

**CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY:  
A CRITICAL REVIEW**

**Kathyayini K Rao**

and

**Professor Carol A Tilt\***

Kathyayini Rao is a post graduate research student at Flinders University. Her research interests are Corporate Governance, Corporate Social Responsibility Reporting.

Professor Carol Tilt is Professor of Accounting, and Dean of Flinders Business School. Her research is mainly in the area of Social and Environmental Responsibility and Reporting.

\* For correspondence  
**Professor Carol A Tilt**  
Flinders Business School  
GPO Box 2100  
Adelaide SA 5001  
[Carol.Tilt@flinders.edu.au](mailto:Carol.Tilt@flinders.edu.au)

# **CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY: A CRITICAL REVIEW**

## **ABSTRACT**

This paper aims to critically review the existing literature on the relationship between Corporate Governance, in particular board diversity, and its influence on both Corporate Social Responsibility (CSR) and Corporate Social Responsibility Reporting (CSRR) and suggest some important avenues for future research in this field. Assuming that both CSR and CSRR are outcomes of boards' decisions, this paper proposes that examining boards' decision making process with regard to CSR would provide more insight into the link between board diversity and CSR. Particularly, the paper stresses the importance of studies linking gender diversity and CSR decision making processes which is quite rare in the existing literature. It also identifies some of the important methodological drawbacks in the previous literature and highlights the importance of rigorous qualitative methods and longitudinal studies for the development of understanding of the diversity-CSR relationship.

**Keywords:** Corporate Governance, Corporate Social Responsibility, Corporate Social Responsibility Reporting, Board Diversity, Gender Diversity, Decision Making Process

**Article Classification:** Review Paper

## **Introduction**

During recent years there has been a growing interest in Corporate Social Responsibility (CSR) across a range of disciplines. CSR in its simplest form is corporations' broader responsibility towards society. Researchers and practitioners strongly believe that corporations should not be judged just on their economic success (Carroll, 1979, Jamali et al., 2008, Shahin and Zairi, 2007) as they are "... no longer expected to be mere contributors to the global economy, but rather to reconcile and skill-fully balance multiple bottom lines and manage the interests of multiple stakeholders" (Jamali et al., 2008, p.443). Even though CSR is becoming increasingly significant, research still shows that CSR performance and CSR reporting (CSRR) by companies all over the world is limited. Among the possible reasons for this is that there could be a lack of ability within the major decision makers, in particular, boards of directors who are considered to be key players in firms' CSR achievements (Krüger, 2009) to make proper decisions with regard to CSR and CSRR. This is due to the fact that under the concept of CSR, boards of directors, being major decision makers, are collectively both responsible and accountable to a wider range of stakeholders. Therefore examining board composition and their influence on both CSR and CSRR is important.

Research on board composition so far has mainly focused on its effect on corporate financial performance and much less attention has been given to how specific board attributes influence CSR and CSRR. Within the literature on board composition, one of the recent and emerging issues which has been rapidly gaining attention from both academics and practitioners is board diversity (Catanzariti and Lo, 2011). It is well argued in the literature that diversity among board members has the potential to influence financial performance and reporting (Carter et al., 2003, Rose, 2007), however a very limited number of studies have been undertaken to examine whether this also applies to non-financial performance and reporting (in this case, CSR and CSRR). In addition, a limited number of studies that link corporations' responsibility (i.e. CSR), and board diversity (Bear et al., 2010, Post et al., 2011, Wang and Coffey, 1992, Williams, 2003) indicate that diversity can have a positive effect on some aspects of CSR, and the majority of them examine the relationship between various board diversity attributes and CSR or CSRR.

Assuming that both CSR and CSRR are outcomes of boards' decisions, this paper proposes that examining boards' decision making processes with regard to CSR would provide more insight into the relationship between board diversity and CSR. Diversity of members is assumed to bring broad and heterogeneous perspectives to the decision making process which is critical to voluntary and complex decisions like those regarding CSR. Further, one of the particular board diversity characteristics, gender, is very much debated and there is a growing amount of literature highlighting the importance of gender diversity in boardroom decisions. Notwithstanding this, there has been no research done linking board diversity, including gender diversity, with the CSR decision making process. This paper therefore tries to fill these gaps by aiming to explore the relationships between corporate governance, in particular board diversity and decision making processes, and their subsequent influence on CSR/CSRR. This is undertaken by critically reviewing the existing literature, and suggesting where gaps exist, and what further research could contribute to understanding how boards make decisions about CSR and whether that is reflected in CSR reporting.

The next sections review the literature and definitions of CSR and Corporate Governance and this is followed by discussion of the links between Governance, Boards, CSR and CSRR. The final sections discuss the role of decision making and conclude with suggestions for future research.

### **Corporate Social Responsibility**

Nowadays CSR issues are increasingly gaining attention all over the world. Gradual changes in the global economy, such as the rise in social activism, the emergence of new expectations, globalisation, international trade, increased expectations of transparency, and corporate citizenship now increasingly require corporations worldwide to perform well in every aspect of business (economic, social and environmental) (Jamali et al., 2008). As such, modern companies are under a huge amount of pressure to discharge their wider responsibility towards society which is largely considered as CSR. The CSR agenda encompasses various social and environmental concepts such as environmental concerns, employee welfare, corporate philanthropy, human resource management, community relations and so on. CSR in this sense seems to be a complex, multidimensional concept and hence researchers are finding it difficult to reach a consensus on the definition itself. Matten and Moon, while explaining the difficulty of CSR definition, argue that CSR is "... an essentially contested concept because it is appraisive; internally complex; and their rules of application are relatively open" (2008, p.3). In addition organisations use a variety of terms for CSR including corporate responsibility, sustainable development, corporate citizenship, global citizenship, and natural capitalism. Such lack of consistency in the use of the term CSR has further contributed to the complexity in understanding and defining CSR (McElhaney, 2009). Therefore it is very common to find various definitions in the literature. One of the most popular definitions is Carroll's who provided the four part definition of CSR, stating the "social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time" (1979, p.500). The European Commission's definition of CSR on the other hand concentrates on social and environmental aspect of business and defines it as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (Commission, 2001, p.366). Even though various definitions are provided one they have in common is that they all suggest that organisations have a wider responsibility towards society and should take into account its social and environmental impact when making decisions. For example, organisations' decisions may include using environmentally-friendly technologies in manufacturing processes (customers), promoting employee empowerment (employees), reducing emissions through recycling and pollution abatement (environmental performance), and working closely with communities (community) (McWilliams et al., 2005). By taking decisions and initiatives towards such a broader responsibility, organisations can realise themselves their social and environmental impact on society which then allows them to maintain or improve activities as well as help them to identify and minimise negative impacts, all of which contribute towards saving and preserving the planet.

Several theoretical perspectives have been used to explain the reasons for organisations' initiatives towards CSR. For instance, Friedman (1970) argued from an agency perspective asserting that managers use CSR as a means to enhance their own social, political or career agendas at the expense of shareholders. CSR from an agency

perspective is a “misuse of corporate resources that would be better spent on value-added internal projects or returned to shareholders” (McWilliams et al., 2005, p.5). Freeman’s (1984) stakeholder theory, on the other hand, presents a more positive perspective on how managers view CSR. Stakeholder theory asserts that managers need to focus on fulfilling the demands of various stakeholders such as customers, employees, suppliers, and local communities who have the potential to influence or can be influenced by corporations’ activities. Stakeholder theory suggests that firms, in order to survive and to gain support from stakeholders, need to engage in CSR activities. Some also argue on the basis of resources. The resource based view (Barney, 1991) presumes that “firms are bundles of heterogeneous resources and capabilities that are imperfectly mobile across firms” (McWilliams et al., 2005). In this sense firms seem to perceive CSR as a resource which helps them to achieve a sustainable competitive advantage (Hart, 1995, McWilliams et al., 2002).

