The Correlation Between Board Gender Diversity and Corporate Social Responsibility

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Abstract: This paper attempts to analyze the impact of gender differences in the board of directors on the corporate social responsibility. Firstly, it arranges research articles on the impact of gender differences on the board of directors. Research shows that the proportion of female independent board members and non-board members in the board of directors will affect the behavior of enterprises. At the same time, this paper looks for some literature and takes several small enterprises in different countries as the research object. It also analyzes the relationship between literature and the corporate social responsibility system. Meanwhile, this study lists the positive and negative effects of the corporate social responsibility system. Then, it lists the corporate social responsibility and the existing literature of the board of directors on gender diversity. In the existing literature, many people point out that electronic promotion of the latter. Finally, based on the above integration, the deficiencies of the two related studies are pointed out. It is also proposed to start with the study of small and medium-sized enterprises. Conduct more comprehensive research.

1. Introduction

The corporate social responsibility system has significant significance in protecting the beautiful society and the development of the future. One of the most important duties of the company is to focus on the company's long-term goal. This duty is far beyond the duty of the company's economy and law. Corporate social responsibility is increasingly valued. Corporate social responsibility is now an important factor for corporate development. Currently, many companies think it is an important means to boost corporate competitiveness and consider the long-term investment. This paper arranges and classifies factors affecting the corporate social responsibility system and gender diversity of the board of directors. Specifically, home control, government subsidies, and corporate characteristics positively influence corporate social responsibility systems [1] [2]. China's mixed property reform, non-financial disclosure, and gender equality of board of directors repress corporate social responsibility [3] [4].

2. Studies related to board gender

2.1 Board gender and corporate behavior

Ferdinand et al. find that companies with large gender diversity of the board of directors often make the details of the company more accurate. Especially when the company controls the ownership of enterprise management, profit volume, and stock selling price. This is especially true in weak companies. This proves that when women account for a large proportion of the board of directors, they can replace the weak links of corporate governance with alternative mechanisms. In addition, gender diversity can improve share price information by expanding public disclosure at large firms and encouraging smaller firms to adopt private information collection systems [5]. Board members play an excessive role between management and shareholders. Although board members generally have direct contact with shareholders, it also needs to manage the management. The personnel of the board need to comprehensively take care of the personalized characteristics of shareholders and the differences between shareholders. More and more governments have developed policies to ensure a percentage of women on the board of directors. Many researchers have studied this change.

Among them, Chen studies the impact of the female board of directors on enterprise innovation. Based on the perspective of board diversity, this paper deeply discusses whether the gender diversity of the board of directors has an impact on the results of enterprise economic innovation. The study finds that when the gender diversity of the board of directors increases, the enterprise innovation will have a downward trend. However, it finds that there is a negative correlation between female non-independent directors and enterprise innovation. There is no significant relationship between independent female board members and the proportion of enterprise innovation. Only in state-owned enterprises, there is a reverse correlation. There is no obvious embodiment of this relationship in private enterprises. By statistically reflecting the possible impact of the current female board of directors on enterprise innovation. According to the gender diversity of the board of directors, it provides a new dimension for the reasons affecting enterprise innovation [6]. In addition, Wang studies the relationship between gender diversity on corporate boards and corporate performance. At present, there are many views and research directions on the number of female board members and business efficiency, and everyone holds their views. Through the in-depth analysis of relevant research, we finally believe that the gender-diversified board of directors will not significantly affect the development of the company [7].

2.2 The impact of gender diversity on Corporate Finance

In recent years, some countries have enacted laws to forcibly increase the presence of women on the board of directors. The purpose of these laws is to eliminate woman's complaints about unfair labor. For example, some companies require male employees to be recruited in some positions. The survey finds that these complaints usually occur only in small-scale jobs, but female board members in many enterprise boards have not reached the ideal level. In this context, Nuria et al. study whether the gender diversity of the board of directors has any impact on economic results. Based on the sample of 125 non-financial companies listed on the Madrid Stock Exchange from 2005 to 2009, this paper studies the gender diversity of the board of directors from the perspectives of economy and ethics. It also explores the positive correlation between the increase of woman's role in the board of directors and higher economic results. At the same time, during this period, the proportion of woman's roles in these 125 companies has fully increased by more than ninety-eight percent [8]. The company's corporate financial impact is not only reflected in the economy but also in the income of the company. In this regard, some studies have pointed out that there is a positive relationship between gender diversity of the corporate board of directors and corporate financial performance. Sanjukta et al. use the critical mass theory, to find that when there are two or three female board members on the board, the result is clearer than when there are two or fewer. Further research finds that after the female board members participated in the work, the enterprise financial performance and the age, education, and position of female board members also had the same impact as the company financial performance [9].

