

Northumbria Research Link

Citation: Kaczmarek, Szymon and Nyuur, Richard B. (2022) The implications of board nationality and gender diversity: evidence from a qualitative comparative analysis. *Journal of Management and Governance*, 26 (3). pp. 707-733. ISSN 1385-3457

Published by: Springer

URL: <https://doi.org/10.1007/s10997-021-09575-9> <<https://doi.org/10.1007/s10997-021-09575-9>>

This version was downloaded from Northumbria Research Link: <https://nrl.northumbria.ac.uk/id/eprint/46391/>

Northumbria University has developed Northumbria Research Link (NRL) to enable users to access the University's research output. Copyright © and moral rights for items on NRL are retained by the individual author(s) and/or other copyright owners. Single copies of full items can be reproduced, displayed or performed, and given to third parties in any format or medium for personal research or study, educational, or not-for-profit purposes without prior permission or charge, provided the authors, title and full bibliographic details are given, as well as a hyperlink and/or URL to the original metadata page. The content must not be changed in any way. Full items must not be sold commercially in any format or medium without formal permission of the copyright holder. The full policy is available online: <http://nrl.northumbria.ac.uk/policies.html>

This document may differ from the final, published version of the research and has been made available online in accordance with publisher policies. To read and/or cite from the published version of the research, please visit the publisher's website (a subscription may be required.)

The implications of board nationality and gender diversity: Evidence from a qualitative comparative analysis

Dr. Szymon Kaczmarek^a

Bayer SCG, Poland

Bayer SCG, Al. Grunwaldzka 472a, 80-309 Gdańsk, Poland

Dr. Richard B. Nyuur

Northumbria University

Northumbria University, City Campus East, Newcastle upon Tyne,
NE1 8ST, United Kingdom

^aCorresponding author:

Bayer SCG

Al. Grunwaldzka 472

80-236 Gdańsk

Poland

Email: drszymon.kaczmarek@onet.pl

Journal of Management and Governance

Accepted: 11 April 2021

Published online: 11 May 2021

DOI: <https://doi.org/10.1007/s10997-021-09575-9>

The implications of board nationality and gender diversity: Evidence from a qualitative comparative analysis

ABSTRACT

This study extends research on the board nationality and gender diversity to a new, uncharted, methodological territory of qualitative comparative analysis (QCA). QCA is based on Boolean algebra and facilitates the application of set-theoretic reasoning to the data analysis. This work adds to the repository of academic studies, which put forward a ‘business case’ for the board nationality and gender diversity in terms of their positive impact on the board outcomes. Based on the upper echelons theory and the ‘value-in-diversity’ proposition, we assess the influence of board nationality and gender diversity on board commitment, which is measured with two proxies: the annual number of board meetings and board evaluation. The findings indicate that both board nationality and gender diversity are part of the intermediate solutions for the outcome variable. The impact of both variables on board commitment is typically detected in large firms that are internationalised but not product-diversified, the boards of which tend to be small. These results confirm that the increasing emphasis on ensuring significant board nationality/ ethnic and gender diversity in board composition within the regulatory documents on corporate governance represents a step in the right direction.

190 words

Keywords: *Board of directors, Gender diversity, Nationality diversity, Qualitative comparative analysis, Upper echelons theory*

1). Introduction

Corporate governance codes increasingly recognise the importance of board diversity for the efficient fulfilment of board tasks. In the UK, it is the third principle and the accompanying provisions of the code, which stipulate that both appointments and succession plans should promote the diversity of gender, social and ethnic backgrounds (e.g., Financial Reporting Council (FRC), 2018). Within the academic literature, diversity is defined as ‘the distribution of differences among the members of a unit with respect to a common attribute, X, such as tenure, ethnicity, conscientiousness, task attitude, or pay’ (Harrison and Klein, 2007, p. 1199).

The literature on board nationality and gender diversity has looked at their antecedents (e.g., Van Veen and Elbertsen, 2008), interactions (e.g., Hillman, Cannella and Harris, 2002; Ruigrok, Peck and Tacheva, 2007) and consequences (e.g., Carter, Simkins and Simpson, 2003; Carter, D’Souza, Simkins and Simpson, 2010; Erhardt, Werbel and Shrader, 2003; Huse, Nielsen and Hagen, 2009; Lückerath-Rovers, 2013; Nielsen and Huse, 2010a, 2010b; Ntim, 2015), whereby there are many more contributions on board gender than on board nationality diversity (Terjesen, Sealy and Singh, 2009). However, there are probably no existing studies, in which the authors adopt qualitative comparative analysis (QCA) as the method of analysis.

QCA is the methodology placed in-between the conventional statistical techniques and the case analysis and is suitable for middle-sized samples of data (N of 5-100 observations). It is underpinned by the logic of Boolean algebra and the set-theoretic reasoning of necessity and sufficiency, based on which the causal recipes of the predictors are identified for the outcome variable to hold. Therefore, contrary to conventional statistical methods, in which variables are typically treated as competing in explaining variation in outcomes, QCA can demonstrate how variables combine to create outcomes, treating cases as

configurations and examining combinations of variables. This property of the QCA allows researchers to move beyond the confines of linearity, additive effects and uni-finality in research results, which are frequently mismatched with the theory being tested. This mismatch is likely to underpin the inconsistent empirical findings in several literature streams, including the examination of the relationship between corporate governance practices and firm performance (e.g., Daily, Dalton and Cannella, 2003). For example, if good governance is a necessary, but not a sufficient condition for high firm performance, then firms will generally need good governance practices to maintain high firm performance, however, such governance arrangements by themselves will not guarantee high performance. As a result, such a pattern of data would lead to weak or no correlations between good governance and performance and it would be captured as such in classical econometric modelling. However, if researchers can apply the set-theoretical approach and the QCA methods, there is a great likelihood that they would properly account for this pattern of data in the research results and thus help resolve this inconsistency in the corporate governance literature (Fiss, 2007, 2011, 2012; Greckhamer, Misangyi, Elms, and Lacey, 2008; Ragin, 2006, 2007).

Our work extends the body of knowledge on board nationality and gender diversity to a new, uncharted methodological territory of the middle-sized N of 5-100 observations. Based on the upper echelons theory and the ‘value-in-diversity’ proposition, we make a ‘business case’ for the positive impact of board nationality and gender diversity on board outcomes (Carpenter, Geletkanycz and Sanders, 2004; Cox, Lobel and McLeod, 1991; Finkelstein, Hambrick and Cannella, 2008; Hambrick and Mason, 1984; Watson, Kumar and Michaelsen, 1993; Williams and O’Reilly, 1998). In particular, we propose that both variables will contribute to board commitment, as measured by the annual number of board meetings and board evaluation.

The results of this study provide corroborative evidence for the ‘business case’ for board nationality and gender diversity. Both variables are found to be a part of the causal recipes identified as predictors of board commitment. We also report the other elements of the causal recipes that explain board commitment. For instance, the effects of board nationality and gender diversity are typically detected in large companies, which follow the internationalisation, but not the product-diversification, strategy, and their boards are not too large. Our results hold across the two proxies of the board commitment variable, i.e. the annual number of board meetings and board evaluation. Accordingly, the findings of this study complement the repository of evidence on the positive impact of board diversity on the board and firm outcomes (Carter et al., 2003; Erhardt et al., 2003; Lückerath-Rovers, 2013; Nielsen and Huse, 2010a, 2010b; Ntim, 2015; *cf.* Nielsen, 2010a).

We structure the article as follows. In the next section, the literature review is presented. Then, the hypotheses for board nationality and gender diversity are developed. In the methodology section, the dataset, variables and the QCA as the method of analysis are described. The results are reported and discussed in the following two sections. Next, we provide the limitations of our study, discuss the managerial implications and indicate future research directions. The final section contains concluding remarks.

2). Literature review and theoretical background

2.1 Board diversity

The upper echelons theory is a central tenet of the strategic leadership literature. It stipulates that organisations are reflections of the senior management’s attributes. Therefore,

decisions made at the level of boards of directors¹ cascade down the organisational ladder and have strategic importance. Directors' observable characteristics, such as their nationality and gender, are assumed to have underlying psychological accompaniments in the form of values, cognitive schema and personality traits. It is their interplay which is at the root of the decision-making processes within work teams. However, since they are difficult to measure, researchers in the upper echelons tradition typically capture the demographics instead (Finkelstein et al., 2008; Hambrick and Mason, 1984; Pfeffer, 1983).

When looking at the demographics in the upper echelons, there is an immediate connection to the notion of diversity. There is a distinction in the academic literature between two types of attributes that give rise to the diversity phenomenon. The first category comprises observable characteristics and the second encompasses underlying/less visible characteristics (Harrison, Price and Bell, 1998; Harrison, Price, Gavin and Florey, 2002). Both nationality and gender that are analysed in this work belong to the first category of attributes, so they are detected and captured easily.

Scholars recognise that diversity in fact can be 'a double-edged sword'. On one hand, there is the 'value-in-diversity' proposition, according to which diversity can bring information benefits, in the sense of a wide set of solution alternatives being available, as well as creativity in the team. On the other hand, there is the argument that diversity entails social categorisation processes, which lead to in-group favouritism and out-group discrimination. This, in turn, may elicit team fragmentation and behavioural dynamics, which have a negative impact on group outcomes (Cox, Lobel and McLeod, 1991; Hogg and Terry, 2000; Milliken and Martins, 1996; Tajfel and Turner, 1986; Watson, Kumar and Michaelsen, 1993; Williams and O'Reilly, 1998).