Although these theories are useful, this paper argues that more rigorous theories are required to examine CSR from strategic perspective. In addition to benefiting society and the planet, firms themselves receive many benefits from engaging in, and reporting, CSR activities to the wider society. For example, a recent study by Kruger (2009) indicated that firms, through demonstrating social responsibility, are able to attract better employees and a new breed of green consumers and investors. In Australia Galbreath (2010) found a similar result suggesting that firms which engage in CSR activities, are able to reduce employee turnover (due to exhibiting fairness), are likely to increase customer satisfaction (by meeting the justice needs of customers) and are able to create an avenue to increase overall firm reputation (by providing signals to stakeholders about the positive characteristics of firms). In addition to the above, various other benefits have also been claimed in the literature, some of which are to maintain the license to operate, risk reduction, efficiency gains, and tax advantages (Weber, 2008). Benefits from CSR clearly indicate that through CSR initiatives organisations not only meet their social and environmental obligations but also can achieve advantages to themselves. CSR in this sense is a firm strategy and hence it is useful to examine how the strategic decision making process with regard to CSR takes place. However, to date the majority of research has concentrated on why corporations get involved in CSR rather than how decision making process of CSR actually takes place.

Another important aspect of CSR which is gaining attention in the literature is CSR reporting (CSRR). As stated in the definition outlined above, CSR, and in particular social and environmental aspects of CSR, is a voluntary process hence behaving in a socially responsible manner is not enough. Organisations are expected to voluntarily communicate their actions or initiatives towards CSR to their broad range of stakeholders (Golob and Bartlett, 2007) and this is broadly known as CSRR or corporate social disclosure (CSD). CSRR is largely considered as one of the major approaches companies use to make the public aware of their corporate social responsibility activities (Said et al., 2009). Consistent with this, many studies have used corporate social reporting/disclosure as a proxy for corporate social responsibility or corporate social performance (Gray et al., 2001, Hackston and Milne, 1996, Haniffa and Cooke, 2005, Manasseh, 2004). CSRR in this sense “... extends the accountability of organisations, beyond the traditional role of providing a financial account to owners of capital, in particular shareholders” (Gray et al., 1996, p.3). This extension is again based on the notion of CSR that “... companies do have wider responsibilities than simply to make money” (Gray et al., 1996, p.3). CSR and CSRR therefore go hand in hand where “CSR is the action or choices or behaviours carried

out by the firm in order to fulfil their social responsibility. However reporting activity ... is to account for what has been done by the organisation and in which way, through a specific document of an internal and/or external nature” (Zambon and Del Bello, 2005, p.). In summary, the concept of CSR, in addition to extending firms’ responsibility, also extends the firms’ accountability to stakeholders.

Even though CSR and CSRR have been around for more than two decades (Shahin and Zairi, 2007), progress towards them has been very slow both in Australia as well as worldwide. Clearly there are some barriers for the firm to engage in CSR. The major and the most obvious one identified in the literature is that CSR and CSRR both are still voluntary in most countries. In addition, the benefits of CSR are very often unquantifiable and/or costly and hence less likely to motivate the organisations to take positive steps towards CSR. Therefore it is essential for companies to have proper control mechanisms to ensure that both responsibility (CSR) and accountability (CSRR) with regard to CSR are properly fulfilled. This highlights the importance of corporate governance which is considered to be a critical element for driving excellence in CSR (Shahin and Zairi, 2007).

### **Corporate Governance**

The underlying concept of corporate governance is based on the view of separation of ownership and management in large corporations which was first identified by Berle and Means (1932). Berle and Means were the first to explore the “structural and strategic implications of the separation of ownership and control” (Clarke, 2004, p.154). Therefore they are widely acknowledged as the “fathers of contemporary thinking about corporate governance” (Chau, 2011, p.7) and their hypotheses are the “fundamental building blocks of corporate governance” (Kiel and Nicholson, 2003, p.29). Later on separation of ownership and control gave rise to the concept of principal-agent conflict. In 1976 Jensen and Meckling introduced agency theory which suggests that self- interested individuals (agents) are ‘opportunistic’ (Aguilera, 2005, p.s41) hence less likely to protect the interests of principals (owners) and more likely to act in their own interests such as empire building, the consumption of corporate resources as perquisites, the avoidance of optimal risk investments, and manipulating financial figures to optimize compensation (Dey, 2008). In order to resolve such agency dilemmas corporate governance mechanisms have evolved (Clarke, 2004) where shareholders use a range of governance mechanisms to ensure that agents act in the best interests of principals. Over the years the definition of governance has become much broader and is now expected to be ‘... good corporate citizenship, being accountable not only to shareholders, but also to other stakeholders and to the wider community within which they exist’ (Ingley, 2008, p.18). The definition of corporate governance therefore varies depending on one’s view of the world (Shahin and Zairi, 2007). However, they mainly fall into two major categories. Some view corporate governance as a mechanism to protect the interest of owners/shareholders i.e. the narrow perspective; whereas others view it as a mechanism to protect the interests of a broader range of stakeholders i.e., the broader perspective. The narrow definition focuses on return on investment to those who supply finance (primarily owners/shareholders) to the corporations (Shleifer and Vishny, 1996) in which socio-environmental considerations are almost neglected (Saravanamuthu, 2004). The broader perspective focuses on wider stakeholders (including shareholders) who provide the firm with the necessary resources for its survival, competitiveness, and success (MacMillan et al., 2004). Such stakeholders may be employees, suppliers, customers, and communities whose investments in the company are equally significant in other important respects (Jamali et al., 2008).

Whether the shareholder or stakeholder perspective of corporate governance is taken, researchers while examining the effect of governance on corporate performance (financial or non-financial) often concentrate on internal corporate governance, particularly boards of directors. The board of directors has been widely considered as a major player in corporate governance (Fama and Jensen, 1983, Jamali et al., 2008, Shivdasani, 1993, Van Ees et al., 2009). In order to explain the board's role in corporate governance, various theories also have emerged. Agency theory, stewardship theory, resource dependency theory and stakeholder theory are some of the dominant theoretical perspectives among them. These theories usually explain a link between various characteristics of the board and corporate performance (Kiel and Nicholson, 2003). For instance, agency theory provides the rationale for the board's critical function of monitoring management on behalf of the shareholders (Fama and Jensen, 1983) indicating that effective control mechanisms are required to monitor management's actions (one such key mechanism is board independence). However, agency theory was challenged by an alternative theory 'stewardship theory' (Donaldson, 1990, Donaldson and Davis, 1991) in 1990. Stewardship theory proposes that managers are essentially trustworthy individuals or good stewards of the resources entrusted to them. From this point of view board monitoring of management or board independence is not relevant. Resource dependency theory (Salancik and Pfeffer, 1978) on the other hand is based on the view that in order to survive, firms usually depend on external units through which they can exchange and acquire certain resources (Terjesen et al., 2009). In this sense, the board of directors is the linkage mechanism that provides critical resources to the firm including legitimacy, advice and counsel (Hillman and Dalziel, 2003). Finally stakeholder theory, which well fits into broader definition of corporate governance, suggests that "companies and society are interdependent" (Kiel and Nicholson, 2003, p.31) and corporations in order to survive should consider the interests of broader stakeholders. "...the implication of stakeholder theory for corporate governance is that the board of directors should be able to judge whether the interests of all stakeholders are being justly balanced" (Kiel and Nicholson, 2003, p.31). The various theories mentioned above suggest that boards of directors, being the key players in corporate governance, have the potential to enhance corporate performance in general. However, stakeholder theory which is consistent with a broader concept of corporate governance clearly highlights that a board's responsibility is not limited to shareholders / monitoring management, but rather requires them to ensure that corporations discharge their wider responsibility (CSR), as well as wider stakeholder accountability (CSRR). Such a relationship between corporate governance i.e. boards role in and CSR and CSRR is further discussed in the next section.

### **Corporate Governance, Board Composition and CSR**

Nowadays boards are increasingly seen as responsible for matters relating to CSR and sustainability (Ingle, 2008) which is reflected quite often in many studies (Elkington, 2006, Jamali et al., 2008, Kakabadse, 2007, Mackenzie, 2007, Mahoney and Thorne, 2005). These studies indicate that CSR is a critical item on boards' agendas (Kakabadse, 2007) and boards have major responsibility in achieving these objectives (Elkington, 2006). In fact, a recent study by Jamali et al. (2008) found that corporate governance is what drives managers and executives to set goals and objectives in relation to CSR, and the board is key in meeting and promoting these CSR objectives. A considerable amount of evidence also exists suggesting that various board attributes can have significant influence on CSR (Ayuso and Argandoña, 2009, Dunn and Sainty, 2009, Huang, 2010, Johnson and Greening, 1999, McKendall et al., 1999, Webb, 2004). Table 1 summarises these studies.

