# The effects of Board Characteristics on Companies Sustainability Performance.

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**On the basis of Resources Dependence Theory this paper examines the effect of different board characteristics on Sustainability Performance. Using an international companies sample, we want to analyze if the board composition, gender diversity, size and leadership, among others, have a different impacts on three components of Sustainability Performance, ie, Environmental performance, Social performance or Economical performance . We also want to analyze whether the international legal context also affects the relationship and the moderating effect of institutional participation and owenrship concentration on the relationship between governance and performance variables.**

## I.INTRODUCTION

The incorporation of a greater number of groups to the discussion on macro sustainable economy and micro corporate sustainability concepts has meant that attention has shifted over the last three decades to a three-dimensional approach that takes into account economic, environmental and social aspects of sustainable development ( triple bottom line agenda)[1-3].

The concept of sustainability applied at a micro level has been conceptualized in different ways, thus, Swanson and Orlitzky [4] define Corporate Social performance (CSP) as "the simultaneous pursuit of social, environmental, and economic goals". They consider that CSP embraces environmental aspects too, since environmental hopes come from firms stakeholders and society in general. Schaltegger and Burritt [5]define the analogous concept of Corporate Sustainability(CS) as the performance measurement of management attempts to address the changes required by sustainability, it requires taking into account a broad approach that includes different characteristics, in particular relating to integration of economic, environmental and social aspects.

CSP, Sustainability Performance and Corporate Sustainability are different ways of looking the same concept and based on Swanson and Orlitzky [4] definition we measure it as an aggregation of organization´s Social Performance (SocP), Environmental Performance (EP) and Economical or Financial Performance (FP) .

Corporate governance performance (CGP) it is considered as the main driver to integrate TBL agenda in business environment. [1, 2]. In that sense, it have been considered that ultimate responsibility for the design and implementation of the structure of corporate governance and responsibility agenda lies on the board of directors to the extent to which it is the organ that act as the link between managers and the different firm´s stakeholders (including shareholders)[1, 6]. being the main body responsible for designing, implementing and improving the contributions that the company will make to sustainability.

Board composition, leadership structure and its gender diversity has been considered as mechanisms of good corporate governance[7, 8] and multiple studies have analyzed the CSP relationship with different government variables, many have analyzed social performance and the CGP link, and also the Environmental Performance-CGP relationship with disparate and contradictory conclusions, as can be seen in appendix A for CSP and appendix B for Financial performance.

We have observed that it remains to be analyzed whether the GC proxies' effect on Corporate Sustainability is conditioned to the type of sustainability component and whether the legal context affects the relationship between the CG and the different components of the TBL agenda UN PAR DE CITAS.

The objective of this work is to try to determine the relationship between different CGP proxies with CSP or SP components.

This paper addresses some of these concerns and contributes to the literature in different ways. First, we examine the impact the Corporate Governance Performance (CGP) proxies have on a firm's Corporate Social performance. Previous studies have often ignored the different CSP component´s effect on CSP-CGP relationship. Second we control for the firm's institutional and legal context, since it may influence both CSP and CGP.

The article is organized as follows: In the next section, we define the theoretical foundations and hypothesis we´ll try to confirm on the relation between CSP and CGP through a literature review. In the ''Results and Discussion'' section, the results have been presented and analyzed with special reference to the contributions intended to cover.

## II. THEORETICAL BACKGROUND, PREVIOUS RESEARCH AND HYPOTHESES DEVELOPMENT

The resource dependency theory (RDT) developed by Pfeffer and Salancik [9, 10] considers the firm as an open system which is dependent upon external entities, they affirm (page vii)[10] " The need for resources, including financial and physical resources as well as information, obtained from the environment, made organizations potentially dependent on the external sources of these resources" , these dependencies represents an increase in risks and uncertainties [9] , so in order to reduce the dependencies, the firms can cultivate linkages to the external agent and organizations that control those resources. Under this theory board members selection is in order to his capacity to provide these critical resources and the board directors are the nexus between the firm and the resources it needs to maximize value.

