Board Gender Diversity and CSR Performance: Do Societal Harmony/Mastery Orientation and Cultural Tightness-Looseness Matter?

Ghulam Mustafa [iD][1] and Ishwar Khatri [iD][2]

[1]Department of International Business, Norwegian University of Science and Technology (NTNU), Postbox 1517, 6025 Aalesund, Norway [2]NTNU Business School, Norwegian University of Science and Technology (NTNU), NO-7491 Trondheim, Norway
Corresponding author email: guma@ntnu.no

The purpose of this study is two-fold: (1) to investigate the moderating effect of the cultural value orientation of harmony/mastery on the relationship between board gender diversity (BGD) and corporate social responsibility (CSR) performance; and (2) to examine further whether cultural tightness amplifies the moderating effect of harmony/mastery orientation. Using a sample of 5135 firms across 25 countries during the period 2002–2021, our interaction model run with panel regression showed that the association between BGD and CSR performance is positively (negatively) moderated by harmony (mastery) orientation. Moreover, our test of a three-way interaction among BGD, harmony (mastery), and cultural tightness–looseness on CSR performance revealed that the moderating effect of harmony (mastery) orientation is amplified when cultural tightness increases. The findings suggest that harmony/mastery orientation matters more for the effects of BGD on firm CSR performance under tight cultural conditions. We discuss the theoretical and practical implications of the study.

Introduction

The performance of firms in fulfilling their social and environmental responsibilities has received tremendous attention in recent years (Byron and Post, 2016) in view of their important role in addressing critical global issues of the 21st century such as climate change, natural resource security, inclusive growth and development, and gender equality (WEF, 2023). It has been argued that firms' focus on corporate social responsibility (CSR) issues can be greatly influenced by gender diversity in corporate boards (Adams *et al.*, 2015; Terjesen, Sealy and Singh, 2009), based on the idea that the values and perspectives that women directors bring to the boardroom have a greater alignment with socially responsible behaviour (Adams and Funk, 2012; Arnaboldi *et al.*, 2021). In support of this, several past studies have shown a positive relationship between board gender diversity (BGD) and firm CSR activities (Francoeur *et al.*, 2019; Peng *et al.*, 2021). Yet, there are contradictory findings; for example, certain studies have reported both null (Boulouta, 2013; Kılıç and Kuzey, 2018) and negative (Cucari, Esposito de Falco and Orlando, 2018) relationships.

These mixed findings have been attributed to differences in institutional environments, with the argument being that a country's institutional environment influences the extent to which gender-diverse boards can influence firm CSR performance (Amran, Lee and Devi, 2014; Byron and Post, 2016; Peng, Qi and Wang, 2022). A country's institutional environment refers to formal (laws and regulations) and informal (culture) institutional components (Clark, Arora and Gabaldon, 2022; North, 1996). Many studies have analysed the role of country institutional factors on the link between BGD and CSR (García Martín and Herrero, 2020; Garcia-Sanchez, Cuadrado-Ballesteros and Frias-Aceituno, 2016; Gull, Atif and Hussain, 2023), but research focusing on the role of culture (informal institutions) remains limited (Peng *et al.*, 2022). This is important in view of the idea that informal institutions operate at a deeper level than formal ones (DiMaggio and Powell, 1983; North, 1996) and organizations face isomorphic pressures to adopt the society's values and norms when they emerge in their institutional environments (e.g. DiMaggio, 1988; Schneider & De Meyer, 1991). Such adaptation also characterizes how firms in different societies prioritize the welfare of different

stakeholders and respond differently to their wants and needs (Lantos, 2001; Matten and Moon, 2008).

Although studies are scarce, a small number have examined the contingent role of culture in the effectiveness of BGD in relation to CSR (Peng *et al.*, 2022; Peng, Qi and Wang, 2022), but they exhibit mixed findings. There are two possible reasons. First, such studies have mainly used popular dimensions of culture, such as power distance (PD), uncertainty avoidance (UA), and collectivism, without any strong underlying theoretical rationale. Many of these cultural dimensions (e.g. collectivism and PD) are argued to have both negative and positive implications for the CSR effects of BGD (e.g. Peng, Qi and Wang, 2022). Second, the tightness-looseness of a culture, which refers to the strength of norms in a society and the degree to which a society enforces conformity to such norms and values (Gelfand *et al.*, 2011), has not been considered. Gelfand, Nishii and Raver (2006) argue that the extent to which a national culture can constrain organizations is contingent on the cultural tightness–looseness of that society. In this sense, two societies with similar value scores (e.g. PD, UA or collectivism) may differ on their tightness-looseness, such that the one high on tightness will constrain conformity to social norms while the loose one will tolerate deviant behaviour (Lee and Kramer, 2016). Based on this, we suggest that a society's harmony/mastery orientation and the associated strength and pervasiveness of norms may explain the extent to which gender-diverse boards can influence CSR performance in different national contexts.

Harmony/mastery value orientation refers to the extent to which a society values fitting in with versus mastering, changing and exploiting the social and natural environment (Schwartz, 2006; Schwartz, 1994), and it holds significant theoretical relevance for the socially responsible behaviour of firms. A culture's emphasis on harmony/mastery is expressed in numerous aspects of life, such as competitive versus coordinated market systems, a lack of support versus promotion of laws for protecting less powerful actors (Schwartz, 2014), and exclusive/inclusive human resource management practices (Festing, Schäfer and Scullion, 2013). These differences give rise to different socially acceptable ways of considering all stakeholders as moral equals versus prioritizing the welfare of a particular group of stakeholders. In harmony countries, the socially appropriate way for firms to act is to consider the welfare of a broad group of stakeholders, while in mastery cultures, organizations are expected to maximize profits even at the expense of the weaker stakeholder groups. However, the pressure to conform to the desirable standards in harmony/mastery cultures tends to be high when the respective culture is tight rather than loose. Cultural tightness is argued to manifest in the effective implementation of laws and policies in a society. For example, Norway's

successful implementation of the 40% mandatory gender quota compared with other egalitarian countries is argued to be associated with the cultural tightness of the Norwegian society (Toh and Leonardelli, 2012). From this, we can reason that the harmony/mastery orientation of a society and the accompanying cultural tightness-looseness will create facilitating/constraining conditions for women directors to influence corporate boards' strategic decisions on CSR-related matters.

This paper aims to complement and extend previous research on BGD and CSR performance by developing and testing a theoretical model that captures both the value- and norm-centric approaches to culture, integrating harmony/mastery value orientation and cultural tightness–looseness. In doing so, we draw on the cultural theories of Schwartz (1994) and Gelfand, Nishii and Raver (2006) from the institutional theory perspective. In this vein, we argue that the potential benefits of BGD tend to be enhanced in harmony cultures, whereas mastery cultures may pose a challenge to such benefits. We further argue that institutional environments that embrace harmony/mastery orientation may differ in terms of the strength of norms and their enforcement, and that the influence of harmony/mastery orientation in the proposed relationship is amplified in tight cultures (Stoermer, Hildisch and Froese, 2016).

We contribute to the existing literature in several ways. First, we enrich the literature on corporate governance, CSR, and upper echelons (e.g. Byron and Post, 2016) by developing and testing a complex interaction model using a combination of cultural factors. Second, we introduce harmony/mastery value orientation to the BGD and CSR debate beyond the traditional cultural dimensions and offer a new comprehension of BGD effectiveness in relation to firms' CSR performance. By casting harmony/mastery orientation as a potential moderator of the linkage between BGD and CSR performance, we outline under what cultural conditions gender-diverse boards may be more or less effective in enhancing CSR outcomes. Further, we expand upon the existing literature concerning the interplay between cultural norms and cultural values (Taras, Kirkman and Steel, 2010; Toh and Leonardelli, 2012), proposing that cultural tightness not only moderates the main effect of cultural values on organizational outcomes but also interacts with cultural values to amplify their moderating effect (Stoermer, Hildisch and Froese, 2016). Thus, our study emphasizes the importance of understanding how norm- and value-centric institutional settings jointly impact the CSR-related effectiveness of gender-diverse boards. We argue that a mere value-centric approach offers an incomplete picture of how societal culture impacts the role of BGD in CSR outcomes and assert that cultural values themselves tend to be contingent on the degree of tightness of norms in a society, which

could explain why the CSR benefits of BGD vary in different cultural settings.

Theoretical background

BGD and CSR performance

The presence of female directors on corporate boards has been argued to influence CSR performance (Francoeur *et al.*, 2019) because female, compared with male, directors have high ethical standards (Arnaboldi *et al.*, 2021; Jain and Zaman, 2020) and bring more socially oriented values and perspectives to the boardroom (Adams and Funk, 2012; Haque and Jones, 2020).

The findings regarding the potential link between BDG and CSR performance are, however, mixed. One reason may be that gender diversity practices tend to be adopted for symbolic reasons and to satisfy contractual requirements, but they are not effective because of the inconsistency with cultural values and beliefs (Saitova and Di Mauro, 2023). Even the introduction of new diversity regulations by policy-makers without alignment with the underlying informal institutions tends to backfire (Clark, Arora and Gabaldon, 2022). This warrants the increased use of contingency factors, including country characteristics, on the relationship between BGD and firm CSR performance (Byron and Post, 2016), which is consistent with calls to consider moderators of upper echelons influence on firm outcomes (Haleblian and Finkelstein, 1993). Our study, using a combination of cultural harmony/mastery and tightness–looseness as moderators, is an important step in this direction.

Schwartz's theory of culture and harmony/mastery orientation

Definitions of culture range from values, norms and beliefs to symbols, but there is a general consensus among scholars that culture is the shared value system of a society (Hofstede, 1980; House *et al.*, 2004; Schwartz, 1994). The values-based approach has generally been favoured to understand the cultural characteristics of societies, but some researchers (Gelfand, Nishii and Raver, 2006; Gelfand *et al.*, 2011) offer a norms-centric framework to define a society's culture in terms of tightness and looseness.

We use Schwartz's cultural value theory (1994, 2006) to develop our hypotheses. There are several reasons for this decision. First, the harmony/mastery dimension taps aspects of culture that most closely approximate to the concept of CSR, and these aspects of culture are not captured by other cultural frameworks. Second, his theory offers a more suitable framework for an institutional analysis because his framework, contrary to the psychological view of culture (Hofstede, 1980), empha-

sizes a contextual view in which culture resides outside individuals and specifies the appropriate ways of fitting into a society. According to his theory, the scores on cultural value orientations represent the value-based normative preferences that underlie the functioning of social institutions and that are used to justify social and organizational policies (Schwartz, 1994).