¹ The argument is equally applicable to the top management teams (TMTs). Finkelstein et al. (2008) suggest viewing TMTs and boards of directors in a combined way and refer to it as a 'supra-TMT'.

Harrison and Klein (2007) provided the taxonomy of diversity archetypes in board research, which helps to determine which archetype leads to a particular group outcome. They distinguished between diversity as variety, diversity as separation and diversity as disparity². While the diversity as variety creates a favourable setting for the benefits of diversity to emerge, the remaining two archetypes underline the possibility of divisive dynamics on the board, which can take a form of faultlines (e.g., Kaczmarek, Kimino and Pye, 2012a; Lau and Murnighan, 1998; 2005). In this study, we measure diversity as variety. This archetype is probably the closest to the common understanding of the notion of diversity. It is defined as differences in kind or category, mainly with regard to information, knowledge and experience, so it exposes the variation/heterogeneity aspect of the diversity phenomenon.

So, this study complements the existing spectrum of academic work, which make a positive ‘business case’ for the phenomenon of board diversity. In line with the UK corporate governance code, we focus on nationality and gender as the attributes underlying the diversity (FRC, 2018). The expected benefits of board nationality and gender diversity can include achieving better corporate governance, accessing the widest talent pool, being more responsive to the market, and ultimately improving firm performance (Carpenter, Geletkanycz and Sanders, 2004; Cox et al, 1991; Davies, 2011; Finkelstein et al, 2008; Hambrick and Mason, 1984; Robinson and Denchant, 1997; Watson et al, 1993; Williams and O’Reilly, 1998).

The phenomenon of board diversity has attracted considerable academic attention in the strategic leadership literature. However, it has not progressed yet to the same extent as the

² Harrison and Klein (2007) define diversity as separation as differences in position or opinion among team members, which reflect disagreement/opposition and imply the existence of the horizontal distance along a single continuum signifying the dissimilarity in a particular attitude, belief or value. They define diversity as disparity as differences in concentration of valued social assets/ resources, such as pay and other status symbols, among the team members, which can be depicted on a vertical axis.

literature on TMT diversity, on which the meta-analytical and review type of academic work was possible as early as 10-15 years ago (Certo, Lester, Dalton and Dalton, 2006; Nielsen, 2010b). In addition, there is a considerable difference in terms of the volume of research on board nationality/ ethnicity and gender diversity. The former is scarce and the latter abundant. Terjesen et al (2009) identified around 400 publications on women on corporate boards as early as ten years ago. Finally, board gender diversity also seems to attract greater attention by regulators than board nationality/ ethnic diversity. For example, in the UK there was a Davies Review (2011) solely focused on board gender diversity which was intended to capture the process of opening board membership to women to increase their presence on corporate boards through a set of recommendations. The authors of the Davies Review (2011) also remarked that whereas in the year 2000 only the United States monitored the proportion of women on corporate boards, regularly, at the time of the publication of the review at least 12 countries were doing so, with Norway and Spain introducing compulsory quotas.

Looking at the antecedents of board nationality diversity, Van Veen and Elbertsen (2008) demonstrated based on evidence from Germany, the Netherlands and the UK that it is largely dependent on governance regime of the particular country (cf., Heijltjes, Olie and Glunk, 2003; Kaczmarek, Kimino and Pye, 2012b). Ruigrok et al (2007), in turn, showed for a sample of Swiss companies, that foreign directors tend to be more independent than women directors (typically affiliated to firm management through family ties), hold a significantly lower number of interlocking directorships than them, and also differ from women directors in terms of educational background and level, age, as well as board tenure (cf., Hillman et al, 2002). Finally, Carter et al. (2003) and Erhardt et al. (2003)³ made a business case for the positive impact of board diversity on firm financial performance. Such an approach

³ Strictly speaking, the papers by Carter et al. (2003), Carter et al. (2010) and Erhardt et al. (2003) look at the racio-ethnicity variable that is more relevant than nationality in the U.S., which they use as evidence in the analysis (cf., Ntim, 2015). This only reaffirms the need for studies on the nationality variable, as there is real scarcity of research on the phenomenon of board nationality diversity.

underlines the predictions of the ‘value-in-diversity’ proposition. They stipulated that diverse team members can use this variation to tap resources in their professional networks, bring them to the team situation, and utilise them for the team advantage. This variation is also assumed to increase the team creativity, especially in terms of identification of problem perspectives and generation of solution alternatives. Overall, the diversity is viewed as a human capital asset (Cox et al., 1991; Hillman et al., 2002; Watson et al., 1993; Williams and O’Reilly, 1998). In contrast, Carter et al. (2010) hypothesised and found no evidence for a relationship between board diversity and firm performance whatsoever. This echoes the view that diversity is a ‘double-edged sword’. On one hand the aforementioned benefits such as increased creativity and problem solving are possible, but on the other hand the negative effects of social categorisation are likely to set in. In line with the social identity theory (Ashforth and Mael, 1989; Hogg and Terry, 2000; Tajfel and Turner, 1986), individuals determine their identities in social comparison with others. As a result, processes of in-group favouritism and out-group discrimination may creep in leading to a situation, whereby the overall team identification suffers and there is a low level of satisfaction with the team’s work (Milliken and Martins, 1996; Williams and O’Reilly, 1998). In a similar vein, Rose (2007) reported based on evidence from Denmark, that there is no relationship between board gender diversity and firm performance. The author conjectured that female directors, being in a minority and amidst a male-dominated culture, cannot effectively contribute, and therefore the assimilation of the attitudes and behaviours of the existing male directors becomes inevitable for women on corporate boards.

2.2 Board commitment

The evidence in the academic literature on the impact of board nationality and gender diversity as measured by corporate performance remains inconclusive. However, as noted by

Terjesen et al (2009) with regard to board gender diversity studies, there are more positive than negative relationships between the two variables found. This observation is confirmed in the meta-analysis by Hoobler, Masterson, Nkomo and Michel (2016), who, however, appeal for the refinement of the 'business case' for women leadership. They suggest that scholars look for alternative conceptualisations of value and scrutinise the underlying mechanisms of the relationship between female leadership and performance.

In this spirit, Huse et al (2009) looked at the implications of board gender diversity not through the lens of organisational performance, but by studying actual board behaviour, including the exploration of board processes and tasks. They found that women may contribute to board task effectiveness. However, this impact was contingent not on the demographic diversity, but the real diversity in terms of values, cognitive schema, and personality traits, which accompany the demographic characteristics. Huse et al (2009) demonstrated that women may particularly contribute to corporate social responsibility (CSR) controls and strategic controls. Furthermore, Nielsen and Huse (2010a) reported that women directors impact on board strategic involvement through their contribution to board decision-making. Board decision-making is, in turn, dependent on the professional experiences and values that women directors bring to the boardroom. The authors also found that the perception of women as unequal board members may constrain their potential contribution to board decision-making. Finally, Nielsen and Huse (2010b) demonstrated that the ratio of women is positively associated with the board's strategic control and that the positive effects of women directors on board effectiveness are mediated through increased board development activities and a decreased level of conflict.

In this work, we adopt a similar stance and look at the consequences of board nationality and gender diversity in terms of the board process rather than organisational performance. Minichilli, Zattoni and Zona (2009) found that board commitment is a

particularly informative predictor of the board's task effectiveness, related to board control and service function (Johnson, Daily and Ellstrand, 1996; Minichilli, Zattoni, Nielsen and Huse, 2012; Zahra and Pearce, 1989). The notion of board commitment is rooted in Forbes and Milliken's (1999) idea of board effort norms, which are about ensuring preparation, participation and analysis by the board members. It is related to the argument that enhanced board members' effort in board activities results in virtuous circles and board empowerment (Demb and Neubauer, 1992; Huse, 2007; Lorsch and MacIver, 1989). Finally, this concept was also framed as the directors' will in using power sources within the structure and context of boards (Pettigrew and McNulty, 1995).

As Minichilli et al (2009) noted, board commitment refers to both preparation before meetings and involvement during meetings. Preparation before meetings captures the willingness and ability of board members to participate in board meetings with substantial knowledge of the issues to be discussed with the view of active contribution to the decision-making process. It refers to the directors' inclination to examine information before meetings and to take initiative to collect further information (Forbes and Milliken, 1999). The concept of board members' involvement during meetings, in turn, encapsulates the idea of the effort made during discussions as well as in the follow-up of the decisions taken during the board meetings (Judge and Zeithaml, 1992; Pearce and Zahra, 1991). It also refers to the directors' ability and willingness to pose questions and to constructively intervene in the board decision-making process (cf., Huse, 2005). Nielsen and Huse (2010b) further remark that board meetings require a thoroughly developed agenda with information that is essential for the decision-making. They also emphasise that meetings should be held promptly, topics should be discussed in sufficient depth and the meeting minutes should be kept for documentation and made accessible for future reference. So, we chose the annual number of board meetings as our first proxy for board commitment. This is because it implies that the

greater the number of meetings, the greater the chances of board members' preparation before and involvement during meetings.