The resource dependency theory considered that independent directors, female directors, and bigger boards may provide important benefits to the provision of resources function of the board such as: increases information search, the range of perspectives, advice and counsel alguna cita ; The incorporation of this kind of members in a board could generate some benefits for the company for example could add legitimacy to the organization; communication, commitment, and access to specific resources because their different experiences, knowledge, skills, and links to: customers, current and potential employees and important suppliers [11, 12].

Academics have often employed the resource dependency theory to examine the relation between corporations and the critical resources that are needed to improve performance [13-15].

Board independence, leadership structure and CSP

Prior studies have used different proxies to analyze board independence. We will focus on two different proxies: proportion of independent directors and CEO duality.

In this study, a board member is considered as independent when he/she has no financial and family ties with the firm [16]and CEO duality exists when the CEO serves concurrently as chairman of the board ,this concentrated power of the single individual will constraint the boards independence[17] .

In the resource dependence role independent directors, and consequently the no executive chairman, serve to connect with external factors and apart from reduce uncertainty[18], independent and no-CEO chairman's provide key resources to the firm such as, information, abilities, expertise, access to key constituents and legitimacy[19].

RDT in particular has often been used to explain the relationship between board independence and different CSP constituents, thus:

Among others, Sahin et. al . [20], find a positive relationship between corporate social performance and board independence based on RDT for the a Turkish firms sample. Zhang [21]for 475 fortune 500 firms, show some evidence of a positive and significant relationship between resource dependence role of outside directors and CSP as measured by KLD.

Post, Rahman & Rubow [22]for 78 Fortune 1000 firms find boards with a higher proportion of outside board directors provide a higher KLD environmental strength and less negative incidents, to the contrary Hanniffa & Cook [23] findings indicate that non-executive and independent directors have a negative relationship with Corporate social reporting for Malaysian companies and Choi et. al[24] measuring heterogeneity by independence and foreign members obtain positive results with CSR activities measured by KEJI Index which contains scores for the following categories among others: Contributions to communities; employee and consumer protection and satisfaction; environmental protection; contributions to economic growth.

Jackling & Johl [25]for 180 Indian firms sample; Honeine & Swan [26]for 270 Australian companies sample and Ameer , Ramli, & Zakaria [27]for 277 Malaysian firms, show some evidence of a positive and significant relationship between board composition in terms of independent directors and financial performance as measured by Tobin's Q .

Pathan, Skully y Wickramanayake [28],in a Thai firms sample; Kouki & Guizani [29] for 42 Tunisian companies and Liu , Wei & Xie [30] over 2000 Chinese firms sample detected a positive relationship between boards independence and financial performance measured in accounting terms.

In negative sense Rodríguez-Ariza et al. [31] in 690 European firms sample obtain opposite sign empirical evidence, no significative for independence and positive for gender diversity in the relation with the elaboration and disclosure of a corporate social responsibility report.

Kaczmarek et al. [14], also observed a negative relationship between financial performance (Tobin's Q) and the independence of the board for a sample of companies in the UK. (see Appendix A and B for more evidence)

Although this body of research has advanced our understanding of corporate governance and CSP, the influence of CG proxies on CSP constituent has been almost absent.

Thus, it is proposed to verify compliance with the following hypothesis:

*H1A. Companies with higher levels of board Independence and no CEO-Duality exhibit superior Sustainability Performance*

*H1B. Companies with higher levels of board Independence and no CEO-Duality exhibit superior*

**Commenté [A1]:** Esto no se entiende muy bien dale una vuelta a esta justificación

*corporate environmental performance*

*H1C. Companies with higher levels of board Independence and no CEO-Duality exhibit superior corporate social performance*

*H1D. Companies with higher levels of board Independence and no CEO-Duality exhibit superior corporate economic performance*

Board gender diversity and CSP

RD theory considered that female directors may provide important benefits (different of male directors) to the firm such as: increases information search, the range of perspectives, advice and counsel; they could add legitimacy to the organization; communication, commitment, and access to specific resources because their different experiences, knowledge, skills, and links to: customers, current and potential employees and important suppliers. [11]

Academics have often employed the resource dependency theory to examine the relation between corporations and the critical resources that are needed to improve performance [14, 15, 25] , and in particular has often been used to explain the relationship between gender diversity and financial performance [30, 37, 38]

Minguez-Vera and Lopez-Martinez [32], in Spanish SMEs and again Liu , Wei & Xie (2014)[30] for Chinese companies detected a positive relationship between board gender composition and financial performance measured in accounting terms.