**Table 1: Studies on the link between corporate governance / boards of directors and Corporate Social Responsibility (CSR)**

Author	Study	Method	variables	Findings
Jamali et al. (2008)	CSR (Lebanon)	Qualitative (Interviews)	CG (CG- necessary pillar for CSR)	+ ve
Ingle (2008)	CSR (New Zealand)	Qualitative + Quantitative (Focus groups, discussion sessions and survey)	Board's attitude to CSR	- ve
Rose (2006)	CSR and ethics (US)	Experimental study	Director decision: Duty to share holder Social threat level (damages to environment, health & safety issues etc.)	- ve
Wise & Ali (2008)	CSR (Bangladesh)	Qualitative (Case studies)	Overall corporate governance	+ ve
Shahin & Zairi (2007)	CSR	Theoretical study	CG (CG drive excellence in CSR)	+ ve
Hung (2011)	CSR (Hong Kong)	Quantitative (Regression)	Directors' concern for stakeholders	+ ve
Kemp (2011)	CSR (Australia)	Qualitative (Interviews)	Board is major player in CSR	+ ve
Ayuso & Argandona (2007)	CSR	Review paper	Diverse stakeholder on board	+ ve
Graaf & Herkstroter (2007)	CSP (corporate social performance) (Dutch)	Theoretical paper	CG (CG influences CSP)	+ ve
Ricart et al. (2005)	Embedding sustainability into governance (DJSI)	Qualitative (Case study)	CG (CG plays major role in sustainable development)	+ ve
Kakabadse (2007)	CSR	Theoretical paper	CSR is board's agenda	+ ve
Wang & Dewhist (1992)	Stakeholder orientation (US: South-West States)	Quantitative (Mail Survey - questionnaire)	Board	+ ve
Hemingway & Maclagan (2004)	CSR	Theoretical paper	Managers personal values drive CSR	+ ve

## Board Diversity

Within the board composition literature, one of the recent and emerging issues is board diversity and researchers have started linking it with various outcomes including CSR.



Diversity in general is heterogeneity among members of a board, and has an infinite number of dimensions ranging from age to nationality, from religious background to functional background, from task skills to relational skills, and from political preference to sexual preference (Van Knippenberg et al., 2004). It can be either visible/observable (race/ ethnic background, nationality, gender, age etc.) or less visible (educational, functional and occupational background, industry experience and organisational membership) (Kang et al., 2007). Diversity is largely considered as a “double-edged sword” (Hambrick et al., 1996, p.668) hence debate on homogeneity vs. heterogeneity (diversity) is common in the diversity literature where several arguments have been put forward both in favour and against diversity. The basic argument in favour of diversity is that heterogeneity results in a broader perspective which allows groups to be involved in in-depth conversations and generate different alternatives (Watson et al., 1998).

Although various benefits of diversity have been identified progress towards board room diversity is very slow. Due to its broad nature researchers still cannot come up with an agreed upon definition (Rose, 2007). However, it has been broadly defined as “...variety in the composition of the BOD (Board of Directors)” (Kang et al., 2007, p.195) which can be either visible or non-visible. More specifically, with regard to corporate governance, diversity is concerned with “board composition and the varied combination of attributes, characteristics and expertise contributed by individual board members in relation to board process and decision making” (Walt and Ingley, 2003, p.219). Walt and Ingley’s definition of board diversity seems to be more applicable because board diversity is not just variation among its members rather how those differences in individual board members’ attributes, values and perceptions contribute towards various board process and outcomes.

Recently a growing amount of contemporary research on boards suggests that diversity among board members has the potential to increase board effectiveness and thereby performance (Bonn et al., 2004, Carter et al., 2003, Erhardt et al., 2003). For example, Carter et al. (2003) examined how the proportion of women and those of different ethnic origin influences performance. Based on data from the fortune 1000, they find that there is a significant positive relationship between these variables and performance measured by Tobin’s Q. Similarly Erhardt et al. (2003) also conducted a study based on US data and finds that a higher degree of board diversity is associated with superior performance. Their result indicated a significant positive relationship between board diversity and accounting profit measured by return on invested capital and return on assets (Erhardt et al., 2003). However diversity has also been found to have a negative effect on performance. For example, Bøhren and Strøm (2010) examined the relationship between firm value and various board diversity attributes such as use of employee directors, board independence, directors with multiple seats, and gender diversity. Their evidence shows that the firm creates more value for its owners when the board has no employee directors, when its directors have strong links to other boards, and when gender diversity is low. They concluded that value-creating board characteristics support neither popular opinion nor the current politics of corporate governance (Bøhren and Strøm, 2010). Evidence also exists suggesting that diversity may well not have any effect on board level outcome or performance. For example, Carter et al. (2010), while investigating the relationship between the board diversity and financial performance, found no significant relationship between the gender or ethnic diversity of the board, or important board committees, and financial performance for a sample of major US corporations. Similarly Randøy et al. (2006) investigated the 500 largest companies from Denmark, Norway, and Sweden and

find no significant diversity effect of gender, age and nationality on stock market performance or on ROA. They conclude that increasing diversity may be attractive or may be political preference but does not affect performance (Randøy et al., 2006).

With regard to board diversity and CSR, even though limited, research still suggests that board diversity to a certain extent can also influence social and environmental aspects of the business (i.e. CSR) (Bear et al., 2010, Coffey and Wang, 1998, Ibrahim and Angelidis, 2011, Krüger, 2009, Post et al., 2011). However results are mixed and inconclusive. More recently Post et al. (2011) examined the relationship between various board diversity characteristics and environmental corporate social responsibility (ECSR) in a single study, the study finds that a higher proportion of outside board directors, firms with boards composed of three or more female directors, boards whose directors average closer to 56 years in age, and those with a higher proportion of Western European directors, are positively associated with favourable ECSR. On the other hand Coffey and Wang's study (1998) empirically evaluated both board diversity (outside directors and women directors) and managerial control of the board as possible predictors of corporate philanthropy. Results were insignificant and did not support board diversity. Similarly Bear et al. (2010) examined both board resource diversity and women and their effect on firms' corporate social responsibility (CSR) ratings. The OLS regression results were statistically significant for the gender composition hypotheses, but did not support the resource diversity hypotheses.

### **Gender Diversity**

Among the various board diversity characteristics, gender is one of the most significant issues faced by modern corporations (Carter et al., 2003). It has been recently perceived as a most debatable topic not only in the diversity literature but also in politics and in other general societal situations (Kang et al., 2007). Even though there are a number of female directors occupying top level positions, particularly on corporate boards (Vinnicombe, 2008), the pressure to enhance the presence of female directors seems to be an ongoing global issue. Several countries have started adopting either legislative or voluntary initiatives to promote female representation on corporate boards. For example, in Norway (40% gender quota for female directors or face dissolution), Sweden (25% voluntary reserve for female directors or threat to make it a legal requirement), Spain (comply-or-explain type of law requiring companies to reach up to 40% female directors by 2015), France (law which require 50% gender parity on the board of every public firm by 2015 (Bøhren and Strøm, 2010) and more recently Italy (law requiring listed and state owned companies to ensure one-third of their board members to be women by 2015 (Arguden, 2012). In addition to European countries, many developing countries such as India, China, and Middle Eastern countries are also recognising the importance of female board members' talent (Singh et al., 2008). In Australia, diversity, in particular gender diversity, is a highly controversial topic. For instance, the Australian Stock Exchange (ASX) in its recent changes to corporate governance principles, now require listed companies to specifically report on gender diversity at board and senior management levels (Kulik, 2011). Most of these initiatives, whether voluntary or legislative, clearly indicate that the presence of women on boards could affect the governance of companies in significant ways (Adams and Ferreira, 2009).