The UK corporate governance code (2018) stipulates that companies should have a rigorous board evaluation process in place. This principle and the accompanying provisions of the code somewhat echo the ICSA Review of the Higgs Guidance (2010), which views the evaluation process as benchmarking directors' performance and as a valuable tool to accelerate, measure and assess the effectiveness of the board. This is especially in light of the fact that investors place great importance on companies' use of the evaluation process, and increasingly demand information about its outcomes and follow-up actions. Minichilli, Gabriellsson and Huse (2007) observed that in many corporate governance codes around the world a formalised system for board evaluation is one of the main requirements. Nielsen and Huse (2010b) indicated that board evaluation together with board instructions, thorough induction of board members, and board development programmes represent important board development activities. Following Letendre (2004), they also emphasised that regular reviews of board performance are crucial for the effective work of boards. Board evaluations are suggested to improve efficiency and the quality of information flows between the board and the management (Pugliese and Wenstop, 2007). Finally, Sonnenfeld (2002) perceived board evaluations as the necessary challenge of boards' own roles and assumptions with the view of the effective fulfilment of boards' tasks. In this vein, we adopt board evaluation as the second proxy for board commitment in our study. This is because having a board evaluation process in place with a view to improving the quality of the board's work signals strong board commitment.

3). Hypotheses

3.1 Board nationality diversity

The notion of nationality diversity in work teams, such as boards of directors and top management teams (TMTs), attracts increasing attention of scholars. This is in tandem with the rapid increase in international exchange of goods and services, where some of largest multinational corporations (MNCs) achieve revenues surpassing the gross domestic products of small nation economies (e.g., Beck, 2008; Rugman and Collinson, 2009; Rugman and Verbeke, 2004). In line with the upper echelons theory, the demographic feature of nationality has some psychological accompaniments that matter for the effective functioning of the board (Finkelstein et al, 2008; Hambrick and Mason, 1984). Accordingly, foreign nationals bring to the board different values, ways of thinking and personality traits. It is their interplay which determines the board outcomes. The cultural mindsets related to nationality are acquired in a person's formative years and such nationality imprinting is not easily erased. Given that nationality is found to be the primary status-determining feature in nationally-diverse teams, which influences communication patterns and interaction styles, it seems reasonable to expect that foreign nationals will have noticeable influence on board outcomes (Bouquet, 2005; Earley and Mosakowski, 2000; Hambrick, Davison, Snell and Snow, 1998; Hofstede and Hofstede, 2005; Oetzel, 1995).

The introduction of international board members to the boardroom is likely to enrich the cultural expertise of the boards. According to the upper echelons theory, the strategic direction of companies is a corollary of the board demographic make-up and decisions. Since many companies today have an international dimension, having a mix of nationalities on the board may constitute a true strategic asset for efficient navigation through the international market-space. It is, in a way, about aligning the cognitive map of the directors' mindsets with the geographic map of a company's operations. Finally, it helps create geocentric orientation on the board which corresponds with the geographic dispersion of a firm's activities

(Carpenter et al., 2004; Finkelstein et al., 2008; Kobrin, 1984; Pugliese, Bezemer, Zattoni, Huse, Van den Bosch and Volberda, 2009).

International board members are typically in a minority on corporate boards (e.g., Staples, 2007; Van Veen and Elbertsen, 2008). As such they may have difficulties contributing effectively to board proceedings. This is because, as found by Westphal and Milton (2000), minorities tend to be appreciated only if some other board members had a minority board experience in previous board appointments. However, it is exactly because of this potentially unfavourable starting position, that may instil within international board members an above-average motivation to contribute in order to prove themselves. They may be more inclined than other board members to have board meetings as often as possible and to prepare for these meetings well. They are likely to keep abreast with board meeting agendas, trying to contribute during the meetings and participating in any follow-up of the decisions. Equally, they may have a proclivity towards board development activities, and especially towards board evaluations, as such a process gives them a chance of being objectively assessed, which may improve their board mandate in the eyes of the domestic directors. They are also likely to support the board's willingness to make itself subject to evaluations in the endeavour to improve the quality of the board.

Foreigners may be particularly instrumental on boards of the internationalised companies. Their cultural expertise is likely to reduce information asymmetries between MNCs' headquarters boards and boards of the subsidiaries. This is because their knowledge on foreign markets and cultures may increase observability and reduce ambiguity surrounding the managerial action on the part of the subsidiary managers. Ultimately, this will lead to the reduction in agency costs and will lower the demands resulting from the board control function (Eisenhardt, 1989; Fama and Jensen, 1983; Judge and Zeithaml, 1992; Luo, 2005a, 2005b). Such efficiency improvements may, in turn, free up resources which may be

then devoted to board development activities that will ultimately improve the quality of boards' work.

Finally, in line with the resource-dependence theory, foreign board members may have wider professional networks than the domestic directors, which may facilitate the provision and co-optation of resources to the boards. Additionally, they are likely to improve the process of establishing legitimacy in relation to the local stakeholders, and especially in the MNCs' host countries (Hillman, Cannella, and Paetzold, 2000; Hillman and Dalziel, 2003; Pfeffer, 1972; Pfeffer and Salancik 1978; Suchman, 1995). So, foreigners will enhance the performance of the board service or resource-provision function. This again is likely to allow boards to devote more time and energy to other activities, such as board development programmes and board evaluations, which will ultimately lead to increases in the efficiency of board's work. So, overall, we propose that board nationality diversity is likely to have a positive impact on board commitment in terms of both annual number of board meetings and board evaluation.

Hypothesis 1: Board nationality diversity contributes to board commitment.

3.2 Board gender diversity

Gender diversity has been promoted worldwide over the last two decades and currently there are explicit recommendations in this respect in regulatory documents in the UK (e.g., Davies Review, 2011; UK Corporate Governance Code, 2018). In Norway and Spain, there are even compulsory quotas set for women on boards (Huse et al, 2009; Nielsen and Huse, 2010a, 2010b). In line with the upper echelons theory, similar to the nationality variable, the gender variable has some psychological accompaniments in the form of values,

cognitive schema and personality traits, which determine the group dynamics on the boards of directors.

Women directors are found to have qualitatively different leadership styles than their male counterparts. Men are reported to exhibit agentic and women communal attributes. The former encompass such features as being assertive, ambitious, aggressive, independent, self-confident, daring and competitive. They translate into such behaviours as speaking assertively, competing for attention, influencing others and making problem-focused suggestions. Communal attributes, in turn, comprise a concern with the welfare of other people, being affectionate, helpful, kind, sympathetic, interpersonally sensitive, nurturing and gentle. These attributes find expression in work situations in behaviours such as: speaking tentatively, not drawing attention to oneself, accepting others' positions, supporting, soothing others, and contributing to the solution of relational and interpersonal problems. As a result, women directors tend to be more democratic and participative, and less autocratic and directive than their male counterparts. Women are also reported to be less hierarchical, more cooperative, collaborative, and more oriented towards enhancing the self-worth of others than male leaders. Gender diversity on boards of directors therefore has strong behavioural implications that result from constitutional differences between men and women. It signifies the interplay of deep-level psychological attributes and in effect a mix of leadership styles which have an impact on board proceedings (Eagly & Johannesen-Schmidt, 2001; Eagly, Johannesen-Schmidt and van Engen 2003; Eagly and Johnson, 1990; Huse et al, 2009; Nielsen and Huse, 2010a, 2010b; Terjesen et al, 2009).

Adams and Ferreira (2009) demonstrated that gender-diverse boards tend to allocate more effort and are more effective in monitoring management than gender-homogenous boards. In a similar vein, Fondas (2000) reported that women have higher expectations of board task performance than men. This is confirmed by Terjesen et al (2009), who stated that

boards with women tend to have higher levels of board accountability, and by Davies Review (2011), which revealed that women directors appear to be more assertive than their male colleagues on certain important governance issues, such as supporting greater supervision on boards and evaluating the boards' own performance. Overall, better governance is attainable as a result of the presence of women on boards. Accordingly, gender-diverse boards are likely to benefit from the input of female directors to board proceedings.

Huse and Solberg (2006) suggested that women directors are likely to spend more time than men in preparing for board meetings. The corollary of that recognition is that there is likely to be a beneficial interplay of differential attitudes to boards' work between men and women on gender-diverse boards, where male and female directors' working styles are confronted. In particular, during the meetings, there may emerge diverse viewpoints and vivid boardroom discussions as a result of the presence of women on boards. This is because women may have different beliefs, values, and ways to express and communicate their opinions than men. As a result, gender-diverse boards are likely to have more discussions and arguments regarding the decision-making process in the spirit of democratic and participative leadership style than boards composed uniformly of men. Questions may be asked more freely, conventional wisdom may be challenged, board members may be willing to speak up when in doubt or concerned about a particular managerial decision. Women are generally likely to play a constructive role in boardroom proceedings arising from their sensitivity and concern towards others. Therefore, such gender-diverse boards will overall experience different discussion patterns and increased debate compared to boards homogenously composed of men (Bilimoria and Wheeler, 2000; Bilimoria and Huse, 1997; Eagly and Johnson, 1990; Huse and Solberg, 2006; Letendre, 2004; Lückcrath- Rovers, 2013; Nielsen and Huse, 2010b; Saggese, Sarto and Viganò, 2020).

Terjesen et al (2009) further reported that boards with women directors in the UK adopted and reported new governance practices recommended by the Higgs Review (2003) earlier than all male boards. These practices encompass director induction and training, board evaluation, ensuring the balance of board skills, knowledge and experience, as well as director succession planning. In a similar vein, Nielsen and Huse (2010b) suggested that female board members are likely to contribute to the enhancement of board work through board development activities, such as board instructions, board evaluation and board development programmes. They found empirical support for their theoretical propositions. In addition, Huse and Solberg (2006) believed that women are more inclined to try to understand the nature and logic of board work, devote time to board evaluation and identify areas with potential for improvement. As a result, women directors are expected to enhance board development activities, and among them, board evaluations. So, when boards are gender diverse, which implies the presence of both men and women on boards, there is a great likelihood that such beneficial activities will materialise.