Gulamhussen & Santa (2015)[33], for top 25 banks operating in 24 OECD countries; Labelle, Francoeur & Lakhal (2015) [34] for 1,691 firm observations operating in 17 countries and Joecks, and Pull, & Vetter (2013) for 151 German companies, show evidence of a positive and significant relationship between gender composition and financial performance´s accounting measurement.

Adams and Ferreira [35] in a sample of US firms, instead found a negative relationship between female directors and independent directors fraction with financial performance (Tobin´s Q and ROA), Kaczmarek et al. [14] for a sample of companies in the UK, and Darmadi [36] for Indonesian sample also observed a negative relationship between financial performance (Tobin's Q) and the independence of the board

Meanwhile, Ntim y Soobaroyen [39] for a South African firms sample detected that a combination of CSR and board diversity have a strong positive effect on CFP and CSR, implying that CG positively influences the Sustainability Performance ("the CSR-CFP connection"). In the same vein Harjoto & Jo, for near 15.000 US firms, find empirical support that gender composition [40] act as moderator with a positive effect on Sustainability Performance ("the CFP-CSR nexus") by contributing to reduce conflicts of interests among different stakeholders.. Mallin, Michelon, & Raggi [41] for the 100 U.S. Best Corporate Citizens find empirical support for the hypothesis: stakeholders oriented boards (more independent and female directors among others) is positively associated with reporting according to the triple bottom line (economic, social, and environmental).

Barako and Brown too [42] in a 40 Kenyan banks sample evidence that a joint higher level of women representation and independent directors greatly improves corporate social responsibility disclosure in sustainability reports, designed to make known to all stakeholders the economic, social and environmental impact of the business performance in a given period of time.

Amongst others Rao, Tilt & Lester. [20], find a positive relationship between environmental reporting and board heterogeneity (independence and gender diversity) for the largest 100 Australian firms. Zhang, Zhu, & Ding[43] for 500 of the largest companies listed on the U.S. stock exchanges empirical find evidence showing that greater presence of outside and women directors is linked to better Corporate Social performance. Cuadrado-Ballesteros et. al. [44] for 1.043 international companies found that independence and board diversity, measured by the presence of female and foreign members, has a positive effect on the social and environmental behavior of companies also. Zhang [21] for a sample of 475 publicly traded Fortune 500 companies obtains coincident results for the two governance proxies, evidencing a positive relationship between the board's gender composition and the percentage of outside directors with Corporate Social Performance. Sundarasen´s [17] and Hanniffa & Cook [23] findings indicate that non-executive and independent directors have a negative relationship with Corporate social reporting, while corporate social women on board and foreign directors indicate a positive relationship for Malaysian companies. Post, Rahman & Rubow [22]for 78 Fortune 1000 firms find that three or more female board members and with a higher proportion of outside board directors provide a higher KLD environmental strength and less negative incidents and Walls, Berrone & Phan [45]for Standard & Poor's (S&P) 500 sample find that more female directors provide less environmental concerns

Thus, it is proposed to verify compliance with the following hypothesis:

*H2A. Companies with higher levels of board gender diversity exhibit superior Sustainability Performance*

*H2B. Companies with higher levels of board gender diversity exhibit superior corporate environmental performance*

*H2C. Companies with higher levels of board gender diversity exhibit superior corporate social performance*

*H2D. Companies with higher levels of board gender diversity exhibit superior corporate economic performance*

## III. MAIN DATES

Our sample is drawn from the full international universe of firms for which ASSET4 provides Board structure data, Environmental Performance, Social

Performance and Economic performance scores.