However, not all relevant types of research show that there is a positive relationship between the two. There is also some analysis that the participation of some well-known female board members hurts corporate performance. In addition, the gender diversity of the board of directors is also one of the factors affecting enterprise performance. Qiu's analysis of the data of A-share listed companies in Shanghai and Shenzhen. The study finds that the increase of female board members will promote the increase of enterprise income. On the contrary, the increase of female independent directors will reduce it. And find that the salary and position of female directors have a certain impact on enterprise performance. From a certain point of view, Qiu's research conclusion has a certain reference for better studying gender diversity and improving enterprise performance [10]. The above studies are based on the results or theories analyzed by large companies. Among small companies, Riadh et al. make a series of analyses on the data of French small enterprises in 2009. This study finds that there is no significant relationship between financial performance and gender diversity in French small enterprises [11].

3. Studies related to corporate social responsibility

3.1 Factors promoting CSR

There are obvious deficiencies in the research on the impact of family control factors on corporate social responsibility. Zeng and Guo set out from two perspectives: the goal of social-emotional wealth and economic goal. They look at data on family firms that went public in 2013 and the three years after that. To analyze whether the social responsibility system of the family business is affected. The results show that the control of family enterprises has a significant inverse U relationship with the implementation of the corporate social responsibility system. The study points out that China's family control will affect it from two aspects: Economic and emotional [1]. Family control is not the only factor that has an inverse U relationship. The study finds that government subsidies will also show a similar impact curve. The research sample of Sheng and Feng is the heavily polluting A-share listed enterprises in Shanghai and Shenzhen from 2010 to 2016. They explored the relationship between government subsidies and corporate social responsibility. And use the random effect model to achieve their purpose. And find that the relationship between the two is the same - U type as that obtained by previous family control. In other words, the increase of government subsidies can bring positive growth to corporate social responsibility. However, when the government subsidy reaches a certain amount, the increase of government subsidy will inhibit corporate social responsibility. Heavy polluting enterprises with a good level of internal control have a higher sense of responsibility to fulfill the corporate social responsibility system. Based on this finding, excellent enterprise internal control helps to smooth the inverted U-shaped impact of government subsidies on heavy pollution corporate social responsibility. It also gives some suggestions on the amount and policy of government subsidies. In addition, the factors affecting corporate social responsibility include mandatory non-financial disclosure [2].

Another factor affecting corporate social responsibility is corporate characteristics. TArief cooperates with kurnia to conduct research and points out that corporate characteristics are one of the elements affecting corporate social responsibility disclosure. The variables of company characteristics are the shareholding of enterprise management, profitability, enterprise-scale, and the general situation of the company. To study the influencing factors of corporate social responsibility. They find that corporate characteristics have a significant impact on the disclosure of corporate social responsibility [12]. Promoting the corporate social responsibility system can promote the country to achieve sustainable development and harmonious society. Some related studies have explored the factors that can promote the level of corporate social responsibility. Under the background of a new round of mixed-ownership reform. Dong studies the companies listed on shares within eight years from 2010. Dong examines the relationship between capital mixing and corporate social responsibility. After research Dong finds that the mixing of capital significantly improves the horizontal of corporate social responsibility. And the effect is more obvious when the shareholders of the enterprise are not interrelated. Among China's state-owned enterprises and non-state-owned enterprises, capital mixing plays a significant role in promoting the five aspects of corporate social responsibility. They are shareholder responsibility, employee responsibility, supplier, customer and consumer responsibility, and environmental responsibility [13].

Moreover, secondary stakeholders also have a promoting impact on corporate social responsibility. Thomas et al. analyze how secondary stakeholders affect the management decision of corporate social responsibility disclosure. Based on the stakeholder significance theory, they take the archival data of 199 large international companies as a sample. They also prove that in addition to the impact of corporate characteristics on corporate social responsibility, stakeholder characteristics are also another important factor. And find that the secondary stakeholder's decision will also promote the impact on corporate social responsibility standards. Both primary and secondary stakeholder groups are more capable of influencing corporate social responsibility disclosure than other groups. This result has more novel insights for the managers of environmental non-governmental organizations and the management of the company. It can provide better strategic analysis when formulating relevant social responsibilities [14].

