Master Thesis in International Business

The impact of female managers on human rights performance

Investigating the role of women in manager positions on human right performance of firms in emerging economies

Radboud University

IN·DEI·NOMINE·FELICITER

Supervisor: prof. dr. M. (Marleen) Wierenga

Second examiner: dr. P.A. (Priscilla) Álamos-Concha

Nijmegen School of Management

Master International Business of Business Administration

Radboud University Nijmegen, 17 June 2024

Author: Kae Lou Meulman

Student number: s1055189

Date: 17-06-2024

Academic year: 2023-2024

Word count: 12.994

Foreword:

This master thesis marks the culmination of my academic journey in the master program Business Administration with the specialisation International Business at Radboud University. The title of this thesis, "The impact of female managers on Human rights performance: investigating the role of women in manager positions on human right performance of firms in emerging economies", stems from my deep interest in understanding how leadership diversity can influence corporate responsibility and ethical practices. I would like to express my sincere appreciation to my advisor, prof. dr. Marleen Wieringa, whose expertise, guidance, and encouragement have been contributory in the development of this thesis. I am also deeply thankful to the members of my thesis group for their useful criticism and valuable suggestions. My academic journey would not have been possible without the support of my family and friends. This thesis represents not only the fulfilment of my academic goals, but also a personal milestone. The process has challenged me intellectually and personally, fostering growth as it did not always go effortlessly. I am proud of what I have achieved and excited to contribute to the field of International Business.

Thank you for taking the time to read my thesis. I hope it offers valuable insights into the intersection of gender diversity and corporate responsibility.

Sincerely,

Kae Lou Meulman

Radboud University Nijmegen, 17 June 2024

Abstract: In this thesis, the relationship between the influence of female managers on the human right performance of firms located in an emerging economy is being studied. Additionally, it explores how certain factors in the business environment strengthen or weaken the effects of female managers on human rights. Using data from the LSEG database and The World Governance Indicators (WGI), which includes 759 firms from 24 emerging countries, a binary logistic regression analysis was conducted to address the research question. The results of the thesis indicate that firms with more female managers on the board are more likely to have policies ensuring the respect of human rights in general. However, contrary to expectations, the thesis found that the institutional quality of a country weakens the impact of female managers on human rights. The moderating effect of financial performance was found to be insignificant.

Keywords: human rights, female managers, financial performance, institutional quality, emerging economies

Paper type: Master thesis | Radboud University

Table of contents

Chapter 1 – Introduction

The United Nations Statistics Divisions (2020) stated that only 28% in managerial positions are represented by women. They say that women face higher barriers than men in accessing employment, and that when they do get a job, they are often excluded from decision-making positions. Although still far from equal to the proportion of men, the proportion of women in top management positions has increased over the last decade. (United Nations Statistics Division, 2020). This has encouraged research interest in the effect of female executives (Haile et al., 2015).

The gender identity theory (McCabe et al., 2006) analyses how women and men differ in their psychological traits, values and leadership styles. Adams & Funk (2012) find that women and men are different from each other in their choices, preferences, core values, and attitudes towards risk. Female managers are more benevolent and universally concerned, but less power-oriented than male managers. Females are more risk-averse than male managers, which results in female managers being more highly oriented towards corporate social responsibility (CSR) (De Celis et al., 2015). McCabe et al (2006) suggest that biologically (i.e., sex), there are no differences in ethical perceptions between women and men, but social influences affect moral reasoning.

Today, there is a deep-rooted discussion on CSR and related concepts, such as corporate sustainability, triple bottom line and business ethics (Giuliani et al., 2016); however, CSR has not always included a focus on human rights (HR) (Wettstein, 2012). HR are perceived to derive from the mere fact of being human (Griffin, 2008) and are thus perceived to be valid unconditionally and universally. HR aim to protect our fundamental human dignity (Giuliani et al., 2016). The growing interest in the business ethics and management literatures turns around understanding how businesses address "grand challenges" (Ciravegna & Nieri, 2022), like HR infringements (Wettstein et al., 2019). Examples of HR infringements include different types of labour rights abuses, such as child labour, labour discrimination, and union busting (Ciravegna & Nieri, 2022).

Study of business and HR emphasise the role of national institutions in regulating business to conduct and exert pressure on businesses to prevent involvement in HR abuses (Ntoutoume, 2023). Violations often result from a lack of moral imagination, expertise, and geopolitical knowledge, as well as from the conviction that HR protection is the responsibility of governments. Some governments are unable to uphold HR standards (Mena et al., 2009). In contrast, high-quality institutional governments prioritise smaller gender pay differentials (Terjesen & Sing, 2008) and enhance female board representation (Adams & Kirchmaier, 2015). Byron & Post (2016) note that diversity is not equally important in all contexts and they argue that country-level institutions may influence the strength of the relationship between diversity (e.g. women on boards) and firm outcomes (e.g. corporate social performance (CSP)). Financial pressure has been identified as key drives for firms' involvement in corporate misconduct (Baucus & Near, 1991). Firms allegedly get involved in corporate wrongdoing because they are attempting to improve their performance (Ciravegna & Nieri, 2022). Also, Giuliani et al. (2023) found that an increase in financial performance of firms from emerging countries leads to increases in HR abuses. Additionally, gender disparities were observed in managerial roles, with female managers experiencing greater levels of pressure than their male counterparts (Davidson & Cooper, 1987).