In summary, research has demonstrated that there are substantial differences between men and women when it comes to boards' work. In particular, women directors have higher expectations of board task performance than their male counterparts. So, they are more likely to commit to the preparation before and involvement during the board meetings, as well as to the development and improvement of board practices, such as board evaluations. They will endeavour to understand the nature and mechanics of board work, devote time to board evaluation, and identify areas with potential for improvement (Fondas, 2000; Huse and Solberg, 2006; Lückerath- Rovers, 2013; Nielsen and Huse, 2010b; Saggese, Sarto and Viganò, 2020). Accordingly, the interplay of differential traits and attitudes to boards' work between male and female directors, as implied in the board composition characterised by

gender diversity, is likely to result in improved quality of boards' work, as captured by board commitment.

Hypothesis 2: Board gender diversity contributes to board commitment.

4). Method

4.1 Dataset and sample

The study sample is comprised of companies present in the Financial Times and London Stock Exchange (FTSE) 100 index as of the financial year 2008. The FTSE 100 Index is a widely-known London Stock Exchange indicator, the constituents of which represent approximately 80 per cent of the market capitalisation in the UK economy (Belaire-Franch and Opong, 2005).

We chose the UK as the setting for this study, since it is one of the most developed economies in the Western world and frequently serves as a landmark for corporate governance worldwide. The very origin of the corporate governance movement was in the UK, with the proceedings of the Cadbury Committee in 1992 and the first UK corporate governance code, i.e. the Combined Code, published in 1998. Since then, subsequent editions of the code were published with the most current one from 2018 (Cadbury Report, 1992; FRC, 1998, 2018; Pye, Kaczmarek and Kimino, 2012).

The regulator, in both the code itself and the accompanying guidelines, such as the Higgs Review (2003) or the Davies Review (2011), invariably accentuates the importance of board diversity. For example, the UK corporate governance code's (2018) principle 3 on board composition, succession and evaluation states that “ (...) appointments and succession plans (...) should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths”. In addition, the code stipulates that the “annual evaluation of the board

should consider its composition, diversity and how effectively members work together to achieve objectives” (FRC, 2018: p. 8). Finally, according to the provisions of the code, the companies’ annual reports should describe the work of the nomination committee, including the policy on diversity and inclusion, its objectives and links to company strategy together with information on how this policy has been implemented and on the progress on achieving those objectives (the particular emphasis is on gender balance in the senior management roles and their direct reports) (FRC, 2018). Overall, the UK sample of companies is likely to constitute fertile ground for studying the phenomenon of board nationality and gender diversity.

Our main sources of information were companies’ annual reports and corporate websites. The director data were cross-checked with BoardEx, Nexis UK and Hemscott Company Guru. The company data were drawn from Thomson ONE Banker, Knowledge/3000Xtra, World Scope, Fame UK, and the Office for National Statistics (ONS). In case some data points were unavailable through the aforementioned sources, casual searches through Internet search engines were also performed.

Due to missing values, the number of cases in the analysis ranges from 75 to 100 (Table 1). Therefore, we tested for potential selection bias as a result of this sample reduction. We conducted a Chi- square ($p=0.05$) test to conclude that the final sample is representative of the initial sample in terms of the industry sectors, which we distinguished based on the 4-digit SIC codes: mining and construction (1000-1999), manufacturing (2000-3999), telecommunications, transportation and utilities (4000-4999), wholesale and retail trade (5000-5999), and finance, insurance, real estate and services (6000-8999) (cf. Greckhamer et al, 2008).

4.2 Outcome Variable

We selected two designates of *board commitment*, which is our outcome variable. The first measure is *the annual number of board meetings*. Boards tend to operate in secret and are characterised by episodic decision-making, hence it is so important that they convene regularly (Minichilli et al, 2012). Accordingly, the UK corporate governance code recommends that companies publish the number of board meetings they have held in their annual reports (FRC, 2018). Minichilli et al (2009) viewed board members' preparation for meetings and their active involvement during meetings as criteria of board commitment, in the spirit of Forbes and Milliken's (1999) effort norms. Therefore, the higher the number of board meetings per year, the greater the chances that board members will actively contribute. High board meeting frequency also allows for elaborate board proceedings (Carter et al, 2010; Nielsen and Huse, 2010b; Vafeas, 1999). This measure is captured as a count of all board meetings in a given financial year as reported in companies' annual reports.

Our second proxy for board commitment is the *board evaluation* variable. Minichilli, Gabriellsson and Huse (2007) reported that formalised board evaluations represent one of the main requirements in the corporate governance codes around the globe. It is no different in the UK, where the provisions of the corporate governance code stipulate that companies should have in place a formal and rigorous annual evaluation of the performance of the board. This evaluation should be performed by an external body at least every three years in FTSE 350 companies (FRC, 2018). There is an argument within academic literature that board evaluations increase the efficiency and quality of information flows between the board and the management (Pugliese and Wenstop, 2007). In addition, Nielsen and Huse (2010b) recognised board evaluations as one of the board development activities, which have an impact on board task effectiveness. Where companies have board evaluations in place, the quality of the boards' work, and thereby its level of commitment, is likely to increase. We take information on board evaluation from the companies' annual reports and construct a

polynomial variable to reflect the increasing rigour of the board evaluation process. Accordingly, we distinguish the following categories in this variable: (1) 0- if there is no board evaluation in place, (2) 1- if there is an internal evaluation only, (3) 2- if there is an external evaluation only, (4) 3- if there is both an internal and external evaluation in place.

4.3 Causal predictors

Board nationality diversity represents an archetype of diversity as variety and is captured with the Blau's index (Blau, 1977): $1 - \sum p_i^2$, where p_i stands for the fraction of board members representing a single nationality. The more nations represented on the board, the closer the index is to unity. Boards of directors are delimited in line with the companies' annual reports. Nationalities of board members are defined in terms of the passport held by them.

Board gender diversity also constitutes diversity as variety archetype. Hence, it is measured with the Blau's index as well. The gender of board members is drawn from the companies' annual reports. Since it is a qualitative binary variable, the maximum value of the Blau's index is 0.5. Scholars typically capture board gender diversity with either the women count/ women ratio variable (e.g., Nielsen and Huse, 2010a; Nielsen and Huse, 2010b) or the dummy variable distinguishing between boards with women present and those without women at all (e.g. Lückérath- Rovers, 2013). However, this latter method of measurement does not allow for identification of this dispersion, variation or heterogeneity aspect, and captures the degree of representation of women on boards or the sheer fact that women are present on boards, respectively. Hence, in our work we adopt the Blau's measure in order to reflect the notion of diversity as accurately as possible.

Board size is another causal predictor and acts as control variable in the sense of the traditional analysis of variance based on correlations. It represents an important parameter of

board functioning. For instance, in order to ensure compliance with the UK corporate governance code in terms of the presence of non-executive directors, the existence of board committees, etc., boards must be of sufficient size (FRC, 2018). Board size is also likely to have an impact on board commitment, whereby its nature can be equivocal. On one hand, the larger the board is, the greater the chances that its board members will be committed and active. On the other hand, however, in large boards the dynamics of interactions may have a tendency to break down. Board size is captured as a count of all board members as evidenced in the companies' annual reports (Guest, 2009; Ruigrok, Peck, Tacheva, Greve and Hu, 2006).

Firm size is captured with the natural logarithm of total sales (Fich and Shivdasani, 2006; Nielsen and Nielsen, 2011). Large companies, e.g., FTSE 350 companies, need to ensure compliance with the UK corporate governance code. This, in itself, has implications for the quality of boards' work, and thereby for board commitment, as there are a number of the code's provisions to consider (FRC, 2018). Small companies, in turn, may have more degrees of freedom than large companies in shaping their corporate governance 'architecture', and hence the quality of their boards' work may be more difficult to account for. In any case, firm size represents an important parameter of the analysis of the quality of boards' work.

Firm diversification adds a strategic complexity to boards' work by making their tasks more complex than those of non-diversified companies, because there is a number of business units to consider with a different degree of relatedness (Rumelt, 1991). As a result, boards need to be more attentive and more committed. In this way, firm diversification represents an important strategic contingency that is likely to have an impact on the quality of boards' work. It is measured as a count of all business segments in which a firm is active on the basis of the two-digit SIC codes (Fama and Jensen, 1983; Linck, Netter and Yang, 2008). The

advantage of this ‘business count approach’ is that it relies on objective SIC data rather than on the subjective judgment of the researcher, as is the case in the ‘strategic approach’ to measuring firm diversification (Martin and Sayrak, 2003).

Finally, *firm internationalisation*, as another important strategic determinant of firm performance, with implications for the quality of boards’ work, is controlled for. It is particularly meaningful in investigating the impact of board nationality diversity on board commitment. This is because in TMT internationalisation literature, the introduction of foreigners to executive ranks is seen as a strategic organisational response to the firm’s internationalisation strategy (e.g., Greve, Nielsen and Ruigrok, 2009; Nielsen, 2010a; Sambharya, 1996; Sanders and Carpenter, 1998). Given the fact that both TMTs and boards work closely together at the apex of organisations, it is not unreasonable to assume that this relationship also holds for the boards of directors. We account for firm internationalisation strategy along its structural dimension as the ratio of foreign assets to total assets. The structural dimension measures the depth of the firm’s internationalisation accounting for the asset exposure to international environments (Greve et al, 2009; Sullivan, 1994).