Schwartz's theory suggests three bipolar dimensions – hierarchy versus egalitarianism, mastery versus harmony, and embeddedness versus autonomy – with each pole representing opposite orientations that reflect preferred societal responses to the three basic problems facing every society. Our study focuses on harmony/mastery orientation, which addresses the basic societal challenge of regulating the utilization of human and natural resources. Harmony orientation is characterized by a society's emphasis on 'fitting into rather than exploiting the social and natural world, accepting, preserving, and appreciating the way things are rather than trying to change them. Harmony cultures value a world at peace, unity with nature, protecting the environment, and accepting one's portion' (Schwartz, 2014, p. 552). Such cultures generally encourage maintaining smooth relations with relevant others, avoiding conflict, cooperation over competition, and protection of the well-being of those whose interests conflict with one's own. On the other hand, mastery orientation reflects a culture's emphasis on active self-assertion by societal members to master, direct and change the social and natural environment and thus further personal or group interests. Mastery cultures associate high importance with values such as competence, success, daring, ambition and self-sufficiency, and assume that inequality in the distribution of resources is legitimate (Schwartz, 2014).

A society's relative emphasis on harmony/mastery is manifested in various spheres of life, including the political arena, the marketplace, and organizations. For example, competitive economic systems tend to be more common in mastery cultures, whereas coordinated economies tend to be more common in cultures high on harmony (Schwartz, 2006). Schwartz (2014) reports a strong negative (positive) correlation between cultural harmony (mastery) and competitiveness in the economy across 20 industrialized countries. Pursuing self-interest and profit maximization, and exploiting resources and people for growth and change are the core aspects of competitive economic systems (Kasser *et al.*, 2007), which reflect the underlying mastery-value emphasis.

In the same vein, the prevailing cultural value emphasis on harmony/mastery is likely to promote different policies and laws. Harmony cultures support policies and laws that protect less powerful stakeholders. On the other hand, mastery cultures tend to focus on gains made through struggle, so they discourage protective laws such as unemployment benefit laws

(Schwartz, 2014). The same emphasis can be seen in organizational pay policies, such as performance pays in mastery cultures and equal benefits to all employees in harmony countries (Gooderham, Gooderham and Grøgaard, 2013).

The complementary role of cultural tightness–looseness

Gelfand, Nishii and Raver (2006, 2011) argue for the use of cultural tightness–looseness as a complementary dimension to develop a deeper understanding of the impact of society's culture. Gelfand and colleagues argue that strong norms and sanctioning can exist in both collectivist and individualist cultures, and in cultures high and low on UA and PD values (Gelfand, Nishii and Raver, 2006). Thus, the influence of cultural values on organizational outcomes can be better understood in concert with cultural tightness and looseness. Consistent with this, Lee and Kramer (2016) argue that organizations in all societies tend to adopt the values and norms of their respective national cultures, but the level of conformity and the sanctioning for deviation varies based on how tight/loose a particular culture is. In this sense, harmony/mastery pertains to a society's emphasis on fitting in versus changing the social and natural environment, but these concepts do not address the strength of social norms and sanctioning within such societies. Thus, harmony cultures can be both loose (e.g. Spain) and tight (e.g. Norway), and, similarly, mastery cultures can be tight (e.g. India) as well as loose (UK), and such differences will impact the commitment of organizations to pursuing CSR policies and practices.

An institutional perspective of societal culture as a moderator

Scholars have long underscored the contingent effects of national culture on the effectiveness of organizational practices (Elenkov and Manev, 2005; House *et al.*, 2004; Kull and Wacker, 2010; Newman and Nollen, 1996). In relation to this, scholars have also posited that the cultural characteristics of a society influence the effectiveness of corporate governance practices such as the role of BGD on firm outcomes (Attah-Boakye *et al.*, 2020; Naghavi, Sharif and Hussain, 2021; Peng *et al.*, 2022). From an institutional theory perspective, organizations conform to cultural norms for gaining legitimacy in order to operate and survive organizations deviating from attendant norms may face sanctioning (DiMaggio and Powell, 1983) and deviation tends to induce negative perceptions among stakeholders, leading to stigma for such organizations (Devers *et al.*, 2009). The tendency to sanction and stigmatize for deviance from established norms tends to vary based on cultural tightness and looseness. In tight cultures, organizations face strong and rigid norms, and stakeholders place a high value on organizations' conformity to the societal norms (Devers *et al.*, 2009). Consequently, organizations in culturally tight societies face greater pressure to conform to the national culture and avoid deviating from acceptable behaviours (Gelfand, Nishii and Raver, 2006; Lee and Kramer, 2016).

Owing to differences in cultural value emphasis, organizations in harmony/mastery cultures are exposed to different social norms and expectations to fit into society. This leads to differences in how firms in mastery and harmony cultures prioritize and manage relations with corporate stakeholders. For example, in European harmony countries, the socially appropriate way for firms to act is to consider the welfare of a broad group of stakeholders and involve them in the policy process and decision making (Jurgens *et al.*, 2010). On the other hand, American firms (a mastery culture) seek to maximize shareholder value, and board decision making is dominated by institutional investors or major shareholders, which corresponds to the social norms in American society. Consistent with this, Maignan (2001) found that German and French consumers (harmony cultures) showed a greater willingness to support socially responsible organizations than did US consumers. A similar difference can be observed in the reaction of different social actors to gender board quotas in Norway and England, which espouse harmony and mastery orientations, respectively. In Norway, the policy received a wider support in the political arena, and gender diversity in boards was considered in the wider interest of business and society. In England, the policy did not receive cohesive and visible support, and different social actors, including politicians and corporations, showed scepticism about the usefulness of the policy (Seierstad *et al.*, 2017). According to Terjesen, Aguilera and Lorenz (2015), the unique characteristics of the Norwegian institutional environment, such as emphasizing gender parity and protecting the welfare of the less advantaged segments of the society, led to the gender quota policy and its effective implementation. This suggests the existence of philosophical and cultural differences between harmony- and mastery-oriented societies in responding to the socially responsible behaviour of organizations, including gender-diversity issues.

However, the extent to which firms in harmony/mastery cultures conform to societal norms and the tolerance for deviation from such norms will be contingent on the tightness-looseness of norms in the respective harmony/mastery culture. For example, firms in loose-harmony countries such as Spain and France and countries high on tightness such as Norway will face different levels of intolerance for non-compliance to socially responsible behaviour. This, for example, can be seen in the differences in the application of gender-egalitarian values in organizations in these countries (Toh and Leonardelli, 2012). From this, one can reason

that the harmony/mastery orientation of a society and the accompanying cultural tightness–looseness will create facilitating/constraining conditions for women directors to influence board decision making on the welfare of the broader range of stakeholders.

Hypotheses development

Moderation by harmony/mastery orientation

The harmony/mastery orientation of a society has implications for how businesses approach CSR. In societies that prioritize mastery values, there is often pressure on organizations to prioritize profit, even at the expense of the well-being of a wide range of stakeholders (Bardi and Sagiv, 2003; Schwartz, 2014). Organizations in such societies tend to be dynamic, competitive and achievement-oriented, often using technology to manipulate the environment to achieve their goals (Sagiv and Lee, 2006; Sagiv and Schwartz, 2000). On the other hand, in cultures that emphasize harmony, organizations are expected to integrate with the social and natural world, considering the social and environmental impact of their actions. These societies have strong expectations for organizations to operate in socially responsible ways (Maignan, 2001; Strand, Freeman and Hockerts, 2015), leading to widespread pro-environmental practices (Nuber and Velte, 2021) and strict laws regarding pollution and animal protection (Bardi and Sagiv, 2003). Consistent with this view, Van der Laan Smith, Adhikari and Tondkar (2005) found that firms in Norway and Denmark – countries with a high harmony emphasis – had a higher quantity and quality of corporate social disclosures than firms from the United States, a country that has a mastery orientation. A study by Sievänen, Rita and Scholtens (2013) also revealed that companies in Norway and Sweden performed well on socially responsible investing.

The efficacy of BGD in CSR performance is likely to be influenced by the mastery–harmony context of the firm. In societies that emphasize mastery values, organizations are more likely to experience pressure to maximize profits, even at the expense of the broader stakeholder group (Schwartz, 2014). Therefore, firms in such cultures tend to prioritize shareholder relations and strategic value creation over social responsibility. Female board members, who often exhibit compassion and sensitivity towards others, may face challenges in effectively expressing their values and perspectives within a culture that prioritizes material interests. Li and Harrison (2008) argue that, in societies in which competition and material achievement are emphasized, corporate performance-oriented activities tend to be legitimized, which may affect the board's decision making regarding focusing more on short-term interests (Peng and Zhang, 2022) rather than on broad stakeholder concerns. Similarly, Ingley (2008) have proposed that board members consider their relations with the shareholders to be much more of a priority for the company than relations with other stakeholders, perhaps because of the societal context being more conducive to creating shareholder value (Rose, 2007).

In contrast, harmony cultures place greater emphasis on concern and care for others than on material achievement (Schwartz, 2014). In such cultures, organizations prioritize understanding the social and environmental implications of their actions and seek sustainable ways to achieve their goals (Schwartz, 1994). Thus, the social orientation of women directors to consider the welfare of multiple stakeholders aligns with the focus of harmony cultures, which may allow female directors to draw greater board attention towards social and environmental issues. This is consistent with previous assertions that the stronger stakeholder orientation reinforces the positive effect of BGD on CSR issues (Prado-Lorenzo and Garcia-Sanchez, 2010). Supporting this notion, Matsa and Miller (2013) found that companies with greater gender diversity after the introduction of gender quotas in Norway experienced fewer employee layoffs than companies with less gender diversity.

Based on the above, we hypothesize the following:

H1: Harmony (mastery) orientation will have a positive (negative) moderation effect on the relationship between BGD and CSR performance.

The interaction of harmony/mastery orientation and cultural tightness

The harmony/mastery value orientation of a nation provides socially acceptable ways of practising CSR, but the pressure to conform to the desirable standards may vary based on the cultural tightness–looseness of a society. Because the strength and enforcement of cultural norms vary in tight and loose societies (Gelfand, 2019), we posit that the influence of harmony/mastery value orientation on the relationship between BGD and CSR performance will be contingent on the strength of the normative quality of these values. Several previous studies point in this direction, namely that the influence of cultural values on outcomes tends to be more pronounced when accompanied by cultural tightness. For example, in their meta-analysis, Taras, Kirkman and Steel (2010) found that cultural tightness strengthens the relationship between cultural values and individual and organizational outcomes, suggesting that tight adherence to value emphasis is stronger in tight cultures. According to Toh and Leonardelli (2012), when cultures are tight, egalitarian practices are associated with a greater emergence of women's leadership. Likewise, Stoermer, Hildisch and Froese (2016) theorize that the

positive/negative moderating effect of cultural values in the effectiveness of diversity and inclusion management practices in establishing an inclusive climate is amplified in tight societies.

