078 (0.206)
ID	0.0012 * (0.097)	0.0020 * (0.0952)
B.Size	0.0089 * (0.093)	0.0013 * (0.090)
CEOP	−0.0144 ** (0.013)	−0.0145 ** (0.012)
BMMF	−0.0021 (0.679)	−0.0016 (0.750)
BMAA	0.0012 (0.833)	0.0014 (0.080)
SOE	0.0126 ** (0.014)	0.0125 ** (0.015)
FA	0.0075 * (0.087)	0.0071 * (0.0106)
FS	0.0072 *** (0.000)	0.0068 *** (0.000)
LEV	−0.0107 ** (0.042)	−0.0092 ** (0.048)
YEAR/IND	YES	YES
Intercept	1.048 *** (0.000)	1.053 *** (0.000)
Adjusted R ²	0.1314	0.1316
F_Value	20.51 ***	19.96 ***
# of obs.	4256	4256

Note: ***, **, * represents $p < 0.01$, $p < 0.05$, $p < 0.1$.

6.4.2. Controlling the Endogeneity Issue

To control the possible problem of endogeneity we used two-stage least squares (TSLS) regression to address the endogeneity problem and used one year lagged measure of female director and foreign institutional investors as instrumental variables. Models 1 and 2 of Table 5 show the findings of two stage least squares and our results are, again, the same with the main findings.

Table 5. Controlling the endogeneity issue (2SLS).

Variable	Model 1	Model 2
	Coefficient (<i>p</i> -Value)	Coefficient (<i>p</i> -Value)
PFD	0.0731 ** (0.013)	—
FII	—	0.028 (0.161)
R ²	0.1298	0.1297
Wald Ch ²	676.60 ***	670.17 ***
No.of obs.	4256	4256

Note: ***, **, * represents $p < 0.01$, $p < 0.05$, $p < 0.1$.

7. Conclusions and Future Research

While studying CSR engagement from 2008 to 2015, the current study indicated that female directors on the board exerted considerable influence on CSR activities. This research finding supported the theories of stewardship, and the stakeholder that suggests including female directors on the board will lead to an increase in CSR achievements.

Additionally, our findings also showed a new dimension of female directors in the CSR context in China [116]. We also have shown in this article that female members' effected corporations beyond CSR, which could also be important. It can also be extended to the US context of CSR engagement and gender diversity [56,59,101,103].

Regarding foreign institutional investors, our result supported the results of [117], which showed that institutional directors had a passive and ineffective role in managers' monitoring. It is also argued by the Bushee [118] that senior officials representing institutional investors had less chance to monitor managers effectively. It is due to conflicts of interest with existing and maybe future business connections with the corporation, myopic attitude, and the free-rider problem. It may also be because institutional investors are only interested in financial and performance information rather than CSR information depicting their CSR related performance. Therefore, according to Lopatta, Jaeschke [119], the institutional investors have tended towards preferring short-term higher returns, and some also prefer to pay fewer taxes. Hence, it is less valuable for the stakeholders to have information about CSR. The expense of monitoring the management teams might also discourage senior management to pressure managers to present information about CSR, so it supports the view that institutional directors will be less likely to disclose CSR related reporting.

Our research study has implications from the political and academic dimensions, because this gives new evidence on how institutional investors impact CSR, which is absent in studies conducted in the Anglo-Saxon background, because these directors are usually not appointed. The policy makers based on our findings should support pressure and sensitive senior directors, since they favor and support CSR related reporting.

Our second major contribution is the impact of FII on social engagement due to the political bridge-building concept for investments holdings [108–111]. Our findings of FIIs do not support H2. The insignificant research findings of foreign institutional investors were opposed to stakeholder theory, which argues that corporation should satisfy all stakeholders.

The study finding suggested that gender diversity promotes CSR in corporations, and the results can be seen by including only one female member on the board. Furthermore, its promotion in European emerging markets can be very beneficial. Our results also extended towards the related literature on foreign investor parties in exerting influential power on CSR in China [65,116,120].