ASSET4 annually provides more than 280 key performance indicators and 750 individual data points for each firm, from objective and publicly available sources such as stock exchange filings, annual financial and sustainability reports, non-governmental organization´s websites, etc.

KPI scores are aggregated into 4 pillars (Economic, Environmental, Social, and Corporate Governance) that are finally integrated into a single score, as this score includes governance data, we have calculated an variable that takes into account social, environmental and economic aspects and leaves aside aspects related to governance, since we want to analyze the relationship between SP and a set of GCP proxies.

Sustainability performance score represents the mean value of three indicators; Economic score, Social score and environmental score) It is the sum of three scores divided by the total number of scores [46, 47]:

$SusP_s$ = Sustainability Performance Score

$SocP_s$= Social Performance Score

$EnvP_s$ = Environmental Performance Score

$EconP_s$= Economic Performance Score

$$SusP_s = \frac{\sum EnvP_s, SocP_s, EconP_s}{n}$$

Escriba aquí la ecuación.

ASSET4 data have been extensively used in the literature on corporate social and environmental performance (see, e.g., Ijas ,2012 [46]; Ioannou & Serafeim, 2011[48]
Kassinis et. al, 2016[49]; Ferrero-Ferrero et. al, 2015[50]Ortas et. al, 2014 [51]; Rees & Rodionova ,2015 [52]; Velte, 2016[53]; Shaukat et. al , 2015[54].

Kinder, Lydenberg and Domini (KLD) and ASSET4 measures are recognized as the most complete ratings of CSP and social responsibility [51]

TABLE 1: Variables of the study

| *Dependent variable* | *Explanation* |
|---|---|
| Sustainability Performance | It is the sum of three scores divided by the total number of scores |
| Economical performance | The economic pillar measures a company's capacity to generate sustainable growth and a high return on investment through the efficient use of all its resources |
| Social performance | The social pillar measures a company's capacity to generate trust and loyalty with its workforce, customers and society, through its use of best management practices |
| Environmental perf. | The environmental pillar measures a company's impact on living and non-living natural systems, including the air, land and water, as well as complete ecosystems. |
| *Independent variable* | |
| Board independence | % of strictly independent board members |
| Gender diversity | % of female members in the board |
| Board size | The total number of board members |
| CEO duality | CEO duality (dummy = 1 if CEO is also Chairman, 0 otherwise) |
| Ownership concentration | Percentage of shares held by all insiders and 5% owners. |
| Institutional ownership | Percentage of shares held by institutional investrors |
| *Control variables* | |
| FSIZE | Natural logarithm of total assets |
| LEV | Ratio of total debt divided by total assets |

TABLE 2 Description of used ASSET4 pillars and categories

| *Environment Performance* | *Economic Performance* |
|---|---|
| Resource Reduction | Performance |
| Emission Reduction | |
| Product Innovation | |
| *Social performance* | *Corporate Governance* |
| Employment Quality | Board Structure |
| Health & Safety | |
| Training & Development | |
| Diversity & Opportunity | |
| Community | |
| Product Responsibility | |

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**Appendix A**

The next tables present the results obtained in the studies that have conducted a regression studies between CSP with Corporate Governance Performance proxies.