Both the outcome variables⁴ and the causal predictors were transformed into the fuzzy set variables. The four-scale fuzzy set variable design was used with the following values: 0 (out), 0.33 (more or less out), 0.67 (more or less in), and 1 (in). The descriptive statistics served the purpose of determining these thresholds for the fuzzy set membership, i.e. the minimum, 25th percentile, 75th percentile and the maximum value. With that design, care was taken to minimise the number of instances at the level of 0.5 in the fuzzy set membership, as they are not desired in the data analysis of fuzzy sets (Ragin, 2006, 2007).

⁴ The board evaluation measure represents a polynomial variable, as described above. So, we transformed it into the fuzzy set variables in the following way: (1) the lack of board evaluation- 0 (out), (2) internal evaluation only- 0.33 (more/ less out), (3) external evaluation only- 0.67 (more/ less in), and (4) both internal and external evaluation- 1 (in).

4.4 Qualitative Comparative Analysis

The qualitative comparative analysis (QCA) operates with set memberships rather than explanations of variances. It rests on the principles of Boolean algebra and is suitable for study samples that are too large for the traditional case analysis and too small for the quantitative research methods (e.g., Ns of 5-100). It is therefore placed somewhat in-between the two ends of this methodological continuum. Recently, the application of the QCA has become possible for large N of hundreds and even thousands of cases (Fiss, 2007, 2011, 2012; Ragin, 2006, 2007).

QCA examines cross-case patterns respecting the diversity of cases with regard to their different causal conditions by comparing cases as configurations. So, in QCA it is possible to assess causation that is very complex and involves different combinations of causal conditions potentially leading to the same outcome. QCA is based on the analysis of set relations, and not correlations. Since social sciences are typically verbal, and verbal expressions are set theoretic in nature, QCA provides a close link to theory (more than it is possible with the use of conventional quantitative methods). When set relations exist, important causal relations of necessity and sufficiency can be indicated. Necessity occurs, when the outcome is a subset of the causal condition. Sufficiency takes place, when the causal condition is a subset of the outcome. Only set theoretical methods are suitable for the analysis of causal complexity. Contrary to traditional statistical methods, there is no single correct answer to be drawn from the data analysis (Fiss, 2007, 2011, 2012; Greckhamer et al, 2008; Ragin, 2006, 2007).

There are two main types of set membership. Crisp sets are determined in a binary 0/1 (membership *versus* non-membership) way with no possibility for inclusion of levels of intermediate membership. This deficiency is alleviated in fuzzy sets, which factor in such cases of partial membership. In this way, the fuzzy sets extend the crisp sets by permitting

membership scores in the interval between 0 and 1. For example, a country (e.g., UK) may receive a membership score of 1 in the set of rich countries, but a score of only 0.3 in the set of corrupt countries. The basic principle underlying fuzzy sets is to allow for the scaling of membership scores, and hence for partial or fuzzy membership. A score of 1 signifies full membership in a set; scores close to 1 (e.g., 0.7, 0.8) indicate strong but not quite full membership in a set; scores less than 0.5 but greater than 0 (e.g., 0.2 and 0.3) show that objects are weak members in the set; finally, a score of 0 indicates full non-membership in the set. Accordingly, fuzzy sets combine qualitative and quantitative assessment of cases, whereby 1 and 0 are qualitative assignments of “fully in” and “fully out”, respectively, whereas values between 0 and 1 indicate partial membership. It is the fuzzy set approach that is therefore adopted in this study (Fiss, 2007, 2011, 2012; Greckhamer et al, 2008; Ragin, 2006, 2007).

Originally, QCA was developed for the analysis of configurations of crisp set memberships, i.e. conventional Boolean sets. Therefore, the truth table analysis, which is an equivalent of the correlations table in the conventional statistic methods, has to be adapted for fuzzy sets. Ragin (2007) demonstrated how to construct a conventional Boolean truth table from the fuzzy-set data. This technique takes advantage of the gradations in set membership that is central to the constitution of fuzzy sets. It is also not predicated upon a dichotomisation of the fuzzy membership score. The fact that the researcher has substantial direct control over the process of data analysis in this fuzzy-set truth-table approach is its further benefit. The control of this kind is pivotal for the practice of case-oriented research (Fiss, 2007, 2011, 2012; Greckhamer et al, 2008; Ragin, 2006; Ragin, 2007).

For the data analysis, *fsQCA* software was used. After the calibration of the fuzzy set variables, a truth table was created which specified the outcome and the causal conditions. The program then displayed the truth table with 2^k rows reflecting the different corners of the

vector space. For each row, it reported the number of cases with greater than 0.5 membership in the vector space corner. The researcher is then able to choose a frequency threshold for this reported number of cases. Since the total number of cases in this research was substantial ($N \geq 75$), higher threshold values were applied. Rows that do not meet those thresholds were eliminated. Next, the selection of consistency thresholds was undertaken. Consistency is a measure assessing the degree to which a causal combination is a subset of the outcome. The program reports the set-theoretic consistency. Generally, values below 0.75 indicate considerable inconsistency. The researcher can experiment with different values of the threshold to assess their implications for the causal combinations. Once the consistency cut-off was determined, rows that fell below this consistency value were again eliminated. The researcher is then able to code with 1 those cases that meet or exceed the consistency threshold and with 0 for those cases falling below that value. Next, through the *Standard Analysis* function, the solutions to the truth table were generated. The complex and parsimonious solutions can be conceived as two endpoints of the single complexity/parsimony continuum. Any solution that is a subset of the parsimonious solution and a superset of the complex solution is referred to as a valid solution of the truth table. These are the intermediate solutions, which are best, because they utilise only a subset of the simplifying assumptions (only remainders that are “easy” counterfactual cases) that are used in the most parsimonious solution, and hence they are the most interpretable (Fiss, 2007, 2011, 2012; Greckhamer et al, 2008; Ragin, 2006, 2007; Ragin and Sonnett, 2005). So, the intermediate solutions for both designates of the board commitment, i.e. the annual number of board meetings and board evaluation, are presented in Tables 2 and 3, respectively.

5). Results

The descriptive statistics for the calibrated fuzzy set variables are included in Table 1. All variables have similar characteristics with means around the value of 0.50-0.60 and a standard deviation of 0.30. They are all spread between 0 (minimum) and 1 (maximum).

Insert Table 1 about here

The intermediate solution for the first designate of board commitment, i.e. annual number of board meetings, is presented in Table 2. The adopted frequency threshold for the number of cases with at least 0.5 membership amounted to 2. The consistency cut-off equalled 0.90. In total, there are four causal recipes in this solution. Both board nationality and gender diversity feature in two of them. So, since they are part of the solution for board commitment as measured by the annual number of board meetings, hypotheses 1 and 2 are supported for this outcome variable. Board nationality diversity matters for the annual number of board meetings, when firms are large, boards tend to be small and the firms do not pursue the diversification strategy. Board gender diversity, in turn, contributes to board commitment, when firms are large, they do not follow the diversification strategy, but embark on the internationalisation strategy. The combined effect of board nationality and gender diversity is to be expected, when again firms are large and they follow the internationalisation strategy. Interestingly, firm size features in all causal recipes, so it is a necessary condition for board commitment (annual number of meetings). Using Boolean algebra, the solution can be presented as follows:

board nationality diversity • ~board size • firm size • ~firm diversification + ~board size • firm size • firm diversification • ~firm internationalisation + board gender diversity • firm size • ~firm diversification • firm internationalisation + board nationality diversity • board gender diversity • firm size • firm internationalisation → board commitment (annual number of board meetings)

Insert Table 2 about here

The intermediate solution for the outcome variable of board evaluation is reported in Table 3. We applied a frequency cut-off of 2 and a consistency cut-off of 0.80. The results are quite similar to those generated for the annual number of board meetings. Firm size features again in all causal recipes, so it is a necessary condition. This time, there are six causal recipes in the solution, however, the first two are exactly the same as described for the annual number of board meetings. Both board nationality and gender diversity feature as part of the solution, therefore hypotheses 1 and 2 are supported with regard to board evaluation as a proxy for board commitment, as well. Board nationality diversity contributes to board commitment (board evaluation), when boards are small, firms are of large size and they do not pursue a diversification strategy. In a different causal recipe, board nationality diversity matters for the occurrence of board evaluation, when firms are large and follow the internationalisation strategy in the absence of the diversification strategy. The same conditions have to be met for board gender diversity to matter. Both board nationality and gender diversity have an effect on board commitment when boards are of a small size in large firms. Finally, in a certain configuration, i.e. when boards are large in large companies, which pursue both the internationalisation and diversification strategy, board gender diversity must be absent for the board commitment (board evaluation) to occur. Representing the solution with the use of Boolean algebra, we obtain:

board nationality diversity • ~board size • firm size • ~firm diversification + ~board size • firm size • firm diversification • ~firm internationalisation + board nationality diversity • board gender diversity • ~board size • firm size + board gender diversity • firm size • ~firm diversification • firm internationalisation + board nationality diversity • firm size • ~firm diversification • firm internationalisation + ~board gender diversity • board size • firm size • firm diversification • firm internationalisation → board commitment (board evaluation)

Insert Table 3 about here

6). Discussion

Our findings indicate that both board nationality and gender diversity represent parts of the generated solutions in our QCA model. This means that the qualities that foreign and female directors bring to the boardroom in terms of values, cognitive schema and personality traits matter for board commitment. International and female board members are likely to strengthen the effort norms on boards in terms of preparation before and involvement during meetings, and impact positively on boards' inclination to get subject to board evaluations. So, the evidence generated in this study provides corroborative evidence to the 'business case' for board diversity. Board diversity as variety in terms of the nationality and gender of board members positively contributes to the board process as measured by board commitment. Accordingly, the potential benefits of creativity and generation of the wide set of the solution alternatives are likely to materialise and support the board process. Board commitment, in turn, is the predictor of board task effectiveness in terms of board control and service/resource- provision function (Cox et al, 1991; Finkelstein et al, 2008; Forbes and Milliken, 1999; Minichilli et al, 2009; Minichilli et al, 2012; Robinson and Denchant, 1997; Watson et al, 1993).