The implications of the findings mentioned above are very important. When considering both the stakeholder theory and the stewardship theory simultaneously, the more diverse the board is, the better it can represent and cater to a wide range of stakeholders, which should ultimately lead to better CSR. Furthermore, there is also some support of the argument that diversity is linked to higher CSR reporting, but it is somehow a qualitative concept and needs to be thoroughly followed up. There are also some practical implications. First, the firms that wish to improve their CSR image need to appoint more and more young directors, and possibly appoint more female directors. Second, the female director's relationships with other directors on the board are also important and not studied previously, because there is a possibility that more and more women on the board may lead to the negative performance of CSR. This has also implications for professional associations and corporations to provide training for senior women officials to be involved in the governance of corporations.

Finally, the policymakers should be more knowledgeable of the obstacle in having diverse boards, and research results suggest that greater resources may be needed for corporations to fulfill their goals of corporate governance.

A limitation of our study included the small sample size of 4257 firm-year observations of non-financial listed corporations on the Shanghai and Shenzhen stock exchanges. The sample was small because of the small numbers of corporations that consistently publicized CSR reports from 2008 to 2015. Second, it included only non-financial firms and cannot extended to financial firms. Another limitation is our study lacked some variables that could distinguish the correlation between FII, board gender diversity, and CSR engagement, such as CEO characteristics or ownership structure. However, this further suggests that in future more research could be conducted on shareholders

satisfaction, the disclosure of CSR, and more studies about the different effects of genuine CSR, which is a long-term idea, in contrast to just symbolic CSR activities.

Finally, the growth of institutional investors in China is limited. Hence, securities investment funds can only play a central role in intuitional shareholders and other types of investments, such as mutual funds and insurance related companies. Due to the limited availability of studies on institutional shareholders, FIIs are used as a proxy. However, other institutional shareholders should also be the center of focus and thoroughly considered in the future.

Author Contributions: Conceptualization, M.A.G., J.C., J.H., Y.J., and M.S.S.; Writing—original draft, M.A.G., J.C., J.H., Y.J., and M.S.S.; Writing—review and editing, M.A.G., J.C., J.H., Y.J., and M.S.S.

Conflicts of Interest: The authors declare no conflicts of interest.