The presence of female directors in top level positions has been linked to various outcomes resulting in mixed evidence. For example, some find a positive relationship between gender and financial performance (Carter et al., 2003, Erhardt et al., 2003), while others

find no significant or even negative relationships between gender and financial performance (Adams and Ferreira, 2009, Rose, 2007, Shrader et al., 1997, Smith et al., 2006). In addition to the above evidence on gender and financial performance, although still relatively small in number, studies still suggest that having women on boards does exert some influence on non-financial performance and in particular CSR (Stanwick and Stanwick, 1998, Wang and Coffey, 1992, Williams, 2003, Ibrahim and Angelidis, 1991, Bernardi and Threadgill, 2010, Smith et al., 2001, Siciliano, 1996). For example, a recent study by Bear et al. (2010) found a positive relationship between CSR and the number of female directors on the board. They identified that two major strengths, increased sensitivity (Williams, 2003) and participative decision making styles (Konrad et al., 2008), brought by the women to the board are found to be the key reasons for corporate responsibility strength ratings (Bear et al., 2010). The study further suggests that by contributing to a firm's CSR, women play a role in enhancing corporate reputation and hence female representation should move away from tokenism to normality (Bear et al., 2010). Similarly, Kruger (2009) found that companies with higher female board representation have higher incidence of positive social responsibility. More specifically, the study indicated that companies with a higher fraction of female directors tend to be more generous towards communities and pay more attention to the welfare of a firm's natural stakeholders (e.g. communities, employees or the environment) indicating that stronger presence of board members with altruistic preferences does indeed translate into more pro-social corporate behaviour (Krüger, 2009). Another recent study by Braun (2010) concentrated on one aspect of CSR (Environmental commitment) and found that women had stronger environmental attitudes and commitment to a green entrepreneurship program than males, suggesting that women entrepreneurs may be more engaged in green issues than male entrepreneurs. In Australia, a recent study by Galbreath (2011) confirmed that due to their relational abilities, women are more able to engage with multiple stakeholders and to respond to their needs, indicating CSR achievement. Various other evidence also exists which indicates that female directors influence different aspects of CSR, such as charitable giving (Wang and Coffey, 1992, Williams, 2003), and higher levels of environmental CSR (Post et al., 2011).

While evidence and arguments discussed so far indicate that female directors are more likely to have a positive influence on CSR outcomes, their influence might be limited or even none. One major barrier which has been widely identified in the literature is that women in top level positions often face discrimination or a stereotyping challenge which restricts their ability to fully contribute to corporate strategy and oversight (Arfken et al., 2004, EOWA, 2008, Galbreath, 2011). For example, in interviews with Australian board members, male directors stated that they tend to welcome women directors' input on so called 'soft issues' (such as human resources, occupational health & safety, corporate donations and ethics), but usually discount input on technical issues (such as engineering) (EOWA, 2008). Recently, Galbreath (2011) further indicated that sex based biases or stereotyping by male directors can limit women directors' influence on decision making and thereby sustainable outcomes. In addition to the stereotype barrier, it is also often questioned in the literature whether gender differences actually apply to leadership/managerial positions. Women who pursue management careers usually reject feminine stereotypes and may be more likely to have needs, values and leadership styles similar to men (Powell, 1990) hence tend to behave in a masculine manner. Consistently, Eagly et al., (1995) found no overall differences in the effectiveness of male and female managers and concluded that gender per se is unlikely to be a predictor of leadership effectiveness. However, the majority of the literature on gender differences argues that

there are significant differences in values, perceptions and beliefs between men and women in general. Such differences in values, perceptions and beliefs are likely to be reflected in their various leadership roles including their board role. While differentiating leadership qualities of men and women, Eagly et al. (2003) suggest that agentic (i.e. related to agency) characteristics such as being assertive, ambitious, aggressive, independent, self-confident, daring, and competitive are usually recognized in men whereas communal characteristics such as a concern with the welfare of other people and being affectionate, helpful, kind, sympathetic, interpersonally sensitive, nurturing, and gentle are identified in women. Their research has further established that female leaders, compared to male leaders, are less hierarchical, more cooperative and collaborative, and more oriented towards enhancing the others' self-worth (Eagly et al., 2003). Moreover, evidence exists suggesting that women directors are more likely to influence issues related to stakeholders/CSR. While assessing the effect of board members' gender on corporate social responsiveness orientation, Ibrahim and Angelidis (1991) found that, unlike men, women directors are less concerned about economic performance and rather more concerned about discretionary aspects of corporate responsibility. Further, women usually hold positions in 'soft' managerial areas such as human resources, corporate social responsibility, marketing, advertising, etc., (Zelechowski and Bilimoria, 2006) indicating that female representatives on boards are more likely to have in-depth knowledge of soft managerial issues. This evidence further indicates that female directors may perceive community or stakeholders' interests, particularly, CSR issues, differently than male directors.

This paper proposes that further research linking gender composition with CSR, in particular the CSR decision making process, is required in order to gain thorough understanding of gender influence on CSR. Table 2 provides a summary of the relevant studies on board diversity and CSR.

**Table 2: Empirical studies on the effects of board attributes and board diversity (including gender diversity) on Corporate Social Responsibility (CSR)**

Author	Study	Method	Variables	Findings
Post et al. (2011)	CSR (Environmental) (US)	Quantitative (Regression) (Disclosure – proxy)	Outside directors <b>Gender</b> Age Cultural background Educational attainment	+ ve + ve Not sig + ve Not sig
Kruger (2010)	CSR (US)	Quantitative (Regression)	<b>Women</b> Inside director Director experience Director tenure	+ ve + ve + ve + ve
Bear et al. (2010)	CSR (Fortune companies)	Quantitative (Regression)	<b>Gender</b> diversity Resource diversity	+ ve Not sig
Webb (2004)	CSR (US)	Quantitative (Regression)	Outside director <b>Women director</b> CEO duality	+ ve + ve - ve

*Table 2 continued*

Author	Study	Method	Variables	Findings
--------	-------	--------	-----------	----------

Arora & Dharwadkar (2011)	CSR (US)	Quantitative (Regression)	Concentrated ownership Managerial ownership Independence	Sig (+ ve / -ve)
Huang (2010)	CSP (Taiwan)	Quantitative (Regression) (CSRR proxy)	Independence Ownership structure	+ ve + ve
Jo & Harjoto (2011)	Choice of CSR (US)	Quantitative (Regression)	Board leadership Independence	+ ve
De Villiers et al. (2009) AFAANZ	CSR (Environmental performance) (US)	Quantitative (Regression)	Board diversity Board size Independence Legal experts Active CEO CEO duality	+ ve + ve + ve + ve + ve - ve
Shahin et al. (2011)	CSR (Turkey)	Quantitative (Regression)	Independence	+ ve
Ibrahim & Angelidis (1995)	CSR (Philanthropy)	Quantitative (Survey - questionnaire)	Outside directors	+ ve
Johnson & Greening (1999)	CSP (KLD database)	Quantitative	Outside directors	+ ve
Dunn & Sainty (2009)	CSP (Canada)	Quantitative (Regression)	Board independence	+ ve
McGuire et al. (2003)	CSP (KLD database)	Quantitative (Regression)	CEO incentives	Not sig
Melo (2012)	CSP (US)	Quantitative (Regression)	Top management tenure Organisational culture	+ ve + ve
Siciliano (1996)	Social performance (YMCA organisations)	Survey (Questionnaire)	Board - Occupational diversity <b>Gender diversity</b>	+ ve + ve
Smith et al. (2001)	CSO (Corporate social orientation) (Virginia, Pennsylvania, New-Mexico, North Carolina)	Quantitative + Qualitative (Questionnaire, focus group and interviews)	Race (People of colour) <b>Gender diversity</b>	+ ve + ve
Bernardi & Threadgill (2010)	CSR	Quantitative (Regression)	<b>Women directors</b>	+ ve
Ibrahim & Angelidis (1991)	CSR (Philanthropy)	Quantitative (Questionnaire)	<b>Female directors</b>	+ ve
Coffey & Wang (1998)	CSR (Philanthropy) (98 fortune companies)	Quantitative (Regression)	Independence <b>Women directors</b>	Not sig Not sig
Williams (2003)	CSR (Philanthropy) (Fortune 500 firms)	Quantitative (Regression)	<b>Women directors</b>	+ ve

## Corporate Governance, Board Composition and CSRR

CSR, as mentioned earlier, extends firm's accountability to wider stakeholders through reporting on their CSR activities, i.e. CSRR. Since accountability is an essential part of corporate governance (Donnelly and Mulcahy, 2008), boards of directors become responsible for CSRR. The relationship between board composition and CSRR is explored in this section.