Organizations in harmony cultures high on tightness tend to experience more pressure to conform to national value priorities regarding social and environmental issues. The reason is that cultures with tightness tend to be highly committed to implementing changes (Toh and Leonardelli, 2012), so they both prioritize social and environmental initiatives and are committed to achieving those goals through implementing CSR practices. Norway, a harmony and tight culture, leads in promoting gender equality, with over 45% female board representation. Additionally, Norway's commitment to environmental sustainability is evident through the unveiling of the world's first fully electric autonomous cargo vessel and the high number of Tesla cars in the country, reflecting a responsible ecological attitude towards nature.[1] Hence, when a culture espouses high harmony and tightness, gender diversity in decision-making teams can be better leveraged, with women directors contributing more on social/nonfinancial issues, thereby benefitting companies in their CSR strategies.

Conversely, cultures high on both mastery and tightness tend to prioritize competitiveness and profit maximization, emphasizing the creation of shareholder value over socially responsible behaviour. Because in such cultures the primary focus tends to be on satisfying the needs of financial stakeholders, female directors are often recruited for symbolic reasons rather than for their views on strategic decisions related to broader society and the environment (Torchia, Calabrò and Huse, 2011). Thus, a cultural context characterized by mastery and tightness may greatly limit the role of women directors to influence firm CSR performance. Consequently, we propose the following:

H2: Cultural tightness amplifies the positive (negative) moderating effect of harmony (mastery) orientation in the relationship between BGD and CSR performance.

Figure 1 presents the conceptual framework of the hypothesized relationships.

Data and empirical model

Our dataset encompasses 5135 firms spanning 25 countries over the period from 2002 to 2021.[2] These countries
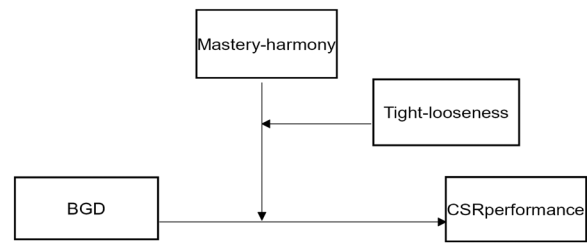

Figure 1. Conceptual framework of the hypothesized relationship between BGD, cultural variables and CSR performance

are geographically diverse and represent a mix of developed and developing nations. Table 2 shows the details on the distribution of our sample across industries and countries. The data were compiled through the merging of three distinct datasets: (1) firm-level data, encompassing information on BGD and CSR performance, (2) cultural data, and (3) country-level data.

Initially, the firm-level data for BGD and CSR performance score were obtained from Thomson Reuters (Refinitiv). Within the database, BGD is represented as the percentage of women directors on corporate boards, as reported by firms in their annual or CSR reports. The CSR performance score is calculated as the average of the environmental and social pillars scores. Both scores fall within a range of 0–100, where higher scores indicate superior environmental and social performance, and lower scores suggest the opposite. Additionally, we obtained firm-level data, including governance score, firm size, leverage, profitability, and growth, from the same database. Market data, institutional ownership, and macro-economic data (GDP) were derived from S&P Capital IQ, while country-level governance data, such as political stability score and voice and accountability score, were accessed from the World Bank website. These firm and country characteristics serve as control variables in our analysis.

For the cultural variables, we employed archival data from Schwartz (1994, 2006) and Gelfand *et al.* (2011), which provide harmony, mastery, and cultural tightness–looseness scores across countries. Schwartz conducted a survey [the Schwartz Value Survey (SVS)] between 1998 and 2007, with 56 value items. The survey compiled cultural value scores from 80 countries collected from teacher and student samples. In the SVS, respondents rated the importance of each value, including harmony and mastery, as a guiding principle in their lives on a response scale ranging from −1 (opposed to my values) to 7 (of supreme importance). Because, conceptually, these two cultural value types (harmony and mastery) form the opposite ends of a dimension (Schwartz, 2006), we transformed them into one dimension by subtracting the score for mastery (negative pole) from that for harmony (positive pole), which is

---

[1]See, for more details, https://economictimes.indiatimes.com/news/international/world-news/worlds-first-electric-autonomous-cargo-ship-yara-launched-in-norway/yara-launched-in-norway/slideshow/87999154.cms

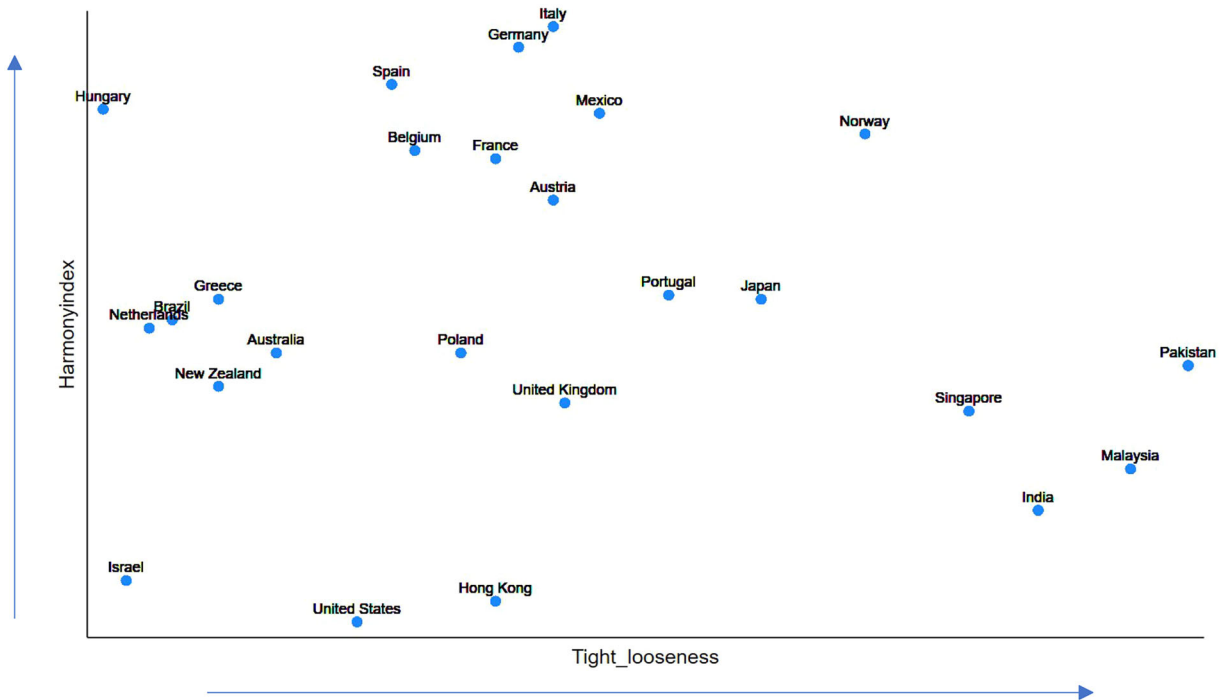[2]We begin from 2002 owing to the availability of BGD and CSR performance data at the Refinitiv starting from the same period.

Figure 2. Harmony index and tightness–looseness across countries [Colour figure can be viewed at wileyonlinelibrary.com]

consistent with the previous research (Smith, 2017; Vauclair *et al.*, 2015; Vauclair and Fischer, 2011).

Gelfand *et al.* (2011) developed a cultural tightness–looseness score for 33 countries in a survey with 6823 respondents during 2000−2003. According to Gelfand *et al.* (2011), tight cultures have many strong norms and a low tolerance of deviant behaviour, whereas loose cultures have weak social norms and a high tolerance for deviant behaviour. The researchers define tightness–looseness as a continuum rather than a dichotomy. The reference point for the tightness score is a mean score of 6.5, which allows researchers to cluster relatively tight or loose group of nations.

Our final sample included 25 countries. The reason is that, although the scores for harmony/mastery are available for 86 countries, and those for cultural tightness–looseness are available for 33 countries, because of the availability of firm-level data in databases for countries with both harmony/mastery and cultural tightness–looseness scores, our final sample included 25 countries and 5135 firms over 20 years, giving 48,005 firm-year observations. Figure 2 illustrates these countries in a grid that incorporates the harmony index and tightness–looseness values. Notably, Norway is observed as a country characterized by high harmony and cultural tightness, while India and Malaysia exhibit characteristics of mastery-oriented tight cultures. Moreover, Hungary is depicted as having a culture focused on harmony with an element of looseness, whereas Israel and the United States display a mastery culture that also encompasses elements of looseness.

Our empirical models are as follows:

$$\text{CSR performance}_{i,t} = \beta_0 + \beta_1 \times \text{BGD}_{i,t} + \beta_2 \times \sum \text{controls}_{i,t} + \gamma + \varepsilon_{i,t}, \quad (1)$$

$$\text{CSR performance}_{i,t} = \beta_0 + \beta_1 \times \text{BGD}_{i,t} + \beta_2 \times \text{Harmony index}_i + \beta_3 \times \text{BGD}_{i,t} \times \text{Harmony index}_i + \beta_4 \times \sum \text{controls}_{i,t} + \gamma + \varepsilon_{i,t}, \quad (2)$$

$$\text{CSR performance}_{i,t} = \beta_0 + \beta_1 \times \text{BGD}_{i,t} + \beta_2 \times \text{Harmony index}_i + \beta_3 \times \text{cultural\_tightness}_i + \beta_4 \times \text{BGD}_{i,t} \times \text{Harmony index}_i + \beta_5 \times \text{BGD}_{i,t} \times \text{Harmony index}_i \times \text{cultural\_tightness}_i + \beta_6 \times \sum \text{controls}_{i,t} + \gamma + \varepsilon_{i,t}. \quad (3)$$

In each of the three models, CSR performance is measured through an aggregated score derived from the environmental and social pillars, while BGD is measured as the percentage of women directors on boards. Model 2 incorporates the interaction term between BGD and the harmony index. Model 3 expands on Model 2 by introducing the second-order moderating effect of cultural tightness or looseness, measured by the cultural tightness score. Both diversity and cultural variables undergo standardization in these models. Moreover, all

models include firm- and country-level control variables to mitigate the potential omitted variables bias. This incorporation is intended to bolster the credibility of our analyses by accommodating additional factors that could impact firms' CSR initiatives. We incorporate controls for firm characteristics because companies with greater resources and a robust financial position are often better positioned to invest in environmental and social initiatives. Therefore, we include variables such as firm size, leverage, profitability, and the presence of loss to account for these factors in our analysis. We also control for institutional ownership, because institutional investors, owing to their substantial stakes in firms, possess the capacity to influence management decisions. Furthermore, in recent times, regulatory pressures have compelled institutional investors to incorporate sustainability considerations into their investment decisions. This, in turn, has implications for firm-level CSR activities.