References

1. Parker, J. Integrating CSR with hospitality management programmes in higher education. *Int. J. Green Econ.* **2011**, *5*, 396–404. [\[CrossRef\]](#)
2. Abeyesuriya, K.; Mitchell, C.; White, S. Can corporate social responsibility resolve the sanitation question in developing Asian countries? *Ecol. Econ.* **2007**, *62*, 174–183. [\[CrossRef\]](#)
3. Teck Hui, L. Combining faith and CSR: A paradigm of corporate sustainability. *Int. J. Soc. Econ.* **2008**, *35*, 449–465. [\[CrossRef\]](#)
4. Ball, A.; Craig, R. Using neo-institutionalism to advance social and environmental accounting. *Crit. Perspect. Account.* **2010**, *21*, 283–293. [\[CrossRef\]](#)
5. Garrigues Walker, A.; Trullenque, F. Responsabilidad social corporativa: ¿papel mojado o necesidad estratégica. *Harv. Deusto Bus. Rev.* **2008**, *164*, 18–36.
6. Lafuente, A.; Viñuales, V.; Pueyo, R.; Llaría, J. *Responsabilidad Social Corporativas y Politicas Publicas*; Fundacion Alternativas: Madrid, Spain, 2003.
7. Aguilera, R.V.; Williams, C.A.; Conley, J.M.; Rupp, D.E. Corporate governance and social responsibility: A comparative analysis of the UK and the US. *Corp. Gov. Int. Rev.* **2006**, *14*, 147–158. [\[CrossRef\]](#)
8. Graves, S.B.; Waddock, S.A. Institutional owners and corporate social performance. *Acad. Manag. J.* **1994**, *37*, 1034–1046.
9. Shleifer, A.; Vishny, R.W. A survey of corporate governance. *J. Financ.* **1997**, *52*, 737–783. [\[CrossRef\]](#)
10. Cox, P.; Brammer, S.; Millington, A. An empirical examination of institutional investor preferences for corporate social performance. *J. Bus. Ethics* **2004**, *52*, 27–43. [\[CrossRef\]](#)
11. Ntim, C.G.; Soobaroyen, T. Black economic empowerment disclosures by South African listed corporations: The influence of ownership and board characteristics. *J. Bus. Ethics* **2013**, *116*, 121–138. [\[CrossRef\]](#)
12. Amaeshi, K.M.; Adi, B.C.; Ogbechie, C.; Amao, O.O. Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influences? *J. Corp. Citizensh.* **2006**, *24*, 83–99. [\[CrossRef\]](#)
13. Monks, R.; Minow, N. *Corporate Governance*, 3; Blackwell Business: Oxford, UK, 2004.
14. Andayani, W.; Mwangi, J.; Sadewo, D.; Atmini, S. *Corporate Social Responsibility, Good Corporate Governance and the Intellectual Property: An External Strategy of the Management to Increase the Company's Value*; National conference on management research: Makassar, Indonesia, 2008.
15. Szeto, R.W. Sustainability of Conventional Sagacity Among Chinese Managers: A Review After the Financial Tsunami. *Chin. Econ.* **2011**, *44*, 5–21. [\[CrossRef\]](#)
16. Dharwadkar, B.; George, G.; Brandes, P. Privatization in emerging economies: An agency theory perspective. *Acad. Manag. Rev.* **2000**, *25*, 650–669. [\[CrossRef\]](#)
17. Clacher, I.; Hagendorff, J. Do announcements about corporate social responsibility create or destroy shareholder wealth? Evidence from the UK. *J. Bus. Ethics* **2012**, *106*, 253–266. [\[CrossRef\]](#)
18. Jo, H.; Harjoto, M.A. Corporate governance and firm value: The impact of corporate social responsibility. *J. Bus. Ethics* **2011**, *103*, 351–383. [\[CrossRef\]](#)
19. Muller, A.; Kolk, A. Extrinsic and intrinsic drivers of corporate social performance: Evidence from foreign and domestic firms in Mexico. *J. Manag. Stud.* **2010**, *47*, 1–26. [\[CrossRef\]](#)
20. Van Beurden, P.; Gössling, T. The worth of values—a literature review on the relation between corporate social and financial performance. *J. Bus. Ethics* **2008**, *82*, 407–424. [\[CrossRef\]](#)