1.1 Problem statement

Currently, most of the debate on HR revolves around abuses committed by corporations headquartered in advanced markets. Although firms from emerging economies account for a growing share of the world's trade and foreign investment, these firms have been under the radar in the business and HR debate (Wettstein et al., 2019). Emerging economies differ from advanced economies because they often contain institutional voids (Khanna & Palepu, 2010), and institutional voids are more prevalent in markets characterised by lower institutional quality (Mair & Marti, 2009). Institutional quality has a significant influence on business conduct and regulation (Ciravegna & Nieri, 2022). Studies by Ardito et al. (2021) and De Celis et al. (2015) established a positive association between female managers and CSR performance. They focus on developed economies and overlook the dynamics present in emerging economies. According to Jamali et al. (2007), women's representation on boards is viewed as advantageous for organisations, enhancing CSR positively based on their moral and ethical perspectives (Monterio et al., 2022). It is said that the proportion of women in decision-making position is lower than that of men, while high shares of women on boards improved corporate governance and ethics (European Union, 2012). Research on the causes of business controversies related to HR is still incipient and mostly focuses on specific events or contexts, partly due to the difficulty of gathering information on such events (Maher et al., 2022). For instance, Maher's (2020) discussion on HR controversies in the mining sector. The article emphasises that despite being ranked highly in corporate benchmarks, mining companies have been involved in controversies, such as tailings dam collapses, environmental pollution, and conflicts with local communities. Firms face a wide array of challenges related to labour and HR, such as those involving occupational health and safety, discrimination, child labour, and forced labour (Monteiro et al., 2022), which have received increased stakeholder attention (Mena et al., 2009) mainly as a consequence of notorious accidents or severe violations of HR (Islam et al., 2016). Therefore, existing research fails to adequately address the complexities of gender diversity, institutional context, financial dynamics, and their impact on HR outcomes of firms located in emerging markets.

1.2 Objectives & Research Question

As described, even though there has been much research on female managers and CSR, it remains evident that further research is necessary to deepen our understanding of the influence of female managers on HR in emerging economies. Many studies have looked at the influence of female managers on CSR; however, CSR has not always included a focus on HR (Wettstein, 2012). Also, Wettstein et al. (2019) confirm this by stating that this interaction is mostly debated in advanced markets and there is an absence of studies on women in managerial positions in emerging economies (Elango, 2019).

The purpose of this study is to contribute to the current literature and gain more insight into the influence of female managers on a firm's HR performance. To do this, board gender diversity is examined as a cause of a change in HR. In addition, this research aims to dig deeper in the potential impact of institutional quality and financial performance, which are particularly important in this context. Therefore the following research question was formulated:

What is the effect of females in managers positions on human right performance of firms located in emerging economies, and to what extent is this effect influenced by institutional quality and financial performance?

1.3 Relevance

This research contributes to the existing literature in several ways. First, the majority of debate regarding HR abuses committed by corporations has centred on developed economies. An area where HR appear to be under-researched and thus particularly worth studying is that of firms located in emerging economies, as they have become important players in the global playing field (Giuliani et al., 2016). Emerging economies, unlike developed economies, are often characterised by institutional voids (Khanna & Palepu, 2010). According to Salomon (2015), this leads to massive violations of HR. Examining the dynamic context of emerging economies will address the existing gap in the literature. Second, today, there are still multiple cases where violations of HR have come to light. Although much research has shown that women in managers position can enhance CSR (Ardito et al., 2021; Birindelli et al., 2019; De Celis et al., 2015), there is still a gap in the comparison of female managers and the specific factor HR, as it may be a reason for lack of HR initiatives (Adams & Ferreira, 2009). Also, studies about CSR have not always explicitly and directly focused on or addressed HR (Giuliani et al., 2016). Giuliani et al. (2016) mentioned that the frame of reference in business and HR is more tightly defined. This means companies have less flexibility to prioritise certain issues or choose how to address them, as compared to the scattered nature of traditional CSR initiatives. Last, this research looks at multiple factors influencing this relationship, taking a broader view and digging deeper on this relationship, including a moderation by institutional quality and financial performance.

In terms of practical relevance, this research provides managers and legislators insights in corporate governance and leadership. For managers, the results from this research could highlight the importance of women in leadership and its potential effects on organisational behaviour. Legislators can use the findings to inform policy-making related to gender equality and HR in the workplace and provide insight into the benefits of promoting gender diversity in managerial roles. Determining HR performance is essential for managing operational and reputational risks, particularly in emerging economies, where regulatory environments and societal expectations may vary. Understanding the influence of institutional quality and financial performance on this relationship can help managers advance more effective risk management strategies. As HR is a sensitive matter and violations can have severe effects on a firm's reputation (Sambharya & Goll, 2018).

1.4 Outline

In the remainder sections of this research, the structure will be as follows: Chapter Two will present a theoretical framework wherein an examination of existing literature on fundamental concepts and their interrelationships will be undertaken. This will lead to the formulation of several hypotheses, which will then be illustrated through a conceptual model to elucidate their interconnections. Following this, Chapter Three will delve into the research methodology, consisting of a justification of the data analysis and the research ethics. Chapter Four will be dedicated to the presentation of the empirical findings. Chapter Five and Six will cover a comprehensive discussion and conclusion, in which the research's limitations will be addressed and suggestions for future research.

Chapter 2 – Theoretical framework

The theoretical framework delves into relevant academic literature on HR and gender. Furthermore, it will discuss the concepts of HR and managers' gender, examining connections as moderators. The framework includes proposed hypotheses, which highlights (inter)relationships and provides a conceptual model for visualisation purposes.