**Corporate Social Performance and Independence**

| **Positive** | | **No Significant** and **Negative** |
|---|---|---|
| Arayssi , Dah & Jizi (2016)(D),<br>Barako & Brown (2008)(D)<br>Burke, Hoitash, & Hoitash (2017)(I)<br>Choi et al. (2013) (I)<br>Cuadrado-Ballesteros et. al.(2015)(I)<br>Deschênes, et. al.(2015) (I),<br>Ducassy (2015) (I),<br>Dunn & Sainty(2009)(I)<br>Fernández-Gago, Cabeza-García & Nieto (2016)(I),<br>Garcia-Sanchez, Cuadrado-Ballesteros& Sepulveda (2014) (I)<br>García - Sánchez, Rodríguez-Domínguez & Frias-Aceituno (2015)<br>Hoje & Harjoto (2011) (I),<br>Huang (2010)(D)<br>Hussain, Rigoni & Orij (2016) (D),<br>Jizi (2017)(D)<br>Kiliç, Kuzey & Uyar(2015)(D),<br>Liao, Luo, & Tang (2015)(D),<br>Mallin & Michelon (2011)(I), | Martínez-Ferrero et. al(2015) (I),<br>Ntim & Soobaroyen (2013)(I),<br>Prado-Lorenzo et. al (2009)(D),<br>Rao , Tilt , Lester(2012)(D),<br>Rodriguez-Dominguez et.al.(2009)(D),<br>Sharif & Rashid (2014)(D)<br>Sahin, Basfirinci & Ozsalih. (2011)(D)<br>Walls, Berrone, & Phan (2012)(I),<br>Zhang, Zhu, & Ding (2013) (I),<br>Zhang (2012)(I) | **No Significant**<br>Barakat et. Al (2015)(D)<br>Benomran et. al. (2015) (D),<br>Cho, Jung, Kwak, Lee, Yoo (2015) (I),<br>Cormier, Ledoux & Magnan (2011)(D),<br>David, Bloom & Hillman (2007) (D),<br>IV. Habbash (2016)(D)<br>Haldar y Mishra (2015)(D)<br>Hafsi & Turgut (2013)(I),<br>Harjoto et. al (2015)(I)<br>Prado-Lorenzo y Garcia-Sanchez (2010)(I)<br>Rodríguez-Ariza et. al (2014)(D)<br>Said, Noorain, & Wan (2013)(D),<br>Said, Zainuddin & Haron (2009)(D)<br>Tauringana & Chithambo (2015)(D)<br>Wang, Wang, Zhang & Yang (2012) (D),<br>Walls & Berrone (2015) (I), Walls y Hoffman (2013)(I)<br>**Negative**<br>Hanniffa & Cook (2005)(D)<br>Nurhayati, Taylor & Tower (2015)(D),<br>Ortiz-de-Mandojana et. al. (2016)(P ),<br>Sundarasen et.al (2016) (D, I),<br>Walls, Berrone, & Phan (2012)(I) |

**Corporate Social Performance and Gender diversity**

| **Positive** | | **No Significant** and **Negative** |
|---|---|---|
| Arayssi , Dah y Jizi (2016)(D) | Marquis y Lee (2013), | **No Significant** |
| Bear, Rahman, & Post (2010) | Ntim y Soobaroyen (2013)(I) | Martínez-Ferrero et. al(2015) (I) |
| Barako & Brown (2008)(D) | Post, Rahman, & McQuillen(2015)(I) | Prado-Lorenzo y Garcia-Sanchez (2010)(I) |
| Cho, Jung, Kwak, Lee, Yoo (2015) (I) | Rao , Tilt , Lester(2012)(D) | Rodriguez-Dominguez, Gallego-Alvarez, & Garcia- Said, |
| Cuadrado-Ballesteros et. al.(2015)(I) | Rao & Tilt (2016)(D) | Noorain, & Wan (2013)(D) |
| Deschênes, et. al.(2015) (I) | Rodríguez-Ariza et. al (2014)(D) | Sanchez(2009)(D) |
| Fodio y Oba (2012)(P) | Sundarasen et.al (2016)(I,D) | Santiago Castro (2014)(I) |
| Garcia-Sanchez, Cuadrado-Ballesteros& Sepulveda (2014) (I) | Velte (2016)(I) | Stanwick & Stanwick(1998)(I) |
| Hafsi & Turgut (2013)(I) | Walls, Berrone, & Phan (2012)(I) | Wieland & Flavel (2015)(I), |
| Hussain, Rigoni & Orij (2016) (D) | Williams(2003) (P) | **Negative** |
| Jizi (2017)(D) | Zhang (2012)(I) | |
| Kassinis, Panayiotou, Dimou & Katsifaraki (2016) | Zhang, Zhu, & Ding (2013) | |
| Kiliç, Kuzey & Uyar(2015)(D) | | |
| Liao, Luo, & Tang (2015)(D) | | |
| Mallin y Michelon (2011)(I) | | |