21. De la Cruz Déniz-Déniz, M.; Garcia-Falcon, J.M. Determinants of the multinationals' social response. Empirical application to international companies operating in Spain. *J. Bus. Ethics* **2002**, *38*, 339–370. [[CrossRef](#)]
22. Ahmed Haji, A. Corporate social responsibility disclosures over time: Evidence from Malaysia. *Manag. Auditing J.* **2013**, *28*, 647–676. [[CrossRef](#)]
23. Ho, S.S.; Wong, K.S. A study of the relationship between corporate governance structures and the extent of voluntary disclosure. *J. Int. Account. Auditing Tax.* **2001**, *10*, 139–156. [[CrossRef](#)]
24. Xiao, J.Z.; Dahya, J.; Lin, Z. A grounded theory exposition of the role of the supervisory board in China. *Br. J. Manag.* **2004**, *15*, 39–55. [[CrossRef](#)]
25. Morck, R.; Steier, L. The global history of corporate governance: An introduction. In *A History of Corporate Governance around the World: Family Business Groups to Professional Managers*; University of Chicago Press: Chicago, IL, USA, 2005; pp. 1–64.
26. Tang, Z.; Hull, C.E.; Rothenberg, S. How corporate social responsibility engagement strategy moderates the CSR—Financial performance relationship. *J. Manag. Stud.* **2012**, *49*, 1274–1303. [[CrossRef](#)]
27. Guo, J.; Sun, L.; Li, X. Corporate social responsibility assessment of Chinese corporations. *Int. J. Bus. Manag.* **2009**, *4*, 54. [[CrossRef](#)]
28. Li, W.; Zhang, R. Corporate social responsibility, ownership structure, and political interference: Evidence from China. *J. Bus. Ethics* **2010**, *96*, 631–645. [[CrossRef](#)]
29. Mi, Z.; Wang, X. Agency cost and the crisis of China's SOE. *China Econ. Rev.* **2000**, *11*, 297–317. [[CrossRef](#)]
30. Haniffa, R.M.; Cooke, T.E. The impact of culture and governance on corporate social reporting. *J. Account. Public Policy* **2005**, *24*, 391–430. [[CrossRef](#)]
31. Cheng, E.C.; Courtenay, S.M. Board composition, regulatory regime and voluntary disclosure. *Int. J. Account.* **2006**, *41*, 262–289. [[CrossRef](#)]
32. Boesso, G.; Kumar, K. Drivers of corporate voluntary disclosure: A framework and empirical evidence from Italy and the United States. *Account. Auditing Account. J.* **2007**, *20*, 269–296. [[CrossRef](#)]
33. Wan-Hussin, W.N. The impact of family-firm structure and board composition on corporate transparency: Evidence based on segment disclosures in Malaysia. *Int. J. Account.* **2009**, *44*, 313–333. [[CrossRef](#)]
34. De Villiers, C.; Naiker, V.; Van Staden, C.J. The effect of board characteristics on firm environmental performance. *J. Manag.* **2011**, *37*, 1636–1663. [[CrossRef](#)]
35. Rediker, K.J.; Seth, A. Boards of directors and substitution effects of alternative governance mechanisms. *Strat. Manag. J.* **1995**, *16*, 85–99. [[CrossRef](#)]
36. Kirkbride, J.; Letza, S. Regulation, Governance and Regulatory Collibration: Achieving an “holistic” approach. *Corp. Gov. Int. Rev.* **2004**, *12*, 85–92. [[CrossRef](#)]
37. Jensen, M.C. The modern industrial revolution, exit, and the failure of internal control systems. *J. Financ.* **1993**, *48*, 831–880. [[CrossRef](#)]
38. Webb, E. An examination of socially responsible firms' board structure. *J. Manag. Gov.* **2004**, *8*, 255–277. [[CrossRef](#)]
39. Sanda, A.U.; Mikailu, A.S.; Garba, T. *Corporate Governance Mechanisms and Firm Financial Performance in Nigeria*; African Economic Research Consortium: Nairobi, Kenya, 2005.
40. Eagly, A.H.; Johannesen-Schmidt, M.C.; Van Engen, M.L. Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men. *Psychol. Bull.* **2003**, *129*, 569. [[CrossRef](#)] [[PubMed](#)]
41. Yang, X.; Rivers, C. Antecedents of CSR practices in MNCs' subsidiaries: A stakeholder and institutional perspective. *J. Bus. Ethics* **2009**, *86*, 155–169. [[CrossRef](#)]
42. Guay, T.; Doh, J.P.; Sinclair, G. Non-governmental organizations, shareholder activism, and socially responsible investments: Ethical, strategic, and governance implications. *J. Bus. Ethics* **2004**, *52*, 125–139. [[CrossRef](#)]
43. Jamali, D.R.; El Dirani, A.M.; Harwood, I.A. Exploring human resource management roles in corporate social responsibility: The CSR-HRM co-creation model. *Bus. Ethics Eur. Rev.* **2015**, *24*, 125–143. [[CrossRef](#)]
44. Kim, Y.; Li, H.; Li, S. Corporate social responsibility and stock price crash risk. *J. Bank. Financ.* **2014**, *43*, 1–13. [[CrossRef](#)]
45. Prado-Lorenzo, J.-M.; Garcia-Sanchez, I.-M. The role of the board of directors in disseminating relevant information on greenhouse gases. *J. Bus. Ethics* **2010**, *97*, 391–424. [[CrossRef](#)]