Moreover, we consider country-level variables that could impact firm-level CSR, including aspects of the prevailing culture. Specifically, we incorporate variables reflecting the politics and government of the country where the firm is situated. This is performed by including World Bank-computed scores on political stability and perceptions of voice and accountability in the country. In situations characterized by unstable politics and a lack of voice and accountability in the public sphere, firms may exhibit reduced interest in participating or investing in CSR activities. Further, a state of instability in a country may not align with values associated with harmony, such as world at peace, protecting the environment, and unity with nature. Lastly, we incorporate GDP as a measure to control for the country's economic status. This is essential because the connection between economic growth and sustainability is a pertinent policy issue. By including GDP as a control variable, we aim to account for the economic context in which firms operate, recognizing the potential influence of overall economic conditions on the implementation and success of sustainability initiatives.[3] Therefore, the inclusion of a comprehensive set of control variables is aimed at presenting a more nuanced and robust comprehension of the relationships under investigation.

The symbol γ in the models refers to the time- and industry-fixed effects, and $\varepsilon_{i,t}$ is the error term. Three models are estimated using the panel regression method, where standard errors are clustered at the firm level.

---

[3]One of the main objectives of the OECD environmental strategy for the first decade of the 21st century is to decouple the environmental pressures from economic growth. According to the OECD, 'decoupling occurs when the growth rate of an environmental pressure is less than that of its economic driving force (e.g. GDP) over a given period'. See https://www.oecd.org/env/indicators-modelling-outlooks/1933638.pdf

Table 1. Summary statistics

Variable	Obs.	Mean	Std dev.	Min.	Max.
CSRperformance	48,005	39.947	24.127	0.082	97.328
BGD	48,005	15.615	13.092	0	100
Harmonyindex	48,005	0.137	0.411	−0.63	0.81
Cultural_tightness	48,005	6.612	2.674	2.9	12.3
Governancescore	48,005	49.856	22.409	0.187	99.535
Firmsize	48,005	23.128	2.661	10.855	33.516
Leverage	48,005	0.971	2.072	−11.741	33.579
Profitability	48,005	3.639	10.386	−65.39	39.455
Loss	48,005	0.252	0.434	0	1
Market-to-book	48,005	4.136	8.038	−14.27	97.326
Institutionalholdings	48,005	51.423	32.267	0	106.02
Political_instability	48,005	63.267	17.64	0	99.524
Voice&accountability	48,005	80.448	14.406	0	100
GDP	48,005	17.111	2.506	0	19.167

Table 1 presents the descriptive statistics of variables for the study. Please refer to Appendix for variable definitions.

Results and analysis

Descriptive results

Table 1 provides a summary of the statistical data for the variables employed in our primary models. The CSR performance score has a mean of 39.95, with a range spanning from 0.08 to 97.33. On average, our sample demonstrates a 15.62% BGD. The harmony index, at 0.14, indicates that most represented countries lean towards the harmony cultural orientation. The cultural tightness index has an average value of 6.61 and ranges from 2.9 to 12.3.

Table 2 shows our sample distribution across countries and industries. The first column lists the names of the 25 countries included in our study. There seems to be a good representation of countries from different regions across the world (e.g. Asia, America, Continental Europe, Scandinavia etc.). As noted earlier, most of the observations are from the United States. Similarly, we cover 11 sectors based on the Global Industrial Classification Standards (GICS) two-digit code. The highest numbers of firms are from the industrial and financial sectors.

Table 3 displays the pairwise correlation coefficients among the variables employed in our models. Notably, the correlations between BGD and CSR performance (0.27), harmony index and CSR performance (0.25), and cultural tightness index and CSR performance (0.09) are significant and positive. The remaining variables exhibit relatively moderate correlations. Importantly, none of the variables surpass a correlation coefficient of 0.60, indicating the absence of multicollinearity.

Regression results

Table 4 presents our results from our three main models. Model 1 shows that BGD is positively and significantly

Table 2. Sample distribution

Country	GICS sector											
	Communication services	Consumer discretionary	Consumer staples	Energy	Financials	Health care	Industrials	Information technology	Materials	Real estate	Utilities	Total
Australia	160	407	173	302	436	274	368	182	835	335	88	3560
Austria	16	3	3	17	55	0	76	8	48	34	16	276
Belgium	51	23	45	17	86	66	26	7	70	45	13	449
Brazil	28	109	91	51	122	46	95	23	115	33	160	873
France	174	247	111	63	181	80	379	132	69	94	77	1607
Germany	116	235	62	16	168	168	339	137	162	60	57	1520
Greece	19	55	3	32	105	0	46	0	0	3	26	289
Hungary	12	0	0	13	13	10	3	0	0	0	0	51
Hong Kong	91	265	102	42	138	31	256	64	77	373	176	1615
India	72	97	101	73	246	100	120	68	150	45	78	1150
Israel	36	0	0	12	46	23	12	17	24	7	0	177
Italy	82	71	6	49	252	14	98	10	17	3	130	732
Japan	308	1034	467	65	652	355	1550	690	754	219	216	6310
Mexico	35	38	101	0	73	8	73	0	88	10	0	426
Malaysia	75	83	114	54	118	32	147	24	54	52	50	803
Netherlands	31	20	66	32	65	23	129	51	97	26	0	540
New Zealand	50	47	36	13	20	47	82	17	16	63	67	458
Norway	38	12	55	186	52	3	64	21	41	9	3	484
Poland	32	14	25	39	126	3	32	11	40	11	41	374
Portugal	30	0	33	15	28	0	6	0	29	0	19	160
Pakistan	0	0	0	5	19	0	0	0	5	0	0	29
Spain	81	58	35	26	156	32	146	36	27	29	117	743
Singapore	40	17	66	9	91	36	180	37	1	196	21	694
United Kingdom	204	737	333	220	912	161	1036	253	393	430	138	4817
United States	711	2652	988	1052	3389	2482	2867	2547	1087	1333	760	19,868
Total	2492	6224	3016	2403	7549	3994	8130	4335	4199	3410	2253	48,005

Table 2 presents the sample distribution across countries and industry sector (GICS-2digits).

Table 3. Pairwise correlations

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) CSRperformance	1.000													
(2) BGD	0.272*	1.000												
(3) Harmonyindex	0.248*	−0.021*	1.000											
(4) Cultural_tightness	0.093*	−0.184*	0.334*	1.000										
(5) Governancescore	0.433*	0.257*	0.032*	0.003	1.000									
(6) Firmsize	0.358*	−0.180*	0.256*	0.453*	0.188*	1.000								
(7) Leverage	0.078*	0.018*	0.028*	0.004	0.024*	0.149*	1.000							
(8) Profitability	0.069*	0.003	0.022*	0.075*	0.074*	0.067*	−0.076*	1.000						
(9) Loss	−0.039*	0.016*	0.009	−0.061*	−0.056*	−0.003	0.117*	−0.590*	1.000					
(10) Market-to-book	−0.035*	0.037*	−0.118*	0.062*	−0.018*	−0.169*	0.300*	0.102*	−0.064*	1.000				
(11) Institutionalholdings	−0.024*	0.105*	−0.489*	−0.265*	0.115*	−0.115*	−0.029*	0.082*	−0.083*	−0.034*	1.000			
(12) Political_instability	−0.067*	−0.142*	0.259*	0.152*	−0.013*	0.132*	−0.056*	−0.004	−0.021*	−0.054*	−0.124*	1.000		
(13) Voice&accountability	−0.046*	0.072*	0.128*	−0.292*	−0.001	−0.136*	−0.011	−0.007	0.014*	−0.179*	0.208*	0.401*	1.000	
(14) GDP	−0.029*	0.039*	−0.275*	−0.115*	−0.010	−0.007	−0.008	−0.038*	0.004	−0.063*	0.312*	−0.050*	0.128*	1.000

Table 3 presents correlations between variables used in the study. *$p < 0.01$.

($\beta = 5.4315$, $\rho = 0.01$) associated with CSR performance. Our interaction Model 2 shows that the positive and significant association between BGD and CSR performance is positively ($\beta = 1.2555$, $\rho = 0.01$) moderated by harmony cultural orientation (harmony index). Furthermore, Model 3 shows that cultural tightness further strengthens the moderating effect of harmony orientation on the relationship between BGD and CSR performance. Specifically, our second-order moderation test with cultural tightness as the moderator showed that the positive moderating effect of harmony orientation increases (from $\beta = 1.4342$, $\rho = 0.01$ to $\beta = 1.6241$, $\rho = 0.01$) if the culture (i.e. harmony-oriented culture) is tight. As a result, our assertion is that nations like Norway, particularly when contrasted with Germany and Spain, exhibiting high scores in both harmony and tightness, are likely to experience a synergistic impact of BGD on CSR performance. This implies that the presence of women on boards could play a significant role in CSR performance in cultures that prioritize harmony. Conversely, in countries such as the United States, Japan and India, where there is a strong emphasis on mastery values, the contribution of women on boards might tend to have a negative or indifferent effect on CSR performance.

IV-2SLS model

We performed two-stage least squares regression to account for potential endogeneity related to the endogenous BGD variable. In the first stage, we regress the BGD with baseline covariates and the instrument female-to-male labour-force participation ratio. This instrument accounts for the historical percentage of women who are older than 15 years who engage in the labour market in each country. The rationale is that for a higher women's labour-force participation, a larger pool of women candidates is available to join corpo-

rate boards. Thus, we assume a positive relationship of the female-to-male labour-force participation ratio with BGD, in line with earlier studies (Atif *et al.*, 2021; Gull, Atif and Hussain, 2023). Our first-stage result in Table 5, as shown by Model 1, confirms our hypothesis that the higher the female-to-male labour-market participation ratio, the higher the proportion of women on boards. We ran post-estimation tests for the relevance of IV-2SLS model and strength of the instrument. The Stock-Yogo Wald F statistic is 2081.03, clearly exceeding the threshold of 10, which shows that the instrument is not weak. Furthermore, both the underindentification test (Kleibergen–Paap rk LM statistic) and the test of significance of endogeneity (Stock–Wright LM S statistic) are significant.

We use the fitted BGD variable in the second-stage regressions. Models 2–4 in Table 5 present the second-stage regression results. The first- and second-order interactions in Models 3 and 4, respectively, show the consistent positive moderating effect of the harmony index on the relationship between BGD and CSR performance, which is stronger when the cultural context is tight. Therefore, IV-2SLS regression, even after accounting for the endogenous nature of our independent variable, shows consistent results, providing further confirmation of the study hypotheses.