Both board nationality and gender diversity are part of the causal recipes that we generate through QCA for the set-theoretic membership in board commitment as the annual number of meetings and board evaluations. Generally, the obtained results are very similar for both proxies of board commitment, which suggests a strong correlation between them, and therefore indicates that they describe the same construct. Firm size appears as a necessary condition for board commitment across all causal recipes in both solutions. This finding suggests that larger companies tend to commit to good governance to a larger extent than their smaller counterparts. Furthermore, in some causal recipes both board nationality and gender diversity contribute to board commitment in the presence of the firm internationalisation variable. For the board nationality diversity measure, this seems to be a natural finding, as it is in line with the upper echelons internationalisation literature, which suggests that matching the board/ TMT composition in terms of international expertise with the firm internationalisation strategy is likely to be beneficial. The idea is to reflect the company 'geography' in the demographic make-up of the board composition to strengthen its inter-cultural competence and hence to facilitate company navigation through the international environment (e.g., Carpenter et al, 2004; Finkelstein et al, 2008; Greve et al, 2009; Kobrin, 1984; Sambharya, 1996; Sanders and Carpenter, 1998). However, at face value this finding seems to be counterintuitive with regards to the board gender diversity variable, as there is no obvious connection between the variables of board gender diversity and firm internationalisation. It is conceivable that the qualities that women bring to the boardroom in terms of the democratic and participative leadership style, which fosters inclusive and vivid discussions, meets the requirements of board proceedings in the internationalised companies. This is because, by the nature of the inter-cultural differences, operations in such inter-cultural environments require understanding and sensitivity towards the other culture(s), which are cultivated exactly when board proceedings are democratic, participative and

inclusive (e.g., Eagly and Johnson, 1990; Huse and Solberg, 2006; Letendre, 2004; Lückerath- Rovers, 2013; Nielsen and Huse, 2010b).

In some of the causal recipes, we find that board nationality and gender diversity contribute to board commitment, when boards are of a small size and in the absence of the firm diversification strategy. It is conceivable that in large boards, the voice of the foreign and female minorities may not be properly heard and/ or that foreign and female directors may not be able to fully overcome the difficulties inherent to the minority position on large boards in terms of contributing to board proceedings. This finding may somewhat echo the research by Westphal and Milton (2000), which demonstrated that minorities tend to get appreciated when the other directors have experience of being in a minority position in previous board appointments. Secondly, the firm diversification strategy may create managerial complexity, which may be better handled by diversity in attributes other than nationality and gender, i.e. diversity in education and/ or functional backgrounds. Accordingly, the mindsets of foreign and female directors may be misaligned with managerial demands resulting from the firm's diversification strategy (cf., Marlin, Lamont and Geiger, 2004; Michel and Hambrick, 1992).

In summary, based on QCA methodology we positively verify the 'business case' for board nationality and gender diversity. Both variables are found to contribute to board commitment as measured by the annual number of board meetings and board evaluation. The mindsets of foreign and female directors in terms of values, cognitive schema and personality traits, help facilitate good governance. Boards with such directors present are likely to convene more frequently than boards uniformly composed of domestic and male directors, which implies better preparation to and involvement during meetings. In addition, such nationality and gender diverse boards are likely to be more inclined to be subject to the board evaluation process (frequently with the input of the external evaluator) than homogenous

boards, which is likely to challenge the *status quo* and conventional wisdom, and to allow for the objective assessment of boards and particular board members. This positive impact of board nationality and gender diversity typically unfolds in large and internationalised companies, when boards tend to be small and when firms are not product-diversified.

7). Limitations, managerial relevance and future research directions

Our study is not without limitations. First and foremost, we rely on demographics and do not measure the actual diversity. Both the nationality and gender variables have accompanying characteristics in terms of values, cognitive schema and personality traits, which as cornerstones of the directors' mindsets, have an impact on board proceedings. So, ideally, it should be possible to directly capture these constructs. That is actually a perennial argument in the upper echelons literature that solely relying on demographic characteristics is likely to make researchers not capture their deep-level attributes, which have a real impact on the board process. However, given that boards convene sporadically and conduct their business in secret, access to boards with the view to collecting the primary data remains invariably very difficult (Finkelstein et al, 2008; Kilduff, Angelmar and Mehra, 2000; Leblanc and Schwartz, 2007; Minichilli et al, 2012; Nielsen and Huse, 2010a, 2010b; Pfeffer, 1983).

Secondly, in a similar vein, our study would have benefited if we could collect the primary data on board commitment and/ or board task effectiveness in terms of board control and service/ resource-provision function. Such data collection effort would require the preparation of a questionnaire, which would be ideally answered by all board members. However, as before, access to boards remains prohibitive, and when scholars eventually get companies to respond, they have to frequently rely on a single respondent, i.e. the Chief

Executive Officer (CEO), which limits the validity of the derived measures (Leblanc and Schwartz, 2007; Minichilli et al, 2009; Minichilli et al, 2012).

Our findings on the causal recipes for board commitment, as measured by the annual number of meetings and board evaluation, engender interesting and important managerial implications. They confirm that the regulatory documents in the UK take a step in the right direction by promoting the board nationality/ ethnic and gender diversity (Davies Review, 2011; FRC, 2018; Higgs Review, 2003; ICSA Review of the Higgs Guidance, 2010). This is because both board nationality and gender diversity are found to contribute to good governance. Foreign and female directors are likely to increase board commitment, and thereby the quality of the boards' work. In addition, our study stipulates the conditions upon which these positive effects of board nationality and gender diversity can materialise. They namely unfold typically in large and international companies, which are not product-diversified and the boards of which tend to be small.

Finally, the QCA methodology opens up many new and tractable avenues of research on the board nationality and gender diversity, which can provide the desired research triangulation to the findings obtained with the conventional statistical and/ or case methods. Both the antecedents and consequences of the diversity phenomenon can be effectively scrutinised with the QCA based on the middle-sized samples of 5-100 observations, which lowers the data collection requirements. This factor, together with the ready availability of the software *fsQCA*, makes the QCA an easily accessible research methodology, which holds promise for generating new and interesting findings in board diversity research (Fiss, 2007, 2011, 2012; Greckhamer et al, 2008; Ragin, 2006, 2007).

8). Conclusion

This paper looks at the implications of both board nationality and gender diversity for the board process in terms of board commitment. The variable of nationality gains prominence in pan-European studies on boards of directors in the internationalisation era (e.g., Staples, 2007; Van Veen and Elbertsen, 2008). Gender mainstreaming, in turn, is increasingly promoted worldwide through regulatory work as an important prerequisite of good governance (Davies Review, 2011; Huse et al., 2009; FRC, 2018; Lückerath-Rovers, 2013; Nielsen and Huse, 2010a, 2010b).

This is probably the first study to investigate the board diversity phenomenon with QCA methodology. Therefore, it provides new and interesting insights through a research method that is alternative to the conventional statistical and/ or case-based methods. The set-theoretic reasoning, based on Boolean algebra, indicates the causal combinations that are sufficient for the outcome and have a high enough value of consistency. Both board nationality and gender diversity are found to be important determinants of board commitment as measured by the annual number of board meetings and board evaluation. We report that both of these variables are predictors of good governance, as board commitment contributes to the quality of boards' work (Minichilli et al, 2009). The findings of our study therefore provide corroborative evidence to the 'value-in-diversity' proposition for boards of directors based on the upper echelons theory (Carpenter et al, 2004; Cox et al, 1991; Finkelstein et al 2008; Hambrick and Mason, 1984; Watson et al, 1993; Williams and O'Reilly, 1998).

Overall, the results of our work contribute to the repository of knowledge on the board nationality and gender diversity phenomenon. They are generated with QCA methodology, which represents an intermediate case between quantitative and qualitative research methods and is based on set-theoretic reasoning. The study provides evidence in support of the 'business case' for the positive impact of the board nationality and gender diversity on board level outcomes. These interesting and informative findings also suggest that there are many

tractable avenues to be pursued in this strand of research with the use of QCA methodology and based on creative research designs. Such well-conceived studies have the potential to further contribute to our understanding of the antecedents and consequences of the board nationality and gender diversity phenomenon for the board process and task effectiveness.