46. Letza, S.; Sun, X.; Kirkbride, J. Shareholding versus stakeholding: A critical review of corporate governance. *Corp. Gov. Int. Rev.* **2004**, *12*, 242–262. [[CrossRef](#)]
47. Donaldson, T.; Preston, L.E. The stakeholder theory of the corporation: Concepts, evidence, and implications. *Acad. Manag. Rev.* **1995**, *20*, 65–91. [[CrossRef](#)]
48. Gray, R.; Javad, M.; Power, D.M.; Sinclair, C.D. Social and environmental disclosure and corporate characteristics: A research note and extension. *J. Bus. Financ. Account.* **2001**, *28*, 327–356. [[CrossRef](#)]
49. Mathews, M.R. Twenty-five years of social and environmental accounting research: Is there a silver jubilee to celebrate? *Account. Auditing Account. J.* **1997**, *10*, 481–531. [[CrossRef](#)]
50. Deegan, C.; Soltys, S. Social accounting research: An Australasian perspective. In *Accounting Forum*; Elsevier: Amsterdam, The Netherlands; pp. 73–89.
51. Cooper, S.M.; Owen, D.L. Corporate social reporting and stakeholder accountability: The missing link. *Account. Organ. Soc.* **2007**, *32*, 649–667. [[CrossRef](#)]
52. Gray, R.; Kouhy, R.; Lavers, S. Constructing a research database of social and environmental reporting by UK companies. *Account. Auditing Account. J.* **1995**, *8*, 78–101. [[CrossRef](#)]
53. Adams, C.A.; Larrinaga-González, C. Engaging with organisations in pursuit of improved sustainability accounting and performance. *Account. Auditing Account. J.* **2007**, *20*, 333–355. [[CrossRef](#)]
54. Guthrie, J.; Cuganesan, S.; Ward, L. Industry specific social and environmental reporting: The Australian Food and Beverage Industry. In *Accounting Forum*; Elsevier: Amsterdam, The Netherlands; pp. 1–15.
55. Gray, R.; Owen, D.; Adams, C. *Accounting & Accountability: Changes and Challenges in Corporate Social and Environmental Reporting*; Prentice Hall: Upper Saddle River, NJ, USA, 1996.
56. Hafsi, T.; Turgut, G. Boardroom diversity and its effect on social performance: Conceptualization and empirical evidence. *J. Bus. Ethics* **2013**, *112*, 463–479. [[CrossRef](#)]
57. Post, C.; Rahman, N.; Rubow, E. Green governance: Boards of directors' composition and environmental corporate social responsibility. *Bus. Soc.* **2011**, *50*, 189–223. [[CrossRef](#)]
58. Ibrahim, H.; Samad, F.A. Corporate governance mechanisms and performance of public-listed family-ownership in Malaysia. *Int. J. Econ. Financ.* **2011**, *3*, 105. [[CrossRef](#)]
59. Bear, S.; Rahman, N.; Post, C. The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *J. Bus. Ethics* **2010**, *97*, 207–221. [[CrossRef](#)]
60. Krüger, P. Corporate social responsibility and the board of directors. In *Job Market Paper*; Toulouse School of Economics: Toulouse, France, 2009.
61. Williams, R.J. Women on corporate boards of directors and their influence on corporate philanthropy. *J. Bus. Ethics* **2003**, *42*, 1–10. [[CrossRef](#)]
62. Coffey, B.S.; Wang, J. Board diversity and managerial control as predictors of corporate social performance. *J. Bus. Ethics* **1998**, *17*, 1595–1603. [[CrossRef](#)]
63. Khan, H.-U.-Z. The effect of corporate governance elements on corporate social responsibility (CSR) reporting: Empirical evidence from private commercial banks of Bangladesh. *Int. J. Law Manag.* **2010**, *52*, 82–109. [[CrossRef](#)]
64. Ayuso, S.; Argandoña, A. *Responsible Corporate Governance: Towards a Stakeholder Board of Directors?* Working Paper No. 701; IESE Business School: Barcelona, Spain, 2007.
65. Cheung, Y.-L.; Kong, D.; Tan, W.; Wang, W. Being good when being international in an emerging economy: The case of China. *J. Bus. Ethics* **2015**, *130*, 805–817. [[CrossRef](#)]
66. Waddock, S.A.; Graves, S.B. The corporate social performance-financial performance link. *Strat. Manag. J.* **1997**, *18*, 303–319. [[CrossRef](#)]
67. Siegel, D.S.; Vitaliano, D.F. An empirical analysis of the strategic use of corporate social responsibility. *J. Econ. Manag. Strat.* **2007**, *16*, 773–792. [[CrossRef](#)]
68. Turban, D.B.; Greening, D.W. Corporate social performance and organizational attractiveness to prospective employees. *Acad. Manag. J.* **1997**, *40*, 658–672.
69. Oh, W.Y.; Chang, Y.K.; Martynov, A. The effect of ownership structure on corporate social responsibility: Empirical evidence from Korea. *J. Bus. Ethics* **2011**, *104*, 283–297. [[CrossRef](#)]
70. Neubaum, D.O.; Zahra, S.A. Institutional ownership and corporate social performance: The moderating effects of investment horizon, activism, and coordination. *J. Manag.* **2006**, *32*, 108–131. [[CrossRef](#)]
71. Chai, D.H. *Firm Ownership and Philanthropy*; Centre for Business Research, University of Cambridge: Cambridge, UK, 2010.