The link between corporate governance and reporting emerges from Jensen and Meckling's (1976) agency theory framework under which it is assumed that management can exploit the information asymmetry to act in a manner that is contrary to the interests of shareholders. One way of mitigating such an agency problem is to reduce information asymmetry between management and shareholders (Donnelly and Mulcahy, 2008), and this is possible through one of the important qualities of governance, i.e. transparency/accountability. Transparency as an integral part of corporate governance (Htay et al., 2012) minimises the asymmetric information (Hermalin and Weisbach, 2007) and ultimately enhances overall corporate disclosure. This relationship between governance, transparency and disclosure is well argued by Htay et al. (2012) who suggest that disclosure of information / transparency is an integral part of corporate governance as higher disclosure could reduce information asymmetry which not only clarifies the conflicts of interests between shareholders and management but also makes corporate insiders accountable. Given that boards of directors are major players in corporate governance, board composition is likely to have some influence on CSRR.

Based on the view that corporate governance enhances transparency/accountability, researchers have linked board composition to various disclosures such as mandatory reporting (financial reporting) as well as non-mandatory voluntary disclosure including CSR disclosures. The evidence indicating the link between board composition and disclosure is mixed. For instance, Chen and Jaggi (2001) found a positive association between a firm's mandatory financial disclosures and the proportion of independent non-executive directors. Eng and Mak's (2003) result on the other hand indicated that non mandatory disclosure in Singapore is significantly and negatively associated with percentage of independent directors. Ho and Wong (2001), using a direct measure of voluntary disclosure based on analyst perception, were unable to confirm a significant relationship between the level of voluntary disclosure and board independence. With regard to board diversity (including gender), the research is rare linking with CSR disclosure (Barako and Brown, 2008, Haniffa and Cooke, 2005, Khan, 2010, Fernandez-Feijoo et al., 2012), but results seem to confirm a positive relationship. For example, Haniffa and Cooke (2005) found that Malay dominated boards are positively related to CSD where a majority of respondents identified ethnicity background of board members as a determinant of CSD in Malaysia. In addition to the government's favoured ethnic group, boards had feminine cultural values of the Malays which is considered to be partly the reason for such a positive relationship (Haniffa and Cooke, 2005). With regard to gender, Fernandez-Feijoo et al. (2012) found that boards with three or more women are determinants for CSR disclosure, produce less integrated reports, inform more on CSR strategy and include Assurance statements. Table 3 presents a summary of studies of boards and CSRR.

**Table 3: Empirical studies on the effects of board attributes on various types of disclosure, including Corporate Social Responsibility Reporting (CSRR)**

Author	Study	Method	Board attributes	Findings
Haniffa & Cooke (2005)	Corporate social disclosure (Malaysia)	Quantitative (Regression)	Non-executive Chair with multiple directorship Foreign ownership	- ve + ve + ve
Barako and Brown (2008)	CSR reporting (Kenya)	Quantitative (Regression)	<b>Women</b> Independence	+ ve + ve
Htay et al. (2012)	Social and environmental disclosure (Malaysia)	Quantitative (Regression)	Board size Independence Board ownership Institutional ownership	- ve + ve + ve - ve
Lorenzo et al. (2009)	CSR reporting	Quantitative (Regression)	Independence Diversity Board activity Chairman reputation	+ ve + ve Not sig Not sig
Said et al. (2010)	CSR disclosure (Malaysia)	Quantitative (Regression)	Board size Audit committee Board independence Government ownership CEO duality	Not sig + ve Not sig + ve Not sig
Khan (2010)	CSR reporting (Bangladesh)	Quantitative (Regression)	<b>Women</b> Non-executives Foreign national	Not sig + ve + ve
Ghazali (2007)	CSR reporting (Malaysia)	Quantitative	Director share ownership	- ve
Fernandez-Feijoo et al. (2012)	CSR reporting (22 countries included in KPMG report)	Quantitative	<b>Gender composition</b>	+ve
Van Staden & Chen (2010) APIRA	Quality of environmental information (China)	Quantitative (Regression)	Frequency of director meeting Board independence	+ ve + ve
Rao et al. (2012)	Environmental reporting (Australia)	Quantitative (Regression)	Independent director Institutional ownership <b>Women</b> Board size	+ ve + ve + ve + ve
Prado-Lorenzo & Gracia-Sanchez (2010)	Greenhouse Gas information disclosure (Global)	Quantitative	Board independence Board diversity	Not sig Not sig
Kent & Monem (2008)	TBL reporting (Australia)	Quantitative (Regression)	Audit committee meeting Env and sustainability committee	+ ve + ve
Donnelly & Mulcahy (2008)	Voluntary disclosure (Ireland)	Quantitative	Non-executive Non-ex chairman Ownership	+ ve + ve Not Sig
Eng & Mak (2003)	Voluntary disclosure (Singapore)	Quantitative (Regression)	Independence Managerial ownership	- ve - ve
Ho & Wong (2000)	Voluntary disclosure (Hong Kong)	Quantitative (Regression)	Independence Audit committee CEO duality Family board member	Not sig + ve Not sig - ve

<i>Table 3 continued</i>				
Author	Study	Method	Board attributes	Findings

Chau & Gray (2010)	Voluntary disclosure (Hong Kong)	Quantitative (Regression)	Family ownership Independent chairman	+ ve + ve
Chen & Jaggi (2000)	Financial disclosure (Hong Kong)	Quantitative (Regression)	Independence	+ ve
Cheng & Courtenay (2006)	Voluntary disclosure (Singapore)	Quantitative (regression)	Board size CEO duality Independence	Not sig Not sig
Huafang & Jianguo (2007)	Voluntary disclosure (China)	Quantitative (Regression)	Ownership Independence CEO duality	+ ve + ve - ve

### **Board's role in strategy/decision making processes and CSR**

Evidence on board diversity and performance (whether financial or CSR) discussed throughout this paper provides mixed results suggesting that board diversity attributes can influence performance positively or negatively (or may have no effect at all). In response to this mixed evidence, many papers have suggested that it is important to examine the intermediate variables rather than examining direct relationships. Given that CSR is a part of a firm's strategy, and boards of directors are responsible for formulating those strategies, examining boards of directors' strategic decision making processes would provide more insight into the relationship between board diversity and CSR/CSRR.

Both the corporate governance and strategic management literature indicate that a director's role in strategy is the most complex and crucial one which requires thorough investigation. Strategy is regarded as "... a set of decisions that a) guide the organisation according to the environment, b) affect the internal structure and processes and c) consequently, its performance" (Balta et al., 2010, p.58). Directors' role in strategy in this sense is their involvement in the decision process and their ultimate effect on performance. The board's role in strategy / decision making processes has been highlighted in many previous studies (Adams and Ferreira, 2007, Deegan, 1999, Elkington, 1999, Kent and Monem, 2008, Ricart et al., 2005, Walt and Ingley, 2003, Wiersema and Bantel, 1992, Zahra and Pearce II, 1989) suggesting that boards are significantly involved in the decision making process. With regard to CSR, the board's role is considered as "a stream of board-level decisions that induce an integrated set of activities intended to produce social outcomes favourable to the firm's alignment of its interest with that of society" (Hung, 2011). However such board level decisions related to CSR is an understudied area of research in the CSR literature.

The relationship between board diversity and decisions with regard to CSR, even though very limited, are still well supported. For example, Kruger (2010, p.7) states that the "... board of directors will have a substantial influence on the decision to support local communities or the extent to which a firm chooses to provide non-monetary and/or monetary benefits to its workforce (e.g. child-care, elder care, fitness canter and other work/life benefits). Likewise, it seems plausible that director characteristics such as experience or expertise will impact the ability of a company to manage its (social) risks effectively (e.g. avoiding environmental contamination and workforce safety violations, managing its pension and retirement liabilities responsibly, etc.)". According to Rose (2007), diversity ensures that corporate decisions are taken with a broader view, e.g. including a higher degree of stakeholder orientation than merely following the notion of maximising shareholder value. In addition, due to its voluntary nature, decisions with regard to CSR become complex and various alternatives, and in-depth discussion/debate



facilitated by diversity will definitely result in high quality decisions related to CSR issues at board level. Moreover, evidence from previous empirical results shows that, under high environmental uncertainty, heterogeneous teams achieve better performance, whereas less heterogeneous teams will be more successful in stable contexts (Hambrick et al., 1996, Nielsen, 2010).