TABLE 1
QCA descriptive statistics

Variable	Mean	S.D.	Minimum	Maximum	N Cases	Missing
1. Annual number of board meetings	0.60	0.28	0	1	99	1
2. Board evaluation	0.42	0.26	0	1	100	0
3. Board nationality diversity	0.62	0.31	0	1	98	2
4. Board gender diversity	0.47	0.38	0	1	100	0
5. Board size	0.57	0.31	0	1	100	0
6. Firm size	0.66	0.25	0	1	98	2
7. Firm internationalization	0.64	0.28	0	1	75	25
8. Firm diversification	0.52	0.36	0	1	97	3

TABLE 2
QCA: Outcome variable: Annual number of board meetings (intermediate solution)

Variable	1	2	3	4
Board nationality diversity	●			●
Board gender diversity			●	●
Board size	○	○		
Firm size	●	●	●	●
Firm diversification	○	●	○	
Firm internationalisation		○	●	●
Consistency cut-off	0.90			
Solution consistency	0.90			
Frequency cut-off	2			
Coverage	0.66			

● presence of the causal condition, ○ absence of the causal condition

TABLE 3
QCA: Outcome variable: Board evaluation (intermediate solution)

Variable	1	2	3	4	5	6
Board nationality diversity	●		●		●	
Board gender diversity			●	●		○
Board size	○	○	○			●
Firm size	●	●	●	●	●	●
Firm diversification	○	●		○	○	●
Firm internationalisation		○		●	●	●
Consistency cut-off	0.80					
Solution consistency	0.71					
Frequency cut-off	2					
Coverage	0.77					

● presence of the causal condition, ○ absence of the causal condition

REFERENCES

- Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94, 291-309.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20-39.
- Beck, U. (2008). Reframing power in the globalized world. *Organization Studies*, 29, 793-804.
- Belaire-Franch,, J., & Opong, K. K. (2005). A Variance Ratio Test of the Behaviour of FTSE Equity Indices Using Ranks and Signs. *Review of Quantitative Finance and Accounting*, 24, 93–107.
- Bilimoria, D., & Huse, M. (1997). A qualitative comparison of the boardroom experiences of U.S. and Norwegian women corporate directors. *International Review of Women and Leadership*, 3(2), 63–73.
- Bilimoria, D., & Wheeler, J. V. (2000). Women corporate directors: Current research and future directions. In M. J. Davidson & R. J. Burke (Eds.), *Women in management: Current research issues*, Vol. II. London: Paul Chapman Publishers.
- Blau, P. M. (1977). *Inequality and heterogeneity: A primitive theory of social structure*. New York: Free Press.
- Bouquet, C. (2005). *Building global mindsets: An attention-based perspective*. Houndmills: Palgrave MacMillan.
- Cadbury, Sir A. (1992). *Report of the Committee on the Financial Aspects of Corporate Governance*. London: Gee & Co Ltd.
- Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30, 749-778.
- Carter, D. A., D’Souza, F., Simkins, B. J., & Simpson W. G. (2010). The gender and ethnic diversity of US boards and board committees and firm financial performance. *Corporate Governance: An International Review*, 18(5), 396-414.
- Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate governance, board diversity, and firm value. *The Financial Review*, 38, 33–53.
- Certo, S. T., Lester, R. H., Dalton, C. M., & Dalton, D. R. (2006). Top management teams, strategy and financial performance: A meta-analytic examination. *Journal of Management Studies*, 43 (4), 813-839.
- Cox, T., Lobel, S. A., & McLeod, P. L. (1991). Effects of ethnic group cultural differences on cooperative and competitive behavior on a group task. *Academy of Management Journal*, 4, 827–847.

- Daily, C. M., Dalton, D., & Cannella, A. (2003). Corporate governance: Decades of dialogue and data. *Academy of Management Review*, 28, 371-382.
- Davies. M. ('Davies Review'). (2011). *Women on boards*. UK: Department for Business, Innovation & Skills.
- Demb, A., & Neubauer, F.- F. (1992). *The corporate board: Confronting the paradoxes*. New York/ Oxford: Oxford University Press.
- Eagly, A. H., & Johannesen-Schmidt, M. C. (2001). The leadership styles of women and men. *Journal of Social Issues*, 57, 781–797.
- Eagly, A. H., Johannesen-Schmidt, M. C., & van Engen, M. L. (2003). Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men. *Psychological Bulletin*, 129, 569–591.
- Eagly, A. H., & Johnson, B. T. (1990). Gender and leadership style: A meta-analysis. *Psychological Bulletin*, 108, 233–256.
- Earley, P. C., & Mosakowski, E. (2000). Creating hybrid team cultures: An empirical test of transnational team functioning. *Academy of Management Journal*, 43, 26- 49.
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14, 57–73.
- Erhardt, N. L., Werbel, J. D., & Shrader, C. B. (2003). Board of director diversity and firm financial performance. *Corporate Governance: An International Review* 11, 102–111.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26, 301-325.
- Fich, E. M., & Shivdasani, A. (2006). Are busy boards effective monitors? *Journal of Finance*, 61, 689-724.
- Financial Reporting Council. (1998). *The Combined Code on Corporate Governance*. London: FRC.
- Financial Reporting Council. (2018). *UK Corporate Governance Code*. London: FRC
- Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2008). *Strategic Leadership: Theory and research on executives, top management teams, and boards*. New York: Oxford University Press.
- Fiss, P. C. (2007). A set-theoretic approach to organizational configurations. *Academy of Management Review*, 32(2), 1180-1198.
- Fiss, P. C. (2011). Building better causal theories: A fuzzy set approach to typologies in organization research. *Academy of Management Journal*, 54(2), 393- 420.
- Fiss, P. C. (2012). *Crisp and fuzzy set: Qualitative comparative analysis (QCA)*. <http://www-rcf.usc.edu/~fiss/>

Fondas, N. (2000). Women on boards of directors: Gender bias or power threat? In R. J. Burke & M. Mattis (Eds.), *Women on corporate boards of directors: International challenges and opportunities*. Dordrecht: Kluwer Academic Publishers.

Forbes, D. P., & Milliken, F. J. (1999). Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of Management Review*, 24, 489-505.

Greckhamer, T., Misangyi, V. F., Elms, H., & Lacey, R. (2008). Using qualitative comparative analysis in strategic management research: An examination of combinations of industry, corporate, and business-unit effects. *Organizational Research Methods*, 11(4), 695-726.

Greve, P., Nielsen, S., & Ruigrok, W. (2009). Transcending borders with international top management teams: A study of European financial multinational corporations. *European Management Journal*, 27, 213-224.

Guest, P. M. (2009). The impact of board size on firm performance: Evidence from the UK. *European Journal of Finance*, 15(4), 385-404.

Hambrick, D. C., Davison, S. C., Snell, S. A., & Snow, C. C. (1998). When groups consist of multiple nationalities: Towards a new understanding of the implications. *Organization Studies*, 19, 181-205.

Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9 (2), 193- 206

Harrison, D. A., & Klein, K. J. (2007). What's the difference? Diversity constructs as separation, variety, or disparity in organizations. *Academy of Management Review*, 32, 1199–1228.

Harrison, D. A., Price, K. H., & Bell, M. P. (1998). Beyond relational demography: Time and the effects of surface-and deep-level diversity on work group cohesion. *Academy of Management Journal*, 41, 96–107.

Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, teams, and task performance: Changing effects of surface- and deep-level diversity on group functioning. *Academy of Management Journal*, 45, 1029–1045.

Heijltjes, M., Olie, R., & Glunk, U. (2003). Internationalisation of top management teams in Europe. *European Management Journal*, 21, 89- 97.

Higgs, D. 2003. *Review of the role and effectiveness of non-executive directors*. London: The Department of Trade and Industry.

Hillman, A. J., Cannella, A. A., & Harris, I. 2002. Women and racial minorities in the boardroom: How do they differ? *Journal of Management*, 28, 747–63.

Hillman, A. J., Cannella, Jr., A. A., & Paetzold, R. L. (2000). The resource dependence role of corporate directors: Strategic adaptation of board composition in response to environmental change. *Journal of Management Studies*, 37, 235-255.

- Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28, 383-396.
- Hoobler, J. M., Masterson, C., Nkomo, S., & Michel, E.J. (2016). The business case for women leaders: Meta-analysis, research critique and path forward. *Journal of Management*, 44(6), 2473- 2499.
- Hofstede, G., & Hofstede, G. J. (2005). *Cultures and organizations: Software of the mind*. New York, NY: McGraw-Hill.
- Hogg, M. A., & Terry, D. J. (2000). Social identity and self-categorization processes in organizational contexts. *Academy of Management Review*, 25(1), 121-140.
- Huse, M. (2005). Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. *British Journal of Management*, 16, 65–79.
- Huse, M. (2007). *Boards, governance and value creation. The human side of corporate governance*. Cambridge: Cambridge University Press.
- Huse, M., & Solberg, A. G. (2006). Gender related boardroom dynamics: How women make and can make contributions on corporate boards. *Women in Management Review*, 21(2), 113–130.
- Huse, M., Nielsen, S., & Hagen, I. M. (2009). Women and employee-elected board members, and their contributions to board control tasks. *Journal of Business Ethics*, 89, 581–597.
- Institute of Chartered Secretaries and Administrators (ICSA) Review of the Higgs Guidance on behalf of the FRC. 2010. *Improving board effectiveness*. London: ICSA.
- Johnson, J., Daily, C., & Ellstrand, A. (1996). Boards of directors: A review and research agenda. *Journal of Management*, 22, 409-438.
- Judge, W. O., & Zeithaml, C. P. (1992). Institutional and strategic choice perspectives on board involvement in the strategic decision process. *Academy of Management Journal*, 35, 766– 794.
- Kaczmarek, S., Kimino, S., & Pye, A. (2012a). Board task-related faultlines and firm performance: A decade of evidence. *Corporate Governance: An International Review*, 20(4), 337-351.
- Kaczmarek, S., Kimino, S., & Pye, A. (2012b). Antecedents of board composition: The role of nomination committees. *Corporate Governance: An International Review*, 20(5), 474-489.
- Kilduff, M., Angelmar, R., & Mehra, A. (2000). Top management team diversity and firm performance: Examining the role of cognitions. *Organization Science*, 11(1), 21–34.
- Kobrin, S. J. (1994). Is there a relationship between a geocentric mind-set and multinational strategy? *Journal of International Business Studies*, 25, 493-511.