2.1 Characteristics of emerging economies

Emerging economies were the sweetheart of investment traders in the last decade for their high economic growth rates and high financial returns (Wilson & Purushothaman, 2006). Emerging economies or emerging markets is a broad term with varied definitions. Arnold & Quelch (1998) identify three criteria for categorising a country as an emerging market: (1) the absolute level of economic development, typically measured by average GDP per capita; (2) the relative pace of economic development, typically indicated by GDP growth rate; and (3) governmental policies that promote liberalisation. Hoskisson et al. (2000) define emerging economies as countries with low income per capita, rapid growth, and reliance on economic liberalisation strategies.

Emerging economies often face institutional voids (Khanna & Palepu, 2010), press censorship, and limited freedom of speech (Giuliani, 2016). These voids are more common in markets with lower institutional quality (Mair & Marti, 2009), leading to HR violations like child labour and poor labour conditions, with looser social regulations than in advanced countries (Kaufmann et al., 2009).

Ioannou & Serafeim (2012) report that firms in countries with high individualism are more likely to have higher CSP. As Matten & Moon (2008) state that these developed societies are characterised by strong cultural imprint on political parties, organisations, unions and employee associations. Asian and emerging economies are characterised by collectivism and are more likely to have implicit notion of CSR and are less likely to emphasise the CSR disclosures. For instance, Asian firms are likely to focus on CSR's pragmatic rationale but ignore employee rights and expect employees to work longer hours (Welford, 2004).

2.2 Female managers

As stated earlier, the proportion of women in top management positions has increased over the last decade (United Nations Statistics Division, 2020). The rise is particularly significant amidst the global trend towards implementing gender quotas in boardrooms, where female leaders are seen to influence organisational governance and performance outcomes (Adams & Funk, 2012).

According to the gender identity theory (McCabe et al., 2006), female managers have several characteristics, such as risk-aversion, altruism, and ethics of care (Chen et al., 2016), which affect their working attitudes and decision-making. Gilligan (1982) suggests that women use a standpoint of "ethic and care". Meanwhile, Laczniak (1983) describes this as the Gold Rule Approach, emphasising reciprocal ethical behaviour. The gender identity theory states that gender phenomena are multifactorial, consisting of biological sex, instrumental and expressive psychological traits, and gender-role attitudes (McCabe et al., 2006). Female managers are associated with traits such as empathy, caring, greater concern for others, and being interested in actualising values in relationships of greater importance to community (Boulouta, 2013). The overall findings is that women are significantly more inclined than men to prioritise ethical behaviour, while men are more prone to engage in unethical actions (Dawson, 1997). Yet, other research finds no differences when comparing men and women (Robin & Babin, 1997).

McCabe et al (2006) suggest that these conflicting findings on ethicality and moral reasoning stem from the oversimplification of the gender construct. They content that ethical perceptions are influenced by a complex interplay of social, personal, and situational factors, beyond biology alone. When gender is treated merely as a dichotomous biological variable (i.e., sex), there are no differences in ethical perceptions. However, viewing gender as a multidimensional, social-psychological construct reveals variations in ethical perceptions between genders (McCabe et al., 2016). According to Turiel (1994, in: McCabe et al., 2006), social influences, such as societal or cultural norms, can significantly impact moral reasoning, which affect behaviour. McCabe et al. (2006) found that men tend to perceive bribery as more ethically acceptable, as they set lower ethical standards in negotiations, compared to women, who prioritise ethical behaviour in negations (Hoffman, 1998).

2.3 Human rights

Historically, HR protection has been the duty of states, which translated into many international and national conventions, guidelines, and best practices (Mena et al., 2009). Moreover, HR regulations were primarily aimed at protecting individuals from state abuse of HR (Hseih, 2017). However, according to Mena et al. (2009), the scope and content of HR violations are changing.

Corporations are increasingly concerned with HR issues. This shift encourages the development of new perspectives on HR, as traditional mechanisms focused on states and are deemed insufficient (Mena et al., 2009). It is now almost universally accepted that businesses also have HR responsibilities, and this acceptance stems from an acknowledgement of the power that businesses hold, as well as their impact on society (Amengual et al., 2022). Although some authors contest the concept that private actors can assume HR obligations that are equivalent to those of the states (Bishop, 2012; Hsieh, 2017), other authors suggest the existence of such obligations, but in a fairly limited scope (Arnold, 2010). A growing literature argues that businesses have a responsibility to protect and realise HR under certain circumstances and to do good (Wettstein, 2009). Despite the debate on the nature and scope of business HR responsibilities, it is largely accepted that businesses have at least some human rights-related obligations (Amengual et al., 2022). HR infringements could include different types of labour rights abuses, such as child labour, labour discrimination, and union busting (Ciravegna & Nieri, 2022)

An under-research area where HR deserve particular attention is that of emerging economies, which have become increasing significant players in the global playing field (Giuliani et al., 2016). According to Khanna & Palepu (2010) emerging markets are often characterised by institutional voids, and this is more prevalent in markets considered by lower institutional quality (Mair & Marti, 2009). These institutional weaknesses also reflect on the capacity of these countries to ensure protection and remedy for abuses of HR associated with the business sector (Giuliani et al., 2016). According to Salamon (2015), this leads to massive violations of HR. Some firms relocate corporate activities to avoid legislation on HR to countries where protection is not always guaranteed (Islam & Jain, 2013). As a Consequencent, HR violations are often more prevalent than in the so-called advance countries (Kaufmann et al., 2009). Thus far, we still know very little about whether emerging market multinationals, in comparison to their counterparts in advanced countries, are more likely to adopt CSR initiatives only symbolically or, on the contrary, substantively enact a rights-oriented business conduct (Giuliani, 2016).