Robustness tests

We performed several robustness tests. First, we calculate predictive margins of the categorical variable that assigns a value of one if the sample is from a country emphasizing harmony with high cultural tightness, and zero if it is a harmony-oriented country with low cultural tightness. Subsequently, we utilize a linear prediction model for computing the predictive margins that shows how P(Y) changes in response to X, and as the categorical variable (Z) changes from 0 to 1,

Table 4. Main models

Variables	(1) Model 1 CSRperformance	(2) Model 2 CSRperformance	(3) Model 3 CSRperformance
BGD	5.4315***	4.6619***	3.9339***
	(0.2449)	(0.2393)	(0.2389)
Harmonyindex		4.8949***	5.5839***
		(0.3326)	(0.3328)
BGD*Harmonyindex		1.2555***	1.4342***
		(0.1824)	(0.1868)
Cultural_tightness			−2.8361***
			(0.3352)
BGD*Harmonyindex*Cultural_tightness			1.6241***
			(0.3565)
Governancescore	0.3176***	0.3165***	0.3109***
	(0.0106)	(0.0103)	(0.0102)
Firmsize	3.6691***	3.2992***	3.7521***
	(0.1098)	(0.1123)	(0.1211)
Leverage	0.0887	0.0501	−0.0549
	(0.1061)	(0.0990)	(0.0971)
Profitability	0.0394**	0.0168	0.0188
	(0.0186)	(0.0183)	(0.0182)
Loss	−0.4940	−0.5698	−0.7647*
	(0.4782)	(0.4546)	(0.4467)
Market-to-book	0.0756***	0.1252***	0.1606***
	(0.0276)	(0.0272)	(0.0270)
Institutionalholdings	−0.0440***	0.0321***	0.0309***
	(0.0085)	(0.0088)	(0.0088)
Political_instability	−0.2030***	−0.2197***	−0.1904***
	(0.0187)	(0.0180)	(0.0180)
Voice&accountability	0.1764***	0.0846***	0.0202
	(0.0236)	(0.0214)	(0.0222)
GDP	−0.3820***	−0.0134	0.0425
	(0.1294)	(0.1066)	(0.1059)
Constant	−71.2496***	−64.9421***	−73.2258***
	(4.0250)	(3.7627)	(3.8748)
Industry effects	Yes	Yes	Yes
Year effects	Yes	Yes	Yes
Observations	48,005	48,005	48,005
R-squared	0.380	0.411	0.420

Table 4 reports results for three main models using ordinary least squares (OLS) panel regression. Model 1 shows the relationship between BGD and CSR performance. Model 2 shows the moderating effect of the harmony index, while Model 3 extends Model 2 by including cultural tightness as the second-order moderating variable. All models include firm- and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors are in parentheses. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

after controlling for other covariates in the model. In Figure 3, the dashed line signifies a positive influence of culture emphasizing harmony on the relationship between BGD and the predicted margins of CSR performance. Meanwhile, the solid line representing harmony-tightness reveals a more pronounced predictive margins impact. Notably, the predictive margins of harmony-tightness surpass those of sole harmony when BGD reaches approximately 40%. This suggests that having a critical mass of female directors on boards is advantageous for incorporating cultural values related to harmony into CSR performance.

Second, we employ the environmental and social pillars, along with their respective categories, as distinct dependent variables in our analysis. Table 6 illustrates this with Models 1–4, where the dependent variables represent scores for overall environmental performance and performance across various categories within the environmental domain. Likewise, Models 5–9 showcase scores for overall social performance and performance within different categories of the social domain. The findings generally indicate that the moderating effects of cultural measures on the relationship between BGD and CSR are both significant and positive.

Third, we assess the robustness of our results by conducting tests that exclude the United States from our sample, given that this country constitutes nearly 40% of the overall sample. This step is taken to examine the

Table 5. Instrumental variable two-stage least squares (IV-2SLS) models

Variables	(1) Model 1 BGD	(2) Model 2 CSRperformance	(3) Model 3 CSRperformance	(4) Model 4 CSRperformance
BGD		3.7189***	3.2124***	3.0604***
		(0.2023)	(0.1960)	(0.2032)
Harmonyindex			5.0963***	5.7699***
			(0.3364)	(0.3372)
BGD*Harmonyindex			0.3476*	0.4043**
			(0.1850)	(0.1847)
Cultural_tightness				−3.2302***
				(0.3430)
BGD*Harmonyindex*Cultural_tightness				0.8940***
				(0.3133)
Female-to-male participation ratio	0.3369***			
	(0.0191)			
Governancescore	0.0014***	0.3800***	0.3720***	0.3631***
	(0.0000)	(0.0104)	(0.0102)	(0.0100)
Firmsize	−0.0010	3.3686***	2.9752***	3.4587***
	(0.0006)	(0.1128)	(0.1152)	(0.1226)
Leverage	0.0002	0.1474	0.1016	−0.0158
	(0.0005)	(0.1072)	(0.1014)	(0.0988)
Profitability	0.0006***	0.0646***	0.0411**	0.0434**
	(0.0001)	(0.0188)	(0.0187)	(0.0185)
Loss	0.0006***	0.0867***	0.1362***	0.1793***
	(0.0002)	(0.0281)	(0.0279)	(0.0275)
Market-to-book	−0.0004	−0.4542	−0.5615	−0.7854*
	(0.0024)	(0.4881)	(0.4672)	(0.4568)
Institutionalholdings	−0.0001**	−0.0400***	0.0333***	0.0307***
	(0.0000)	(0.0086)	(0.0090)	(0.0089)
Political_instability	−0.0016***	−0.2450***	−0.2634***	−0.2370***
	(0.0001)	(0.0191)	(0.0183)	(0.0182)
Voice&accountability	0.0014***	0.2552***	0.1667***	0.0971***
	(0.0001)	(0.0244)	(0.0227)	(0.0231)
GDP	−0.0008	−0.4284***	−0.0817	−0.0572
	(0.0007)	(0.1278)	(0.1063)	(0.1062)
Constant	−0.2002***	−72.7836***	−65.2019***	−72.8381***
	(0.0261)	(4.1145)	(3.8756)	(3.9437)
Industry effects	Yes	Yes	Yes	Yes
Year effects	Yes	Yes	Yes	Yes
Cragg–Donald Wald F statistic	2081.035			
Kleibergen–Paap Wald rk F statistic	239.12***			
Stock–Wright LM S statistic	257.76***			
Observations	48,005	48,005	48,005	48,005
R-squared	0.328	0.368	0.396	0.406

Table 5 reports the first and second-stage results for three main models using instrumental variable-2SLS regression. Model 1 shows the first-stage results, where we use an instrument (Female-to-male participation ratio) to predict the BGD (proportion of female directors). Models 2–4 show the relationship between BGD and CSR performance. Model 3 shows the moderating effect of the harmony index, while Model 4 extends Model 3 including cultural tightness as the second-order moderating variable. All models include firm- and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors are in parentheses. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

consistency of our findings when the influence of the United States is excluded. Moreover, we omit financial firms from our sample because of the specific regulations governing this sector. In both instances of exclusion, our findings seem to remain consistent and unaffected, as reported in Table 7.

Fourth, we test our main models using alternative proxies of BGD, such as the number of women directors on boards and the Blau index. The unreported results are consistent with our main results. Fifth, we used one-period-forward dependent variable to account for reverse causality and found similar results, which are unreported for brevity.

Finally, to address the influence of additional cultural values, we include controls for embeddedness and hierarchy, as defined by Schwartz (1994). Embeddedness pertains to a focus on the status quo and avoiding actions that could disrupt social relationships and internalized commitments. Hierarchy involves the obligations and expectations associated with ascribed roles,
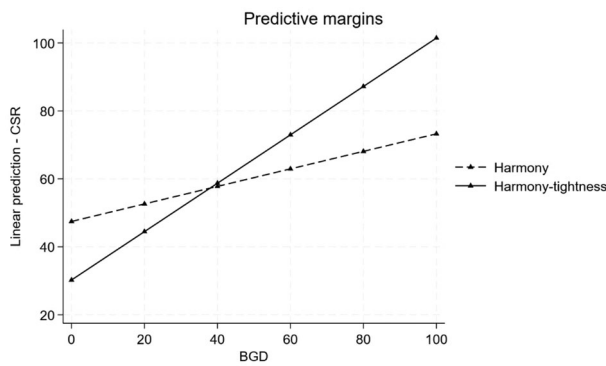
Figure 3. Predictive margins plot

whereby individuals are socialized to accept the hierarchical distribution of roles. We further incorporate Hofstede's (1980) cultural dimensions of collectivism, PD and UA as controls. The relevance of these cultural variables to the effectiveness of BGD on CSR has been suggested in previous research (Peng *et al.*, 2022). Collectivist cultures, for example, are argued to facilitate the communication of women directors' views on CSR because of the enhanced communication and collaboration among organizational members in such cultures. Likewise, it is suggested that in low-UA cultures, corporate boards may be more receptive to female directors' viewpoints because such cultures are more open regarding novel and diverse perspectives. In high-PD cultures, men and women tend to have an unequal distribution of power, which is argued to manifest in the board room and which may weaken women directors' influence on CSR-related decision making (Peng *et al.*, 2022). Our unreported results are consistent even after accounting for several omitted cultural contexts.

CSR policy initiatives

Establishing CSR policies at the firm level is essential for formulating strategies, defining objectives, and planning future actions related to CSR. CSR policies offer guidelines to safeguard both the environment and societal well-being. Within this context, we recognize the importance of incorporating the impact of BGD and a culture of harmony into initial firm-level CSR policies, which have the potential to subsequently influence CSR performance (Clark, Arora and Gabaldon, 2022). We scrutinize socio-environmental policies encompassing carbon emissions, energy efficiency, resource reductions, sustainable supply chain practices, human rights, workforce diversity, and community engagement, as well as measures against bribery and corruption. Table 8 displays the outcomes of the logistic regression, revealing that the moderating impact of harmony culture on the association between BGD and CSR policies is both significant and positive. Moreover, this effect is particularly

pronounced in cultural contexts characterized by tightness. In summary, our findings suggest that CSR policy initiatives can serve as mechanisms to enhance CSR performance, particularly within a cultural context characterized by both harmony orientation and tightness.

Fiduciary duty of the board

As fiduciaries, directors are obligated to act in the best interests of their company and its shareholders. Consequently, shareholders exert significant pressures on directors to prioritize their interests. The question arises when attempting to comprehend why directors prioritize CSR performance. Our assumption is that in a cultural context characterized by harmony, there is a financial implication of CSR performance for the economic benefit of shareholders. In other words, improved CSR performance in nations characterized by a harmony cultural orientation is thought to yield financial consequences. The financial advantages stemming from the alignment of management practices with national culture are apparent in research conducted by Newman and Nollen (1996). These considerations serve as motivations for directors to proactively improve CSR efforts. In our investigation of this issue, we segmented the sample into subsets representing harmony and mastery cultures and examined how investors and lenders perceive the CSR performance of firms in each category. The results shown in Table 9 suggest that CSR performance has a more positive financial impact in a harmony culture than in a mastery culture. This is supported by the fact that stock prices are positive, bid–ask spreads are negative, and costs of debt are negative. Essentially, this suggests that companies operating within a harmony culture are financially rewarded for their CSR performance. Additionally, they benefit from increased liquidity due to reduced information asymmetry, and they have better access to debt financing because of lower costs of debt. In summary, these findings highlight the financial benefits associated with CSR practices in harmony culture settings. Therefore, we argue that BGD contributes (or fulfils its fiduciary duty) to enhancing financial value for shareholders through improved CSR performance specifically in a harmony culture.