72. Prasanna, P.K. Foreign institutional investors: Investment preferences in India. *JOAAG* **2008**, *3*, 40–51.
73. Harrison, A.E.; Eskeland, G. *Moving to Greener Pastures? Multinationals and the Pollution-Haven Hypothesis*; The World Bank: Washington, DC, USA, 1997.
74. Dasgupta, S.; Hettige, H.; Wheeler, D. What improves environmental compliance? Evidence from Mexican industry. *J. Environ. Econ. Manag.* **2000**, *39*, 39–66. [[CrossRef](#)]
75. Eskeland, G.A.; Harrison, A.E. *Moving to Greener Pastures? Multinationals and the Pollution Haven Hypothesis*; National Bureau of Economic Research: Cambridge, MA, USA, 2002.
76. Hsiao, C. Panel data analysis—Advantages and challenges. *Test* **2007**, *16*, 1–22. [[CrossRef](#)]
77. Williams, S.M. Voluntary environmental and social accounting disclosure practices in the Asia-Pacific region: An international empirical test of political economy theory. *Int. J. Account.* **1999**, *34*, 209–238. [[CrossRef](#)]
78. McGuinness, P.B.; Vieito, J.P.; Wang, M. The role of board gender and foreign ownership in the CSR performance of Chinese listed firms. *J. Corp. Financ.* **2017**, *42*, 75–99. [[CrossRef](#)]
79. Khan, W.A.; Vieito, J.P. CEO gender and firm performance. *J. Econ. Bus.* **2013**, *67*, 55–66. [[CrossRef](#)]
80. Abdullah, S.N.; Mohamed, N.R.; Mokhtar, M.Z. Board independence, ownership and CSR of Malaysian Large Firms. *Corp. Ownersh. Control* **2011**, *8*, 417–431. [[CrossRef](#)]
81. Zahra, S.A.; Stanton, W.W. The implications of board of directors composition for corporate strategy and performance. *Int. J. Manag.* **1988**, *5*, 229–236.
82. Lorenzo, J.M.P.; Sánchez, I.M.G.; Gallego-Álvarez, I. Características del consejo de administración e información en materia de responsabilidad social corporativa. *Span. J. Financ. Account./Rev. Española Financ. Contab.* **2009**, *38*, 107–135. [[CrossRef](#)]
83. Chau, G.; Gray, S.J. Family ownership, board independence and voluntary disclosure: Evidence from Hong Kong. *J. Int. Account. Auditing Tax.* **2010**, *19*, 93–109. [[CrossRef](#)]
84. Petrenko, O.V.; Aime, F.; Ridge, J.; Hill, A. Corporate social responsibility or CEO narcissism? CSR motivations and organizational performance. *Strat. Manag. J.* **2016**, *37*, 262–279. [[CrossRef](#)]