Within board diversity, gender composition is considered to be an important aspect in the board's decisions (Bear et al., 2010, Bilimoria, 2000, Fielden and Davidson, 2005, Hillman et al., 2002, Johnson and Greening, 1999, Peterson and Philpot, 2007, Singh et al., 2008, Terjesen et al., 2009, Wang and Coffey, 1992, Williams, 2003). Female directors tend to bring different perspectives to the board and can influence the various board level outcomes including the decision making process. Such unique perspectives could be due to their different experiences of the workplace, marketplace, public services and community which are likely to add different perspectives to the decision making process (Daily and Dalton, 2003, Zelechowski and Bilimoria, 2004). Supporting female presence on boards, Walt and Ingley (2003) suggest that quality decision making requires a balance between skills and attributes among the board members which could be achieved by appointing more female directors. Some authors even argue that female directors are more likely to be objective and independent (Fondas, 2000) and as such tend to ask questions more freely than male directors (Bilimoria and Wheeler, 2000). Their presence therefore enhances board information, perspectives, debate and decision making (Burke, 2000). Nielson and Huse (2010) based on survey data from multiple respondents in 120 Norwegian firms found that women directors contribute towards board decision-making processes and thereby influence board strategy. They examined the effect female board members have on board operational control and board strategic control. They find the ratio of women directors to have a positive direct relationship with board strategic control. In addition they also find women directors reduce the level of conflict, which is detrimental for board strategic control. They concluded that "... it is not the gender per se, but the different values and professional experiences that women may possess that enable them to make a difference to actual board work and influence board decision-making" (Nielsen and Huse, 2010, p.17). Despite the evidence suggesting gender composition is likely to influence various decisions including decisions related to stakeholders, research linking gender with CSR-related decision making is rare.

## **Conclusion**

Due to globalisation and technology, the nature of organisations and their relationship with stakeholders has been evolving and now requires boards of directors to "... move forward from the traditional role of controlling the management, toward a much more proactive role" (Hung, 2011, p.397). In other words, boards' roles and responsibilities have been extended from the traditional shareholder-centric one to encompass various stakeholders. Such an extended board's role has been clearly highlighted in the broader perspective of corporate governance which suggests that boards of directors, being major governance mechanisms, are both responsible and accountable to a wider group of stakeholders. Within this view, board composition seems to be a major factor which can be assumed to have some influence on both CSR and CSR reporting. The present paper reviews the literature on board composition from a board diversity perspective and examines its influence on both CSR and CSRR. It also highlights some avenues for future research which are discussed below.

In considering board composition, one of the emerging and rapidly growing areas of research is board diversity. Greater diversity among board member characteristics has been advocated as “a means of improving organisational performance by providing boards with new insights and perspectives” (Siciliano, 1996, p.1313). Even though a reasonable consensus exists in the literature suggesting that corporate governance, in particular, boards of directors, play an important role in ensuring companies meet CSR objectives (Mackenzie, 2007), limited research actually examined whether diversity among board members has any influence on CSR or CSR reporting. The majority of empirical papers rather exclusively focus on examining the board diversity effect on corporate financial performance. In addition most of the prior studies are cross sectional and hence restricted from identifying causality between the diversity and organisational performance. Future studies therefore should undertake longitudinal studies to address this issue.

Since CSR is widely perceived as a strategy, research should also explore how board processes, in particular decision making processes, with regard to CSR or CSRR is taking place in an organisation. This is an important gap in the literature, and would provide more insight into whether and how boards are involved in decision making processes with regard to CSR and whether CSR and CSRR are outcomes of these decisions. Moreover, the decision making process is the one where boards collectively decide upon various CSR initiatives (e.g. whether to invest or not to invest in CSR activities) as well as reporting such CSR issues (e.g. whether to report or not to report certain positive or negative CSR issues to wider stakeholders). Very little research however has directly examined decision making by directors facing social responsibility decisions. Most of the board research studies are quantitative, examining the direct association between board diversity and CSR/CSRR resulting in contradictory findings. Qualitative methods such as case studies, observation and interviews should be adopted to gain in-depth understanding of boards’ decision making processes with regard to both CSR and CSRR.

With regard to board diversity, as far as we know there has been no research done linking various board diversity characteristics to CSR or CSRR decisions by the board. Within the board diversity characteristics, gender is one of the most debated and significant issues faced by modern corporations. Even though there is growing amount of literature suggesting that female directors can influence various board decisions, the research examining gender and CSR decision making processes is rare. Given such importance placed on gender diversity by academics, policy makers and firms, it is crucial to examine whether gender diversity really matters in CSR or CSRR decisions through both qualitative and quantitative means.

## References

- ADAMS, R. B. & FERREIRA, D. 2007. A theory of friendly boards. *The Journal of Finance*, 62, 217-250.
- ADAMS, R. B. & FERREIRA, D. 2009. Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94, 291-309.
- AGUILERA, R. V. 2005. Corporate Governance and Director Accountability: an Institutional Comparative Perspective\*. *British Journal of Management*, 16, S39-S53.
- ARFKEN, D. E., BELLAR, S. L. & HELMS, M. M. 2004. The Ultimate Glass Ceiling Revisited: The Presence of Women on Corporate Boards. *Journal of Business Ethics*, 50, 177-186.
- ARGUDEN, Y. 2012. Why Boards Need More Women. *Harvard Business Review*.
- AYUSO, S. & ARGANDOÑA, A. 2009. Responsible corporate governance: towards a stakeholder Board of Directors?
- BALTA, M. E., WOODS, A. & DICKSON, K. 2010. The Influence Of Boards Of Directors' Characteristics On Strategic Decision-Making: Evidence From Greek Companies. *Journal of Applied Business Research (JABR)*, 26.
- BARAKO, D. G. & BROWN, A. M. 2008. Corporate social reporting and board representation: evidence from the Kenyan banking sector. *Journal of Management and Governance*, 12, 309-324.
- BARNEY, J. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- BEAR, S., RAHMAN, N. & POST, C. 2010. The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of Business Ethics*, 97, 207-221.
- BERLE, A. A. & MEANS, G. C. 1932. *The modern corporation and private property*, Transaction Pub.
- BERNARDI, R. A. & THREADGILL, V. H. 2010. Women directors and corporate social responsibility. *Electronic Journal of Business Ethics and Organizational Studies*, 15, 15-21.
- BILIMORIA, D. 2000. Building the business case for women corporate directors. *Women on corporate boards of directors: International challenges and opportunities*, 25-40.
- BILIMORIA, D. & WHEELER, J. V. 2000. Women corporate directors: Current research and future directions. *Women in management: Current research issues*, 2, 138-163.
- BØHREN, Ø. Y. & STRØM, R. Ø. 2010. Governance and Politics: Regulating Independence and Diversity in the Board Room. *Journal of Business Finance & Accounting*, 37, 1281-1308.
- BONN, I., YOSHIKAWA, T. & PHAN, P. H. 2004. Effects of board structure on firm performance: A comparison between Japan and Australia. *Asian Business & Management*, 3, 105-125.
- BRAUN, P. 2010. Going green: women entrepreneurs and the environment. *International Journal of Gender and Entrepreneurship*, 2, 245-259.
- BURKE, R. J. 2000. Women on corporate boards of directors: understanding the context. *Women on corporate boards of directors: International challenges and opportunities*, 179-196.
- CARROLL, A. B. 1979. A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 497-505.
- CARTER, D. A., D'SOUZA, F., SIMKINS, B. J. & SIMPSON, W. G. 2010. The gender and ethnic diversity of US boards and board committees and firm financial performance. *Corporate Governance: An International Review*, 18, 396-414.
- CARTER, D. A., SIMKINS, B. J. & SIMPSON, W. G. 2003. Corporate governance, board diversity, and firm value. *Financial Review*, 38, 33-53.
- CATANZARITI, J. & LO, M. 2011. Corporate governance changes focus on diversity. Available: [http://www.claytonutz.com/publications/newsletters/discrimination\\_and\\_diversityinsights/20110511/corporate\\_governance\\_changes\\_focus\\_on\\_diversity.page](http://www.claytonutz.com/publications/newsletters/discrimination_and_diversityinsights/20110511/corporate_governance_changes_focus_on_diversity.page), [Accessed 11/5/2005].
- CHAU, S. 2011. An Anatomy of Corporate Governance.