**Corporate Social Performance and Board Size**

| **Positive** | | **No Significant** and **Negative** |
|---|---|---|
| Barakat et. Al (2015)(D) | Hillman et. al (2001)(I), | **No Significant** |
| Benomran et. al. (2015)(D) | Ienciu, Popa & Ienciu(2012)(D) | Deschênes, et. al.(2015) (I) |
| Burke, Hoitash, & Hoitash (2017)(I) | Jizi (2017)(D) | Hafsi & Turgut (2013)(I) |
| Choi et al. (2013)(I) | Liao, Luo, & Tang (2015)(D) | Haldar y Mishra (2015)(D) |
| Cho, Jung, Kwak, Lee, Yoo (2015) (I) | Marquis y Lee (2013) | Kiliç, Kuzey & Uyar(2015)(D) |
| Cormier, Ledoux y Magnan (2011)(D) | Rodríguez-Ariza et. al (2014)(D) | Said, Noorain, & Wan (2013)(D) |
| Cuadrado-Ballesteros et. al.(2015)(I) | Said, Zainuddin & Haron (2009)(D) | **Negative** |
| De Villiers(2011)(I) | Tauringana y Chithambo (2015)(D) | Prado-Lorenzo y Garcia-Sanchez (2010)(I) |
| Godos-Díez,Cabeza-García, Alonso-Martínez & Fernández-Gago (2016) | Walls, Berrone, & Phan (2012)(I) | Santiago Castro (2014)(I) |
| Htay et. al. (2012)(D) | | |

**Corporate Social Performance and CEO duality**

| Positive | No Significant and Negative | |
|---|---|---|
| Bear, Rahman, & Post(2010)(I),<br>Prado-Lorenzo y Garcia-Sanchez (2010)(I) | **No Significant**<br>Arayssi , Dah y Jizi (2016)(D)<br>Benomran et. al. (2015) (D)<br>Cho, Jung, Kwak, Lee, Yoo (2015) (I)<br>De Villiers(2011)(I)<br>Godos-Díez,Cabeza-García, Alonso-Martínez & Fernández-Gago (2016)<br>Habbash (2016)(D)<br>Hafsi & Turgut (2013)(I)<br>Habbash (2016) (D)<br>Htay et. al. (2012)(D)<br>Jizi (2017)(D)<br>Liao, Luo, & Tang (2015)(D)<br>Morales-Raya (2016) (P)<br>Ortiz-de-Mandojana, Aguilera-Caracuel, &<br>Said, Zainuddin & Haron (2009)(D)<br>Walls, Berrone, & Phan (2012)(I)<br>Walls y Hoffman (2013)(I)<br>Wang, Wang, Zhang y Yang (2012)(D), | **Negative**<br>Mallin y Michelon (2011)(I),<br>Zhang (2012)(I)<br>Rao , Tilt , Lester(2012)(D)<br>Santiago Castro (2014)(I)<br>Nurhayati, Taylor & Tower (2015)(D)<br>Zhao, Chen & Xiong (2016)(I)<br>Hussain, Rigoni & Orij (2016) (D)<br>Amran, Periasamy & Zulkafli (2014) (I)<br>Haldar y Mishra (2015)(D) |

present the results obtained in the studies that have conducted a regression studies between CSP with Corporate Governance Performance proxies.