2.3.1 Female managers and human rights

Several studies show a positive association between having a female CEO and a firm's CSR performance (Ardito et al., 2021; De Celis et al., 2015). Similarly, the positive effect on board diversity on CSR performance has been documented (Bear et al., 2010). Researchers have also found that a critical mass of women in board positions is necessary for female managers to exert a significant influence on corporate strategies and policies (Amorelli & García-Sánchez, 2020; Birindelli et al., 2019). Birindelli et al. (2019) argue that the impact of women holding top management positions in a firm on corporate strategies is more pronounced when other women also hold leadership roles beyond the board of directors within the same firm. This is because their presence among such positions facilitates their empowerment and thus enhances their capacity to influence corporate strategies. To support this, the article of Monterio et al. (2022) conclude that gender diversity in management teams is positively associated with performance related to labour and HR, meaning that it enhances within the firm's working conditions, improving employees' knowledge and skills, and promoting the protection of HR. This is further supported by Dreher (2003), who argues that the number of work-life human resource practices was positively associated with a percentage of senior female managers.

A reason for this, is that female managers tend to have values that are more aligned with CSP (Birindelli et al., 2019). Women compared to men, feel a higher responsibility to use care reasoning (i.e. feeling responsible for others' wellbeing and for avoiding harm) (Gilligan, 1982; Boulouta, 2013). Further, compared to men, women tend to be more worried about social performance issues (Backhaus et al., 2002). Adams & Funk (2012) found that female managers are systematically more benevolent and inclusive than their male counterparts. Also, female managers bring experiences to the board, that, when voiced and contemplated, may help boards consider the implications of strategic decisions for a wider scope of corporate stakeholders (Byron & Post, 2016). Adams & Funk (2012) conclude that in the context of managers, gender diversity could have an impact when population of female managers differ from the population of male managers, as male and female managers have different priorities that may lead to gender-diverse boards behaving differently.

HR violations by multinational corporations are mostly measured by the BHRRC, which stands for Business & Human Rights Resource Centre (*Business & Human Rights Resource Centre,* n.d.). BHRRC is the world's leading independent information hup and collects business and HR news and reports, which are made public (Ciravegna & Nieri, 2022). However, these studies rely on externally reported abuses and secondary data (Ciravegna & Nieri, 2022). Maher et al. (2022) suggests that the BHRRC faces challenges related to assessing and addressing evasive responses from companies, ensuring the credibility of international standards affiliations, and addressing the limitations of self-regulation on corporate responsibility.

Overall, in emerging economies with institutional voids and lower institutional quality (Mair & Marti, 2009), there are more HR violations. Furthermore, as the gender identity suggests (McCabe et al., 2006), female managers have other characteristics than men, such as ethics of care (Chen et al., 2016), resulting in better performance to labour and HR (Monterio et al., 2022). Although significant progress has been made in research on female managers and CSR, these studies still lack the specific relationship on HR, especially in emerging economies.

So taking into account the above arguments, it can be stated that:

Hypothesis 1: Female representation on firms' boards is positively related to human right performance of firms located in emerging economies.

2.4 Institutional quality

According to North (1990), firms are deeply embedded within their national institutional context, and their behaviour is influenced by the prevailing norms and laws within these institutional systems. It is unlikely that the representation of women on boards will uniformly enhance CSP across all contexts (Byron & Post, 2016).

Emerging economies often face institutional voids (Khanna & Palepu, 2010), where institutions fail to function effectively, including its sanctioning business for HR infringements (Brenes et al., 2019). Scholars emphasis the importance of national institutions in regulating business conduct to prevent HR abuses (Mena et al., 2010; Wettstein, 2010). However, an inefficient, under-resourced and unaccountable judiciary, and high corruption levels reduce the likelihood of penalising corporate social irresponsibility (Spencer & Gomez, 2011).

Being based in high-quality institutions entails a higher likelihood of being apprehended for HR infringement, and more severe sanctions for firms found guilty of HR infringements (Spencer & Gomez, 2011). In contrast, firms based in low-quality institutions can learn how to thrive in such environments, as they are more flexible and adaptable (Cuervo-Cazurra et al., 2018).

Relatively to men, women hold fewer top management and executive positions, accumulate less executive experience, and are perceived to be less influential (Byron, & Post, 2016). Institutional context also frame power dynamics between men and women (Ridgeway, 2009), like institutional barriers, which refers to the structural problems in the system, leading to inequality and unfairness (Zhou, 2023). Byron & Post (2016) found that societies with greater gender parity in education, wages, health, and political influence, female managers are more likely to possess structural, prestige, expert, and ownership power, giving them more voice in the boardroom. This implies that higher institutional quality, which facilitates greater gender parity in various aspects of society, can lead to a more balanced distribution of power within corporate boards. Furthermore, the presence of a societal climate fostering gender equality correlates with increased female representation on boards (Loy & Rupertus, 2018). Institutions prioritising smaller gender pay differentials and greater representation of women in managerial positions play a critical role in expanding the pool of potential female board candidates (Terjesen & Sing, 2008). This underscores the significance of a higher proportion of women engaged in full-time employment as a prerequisite for enhancing female board representation (Adams & Kirchmaier, 2015).