- CHEN, C. J. P. & JAGGI, B. 2001. Association between independent non-executive directors, family control and financial disclosures in Hong Kong. *Journal of Accounting and Public Policy*, 19, 285-310.
- CLARKE, T. 2004. Cycles of Crisis and Regulation: the enduring agency and stewardship problems of corporate governance. *Corporate Governance: An International Review*, 12, 153-161.
- COFFEY, B. S. & WANG, J. 1998. Board diversity and managerial control as predictors of corporate social performance. *Journal of Business Ethics*, 17, 1595-1603.
- COMMISSION, E. 2001. *Green Paper: Promoting a European framework for corporate social responsibility*, Office for Official Publications of the European Communities.
- DAILY, C. M. & DALTON, D. R. 2003. Women in the boardroom: A business imperative. *Journal of Business Strategy*, 24.
- DEEGAN, C. 1999. Triple Bottom Line Reporting: It's the new reporting approach for the organisation of the future. *CHARTER-SYDNEY*, 70, 38-41.
- DEY, A. 2008. Corporate governance and agency conflicts. *Journal of Accounting Research*, 46, 1143-1181.
- DONALDSON, L. 1990. The ethereal hand: Organizational economics and management theory. *Academy of Management Review*, 15, 369-381.
- DONALDSON, L. & DAVIS, J. H. 1991. Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16, 49-64.
- DONNELLY, R. & MULCAHY, M. 2008. Board structure, ownership, and voluntary disclosure in Ireland. *Corporate Governance: An International Review*, 16, 416-429.
- DUNN, P. & SAINTY, B. 2009. The relationship among board of director characteristics, corporate social performance and corporate financial performance. *International Journal of Managerial Finance*, 5, 407-423.
- EAGLY, A. H., JOHANNESSEN-SCHMIDT, M. C. & VAN ENGEN, M. L. 2003. Transformational, transactional, and laissez-faire leadership styles: a meta-analysis comparing women and men. *Psychological bulletin*, 129, 569.
- EAGLY, A. H., KARAU, S. J. & MAKHIJANI, M. G. 1995. Gender and the effectiveness of leaders: a meta-analysis. *Psychological bulletin*, 117, 125.
- ELKINGTON, J. 1999. Triple bottom line revolution: reporting for the third millennium. *Australian CPA*, 69, 75-76.
- ELKINGTON, J. 2006. Governance for Sustainability\*. *Corporate Governance: An International Review*, 14, 522-529.
- ENG, L. L. & MAK, Y. T. 2003. Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, 22, 325-345.
- EOWA 2008. A gender in the boardroom Canberra: Equal Opportunity for Women in the Workplace Agency (EOWA)
- ERHARDT, N. L., WERBEL, J. D. & SHRADER, C. B. 2003. Board of director diversity and firm financial performance. *Corporate Governance: An International Review*, 11, 102-111.
- FAMA, E. F. & JENSEN, M. C. 1983. Separation of ownership and control. *JL & Econ.*, 26, 301.
- FERNANDEZ-FEIJOO, B., ROMERO, S. & RUIZ, S. 2012. Does Board Gender Composition affect Corporate Social Responsibility Reporting? 1. *International Journal of Business and Social Science*, 3, n/a.
- FIELDEN, S. L. & DAVIDSON, M. 2005. *International handbook of women and small business entrepreneurship*, Edward Elgar Publishing.
- FONDAS, N. 2000. Women on boards of directors: Gender bias or power threat. *Women on corporate boards of directors: International challenges and opportunities*, 171-177.
- FREEMAN, R. E. 1984. *Strategic Mngement: A stakeholder Approach*, Boston MA, Pitman.
- GALBREATH, J. 2010. How does corporate social responsibility benefit firms? Evidence from Australia. *European Business Review*, 22, 411-431.

- GALBREATH, J. 2011. Are there gender-related influences on corporate sustainability? A study of women on boards of directors. *Journal of Management & Organization*, 17, 17-38.
- GOLOB, U. & BARTLETT, J. L. 2007. Communicating about corporate social responsibility: A comparative study of CSR reporting in Australia and Slovenia. *Public Relations Review*, 33, 1-9.
- GRAY, R., JAVAD, M., POWER, D. M. & SINCLAIR, C. D. 2001. Social and environmental disclosure and corporate characteristics: a research note and extension. *Journal of Business Finance & Accounting*, 28, 327-356.
- GRAY, R., OWEN, D. & ADAMS, C. 1996. *Accounting & Accountability: Changes and Challenges in corporate social and environmental reporting*.
- HACKSTON, D. & MILNE, M. J. 1996. Some determinants of social and environmental disclosures in New Zealand companies. *Accounting, Auditing & Accountability Journal*, 9, 77-108.
- HAMBRICK, D. C., CHO, T. S. & CHEN, M. J. 1996. The influence of top management team heterogeneity on firms' competitive moves. *Administrative Science Quarterly*, 659-684.
- HANIFFA, R. M. & COOKE, T. 2005. The impact of culture and governance on corporate social reporting. *Journal of Accounting and Public Policy*, 24, 391-430.
- HART, O. 1995. Corporate governance: some theory and implications. *The Economic Journal*, 105, 678-689.
- HERMALIN, B. E. & WEISBACH, M. S. 2007. Transparency and corporate governance. National Bureau of Economic Research.
- HILLMAN, A. J., CANNELLA, A. A. & HARRIS, I. C. 2002. Women and racial minorities in the boardroom: how do directors differ? *Journal of Management*, 28, 747.
- HILLMAN, A. J. & DALZIEL, T. 2003. Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *The Academy of Management Review*, 383-396.
- HO, S. S. M. & SHUN WONG, K. 2001. A study of the relationship between corporate governance structures and the extent of voluntary disclosure. *Journal of International Accounting, Auditing and Taxation*, 10, 139-156.
- HTAY, S. N. N., RASHID, H. M. A., ADNAN, M. A. & MEERA, A. K. M. 2012. Impact of Corporate Governance on Social and Environmental Information Disclosure of Malaysian Listed Banks: Panel Data Analysis. *Asian Journal of Finance & Accounting*, 4, 1-24.
- HUANG, C. J. 2010. Corporate governance, corporate social responsibility and corporate performance. *Journal of Management & Organization*, 16, 641-655.
- HUNG, H. 2011. Directors' Roles in Corporate Social Responsibility: A Stakeholder Perspective. *Journal of Business Ethics*, 1-18.
- IBRAHIM, N. & ANGELIDIS, J. 1991. Effects of board members' gender on level of involvement in strategic management and corporate social responsiveness orientation. *Proceedings of the Northeast Decision Sciences Institute*, 208, 210.
- IBRAHIM, N. A. & ANGELIDIS, J. P. 2011. Effect of board members' gender on corporate social responsiveness orientation. *Journal of Applied Business Research (JABR)*, 10, 35-40.
- INGLEY, C. B. 2008. Company growth and Board attitudes to corporate social responsibility. *International Journal of Business Governance and Ethics*, 4, 17-39.
- JAMALI, D., SAFIEDDINE, A. M. & RABBATH, M. 2008. Corporate governance and corporate social responsibility synergies and interrelationships. *Corporate Governance: An International Review*, 16, 443-459.
- JENSEN, M. C. & MECKLING, W. H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305-360.
- JOHNSON, R. A. & GREENING, D. W. 1999. THE EFFECTS OF CORPORATE GOVERNANCE AND INSTITUTIONAL OWNERSHIP TYPES OF CORPORATE SOCIAL PERFORMANCE. *Academy of Management Journal*, 42, 564-576.
- KAKABADSE, A. P. 2007. Being responsible: Boards are reexamining the bottom line. *Leadership in Action*, 27, 3-6.