Discussion

Previous literature has attempted to address the role of institutional factors on the relationship between BGD and firm CSR performance; however, important gaps remain. Building on Shwartz's (1994) and Gelfand et al.'s (2006) theories, we offer an integrated framework of values- and norms-centric approaches to culture to show that the interplay between a society's values

Table 6. Different categories of CSR performance

	Environmental performance				Social performance				
Variable	Model 1 Overall	Model 2 ResourceUse	Model 3 Emissions	Model 4 E_Innovation	Model 5 Overall	Model 6 Workforce	Model 7 HumanRights	Model 8 Community	Model 9 ProductResponsibility
BGD	4.1728***	5.0338***	4.7290***	2.3959***	3.6949***	4.4773***	3.9950***	3.6214***	2.3402***
	(0.2799)	(0.3415)	(0.3277)	(0.3372)	(0.2459)	(0.3098)	(0.3331)	(0.3108)	(0.3520)
Harmonyindex	7.0244***	8.1471***	8.6042***	4.6479***	4.1434***	8.6840***	7.3413***	-3.5935***	4.4743***
	(0.3803)	(0.4647)	(0.4547)	(0.4539)	(0.3399)	(0.3964)	(0.4571)	(0.4082)	(0.4666)
BGD*Harmonyindex	1.2206***	1.0651***	1.1106***	1.4947***	1.6478***	1.4238***	2.2235***	1.4945***	1.3570***
	(0.2131)	(0.2569)	(0.2459)	(0.2545)	(0.1955)	(0.2339)	(0.2605)	(0.2440)	(0.2659)
Cultural_tightness	-2.6629***	-3.3111***	-2.3517***	-1.9955***	-3.0092***	-1.7730***	-2.9700***	-6.1090***	-0.5724
	(0.3852)	(0.4587)	(0.4747)	(0.4654)	(0.3419)	(0.4123)	(0.4898)	(0.4288)	(0.4673)
BGD*Harmonyindex*Cultural_tightness	1.2422***	1.7033***	1.3187***	0.2696	2.0060***	1.5213***	2.8801***	2.7978***	0.4401
	(0.3847)	(0.4581)	(0.4497)	(0.4115)	(0.3812)	(0.4686)	(0.4854)	(0.4658)	(0.4319)
Constant	-109.6994***	-101.9021***	-123.3222***	-116.4491***	-36.7521***	-9.1053*	-66.2805***	-16.2524***	-65.7111***
	(4.4364)	(5.3408)	(5.2890)	(5.0908)	(3.9428)	(4.9055)	(5.1357)	(4.9774)	(5.3004)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	48,005	48,005	48,005	47,963	48,005	48,005	48,005	48,005	48,005
R-squared	0.426	0.377	0.411	0.265	0.347	0.296	0.319	0.266	0.229

Table 6 reports results for different categories of CSR performance (Environmental and Social) for the baseline model equation (3). Models 1–4 show measures for Environmental performance, while Models 5–9 show measures for Social performance. All models include firm- and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors are in parentheses. *** p < 0.01, ** p < 0.05, *p < 0.1.

Table 7. Exclusion of firms

Variable	Exclusion - US firms Model 1 CSRperformance	Exclusion - Financial firms Model 2 CSRperformance	Exclusion - US and financial firms Model 3 CSRperformance
BGD	3.2945***	3.8924***	3.0928***
	(0.3927)	(0.2617)	(0.4329)
Harmonyindex	5.1430***	5.5594***	5.7215***
	(0.5252)	(0.3743)	(0.5797)
BGD*Harmonyindex	1.1683***	1.3748***	1.2957***
	(0.3039)	(0.2091)	(0.3394)
Cultural_tightness	−2.2807***	−2.5761***	−1.7133***
	(0.3578)	(0.3716)	(0.3868)
BGD*Harmonyindex* Cultural_tightness	1.4243***	1.7742***	1.3189***
	(0.3742)	(0.4100)	(0.4224)
Constant	−51.3367***	−76.8051***	−53.2465***
	(4.5399)	(4.2032)	(4.8386)
Controls	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes
Year effects	Yes	Yes	Yes
Observations	28,137	40,456	23,977
R-squared	0.409	0.424	0.413

Table 7 reports the results for baseline equation (3). Model 1 excludes US firms from the analysis. Model 2 excludes financial firms, and Model 3 excludes both US and financial firms. All models include firm- and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors are in parentheses. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

and the tightness of norms provides a more nuanced picture of how a society's culture influences the effectiveness of BGD on CSR. Our findings confirm our assumptions that gender-diverse boards will be more effective in harmony- than in mastery-oriented cultures. Particularly, the relationship between BGD and CSR performance is more intense when harmony/mastery orientation is accompanied by cultural tightness. These findings provide an improved understanding of the effectiveness of gender-diverse boards in a relatively large number of countries, including both Western and non-Western nations. For example, the findings suggest that firms in countries such as Germany, which is relatively high on harmony orientation and cultural tightness, and Norway, which has a tight and high harmony-oriented culture, will have a high level of CSR performance as a result of gender diversity in their corporate boards. Conversely, in the United States, a high mastery and loose culture, BGD will be less effective in firm CSR performance. The role of women directors in influencing CSR performance may be further stifled in cultures such as India and China, which are high on both mastery and tightness.

Further, our additional analysis shows that firms' CSR focus in harmony cultures tends to improve financial value through improved stock price, higher liquidity, and easy access to debt financing. This suggests that CSR initiatives tend to increase financial performance if there is a fit between institutional environments and firm initiatives (Newman and Nollen, 1996). It seems that CSR performers garner legitimacy and greater stakeholder support in environments that prioritize harmony, which in turn translates into financial value. Below, we suggest some theoretical and practical implications from our findings.

Theoretical implications

We contribute to several streams of literature. First, our study contributes to the literature on CSR by theorizing and testing a more fine-grained interaction model. Extending the previous work on BGD and CSR performance (e.g. Rose, 2007; Kyaw, Olugbode and Petracci, 2017; Francoeur *et al.*, 2019; Jain and Zaman, 2020), we postulate and show support for an interaction of BGD, harmony/mastery orientation and cultural tightness–looseness in relation to CSR performance. We argue that firms react differently to BGD in terms of CSR performance depending on the degree of harmony/mastery orientation and the cultural tightness–looseness of the surrounding national culture.

Second, we add to the literature on the role of national institutional environment in shaping CSR (García Martín and Herrero, 2020; Gull, Atif and Hussain, 2023; Peng *et al.*, 2022; Peng, Qi and Wang, 2022; Seierstad *et al.*, 2017) by introducing harmony/mastery value orientation to the BGD–CSR relationship debate. We argue that harmony/mastery value orientation holds significant theoretical relevance in relation to the effectiveness of BGD on CSR performance. We further assert that a society's harmony/mastery orientation and the associated strength and pervasiveness of norms in the

Table 8. CSR policy initiatives

VARIABLES	Environmental policies				Social policies			
	Model1 Emissions	Model2 EnergyEfficiency	Model3 ResourceReduction	Model4 Env_Supplychain	Model5 Diversity&Opportunity	Model6 HumanRights	Model7 CommunityInvolvement	Model8 Bribary&Corruption
BGD	0.3418***	0.2954***	0.1927***	0.3100***	0.2106***	0.2530***	0.2635***	0.2081***
	(0.0311)	(0.0305)	(0.0312)	(0.0296)	(0.0354)	(0.0303)	(0.0357)	(0.0392)
Harmonyindex	0.5056***	0.4809***	0.6477***	0.4508***	0.1175***	0.5287***	0.1722***	-0.2521***
	(0.0400)	(0.0396)	(0.0445)	(0.0390)	(0.0406)	(0.0393)	(0.0435)	(0.0434)
BGD*Harmonyindex	0.1230***	0.1014***	0.1847***	0.1490***	0.1340***	0.1780***	0.0261	0.1204***
	(0.0342)	(0.0336)	(0.0539)	(0.0254)	(0.0359)	(0.0296)	(0.0423)	(0.0296)
Cultural_tightness	-0.0299	0.0810*	0.0948*	-0.1681***	-0.3025***	-0.1132***	0.0106	-0.6294***
	(0.0413)	(0.0442)	(0.0495)	(0.0377)	(0.0410)	(0.0384)	(0.0466)	(0.0483)
BGD*Harmonyindex*Cultural_tightness	0.1440*	0.1506**	0.4645***	0.1124***	0.2214***	0.2485***	0.2648***	0.2058***
	(0.0774)	(0.0765)	(0.1101)	(0.0422)	(0.0700)	(0.0544)	(0.0953)	(0.0461)
Constant	-11.2740***	-8.8227***	-8.7656***	-10.2124***	-7.4245***	-9.7960***	-6.9107***	-4.2854***
	(0.5031)	(0.5095)	(0.5612)	(0.4677)	(0.4943)	(0.4839)	(0.5560)	(0.5153)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	46,641	46,686	46,868	46,502	46,767	46,868	46,791	46,762
Pseudeo R-squared	0.301	0.268	0.283	0.244	0.259	0.288	0.253	0.269

Table 8 reports results for different categories of CSR policies (Environmental and Social) using baseline model equation (3). Models 1–4 show measures for Environmental policies while Models 5–8 show for Social policies. All models include firm and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors in parentheses, *** p $<$ 0.01, ** p $<$ 0.05, * p $<$ 0.1.

Table 9. CSR, culture and financial value

Variable	Harmony orientation			Mastery orientation		
	Model 1 Ln(price)	Model 2 Ln(spread)	Model 3 Costofdebt	Model 4 Ln(price)	Model 5 Ln(spread)	Model 6 Costofdebt
CSR performance	0.2875***	−0.2864***	−0.0051**	−0.1946***	−0.0206	0.0016
	(0.0432)	(0.0178)	(0.0024)	(0.0290)	(0.0166)	(0.0025)
Constant	−1.6353***	−2.1150***	0.4810***	−8.3820***	4.3974***	0.3701***
	(0.5608)	(0.3279)	(0.0326)	(0.5933)	(0.3501)	(0.0474)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects	Yes	Yes	Yes	Yes	Yes	Yes
Year effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	17,818	16,327	14,816	29,003	28,385	20,195
R-squared	0.229	0.427	0.100	0.391	0.502	0.039

Table 9 reports cross-sectional results examining the relationship between CSR performance and financial performance. Models 1–3 include a harmony-oriented sub-sample, while Models 4–6 include a mastery-oriented sub-sample. This sample split is based on the Harmony index values where positive and negative values indicate the harmony-oriented and mastery-oriented subsamples, respectively. The dependent variables Ln(price), Ln(spread) and Costofdebt are financial measures, where Ln(price) is the natural logarithm of average stock price over a year, Ln(spread) is the natural logarithm of average (Ask − Bid)/[(Ask + Bid)/2] over a year, and Costofdebt is the interest expenses divided by the average of short- and long-term debt. All models include firm- and country-level control variables. Further industry and year effects are included. Robust-cluster standard errors are in parentheses. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

society in which a firm operates may explain the extent to which gender-diverse boards can influence CSR performance. The work on institutional factors as moderators of BGD has not always shown consistent results (e.g. Peng, Qi and Wang, 2022), which we propose may be due to these factors themselves being contingent. Thus, we propose and test a contingency model in which cultural tightness affects whether harmony/mastery orientation forms a boundary condition for the BGD and CSR performance relationship. Our findings suggest that societal harmony/mastery orientation and differing degrees of tightness may help explain contradictory findings on the CSR benefits of BGD in different institutional contexts.