Firms in high-quality institutional environments tend to commit fewer HR violations and exhibit better HR performance due to the higher risk of legitimacy damage (Ciravegna & Nieri, 2022). These environments also support a lager pool of potential female board candidates, emphasising the importance of female representation for equitable corporate governance (Adams & Kirchmaier, 2015; Byron & Post, 2016). However, the full impact of institutional quality in emerging economies remains underexplored (Ciravegna & Nieri). Thus, considering the above arguments, it can be stated that:

Hypothesis 2: The impact of institutional quality will moderate positively (i.e. amplify) the effect of female representation on firms' boards on human right performance of firms located in emerging economies.

2.5 Financial performance

Financial pressure has been identified as key drives for firms' involvement in corporate wrongdoing (Baucus & Near, 1991). Firms purportedly get involved in corporate wrongdoing because they are attempting to improve their performance (Ciravegna & Nieri, 2022). For example, in recovering from a period of negative performance, companies could be tempted to fill their underperformance gaps with illegitimate solutions or by misbehaving (Harris & Bromiley, 2007). Giuliani et al. (2023) also found that financial performance of firms from developing countries leads to increases in HR abuses.

On the other hand, Mishina et al (2010) argue that high performing firms can also get involved in performance-related corporate wrongdoing because managers can become overconfident and willing to take high risks to maintain their positions. However, empirical evidence on these mechanisms remains scarce (Ciravegna & Nieri, 2022).

Evidence suggests that women are typically confronted by an invisible barrier preventing their rise into leadership ranks, the "glass ceiling" (Ryan & Haslam, 2005). However, women are beginning to break through this glass ceiling (Dreher, 2003). Despite these advances, there is evidence indicating that women in leadership roles often face increased scrutiny regarding their performance (e.g. Eagly et al., 1995). Female managers have to cope with greater pressures than male managers (Davidson & Cooper, 1987) and tend to be appointed in leadership positions during times of crisis or when probability of failure is high; this is called the "glass cliff" (Ryan & Haslam, 2005). They are put in leadership positions that are relatively risky and set up for failure (Ryan et al., 2007).

Studies showing that low financial performance leads to corporate wrongdoing, as firms are tempted to fill their underperformance gaps (Harris & Bromiley, 2007). However, according to the "glass cliff", women tend to be appointed in leadership positions during times of crises. Female managers may cope with greater pressures (Davidson & Cooper, 1987). This trend can lead to a firm's profits in the short-term at the expense of long-term performance (Oelbaum, 2016), and this could lead to deprioritising HR efforts. However, no research has yet examined the moderating effect of financial performance on the relationship between female managers and HR performance of firms in emerging economies. So taking into account the above arguments, it can be stated that:

Hypothesis 3: The impact of financial performance will moderate negatively (i.e. weaken) the effect of female representation on firms' boards on human right performance of firms located in emerging economies.

2.6 Conceptual model

Based on the preceding theoretical framework, the relationships between the constructs and corresponding hypotheses are visualised in Figure 1: the conceptual model.

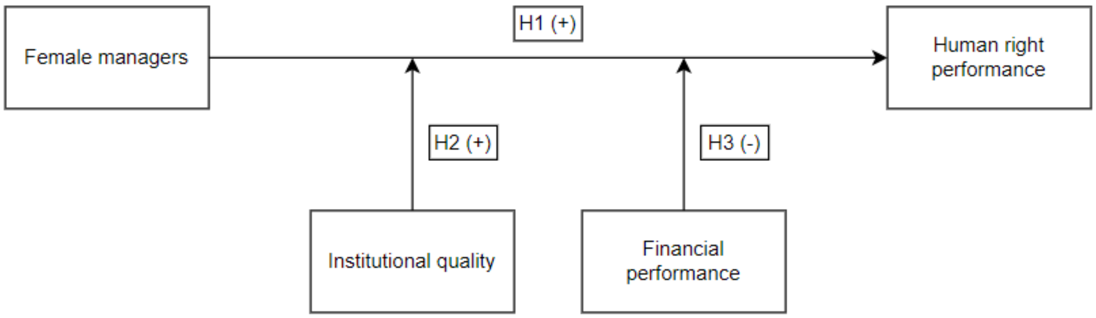

Figure 1: Conceptual model

Chapter 3 – Methodology

In this chapter, the methodology of the research will be discussed. First, the focus is set on the forms of data collection and the utilised sample. Subsequently, the variables within the research will be discussed, including how they are operationalised and measured. Correspondingly, the appropriate statistical analysis will be elaborated on, along with the research ethics.

3.1 Epistemological position

This research adopts a positivist epistemology, which can be characterised as a self-governing, independent and objective existence of the truth. It serves as a research paradigm founded upon the ontological principle stating that truth and reality exist autonomously, irrespectively of the perceptions or observations of individuals (Aliyu et al., 2014). This study assumes that truth is free from subjective interpretation, with the researcher and subject being separate and independent. Consequently, the researcher studies reality objectively, maintaining distance and preventing personal biases (Kaya, 2013).

3.2 Data collection and sample

The data utilised for this research is derived from the environmental, social and governance scores from LSEG and The Worldwide Governance indicators (WGI) of The World Bank. The LSEG data is one of the largest content collection operations in the world, with local language expertise and operating from different locations across the globe. LSEG offers one of the most widespread ESG databases in the industry, covering over 90% of the global market cap, across more than 630 ESG metrics, with history dating back to 2002 (LSEG, 2023). The WGI feature six aggregate governance indicators for over 200 countries and territories in the year 2022 (*World Bank Open Data,* n.d.).