3.2 Factors inhibiting CSR

Zhuang and Mai study the influence of mixed-ownership reform on the Chinese corporate social responsibility system in a certain range. It finds that one of the factors that reduce the level of corporate social responsibility is the diversity, depth, balance, and transfer of control rights of China's mixed-ownership reform. Further research realizes that the factor affecting social corporate responsibility may also be the mitigation of policy obligations by state-owned enterprises. China's mixed-ownership reform of state-owned enterprises reduces the level of corporate social responsibility. The reductions mainly reflect in employees, environmental responsibilities, and supply chains. Another aspect of the study factor is the level of control and environmental governance. From the degree of inhibition to analysis. The mixed reform of state-owned enterprises has a more obvious restraining relationship to the level of corporate social responsibility system than that of the central government [3]. In terms of international perspective. Gregory et al. discuss from the perspective of an international analysis of the influence of non-financial disclosure of corporate social responsibility. Conceptualize the trade-off between the two ideal types of corporate self-regulation and government regulation related to corporate social responsibility. They make a detailed analysis of 24 organizations for economic co-operation and development countries with asset 4 databases. This helps people understand the impact of government regulation at the enterprise level on corporate social responsibility. Finally, they find that it is more countries that require non-financial disclosure to take corporate social responsibility activities. In addition, it also explores that the provisions of non-financial information disclosure will not reduce the degree of corporate social irresponsibility. And over time, more and more enterprises choose to use similar systems, which leads to the decline of the diversity of corporate social responsibility. These findings help people to understand the impact of government regulation at the corporate level on CSR [4].

4. The impact of gender diversity on corporate social responsibility

A higher proportion of women on a company's board is often seen as having an adverse impact on the company's social responsibility. Some researchers study samples from Canada, the Arabian Gulf, and Spain. At the same time, some scholars have the same view in other aspects.

To be more specific, Al et al. use data on all non-financial listed companies in Jordan between 2006 and 2015 as research examples. The record in the report generates balanced panel data for 800 observations. Al et al. use the content analysis method. Obtain corporate social responsibility disclosure in the annual report of the report indicators. Research shows that when the proportion of women on the board increases, it will also promote the horizontal of corporate social responsibility [15]. Issa and Fang study the impact of gender diversity on corporate social responsibility disclosure in Arab Gulf countries. Before that, the research on the relationship between the two does not involve any Arab Gulf countries and regions. And the results of the survey suggest the same thing. That is to say, the board of directors of the enterprise gender diversity and corporate social responsibility has a positive correlation between disclosure levels [16].

But due to some literature lack of accurate data. Some researchers think the link between the two dates back. Galbreath conduct a series of studies with Australian listed companies as samples. The result is that the gender diversity of the board of directors is related to corporate social responsibility. Endorses the view that it can have a catalytic effect [17]. Some researchers prove the point in detail. Cabeza et al. shed light on the link by looking at female board members. They study non-financial and non-insurance listed companies in Spain from 2009 to 2013. A series of analyses are performed using ordered random effects, probability models. The results show that good corporate social responsibility information disclosure may be accompanied by a high proportion of women on corporate boards [18]. And this supports the idea that there is a catalytic effect.

Habiba and Mahbub are in progress in this study. In this study, after controlling corporate governance, corporate reporting motivation, behavior, and environment. They find that higher diversity on boards was strongly associated with high-quality sustainability reporting. The study more equitably explores the relationship between the corporate social responsibility system and the needs of beneficiaries. It discovers the impact of independent female directors on the quality of sustainable development reports is greater than that of female directors. It also clarified the report of the council that gender diversity will affect sustainability [19].

From the perspective of property rights, there is also a certain connection between the two. Wang analyzes the impact between Shenzhen and Shanghai-listed companies from 2009 to 2017. In the research process, panel data are used for regression analysis. Can also prove the connection. The researchers' study from the perspective of property rights. And the paper can get the conclusion that state-owned enterprises have a greater impact on non-state-owned enterprises [20]. Riadh et al. explore the relationship from both positive and negative dimensions. They investigate the relationship between the two based on ethical and social dimensions. After using the composition sample of the asx300 index and the method of the systematic generalized moment. It is concluded that when women are represented on the board, the positive and negative dimensions of corporate social responsibility have nothing to do with the gender diversity of the board of directors. When the companies decide to let more women on the board. The improvement of gender diversity in the board of directors has a significant impact on the practice of corporate social responsibility. The improvement of gender balance helps to strengthen positive corporate social responsibility and guides enterprises to avoid harming the interests of stakeholders [21].

In another study, Guping et al. study similar directions. They also explore whether gender diversity in corporate boards affects corporate social responsibility reporting. They studied 2009 to 2019, the records of non-financial companies listed on the Shanghai stock exchange. It finds that when the gender diversity of the board of directors increases, the corporate social responsibility report will also increase. This research helped later researchers to study the new perspective of corporate social responsibility [22].

5. Conclusions

The research on the gender diversity of corporate boards and corporate social responsibility provides a lot of management information related to enterprises. After sorting out this paper, some factors that will affect the two are classified. This paper shows that the gender diversity of corporate boards often promotes their social responsibility. In addition, more small business aspects can be studied. Because there are few studies of this type, there is not enough evidence.

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