| **Financial Performance(Accounting) and Independence** | | |
|---|---|---|
| **Positive** | **No Significant** | **Negative** |
| Pathan, Skully y Wickramanayake (2007), Bonn (2004), Bhagat y Bolton (2013), Liu , Wei y Xie (2014), Kouki & Guizani ( 2015), Terjesen, Couto & Francisco (2016) | Darmadi (2013), Wasiuzzaman y Gunasegava (2013), Akpan & Amran (2014), Al-Shammari & Al-Saidi (2013), Habbash (2016) (D), Fidanoski, Mateska, & Simeonovski (2014), Elsayed (2007), Peng, Li, Xie & Su (2010), Kyereboah-Coleman & Biekpe (2006), Jackling and Johl (2009), Adams & Jiang (2016), Kilic (2015), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013), Zemzem, & Kacemb (2014) | Low, Roberts, y Whiting (2015), Mohammadi, Basir & Löö (2015), Abdullah, Ismail & Izah(2012), Mahadeo,Soobaroyen & Hanuman (2011), Shukeri, Shin, & Shaari (2012) |
| **Financial Performance(Accounting) and Gender** | | |
| **Positive** | **No Significant** | **Negative** |
| Lückerath-Rovers (2013), Shrader, Blackburn, & Iles (1997), Gulamhussen & Santa (2015), Labelle, Francoeur & Lakhal (2015), Joecks, Pull, & Vetter (2013), Abdullah, Ismail & Izah(2012), Liu , Wei y Xie (2014), Mahadeo,Soobaroyen & Hanuman.(2011), Terjesen, Couto & Francisco (2016), Strom, D'Espallier, & Mersland (2014) | Haslam et. al. (2009),Darmadi (2013), Low, Roberts, y Whiting (2015), Julizaerma y Zulkarnai (2012), Al-Mamun, Yasser, Entebang, & Nathan (2013), Ali, Ng, y Kulik (2014), Adams & Jiang (2016), Zemzem, & Kacemb (2014), Shukeri, Shin, & Shaari (2012) | Arena et. al (2015), Akpan & Amran (2014), Mohammadi, Basir & Löö (2015), Kilic (2015), Di Donato, Panaro & Trucco (2016) |
| **Financial Performance(Accounting) and Board Size** | | |
| **Positive** | **No Significant** | **Negative** |
| Akpan & Amran (2014), Kyereboah-Coleman & Biekpe (2006), Abdullah, Ismail & Izah(2012), Shukeri, Shin, & Shaari (2012), Sheikh, Wang & Khan (2013) | Arena et. al (2015),Darmadi (2013), Lückerath-Rovers (2013), Wasiuzzaman y Gunasegava (2013), Julizaerma y Zulkarnai (2012), Shrader, Blackburn, & Iles (1997), Al-Mamun, Yasser, Entebang, & Nathan (2013), Elsayed (2007), Labelle, Francoeur & Lakhal (2015), Kilic (2015), Vo & Nguyen (2014) | Pathan, Skully y Wickramanayake (2007),Low, Roberts, y Whiting (2015), Al-Shammari & Al-Saidi (2013), Bhagat y Bolton (2013), Gulamhussen & Santa (2015), Mohammadi, Basir & Löö (2015), Joecks, Pull, & Vetter (2013), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013), Terjesen, Couto & Francisco (2016), Zemzem, & Kacemb (2014) |
| **Financial Performance(Accounting) and CEO duality** | | |
| **Positive** | **No Significant** | **Negative** |
| Peng, ,Zhang & Li (2007), Mohammadi, Basir & Löö (2015), Liu , Wei y Xie (2014), Vo & Nguyen (2014), Gupta et. al (2015) | Kyereboah-Coleman & Biekpe (2006), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013), Terjesen, Couto & Francisco (2016), Zemzem, & Kacemb (2014), Shukeri, Shin, & Shaari (2012) | Bhagat y Bolton (2013), Peng, Li, Xie & Su (2010), Shrivastav & Kalsie (2016), Rutledge, Karim & Lu (2016), Kouki & Guizani ( 2015), Gallego-Alvarez et. al. (2010) |
| **Financial Performance(Accounting) and Corporate Governance Index** | | |
| **Positive** | **No Significant** | **Negative** |
| Chong, A. y López-de-Silanes (2006), Labelle, Francoeur & Lakhal (2015), Cheung, Connelly, Impaphayom & Zhou (2007) | Bhagat y Bolton (2013) | Bianco, Ghosh & Sirmans (2007) |