This research focuses on HR in firms from emerging markets, initially sampling 3,444 firms. However, after eliminating the companies lacking necessary information, the final sample includes 759 firms from 24 emerging countries in 2022: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi-Arabia, South-Africa, South-Korea, Taiwan, Thailand, Turkey, and United Arab Emirates. These countries are selected based on the MSCI 2023 (*Market Classification*, n.d.). However, a limitation is that the LSEG does not differentiate between foreign firms with offices in emerging economies, multinational firms from emerging economies, and local firms. For this research, all firms are incorporated. The limitations associated with the data will be explained in the discussion of this research.

MSCI Emerging Markets Index

Americas	EMEA	APAC
Brazil, Chile, Colombia, Mexico, Peru	Czech Republic, Egypt, Greece, Hungary, Kuwait, Poland, Qatar, Saudi Arabia, South Africa, Turkey, United Arab Emirates	China, Indica, Indonesia, Korea, Malaysia, Philippines, Taiwan, Thailand

Table 1: MSCI Emerging Markets Index (Market Classification, n.d.)

3.3 Variables

The paragraph will begin with a discussion on operationalising and measuring the variables. It will start by addressing the dependent variable, followed by the independent and moderating variables. Finally, the paragraph will conclude with a discussion on control variables, which are included in the analysis to ensure the validity and reliability of the research outcomes.

3.3.1 Dependent variable

3.3.1.1 Human right performance

The variable is measured through the item (PolicyHumanRights) from the LSEG dataset: *Does the company have a policy to ensure the respect of human rights in general?* The question includes the following answer options: yes/no. This means that the item is of dichotomous measurement level, where '1' indicates yes and '0' indicates no. This variable considers a process on general fundamental HR and information to be ensuring the respect of HR. Gallhofer et al. (2011) state that companies often adopt formal policies and commitments related to HR, which can serve as indicators for their intentions to respect HR in their operations, supply chains and business practices. By analysing their policy, one can provide insights into a firm's awareness of HR issues and their willingness to address them. Subsequently, according to Parella (2019), a key component to a successful compliance are incentives. The article states that HR policy provides a clear framework for the organisation to understand its responsibilities and obligations regarding HR. The clarity helps in guiding the organisation's actions and decisions with HR standards, which can enhance the organisation's reputation and credibility. This makes the variable a suitable proxy for HR performance. This item is of nominal measurement level, with dichotomous indicators, and therefore suitable for the logistics regression analysis.

3.3.2 Independent variables

3.3.2.1 Female manager

The independent variable is, as presented in the research of Monteiro et al. (2022), the diversity of the management team through the percentage of female managers. The data stems from the LSEG dataset and the variable is measured through the item (BoardGenderDiversityPercent): *The percentage of female on the board.* This item is of ratio measurement level.

3.3.2.2 Institutional quality

Kuncic (2014) argues that finding a single measure of institutional quality is difficult because institutions are latent factors in an economic system. According to Spano (2021) strong rule of law is important for the protection of HR, as the moral idea behind the rule of law is the respect for personal autonomy and the exclusion of the arbitrary use of power; no one is above the law. Anagnostou & Mungiu-Pippidi (2014) underscore the importance government effectiveness as, the necessary administrative, legislative, and judicial reforms must be put into practice to prevent the recurrence of similar violations of HR in the future. Also, accountability can contribute to promoting HR by holding perpetrators accountable for their actions and seeking justice for victims of HR violations (Méndez & Mariezcurrena, 1999). For this research, indicators for institutional quality will be rule of law, government effectiveness, and voice and accountability. These are measured through the WGI of The World Bank. All the indicators are measured as a percentile rank indicating the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank and 100 to highest rank. The percentile ranks have been adjusted to correct for changes over time in the composition of the countries covered by the WGI. The aforementioned items are of ratio measurement level.

3.3.2.3 Financial performance

Just as the research of Amorelli & García-Sánchez (2020), Return-on-Assets (ROA) ratio is used to measure financial performance. The data stems from the LSEG database, which contains financial and business information. ROA allows for comparisons of financial performance across firms operating in different industries and sectors. Since it is a ratio, it standardises profitability measures (Amorelli & García-Sánchez, 2020). This indicator is of ratio measurement level.

3.3.3 Control variables

This research will include several control variables to avoid biased results. The control variable that will be incorporated in the statistical analysis is the variable 'firm characteristics'. This can be operationalised into 'firm size', 'firm age' and 'industry sector'.

The first variable is 'firm size'. According to Amengual et al. (2022) a firm's size may influence moral judgements regarding business HR obligations. The article states that larger firm with power have the influence to the moral obligation to intervene in the event of a HR violations. Conversely, smaller firm may not have the power. To measure firm size, the number of employees will be used as a proxy.

The second variable is 'firm age'. According to Brüderl & Schüssler (1990) age matters, as younger firms suffer from the "liability of newness" or poor organisational experience, which could make their attempts to prevent HR violations ineffective. Older firms, in contrast, should be better placed to avoid involvement in HR violations (Kelley et al., 1990) because they can learn from past experiences (Zahra et al., 2005). Just as in the article of Ciravegne & Nieri (2022) firm age will be measured as the number of years since the firm's foundation.