85. Heyden, M.L.; Oehmichen, J.; Nichting, S.; Volberda, H.W. Board Background Heterogeneity and Exploration-Exploitation: The Role of the Institutionally Adopted Board Model. *Glob. Strat. J.* **2015**, *5*, 154–176. [[CrossRef](#)]
86. Andrew, B.; Gul, F.; Guthrie, J.; Teoh, H.Y. A note on corporate social disclosure practices in developing countries: The case of Malaysia and Singapore. *Br. Account. Rev.* **1989**, *21*, 371–376. [[CrossRef](#)]
87. Teoh, H.-Y.; Thong, G. Another look at corporate social responsibility and reporting: An empirical study in a developing country. *Account. Organ. Soc.* **1984**, *9*, 189–206. [[CrossRef](#)]
88. Trotman, K.T.; Bradley, G.W. Associations between social responsibility disclosure and characteristics of companies. *Account. Organ. Soc.* **1981**, *6*, 355–362. [[CrossRef](#)]
89. Roberts, G.E. Linkages between performance appraisal system effectiveness and rater and ratee acceptance. *Rev. Public Pers. Admin.* **1992**, *12*, 19–41. [[CrossRef](#)]
90. Myers, S.C. Determinants of corporate borrowing. *J. Financ. Econ.* **1977**, *5*, 147–175. [[CrossRef](#)]
91. Schipper, K. Discussion of voluntary corporate disclosure: The case of interim reporting. *J. Account. Res.* **1981**, *19*, 85–88. [[CrossRef](#)]
92. Reverte, C. Determinants of corporate social responsibility disclosure ratings by Spanish listed firms. *J. Bus. Ethics* **2009**, *88*, 351–366. [[CrossRef](#)]
93. Branco, M.C.; Rodrigues, L.L. Factors influencing social responsibility disclosure by Portuguese companies. *J. Bus. Ethics* **2008**, *83*, 685–701. [[CrossRef](#)]
94. O'Neill, H.M.; Saunders, C.B.; McCarthy, A.D. Board members, corporate social responsiveness and profitability: Are tradeoffs necessary? *J. Bus. Ethics* **1989**, *8*, 353–357. [[CrossRef](#)]
95. Jamali, D. A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *J. Bus. Ethics* **2008**, *82*, 213–231. [[CrossRef](#)]
96. Laksmana, I. Corporate board governance and voluntary disclosure of executive compensation practices. *Cont. Account. Res.* **2008**, *25*, 1147–1182. [[CrossRef](#)]
97. Firth, M.; Fung, P.M.; Rui, O.M. How ownership and corporate governance influence chief executive pay in China's listed firms. *J. Bus. Res.* **2007**, *60*, 776–785. [[CrossRef](#)]
98. Sial, M.S.; Zheng, C.; Khuong, N.V.; Khan, T.; Usman, M. Does Firm Performance Influence Corporate Social Responsibility Reporting of Chinese Listed Companies? *Sustainability* **2018**, *10*, 2217. [[CrossRef](#)]