- KANG, H., CHENG, M. & GRAY, S. J. 2007. Corporate governance and board composition: Diversity and independence of Australian boards. *Corporate Governance: An International Review*, 15, 194-207.
- KENT, P. & MONEM, R. 2008. What drives TBL reporting: Good governance or threat to legitimacy? *Australian Accounting Review*, 18, 297-309.
- KHAN, M. H. U. Z. 2010. The effect of corporate governance elements on corporate social responsibility (CSR) reporting: Empirical evidence from private commercial banks of Bangladesh. *International Journal of Law and Management*, 52, 82-109.
- KIEL, G. C. & NICHOLSON, G. J. 2003. Board composition and corporate performance: How the Australian experience informs contrasting theories of corporate governance. *Corporate Governance: An International Review*, 11, 189-205.
- KONRAD, A. M., KRAMER, V. & ERKUT, S. 2008. Critical Mass:: The Impact of Three or More Women on Corporate Boards. *Organizational Dynamics*, 37, 145-164.
- KRÜGER, P. 2009. Corporate social responsibility and the board of directors. *Job Market Paper. Toulouse School of Economics, France*.
- KULIK, C. 2011. Women on boards: glass ceiling or glass cliff? *Unisabusiness*.
- MACKENZIE, C. 2007. Boards, Incentives and Corporate Social Responsibility: the case for a change of emphasis. *Corporate Governance: An International Review*, 15, 935-943.
- MACMILLAN, K., MONEY, K., DOWNING, S. & HILLENBRAND, C. 2004. Giving your organisation SPIRIT: an overview and call to action for directors on issues of corporate governance, corporate reputation and corporate responsibility. *Journal of General Management*, 30, 15-42.
- MAHONEY, L. & THORNE, L. 2005. Corporate social responsibility and long-term compensation: Evidence from Canada. *Journal of Business Ethics*, 57, 241-253.
- MANASSEH, S. 2004. *Study On The Level Of Corporate Social Disclosure Practices In Malaysia.*[HG4244. 66. S531 2004 f rb][Microfiche 7627]. Universiti Sains Malaysia.
- MATTEN, D. & MOON, J. 2008. "Implicit" and "explicit" CSR: a conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33, 404-424.
- MCELHANEY, K. 2009. A strategic approach to corporate social responsibility. *Leader to Leader*, 52, 30-36.
- MCKENDALL, M., SÁNCHEZ, C. & SICILIAN, P. 1999. Corporate governance and corporate illegality: The effects of board structure on environmental violations. *International Journal of Organizational Analysis*, 7, 201-223.
- MCWILLIAMS, A., SIEGEL, D. S. & WRIGHT, P. M. 2005. Corporate social responsibility: strategic implications.
- MCWILLIAMS, A., VAN FLEET, D. D. & CORY, K. D. 2002. Raising Rivals' Costs Through Political Strategy: An Extension of Resource-based Theory. *Journal of Management Studies*, 39, 707-724.
- NIELSEN, S. 2010. Top management team diversity: a review of theories and methodologies. *International Journal of Management Reviews*, 12, 301-316.
- NIELSEN, S. & HUSE, M. 2010. Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, 7, 16-29.
- PETERSON, C. A. & PHILPOT, J. 2007. Women's roles on US Fortune 500 boards: Director expertise and committee memberships. *Journal of Business Ethics*, 72, 177-196.
- POST, C., RAHMAN, N. & RUBOW, E. 2011. Green Governance: Boards of Directors' Composition and Environmental Corporate Social Responsibility. *Business & Society*, 50, 189-223.
- POWELL, G. N. 1990. One more time: do female and male managers differ? *The Executive*, 4, 68-75.

- RANDØY, T., THOMSEN, S. & OXELHEIM, L. 2006. A Nordic perspective on corporate board diversity. *Age*, 390, 0.5428.
- RICART, J. E., RODRÍGUEZ, M. Á. & SANCHEZ, P. 2005. Sustainability in the boardroom: An empirical examination of Dow Jones Sustainability World Index leaders. *Corporate Governance*, 5, 24-41.
- ROSE, C. 2007. Does female board representation influence firm performance? The Danish evidence. *Corporate Governance: An International Review*, 15, 404-413.
- SAID, R., ZAINUDDIN, Y. H. & HARON, H. 2009. The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed companies. *Social Responsibility Journal*, 5, 212-226.
- SALANCIK, G. R. & PFEFFER, J. 1978. A social information processing approach to job attitudes and task design. *Administrative Science Quarterly*, 224-253.
- SARAVANAMUTHU, K. 2004. What is measured counts: harmonized corporate reporting and sustainable economic development. *Critical Perspectives on Accounting*, 15, 295-302.
- SHAHIN, A. & ZAIRI, M. 2007. Corporate governance as a critical element for driving excellence in corporate social responsibility. *International Journal of Quality & Reliability Management*, 24, 753-770.
- SHIVDASANI, A. 1993. Board composition, ownership structure, and hostile takeovers. *Journal of accounting and economics*, 16, 167-198.
- SHLEIFER, A. & VISHNY, R. W. 1996. A survey of corporate governance. National Bureau of Economic Research Cambridge, Mass., USA.
- SHRADER, C. B., BLACKBURN, V. B. & ILES, P. 1997. Women in management and firm financial performance: An exploratory study. *Journal of Managerial Issues*, 355-372.
- SICILIANO, J. I. 1996. The relationship of board member diversity to organizational performance. *Journal of Business Ethics*, 15, 1313-1320.
- SINGH, V., TERJESEN, S. & VINNICOMBE, S. 2008. Newly appointed directors in the boardroom:: How do women and men differ. *European Management Journal*, 26, 48-58.
- SMITH, N., SMITH, V. & VERNER, M. 2006. Do women in top management affect firm performance? A panel study of 2,500 Danish firms. *International Journal of Productivity and Performance Management*, 55, 569-593.
- SMITH, W. J., WOKUTCH, R. E., HARRINGTON, K. V. & DENNIS, B. S. 2001. An examination of the influence of diversity and stakeholder role on corporate social orientation. *Business & Society*, 40, 266-294.
- STANWICK, P. A. & STANWICK, S. D. 1998. The relationship between corporate social performance and organizational size, financial performance, and environmental performance: An empirical examination. *Journal of Business Ethics*, 17, 195-204.
- TERJESEN, S., SEALY, R. & SINGH, V. 2009. Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, 17, 320-337.
- VAN EES, H., GABRIELSSON, J. & HUSE, M. 2009. Toward a behavioral theory of boards and corporate governance. *Corporate Governance: An International Review*, 17, 307-319.
- VAN KNIPPENBERG, D., DE DREU, C. K. W. & HOMAN, A. C. 2004. Work group diversity and group performance: an integrative model and research agenda. *Journal of applied psychology*, 89, 1008.
- VINNICOMBE, S. 2008. *Women on corporate boards of directors: International research and practice*, Edward Elgar Publishing.
- WALT, N. & INGLEBY, C. 2003. Board dynamics and the influence of professional background, gender and ethnic diversity of directors. *Corporate Governance: An International Review*, 11, 218-234.
- WANG, J. & COFFEY, B. S. 1992. Board composition and corporate philanthropy. *Journal of Business Ethics*, 11, 771-778.

- WATSON, W. E., JOHNSON, L. & MERRITT, D. 1998. Team Orientation, Self-Orientation, and Diversity in Task Groups Their Connection to Team Performance Over Time. *Group & organization management*, 23, 161-188.
- WEBB, E. 2004. An examination of socially responsible firms' board structure. *Journal of Management and Governance*, 8, 255-277.
- WEBER, M. 2008. The business case for corporate social responsibility: A company-level measurement approach for CSR. *European Management Journal*, 26, 247-261.
- WIERSEMA, M. F. & BANTEL, K. A. 1992. Top management team demography and corporate strategic change. *Academy of Management Journal*, 91-121.
- WILLIAMS, R. J. 2003. Women on corporate boards of directors and their influence on corporate philanthropy. *Journal of Business Ethics*, 42, 1-10.
- ZAHRA, S. A. & PEARCE II, J. A. 1989. Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management*, 15, 291-334.
- ZAMBON, S. & DEL BELLO, A. 2005. Towards a stakeholder responsible approach: the constructive role of reporting. *Corporate Governance*, 5, 130-141.
- ZELECHOWSKI, D. D. & BILIMORIA, D. 2004. Characteristics of women and men corporate inside directors in the US. *Corporate Governance: An International Review*, 12, 337-342.
- ZELECHOWSKI, S. & BILIMORIA, D. 2006. Characteristics of CEOs and boards with women inside directors. *Corporate Board: Roles, Duties and Composition*, 2, 14-21.