Third, our finding that the link between BGD and CSR performance is contingent on a combination of cultural characteristics contributes to the literature on moderators of the influence of upper echelons (Byron and Post, 2016), specifically BGD (e.g. Attah-Boakye *et al.*, 2020; Li *et al.*, 2017; Naghavi, Sharif and Hussain, 2021). We argue that the effect of BGD on CSR performance is closely interwoven with national cultural values and norms. In cultures that value harmony, having a more balanced mix of genders on corporate boards demonstrates a dedication to pro-social and ecological behaviours. The constraining effect of mastery orientation can be explained by the competitive focus of mastery-oriented cultures, in which BGD may be seen as deviating from the performance-oriented focus.

Furthermore, integrating cultural tightness–looseness into our model, we contend that in tight cultures, the moderating effect of harmony/mastery is likely to be more pronounced than in loose cultures (Lee and Kramer, 2016; Stoermer, Hildisch and Froese, 2016;

Taras, Kirkman and Steel, 2010; Toh and Leonardelli, 2012). This suggests that the presence of strong norms in a society to enforce socially responsible approaches versus maximizing profits amplifies the effect of harmony/mastery in the link between BGD and firm CSR performance.

Practical implications

Our findings have several practical implications for organizations and policymakers.

First, governments should strengthen the regulatory framework on gender diversity and socially responsible practices of firms, particularly in mastery cultures. Although laws and regulations that do not reflect the underlying informal institutions are unable to achieve the intended objectives (Clark, Arora and Gabaldon, 2022), reinforcing formal institutions tends to influence cultural norms when, for example, gender diversity in leadership and firms' socially responsible behaviour become more commonplace (Strand, Freeman and Hockerts, 2015; Terjesen, Sealy and Singh, 2009).

Second, governments should promote measures to improve the social recognition of gender diversity and the long-term consequences of the socially responsible behaviour of organizations. This suggestion is consistent with the assertion of Clark, Arora and Gabaldon (2022) that in countries where the regulatory framework and informal institutions do not support gender-diversity practices, governments should focus on raising the CSR awareness of organizations. For details on the distribution of our sample across industries and countries, please refer to Table 2

Third, firms in mastery cultures should seek stakeholder support by promoting the long-term benefits of sustainable practices for organizational success and reputation and highlighting the importance of gender-diverse boards as a source of competitive advantage.

Fourth, multinational companies moving into tight mastery cultures may choose to counteract societal influences by implementing gender diversity and inclusive strategies. Consistent with previous assertions (Lee and Kramer, 2016), such a strategy, in addition to enabling firms to cultivate a unique organizational culture, may also have diffusion effects on other firms.

Limitations and suggestions for further research

This study is not without limitations. First, we tested our hypotheses based on a relatively small sample size of 25 countries, because of the original scores available for cultural tightness–looseness (Gelfand *et al.*, 2011). Future research could verify our findings using the tightness–looseness scores for the currently available expanded sample of 57 nations (Gelfand *et al.*, 2021).

Second, we conducted a general industry control. Future studies could replicate our study by incorporating industry-specific factors related to the likelihood of pollution, in view of the importance of BGD in pollution-related industries (Li *et al.*, 2017).

Third, previous research suggests that socially responsible organizations may exist in different countries irrespective of the supportive formal and informal institutions (Clark, Arora and Gabaldon, 2022). In view of this assertion, future research could explore the effectiveness of BGD on the CSR performance of such organizations in mastery cultures and their diffusion effects on other organizations in the society.

APPENDIX

Variable definitions

Variable name	Definition
Dependent variable:	
CSR performance	Average of the environmental and social pillars' scores, which ranges between 0 and 100. The scores are accessed from Refinitiv, where the environmental pillar score is the combined percentile rank score of firms' resource use, emissions and innovation performance, while the social pillar score combines the scores of workforce, human rights, community and product responsibility, measuring a firm's social performance.
Independent variable:	
BGD	Percentage of female directors on the board.
Moderating variables:	
Harmony index	Difference between the harmony score and mastery score. Both scores are derived from the Schwartz Value Survey (1994, 2006). The harmony score includes items such as a world of beauty, a world at peace, protecting the environment, and unity with nature. In contrast, the mastery score includes items such as ambitious, daring, independent, successful, social recognition, influential, etc.
Cultural tightness	Tightness–looseness is a continuum developed by Gelfand *et al.* (2011), such that cultures that are tight have many strong norms and a low tolerance of deviant behaviour, while loose cultures have weak social norms and a high tolerance of deviant behaviour.
Control variables:	
Governance score	Combined percentile rank score of firms' management, shareholders and CSR strategy performance, accessed from Refinitiv, which ranges between 0 and 100.
Firm size	Natural logarithm of total assets.
Leverage	Ratio of total debt to total equity.
Profitability	Ratio of operating income to total assets.
Market-to-book	Ratio of market value to book value of equity.
Loss	Dummy that takes the value of one if a firm reported negative profitability.
Institutional holdings	Aggregated percentage of institutional investors' share.
Political instability	Perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism, for a country, accessed from WorldBank, ranging between 0 and 100.
Voice and accountability	Perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media, accessed from WorldBank, ranging between 0 and 100.
GDP	Natural logarithm of the gross domestic product of a country.

References

Adams, R. B. and P. Funk (2012). 'Beyond the glass ceiling: Does gender matter?', *Management Science*, **58**, pp. 219–235.

Adams, R. B., J. de Haan, S. Terjesen and H. van Ees (2015). 'Board diversity: moving the field forward', *Corporate Governance: An International Review*, **23**, pp. 77–82.

Amran, A., S. P. Lee and S. S. Devi (2014). 'The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality', *Business Strategy and the Environment*, **23**, pp. 217–235.

Arnaboldi, F., B. Casu, A. Gallo, E. Kalotychou and A. Sarkisyan (2021). 'Gender diversity and bank misconduct', *Journal of Corporate Finance*, **71**, p. 101834.

Atif, M., M. Hossain, M. S. Alam and M. Goergen (2021). 'Does board gender diversity affect renewable energy consumption?', *Journal of Corporate Finance*, **66**, p. 101665.

Attah-Boakye, R., K. Adams, D. Kimani and S. Ullah (2020). 'The impact of board gender diversity and national culture on corporate innovation: a multi-country analysis of multinational corporations operating in emerging economies', *Technological Forecasting and Social Change*, **161**, p. 120247.

Bardi, A. and L. Sagiv (2003). 'The EU and Israel: comparison of cultures and implications'. In K. Boehnke (ed.), *Europe and Israel*, Deutscher Universitätsverlag, Wiesbaden, pp. 13–36.

Boulouta, I. (2013). 'Hidden connections: the link between board gender diversity and corporate social performance', *Journal of Business Ethics*, **113**, pp. 185–197.

Byron, K. and C. Post (2016). 'Women on boards of directors and corporate social performance: a meta-analysis', *Corporate Governance: An International Review*, **24**, pp. 428–442.

Clark, C. E., P. Arora and P. Gabaldon (2022). 'Female representation on corporate boards in Europe: the interplay of organizational social consciousness and institutions', *Journal of Business Ethics*, **180**, pp. 165–186.

Cucari, N., S. Esposito de Falco and B. Orlando (2018). 'Diversity of board of directors and environmental social governance: evidence from Italian listed companies', *Corporate Social Responsibility and Environmental Management*, **25**, pp. 250–266.

Devers, C. E., T. Dewett, Y. Mishina and C. A. Belsito (2009). 'A general theory of organizational stigma', *Organization Science*, **20**, pp. 154–171.

DiMaggio, P. J. (1988). Interest and agency in institutional theory. In L. Zucker (ed.), *Institutional patterns and organizations: Culture and environment*, (pp. 3–21). Cambridge: Ballinger.

DiMaggio, P. J. and W. W. Powell (1983). 'The iron cage revisited: institutional isomorphism and collective rationality in organizational fields', *American Sociological Review*, **48**, pp. 147–160.

Elenkov, D. S. and I. M. Manev (2005). 'Top management leadership and influence on innovation: the role of sociocultural context', *Journal of Management*, **31**, pp. 381–402.

Festing, M., L. Schäfer and H. Scullion (2013). 'Talent management in medium-sized German companies: an explorative study and agenda for future research', *The International Journal of Human Resource Management*, **24**, pp. 1872–1893.

Francoeur, C., R. Labelle, S. Balti and S. El Bouzaidi (2019). 'To what extent do gender diverse boards enhance corporate social performance?', *Journal of Business Ethics*, **155**, pp. 343–357.

Garcia-Sanchez, I.-M., B. Cuadrado-Ballesteros and J.-V. Frias-Aceituno (2016). 'Impact of the institutional macro context on the voluntary disclosure of CSR information', *Long Range Planning*, **49**, pp. 15–35.

García Martín, C. J. and B. Herrero (2020). 'Do board characteristics affect environmental performance? A study of EU firms', *Corporate Social Responsibility and Environmental Management*, **27**, pp. 74–94.

Gelfand, M. (2019). *Rule Makers, Rule Breakers: Tight and Loose Cultures and the Secret Signals That Direct Our Lives*. New York, NY: Scribner.

Gelfand, M. J., J. C. Jackson, X. Pan, D. Nau, D. Pieper, E. Denison, M. Dagher, P. A. Van Lange, C.-Y. Chiu and M. Wang (2021). 'The relationship between cultural tightness–looseness and COVID-19 cases and deaths: a global analysis', *The Lancet Planetary Health*, **5**, pp. e135–e144.

Gelfand, M. J., J. L. Raver, L. Nishii, L. M. Leslie, J. Lun, B. C. Lim, L. Duan, A. Almaliach, S. Ang and J. Arnadottir (2011). 'Differences between tight and loose cultures: a 33-nation study', *Science*, **332**, pp. 1100–1104.

Gelfand, M. J., L. H. Nishii and J. L. Raver (2006). 'On the nature and importance of cultural tightness–looseness', *Journal of Applied Psychology*, **91**, p. 1225.

Gooderham, P. N., P. N. Gooderham and B. Grøgaard (2013). *International Management: Theory and Practice*. Cheltenham: Edward Elgar Publishing.