- Lau, D. C., & Murnighan, J. K. (1998). Demographic diversity and faultlines: The compositional dynamics of organizational groups. *Academy of Management Review*, 23, 325–340.
- Lau, D. C., & Murnighan, J. K. (2005). Interactions within groups and subgroups: The dynamic effects of demographic faultlines. *Academy of Management Journal*, 48, 645–659.
- Leblanc and Schwartz, 2007
- Letendre, L. (2004). The dynamics of the boardroom. *Academy of Management Executive*, 18, 101–104.
- Linck, J., Netter, J., & Yang, T. (2008). The determinants of board structure. *Journal of Financial Economics*, 87, 308–28.
- Lorsch, J. W., & MacIver, E. (1989). *Pawns or potentates. The reality of America's corporate boards*. Boston, MA: HBS Press.
- Luo, Y. (2005a). Corporate governance and accountability in multinational enterprises: Concepts and agenda (Editorial). *Journal of International Management*, 11, 1-18.
- Luo, Y. (2005b). How does globalization affect corporate governance and accountability? A perspective from MNEs. *Journal of International Management*, 11, 19-41.
- Lückerath-Rovers, M. (2013). Women on boards and firm performance. *Journal of Management and Governance*, 17, 491–509.
- Marlin, D., Lamont, B. T., & Geiger, S. W. (2004). Diversification strategy and top management team fit. *Journal of Managerial Issues*, 16, 361-381.
- Martin, J. D., & Sayrak, A. (2003). Corporate diversification and shareholder value: A survey of recent literature. *Journal of Corporate Finance*, 9, 37-57.
- Michel, J., & Hambrick, D. (1992). Diversification posture and top management team characteristics. *Academy of Management Journal*, 35, 9–37.
- Milliken, F. J., & Martins, L. L. (1996). Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review*, 21, 402–33.
- Minichilli, A., Gabrielsson J., & Huse, M. (2007). Board evaluations: Making a fit between the purpose and the system. *Corporate Governance: An International Review*, 15, 609–622.
- Minichilli, A., Zattoni, A., Nielsen, S., & Huse, M. (2012). Board task performance: An exploration of micro- and macro-level determinants of board effectiveness. *Journal of Organizational Behavior*, 33, 193-215.
- Minichilli, A., Zattoni, A., & Zona, F. (2009). Making boards effective: An empirical examination of board task performance. *British Journal of Management*, 20, 55-74.
- Nielsen, S. (2010a). Top management team internationalization and firm performance: The mediating role of foreign market entry. *Management International Review*, 50, 185-206.

Nielsen, S. (2010b). Top management team diversity: A review of theories and methodologies. *International Journal of Management Reviews*, 12, 301-316.

Nielsen, S. & Huse, M. (2010a). Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, 7, 16-29.

Nielsen, S. & Huse, M. (2010b). The contribution of women on boards of directors: Going beyond the surface. *Corporate Governance: An International Review*, 18, 136-148.

Nielsen, B. B., & Nielsen, S. (2011). The role of top management team international orientation in international strategic decision-making: The choice of foreign entry mode. *Journal of World Business*, 46, 185-193.

Ntim, C.G. (2015). Board diversity and organizational valuation: Unravelling the effects of ethnicity and gender. *Journal of Management and Governance*, 19, 167–195.

Oetzel, J. G. (1995). Intercultural small groups: An effective decision-making theory. In R. L. Wiseman (Ed.), *Intercultural communication theories* (pp. 247–270). Newbury Park, CA: Sage.

Pearce, J. A., & Zahra, S. A. (1991). The relative power of CEOs and boards of directors: associations with corporate performance. *Strategic Management Journal*, 2, 135–153.

Pettigrew, A., & McNulty, T. (1995). Power and influence in and around the boardroom. *Human Relations*, 48, 845–873.

Pfeffer, J. (1972). Size and composition of corporate boards of directors. *Administrative Science Quarterly*, 17, 218–228.

Pfeffer, J. (1983). Organizational demography. In L. L. Cummings & B. M. Staw (Eds.), *Research in Organizational Behaviour*. Greenwich, CT: JAI Press.

Pfeffer, J., & Salancik, G. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper and Row.

Pugliese, A., Bezemer, P.-J., Zattoni, A., Huse, M., Van den Bosch, F. A. J., & Volberda, H. W. (2009). Boards of directors' contribution to strategy: A literature review and research agenda. *Corporate Governance: An International Review*, 17(3), 292-306.

Pugliese, A., & Wenstop, P. Z. (2007). Board members' contribution to strategic decision-making in small firms. *Journal of Management and Governance*, 11, 383–404.

Pye, A. J., Kaczmarek, S. P., & Kimino, S. (2012). Changing scenes in and around the boardroom: UK corporate governance in practice from 1989 to 2009. In T. Clarke & D. Branson (Eds.), *The Sage Handbook of Corporate Governance* (pp. 255–284). London: Sage.

Ragin, C. C. (2006). *User's Guide to Fuzzy-Set/Qualitative Comparative Analysis 2.0*. Tucson, Arizona: Department of Sociology, University of Arizona.

Ragin, C. C. (2007). Qualitative comparative analysis using fuzzy sets (fsQCA). In B. Rihoux & C.C. Ragin (Eds.), *Configurational comparative analysis*. Sage Publications.

- Ragin, C. C., & Sonnett, J. (2005). Between complexity and parsimony: Limited diversity, counterfactual cases and comparative analysis. In S. Kropp & M. Minkenberg (Eds.), *Vergleichen in der Politikwissenschaft*. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Robinson, G., & Dechant, K. (1997). Building a business case for diversity, *Academy of Management Executive*, 11, 21–30.
- Rose, C. (2007). Does female board representation influence firm performance? The Danish evidence. *Corporate Governance: An International Review*, 15(2), 404–13.
- Rugman, A. M., & Collinson, S. (2009). *International business* (5th ed). Harlow, England: FT Prentice Hall.
- Rugman, A. M., & Verbeke, A. (2004). A perspective on regional and global strategies of multinational enterprises. *Journal of International Business Studies*, 35, 3-18.
- Ruigrok, W., Peck, S., & Tacheva, S. (2007). Nationality and gender diversity on Swiss corporate boards. *Corporate Governance: An International Review*, 15, 546–557.
- Ruigrok, W., Peck, S., Tacheva, S., Greve, P. & Hu, Y. (2006). The determinants and effects of board nomination committees. *Journal of Management and Governance*, 10, 119-148.
- Rumelt, R.P. (1991). How much does industry matter? *Strategic Management Journal*, 12(2), 167-185.
- Saggese, S., Sarto, F., & Viganò, R. (2020). Do women directors contribute to R&D? The role of critical mass and expert power. *Journal of Management and Governance*, <https://doi.org/10.1007/s10997-020-09513-1>
- Sambharya, R. B. (1996). Foreign experience of top management teams and international diversification strategies of U.S. multinational companies. *Strategic Management Journal*, 17, 739– 746.
- Sanders, W. G., & Carpenter, M. A. (1998). Internationalization and firm performance: The roles of CEO compensation, top team composition, and board structure. *Academy of Management Journal*, 41, 158-178.
- Sonnenfeld, J. A. 2002. What makes great boards great? *Harvard Business Review*, September, 106–113.
- Staples, C. L. (2007). Board globalization in the world’s largest TNCs 1993-2005. *Corporate Governance: An International Review*, 15, 311-321.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20, 571–610.
- Sullivan, D. (1994). Measuring the degree of internationalization of a firm. *Journal of International Business Studies*, 25, 325-342.

Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In S. Worchel & W. G. Austin (Eds), *The social psychology of intergroup relations* (2nd ed.), (pp. 7-24). Chicago: Nelson-Hall.

Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, 17(3), 320-337.

Vafeas, N. (1999). Board meeting frequency and firm performance. *Journal of Financial Economics*, 53, 113–142.

Van Veen, K., & Elbertsen, J. (2008). Governance regimes and nationality diversity in corporate boards: A comparative study of Germany, the Netherlands and the United Kingdom. *Corporate Governance: An International Review*, 16, 386-399.

Watson, W. E., Kumar, K., & Michaelsen, L. K. (1993). Cultural diversity's impact on interaction process and performance: Comparing homogeneous and diverse task groups. *Academy of Management Journal*, 36, 590- 602.

Williams, K., & O'Reilly, C. A. (1998). Demography and diversity in organizations: A review of 40 years of research. In B. M. Staw & L. L. Cummings (Eds.) *Research in organizational behavior*, 20 (pp. 77–140). Greenwich, CT: JAI Press.

Zahra, S. A., & Pearce, J. A. (1989). Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management*, 15, 291–334.