26

27 **Appendix B**

28 The next tables present the results obtained in the studies that have conducted a regression studies between Financial performance( market or accounting measurement) with
29 Corporate Governance Performance proxies.

| **Financial Performance(Market) and Independence** | | |
|---|---|---|
| **Positive** | **No Significant** | **Negative** |
| Jackling and Johl (2009), Honeine & Swan(2011), Fernández, Gómez-Ansón & Fernández-Méndez (1998), Ameer , Ramli, & Zakaria(2010) | Lefort y Urzúa (2008), Dang, y Nguyen (2016), Al-Shammari & Al-Saidi (2014), Bøhren & Strøm (2007), Beiner, Drobetz, Schmid y Zimmermann (2006), Marinova, Plantenga, & Remery (2016), Rubino, Tenuta & Cambrea (2016), Cheung, Jiang, Limpaphayom & Lu(2010), Kaczmarek, Kimino & Py (2012), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013) | Darmadi (2013), Fidanoski, Mateska, & Simeonovski (2014), Kyereboah-Coleman & Biekpe (2006), Horvath & Spirollari (2012), Terjesen, Couto & Francisco (2016) |
| **Financial Performance(Market) and Gender** | | |
| **Positive** | **No Significant** | **Negative** |
| Dang, y Nguyen (2016), Bonn (2004), Bonn, Yoshikawa, & Phan (2004) Australianas, Honeine & Swan(2011), Terjesen, Couto & Francisco (2016) | Al-Shammari & Al-Saidi (2014), Marinova, Plantenga, & Remery (2016), Fidanoski, Mateska, & Simeonovski (2014), Rubino, Tenuta & Cambrea (2016), Horvath & Spirollari (2012) | Haslam et. al. (2009),Darmadi (2013), Bøhren & Strøm (2007) |
| **Financial Performance(Market) and Board Size** | | |
| **Positive** | **No Significant** | **Negative** |
| Darmadi (2013), Bermig & Frick (2010), Beiner, Drobetz, Schmid y Zimmermann (2006), Kyereboah-Coleman & Biekpe (2006), Saibaba (2013), Rubino, Tenuta & Cambrea (2016), Fernández, Gómez-Ansón & Fernández-Méndez (1998), Sheikh, Wang & Khan (2013), Gallego-Alvarez et. al. (2010) | Lefort y Urzúa (2008) P, Dang, y Nguyen (2016), Bonn (2004), Marinova, Plantenga, & Remery (2016), Horvath & Spirollari (2012), Ameer , Ramli, & Zakaria(2010), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013), Vo & Nguyen (2014) | Bøhren & Strøm (2007), Bonn, Yoshikawa, & Phan (2004) JAPONESAS, Honeine & Swan(2011), Abdullah, Ismail & Izah(2012), Terjesen, Couto & Francisco (2016), Di Donato, Panaro & Trucco (2016) |
| **Financial Performance(Market) and CEO duality** | | |
| **Positive** | **No Significant** | **Negative** |
| Lam & Lee (2008), Guillet, Seo,Kucukusta & Lee (2013),Sheikh, Wang & Khan (2013) | Bøhren & Strøm (2007), Braun y Sharma(2007), Saibaba (2013), Rubino, Tenuta & Cambrea (2016), Cheung, Jiang, Limpaphayom & Lu(2010),Kaczmarek, Kimino & Py (2012), Rodriguez Fernadez, Fernández Alonso & Rodríguez Rodríguez(2013), Vo & Nguyen (2014) | Kyereboah-Coleman & Biekpe (2006), Shrivastav & Kalsie (2016), Terjesen, Couto & Francisco (2016), Gupta et. al (2015) |
| **Financial Performance(Market) and Corporate Governance Index** | | |
| **Positive** | **No Significant** | **Negative** |
| Beiner, Drobetz, Schmid y Zimmermann (2006), Chong, A. y López-de-Silanes (2006), Garay y González (2008),Cheung, Jiang, Limpaphayom & Lu(2010), Brown y Caylor (2006) | Gupta, Kennedy y Weaver (2009) | |