The third variable is 'industry sector'. According to Preuss & Brown (2012), HR policy adoption rates vary by industry. Sector like alcohol beverages, oil and gas, and tobacco show high adoption rates, likely due to intense public scrutiny. Conversely, sectors such as investment trust, property management and construction, and media show little interest in HR issues. These sectors operate further away from the public eye, so they may feel less pressure to address HR proactively (Preus & Brown, 2012).

These variables are coming from the LSEG database.

3.4 Method(s) of analysis

To examine the formulated hypothesis, a logistic regression analysis in SPSS will be performed. This method is appropriate as it is suitable for analysing relationships between a single dependent variable, in this case, the binary nominal scale of *human right performance*, and one or more independent variables, whether metric or non-metric, in this case, *female managers, institutional quality* and *financial performance*. Given that the dependent variable is binary nominal and the independent variables are interval metric, logistic regression analysis is deemed suitable for examining the proposed hypothesis.

In the regression analysis, the regression equation including the moderated relationships can be presented as follows:

$$\underset{\text{(binary nonmetric)}}{Y_1} = \underset{\text{(nonmetric and metric)}}{X_1 + X_2 + X_3 + \cdots + X_n}$$

Figure 2: Logistic regression equation (Hair et al. 2018)

When applying the above equation to this research, the following equation arises:

$$\begin{aligned} Human\ right\ performance\ (Y) \\ &= intercept + \beta 1 FemaleMan + \beta 2 VoiceAccount + \beta 3 GovernEffect + \beta 4 RuleofLaw + \beta 5 FinancialPerf \\ &+ \beta 6 FemaleMan\ x\ VoiceAccount + \beta 6 FemaleMan\ x\ GovernEffect + + \beta 7 FemaleMan\ x\ RuleofLaw \\ &+ \beta 8\ FemaleMan\ x\ FinancialPerf + \beta 9 FirmSize + \beta 10 FirmAge + \beta 11 IndustrySector \end{aligned}$$

According to Hair et al. (2018), the analysis is not dependent on normality or homoscedasticity. The remaining assumptions will be examined in Chapter 4. An overview of all the variables and their corresponding measurement levels are visualised in Table 2 below.

Variable	Operationalisation	Measurement	Type	Database
Human right performance	*Does the company have a policy to ensure the respect of human rights in general?*	Yes / no	Nominal/Binary	LSEG
Female managers	*Percentage of female on the board*	Percentage	Ratio	LSEG
Institutional quality	*Government effectiveness*	Percentage	Ratio	The World Governance Indicators (WGI)
	Voice and accountability	Percentage	Ratio	The World Governance Indicators (WGI)
	Rule of Law	Percentage	Ratio	The World Governance Indicator (WGI)
Financial performance	*Return on Assets (ROA)*	Ratio	Ratio	LSEG

Table 2: Variable and measurement overview

3.5 Research ethics

This research adheres to the Netherlands Code of Conduct on Scientific Practice (Radboud University, 2022), APA Ethics Code (American Psychological Association, 2017), and General Data Protection Regulation (GDPR, 2024). This research upholds these principles, ensuring data integrity and reject fabrication, manipulation, or falsification.

Quantitative data originates from the LSEG and WGI. The LSEG database is updated on a continuous basis – aligned with corporate reporting patterns – and data refreshed on products every week, including the recalculation of the ESG scores. The data quality is a key part, that is why the LSEG used a combination of both algorithmic and human processes to make sure that they achieve as close to 100% data quality as possible (LSEG, 2023). For the variable *PolicyHumanRights*, a transparency weight was chosen, which is based on the level of disclosure of each data point in a given industry group. This approach promotes transparency, fairness and accountability, all of which are essential principles in research ethics. Additionally, it is crucial to ensure the privacy and confidentiality when utilising data from the LSEG database, as the data is not public available, so the companies will be anonymous within this research.

Chapter 4 - Results

This chapter will entail the statistical analysis within this research. First, the descriptive data and the missing values will be presented. Subsequently, the assumptions of the logistic regression analysis will be tested. Next, the results of the analysis are presented and the hypothesis are assessed in order to whether they are to be confirmed or rejected. The relevant Tables and other data from the analysis are shown in Appendix 1 to 8.

4.1 Data description

Before starting with the examination of the logistic regression analysis, an overview of the descriptive data is provided in Table 3 below. All the variables incorporated in the analysis are presented: the dependent variable (HRperformance), the independent variables (FemaleMan, GovernEffect, VoiceAccount, RuleOfLaw & FinancialPerf) as well as the control variables (FirmAge, FirmSize & IndustrySector). In Appendix 1 the frequency Tables are visualised. Logistic regression is not dependent on normally distributed data (Hair et al., 2018).

Statistics

	N		Mean	Median	Std. Deviation	Skewness	Std. Error of Skew	Kurtosis	Std. Error of Kurt	Min	Max
	Valid	Missing									
HRPerformance	759	0									
FemaleMan	759	0	16.92	14.29	13.24	.844	.089	.820	.117	.00	75.00
FinanPerf	759	15	6.50	4.93	8.33	1.345	.090	8.451	.179	-36.91	56.94
GovernEffect	759	9	61.09	66.04	15.03	-.234	.089	-.094	.178	30.66	90.09
VoiceAccount	759	9	40.86	49.28	26.65	-.217	.089	-1.517	.178	6.28	80.67
RuleOfLaw	759	9	53.89	52.83	13.62	.407	.089	1.205	.178	20.75	84.91
IndustrySect	759	0									
FirmAge	759	19	1981.49	1988	24.22	-1.652	.089	5.157	.179	1808	2019
FirmSize	759	269	40465.59	14153.50	75291.24	3.888	.110	18.031	.220	3	592195