Gull, A. A., M. Atif and N. Hussain (2023). 'Board gender composition and waste management: cross-country evidence', *The British Accounting Review*, **55**, p. 101097.

Haleblian, J. and S. Finkelstein (1993). 'Top management team size, CEO dominance, and firm performance: the moderating roles of environmental turbulence and discretion', *Academy of Management Journal*, **36**, pp. 844–863.

Haque, F. and M. J. Jones (2020). 'European firms' corporate biodiversity disclosures and board gender diversity from 2002 to 2016', *The British Accounting Review*, **52**, p. 100893.

Hofstede, G. (1980). 'Culture and organizations', *International Studies of Management and Organization*, **10**, pp. 15–41.

House, R. J., P. J. Hanges, M. Javidan, P. W. Dorfman and V. Gupta (2004). *Culture, Leadership, and Organizations: The Globe Study of 62 Societies*. Thousand Oaks, CA: Sage Publications.

Ingley, C. B. (2008). 'Company growth and board attitudes to corporate social responsibility', *International Journal of Business Governance and Ethics*, **4**, pp. 17–39.

Jain, T. and R. Zaman (2020). 'When boards matter: the case of corporate social irresponsibility', *British Journal of Management*, **31**, pp. 365–386.

Jurgens, M., P. Berthon, L. Papania and H. A. Shabbir (2010). 'Stakeholder theory and practice in Europe and North America: the key to success lies in a marketing approach', *Industrial Marketing Management*, **39**, pp. 769–775.

Kasser, T., S. Cohn, A. D. Kanner and R. M. Ryan (2007). 'Some costs of American corporate capitalism: a psychological exploration of value and goal conflicts', *Psychological Inquiry*, **18**, pp. 1–22.

Kull, T. J. and J. G. Wacker (2010). 'Quality management effectiveness in Asia: the influence of culture', *Journal of Operations Management*, **28**, pp. 223–239.

Kyaw, K., M. Olugbode and B. Petracci (2017). 'Can board gender diversity promote corporate social performance?', *Corporate Governance: The International Journal of Business in Society*, **17**, pp. 789–802.

Kılıç, M. and C. Kuzey (2018). 'The effect of corporate governance on carbon emission disclosures: evidence from Turkey', *International Journal of Climate Change Strategies and Management*, **11**, pp. 35–53.

Lantos, G. P. (2001). 'The boundaries of strategic corporate social responsibility', *Journal of Consumer Marketing*, **18**, pp. 595–632.

Lee, Y. and A. Kramer (2016). 'The role of purposeful diversity and inclusion strategy (PDIS) and cultural tightness/looseness in the relationship between national culture and organizational culture', *Human Resource Management Review*, **26**, pp. 198–208.

Li, J. and J. R. Harrison (2008). 'National culture and the composition and leadership structure of boards of directors', *Corporate Governance: An International Review*, **16**, pp. 375–385.

Li, J., F. Zhao, S. Chen, W. Jiang, T. Liu and S. Shi (2017). 'Gender diversity on boards and firms' environmental policy', *Business Strategy and the Environment*, **26**, pp. 306–315.

Maignan, I. (2001). 'Consumers' perceptions of corporate social responsibilities: a cross-cultural comparison', *Journal of Business Ethics*, **30**, pp. 57–72.

Matsa, D. A. and A. R. Miller (2013). 'A female style in corporate leadership? Evidence from quotas', *American Economic Journal: Applied Economics*, **5**, pp. 136–169.

Matten, D. and J. Moon (2008). '"Implicit" and "Explicit" CSR: a conceptual framework for a comparative understanding of corporate social responsibility', *The Academy of Management Review*, **33**, pp. 404–424.

Naghavi, N., S. P. Sharif and H. B. I. Hussain (2021). 'The role of national culture in the impact of board gender diversity on firm performance: evidence from a multi-country study', *Equality, Diversity and Inclusion: An International Journal*, **40**, pp. 631–650.

Newman, K. L. and S. D. Nollen (1996). 'Culture and congruence: the fit between management practices and national culture', *Journal of International Business Studies*, **27**, pp. 753–779.

North, D. C. (1996). 'Institutional change: a framework of analysis'. In D. Braybrooke (ed.), *Social Rules: Origin; Character; Logic; Change* (1st ed.), pp. 189–201. Boulder, CO: Routledge.

Nuber, C. and P. Velte (2021). 'Board gender diversity and carbon emissions: European evidence on curvilinear relationships and critical mass', *Business Strategy and the Environment*, **30**, pp. 1958–1992.

Peng, X. and R. Zhang (2022). 'Corporate governance, environmental sustainability performance, and normative isomorphic force of national culture', *Environmental Science and Pollution Research*, **29**, pp. 33443–33473.

Peng, X., T. Qi and G. Wang (2022). 'Board gender diversity, corporate social disclosures, and national culture', *SAGE Open*, **12**, p. 21582440221130946.

Peng, X., Y.-C. Lan, J. Li and H. Fan (2022). 'Board gender diversity, national culture, and water disclosure of multinational corporations', *Applied Economics*, **55**, pp. 1–22.

Peng, X., Z. Yang, J. Shao and X. Li (2021). 'Board diversity and corporate social responsibility disclosure of multinational corporations', *Applied Economics*, **53**, pp. 4884–4898.

Prado-Lorenzo, J.-M. and I.-M. Garcia-Sanchez (2010). 'The role of the board of directors in disseminating relevant information on greenhouse gases', *Journal of Business Ethics*, **97**, pp. 391–424.

Rose, C. (2007). 'Does female board representation influence firm performance? The Danish evidence', *Corporate Governance: An International Review*, **15**, pp. 404–413.

Sagiv, L. and F. Lee (2006). 'Organizational artifacts: a window to organizational values'. In R. Roccas and L. Sagiv (Chairs), *Understanding Social Collectives in Terms of their Values, 18th Meeting of the International Congress of Cross Cultural Psychology*, July, Spetses, Greece.

Sagiv, L. and S. H. Schwartz (2000). 'A new look at national culture: illustrative applications to role stress and managerial behavior'. In N. N. Ashkanasy, C. Wilderom, and M. F. Peterson (eds.), *The Handbook of Organizational Culture and Climate*, pp. 417–436. Newbury Park, CA: Sage.

Saitova, E. and C. Di Mauro (2023). 'The role of organizational and individual-level factors for the inclusion of women managers in Japan', *International Journal of Organizational Analysis*, **31**, pp. 1384–1396.

Schneider, S. C. and A. De Meyer (1991). 'Interpreting and responding to strategic issues: The impact of national culture', *Strat. Mgmt. J.*, **12**, pp. 307–320.

Schwartz, S. H. (1994). Beyond individualism/collectivism: new cultural dimensions of values. In U. Kim, H. C. Triandis, C. Kagitcibasi, S. Choi and G. Yoon (eds.), *Individualism and collectivism: Theory, method, and applications*, (pp. 85–119). Thousand Oaks, CA: Sage.

Schwartz, S. (2006). 'A theory of cultural value orientations: explication and applications', *Comparative Sociology*, **5**, pp. 137–182.

Schwartz, S. H. (2014). 'National culture as value orientations: consequences of value differences and cultural distance'. In V. Ginsburgh and D. Throsby (eds.), *Handbook of the Economics of Art and Culture*, vol. 2, pp. 547–586. North Holland: Elsevier.

Seierstad, C., G. Warner-Søderholm, M. Torchia and M. Huse (2017). 'Increasing the number of women on boards: the role of actors and processes', *Journal of Business Ethics*, **141**, pp. 289–315.

Sievänen, R., H. Rita and B. Scholtens (2013). 'The drivers of responsible investment: the case of European pension funds', *Journal of Business Ethics*, **117**, pp. 137–151.

Smith, P. B. (2017). 'Cultural values versus cultural norms as predictors of differences in helping behaviors and in emotion regulation: a preliminary nation-level test related to the Leung–Morris model', *Management and Organization Review*, **13**, pp. 739–766.

Stoermer, S., A. K. Hildisch and F. J. Froese (2016). 'Culture matters: the influence of national culture on inclusion climate', *Cross Cultural and Strategic Management*, **23**, pp. 287–305.

Strand, R., R. E. Freeman and K. Hockerts (2015). 'Corporate social responsibility and sustainability in Scandinavia: an overview', *Journal of Business Ethics*, **127**, pp. 1–15.

Taras, V., B. L. Kirkman and P. Steel (2010). 'Examining the impact of culture's consequences: a three-decade, multilevel, meta-analytic review of Hofstede's cultural value dimensions', *Journal of Applied Psychology*, **95**, pp. 405–439.

Terjesen, S., R. Sealy and V. Singh (2009). 'Women directors on corporate boards: a review and research agenda', *Corporate Governance: An International Review*, **17**, pp. 320–337.

Terjesen, S., R. V. Aguilera and R. Lorenz (2015). 'Legislating a woman's seat on the board: institutional factors driving gender quotas for boards of directors', *Journal of Business Ethics*, **128**, pp. 233–251.

Toh, S. M. and G. J. Leonardelli (2012). 'Cultural constraints on the emergence of women as leaders', *Journal of World Business*, **47**, pp. 604–611.

Torchia, M., A. Calabrò and M. Huse (2011). 'Women directors on corporate boards: from tokenism to critical mass', *Journal of Business Ethics*, **102**, pp. 299–317.

Van der Laan Smith, J., A. Adhikari and R. H. Tondkar (2005). 'Exploring differences in social disclosures internationally: a stakeholder perspective', *Journal of Accounting and Public Policy*, **24**, pp. 123–151.

Vauclair, C. M. and R. Fischer (2011). 'Do cultural values predict individuals' moral attitudes? A cross-cultural multilevel approach', *European Journal of Social Psychology*, **41**, pp. 645–657.

Vauclair, C.-M., R. Fischer, M. C. Ferreira, V. Guerra, U. Hößler, S. Karabati, M. K. de Carvalho Filho, J. B. Porto, M. L. Reyes and J. Rytkönen (2015). 'What kinds of value motives guide people in their moral attitudes? The role of personal and prescriptive values at the culture level and individual level', *Journal of Cross-Cultural Psychology*, **46**, pp. 211–228.

World Economic Forum. (2023). 'The global risks report 2023', W. E. Forum. Retrieved from: https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf. Accessed 06 January 2024.

Ghulam Mustafa is an Associate Professor at the Department of International Business at the Norwegian University of Science and Technology (NTNU), Norway. He received his PhD in organizational leadership from the Norwegian School of Economics, Norway. His research interests include leadership, work and organizational design, corporate governance, and cross-cultural management. Dr Mustafa has co-authored several book chapters, and his work has been published extensively in scholarly journals.

Ishwar Khatri is a PhD research scholar at NTNU Business School, Norway. His research interests include corporate finance, corporate governance, business ethics, and ESG. Mr Khatri has published several articles in international peer-reviewed journals including *Journal of Business Ethics*.