99. Usman, M.; Zhang, J.; Wang, F.; Sun, J.; Makki, M.A.M. Gender diversity in compensation committees and CEO pay: Evidence from China. *Manag. Decis.* **2018**, *56*, 1065–1087. [[CrossRef](#)]
100. Baccouche, S.; Hadriche, M.; Omri, A. The impact of audit committee multiple-directorships on earnings management: Evidence from France. *J. Appl. Bus. Res.* **2013**, *29*, 1333. [[CrossRef](#)]
101. Harjoto, M.; Laksmana, I.; Lee, R. Board diversity and corporate social responsibility. *J. Bus. Ethics* **2015**, *132*, 641–660. [[CrossRef](#)]
102. Rao, K.; Tilt, C. Board composition and corporate social responsibility: The role of diversity, gender, strategy and decision making. *J. Bus. Ethics* **2016**, *138*, 327–347. [[CrossRef](#)]
103. Huang, S.K. The impact of CEO characteristics on corporate sustainable development. *Corp. Soc. Responsib. Environ. Manag.* **2013**, *20*, 234–244. [[CrossRef](#)]
104. Soliman, M.; El Din, M.; Sakr, A. Ownership Structure and Corporate Social Responsibility (CSR): An Empirical Study of the Listed Companies in Egypt. *Int. J. Social Science* **2013**, *5*. [[CrossRef](#)]
105. Barnea, A.; Rubin, A. Corporate social responsibility as a conflict between shareholders. *J. Bus. Ethics* **2010**, *97*, 71–86. [[CrossRef](#)]
106. Dam, L.; Scholtens, B. Does ownership type matter for corporate social responsibility? *Corp. Gov. Int. Rev.* **2012**, *20*, 233–252. [[CrossRef](#)]
107. Yu, W.; Zheng, Y. Government regulation, corporate board, and firm value: Evidence from China. *J. Int. Financ. Manag. Account.* **2014**, *25*, 182–208. [[CrossRef](#)]
108. Liu, Y.; Wei, Z.; Xie, F. Do women directors improve firm performance in China? *J. Corp. Financ.* **2014**, *28*, 169–184. [[CrossRef](#)]
109. Du, J.; Girma, S. Red capitalists: Political connections and firm performance in China. *Kyklos* **2010**, *63*, 530–545. [[CrossRef](#)]
110. Jiang, F.; Kim, K.A. *Corporate Governance in China: A Modern Perspective*; Elsevier: Amsterdam, The Netherlands, 2015.
111. Lin, L.-W. Corporate social responsibility in China: Window dressing or structural change. *Berkeley J. Int. L.* **2010**, *28*, 64.
112. Rasic, S. Environmental performance of Croatian companies in relation to ownership type. *Bus. Excell.* **2010**, *4*, 9.
113. Cuadrado-Ballesteros, B.; Rodríguez-Ariza, L.; García-Sánchez, I.-M. The role of independent directors at family firms in relation to corporate social responsibility disclosures. *Int. Bus. Rev.* **2015**, *24*, 890–901. [[CrossRef](#)]
114. Blau, P.M. *Inequality and Heterogeneity: A Primitive Theory of Social Structure*; Free Press: New York, NY, USA, 1977; Volume 7.
115. Sial, M.; Zheng, C.; Cherian, J.; Gulzar, M.; Thu, P.; Khan, T.; Khuong, N. Does Corporate Social Responsibility Mediate the Relation between Boardroom Gender Diversity and Firm Performance of Chinese Listed Companies? *Sustainability* **2018**, *10*, 3591. [[CrossRef](#)]
116. Lau, C.; Lu, Y.; Liang, Q. Corporate social responsibility in China: A corporate governance approach. *J. Bus. Ethics* **2016**, *136*, 73–87. [[CrossRef](#)]
117. Varma, A.; Stroh, L.K.; Schmitt, L.B. Women and international assignments: The impact of supervisor-subordinate relationships. *J. World Bus.* **2001**, *36*, 380–388. [[CrossRef](#)]
118. Bushee, B.J. The influence of institutional investors on myopic R&D investment behavior. *Account. Rev.* **1998**, *73*, 305–333.
119. Lopatta, K.; Jaeschke, R.; Chen, C. Stakeholder engagement and corporate social responsibility (CSR) performance: International evidence. *Corp. Soc. Responsib. Environ. Manag.* **2017**, *24*, 199–209. [[CrossRef](#)]
120. Tsoi, J. Stakeholders' perceptions and future scenarios to improve corporate social responsibility in Hong Kong and Mainland China. *J. Bus. Ethics* **2010**, *91*, 391–404. [[CrossRef](#)]