Table 3: descriptive statistics all variables

4.1.1 Missing data

Another examination to perform before initiating the logistic regression analysis is the degree of missing data within the sample. The missing data per variable may not exceed the 10 percent threshold (Field, 2017). In Appendix 3, the variable FirmSize shows a missing value of 35%. Little's MCAR test is conducted to check if the missing values are completely at random. The results are shown that the output of Little's MCAR test is chi-square = 180.972, DF=43, Sig. = .000. It can be concluded that the missing values are not completely at random. Therefore, not all imputation techniques are acceptable (Hair et al., 2018). The multiple imputation method is deemed to be the best imputation method in case of MAR (Hair et al., 2018). With this method, multiple versions of a completed dataset are estimated and created which can then be used to conduct the analysis. Five imputations are used to ensure the validity (Hair et al., 2018).

4.2 Assumptions

Logistic regression is suitable for this study due to the nature of the variables. Assumptions must be met before conducting logistic regression: a dichotomous (binary) dependent variable, a sample size of at least 400, independence of observations, linearity of independent variables, and little or no presence of multicollinearity among the independent variables (Hair et al., 2018).

In a logistic regression analysis, a key assumptions involves the dependent variable being of categorical or dichotomous scale (Hair et al., 2018). In chapter 3, the dependent variable "human right performance" was operationalised with either 'yes' or no' answers, meeting this assumption. For the next assumption, a sample size of the overall model should be at least 400 for optimal results using maximum likelihood estimation (MLE) (Hair et al., 2018). This assumption is met, as the sample size of the model exceeds well over 759 firms with data of 2022 which results in 3,795 observations. To ensure the assumption of independence of observations the Durbin-Watson test is used, yielding a value of 1.537, which is within the acceptable range of 1.5 and 2.5 (Hair et al., 2018). The next assumption involves the linearity of the independent variables and the logarithm of the odds (log-odds). The Box Tidwell test is executed to confirm this assumption. Variables FemMan, FinanPerf, VoiceAccount and RuleOfLaw were not linear, so their interaction terms were retained in the model (Hair et al., 2018). Lastly, there must be an absence of multicollinearity among the independent variables. Pearson's correlation coefficient indicated no multicollinearity.

A more detailed research about the assumptions and the Tables can be found in Appendix 4.

4.3 Logistic regression analysis

The logistic regression analysis is conducted through three separate models. The first model will solely examine the control variables: (1) firm age, (2) firm size, and (3) industry sector. The second model includes the addition of the main effects of female managers and the moderating variables on HR performance. Subsequently, the third model incorporates the interaction term of institutional quality and the fourth model incorporates the interaction term of financial performance. The goodness of the model and the adding value of following new models are examined by checking the OMTC (Omnibus Test of Model Coefficients), Nagelkerke R-square, and The Hosmer and Lemeshow test. Statistical significance of the results is considered achieved with a p-value of <.05. Furthermore, the Direction of Exponentiated Coefficients (Exp (B) indicates the logistic coefficient and its magnitude. The Exp (B), or odds ratio of <1.0 suggests a negative outcome, whereas >1.0 indicates a positive outcome (Hair et al., 2018).

For each step within the logistic regression model, the Omnibus Test of Model Coefficients and the Hosmer and Lemeshow Test are shown. The OTMC gives an insight in how well the data fits the model per step in the analysis (Field, 2017). Moreover, the Hosmer and Lemeshow Test of goodness-of-fit considers to what extent the models are appropriate. Table 4 shows that the models are significant, meaning that the models lack some fit.

	Sig.
Model 1	<.001
Model 2	<.001
Model 3	.002
Model 4	<.001

Table 4: Hosmer-Lemeshow goodness-of-fit

In the appendices per model, the Omnibus Test of Model Coefficients can be found. For model 1 (χ 2 (1) = 257.808, *p*= 0.000), model 2 (χ 2 (2) = 404.138, *p*= 0.000), model 3 (χ 2 (3) = 431.940 *p*= 0.000) and model 4 (χ 2 (2) = 404.763, *p*= 0.000), the tests are significant, indicating that the models significantly fits the data and improves as the independent variables are added. Also, the Chi-square per step in the model *(Step/Block*) shows an improvement and significance as each step/block was added, indicating an improvement of overall fit. Except for model 4, indicating that adding the interaction term of financial performance does not improve the model.

The results of the logistic regression analysis are visualised in Table 5 below.

Variables	Model 1		Model 2		Model 3		Model 4	
	Sig.	Expβ	Sig.	Expβ	Sig.	Expβ	Sig.	Expβ
Constant	.001	5.221E+11	.001	1352705604	.001	1.44E+16	.001	3054E+15
Control Variables								
FirmAge	.001*	.987	.001*	.989	.001*	.982	.001*	.983
FirmSize	.987	1.000	.062	1.000	.060	1.000	.090	1.000
Industry	.001*		.001*		.001*		.001*	
Industry(1)	.001*	.243	.001*	.286	.929	1.155	.799	1.155
Industry(2)	.004*	1.321	.001*	1.258	.935	1.019	.720	1.085
Industry(3)	.114	.926	.025*	.866	.700	.922	.879	.969
Industry(4)	.632	1.348	.001*	1.343	.618	1.151	.521	1.196
Industry(5)	.150*	.746	.001*	.698	.030*	.650	.028*	.650
Industry(6)	.062	.779	.001*	.566	.676	.889	.713	.902
Industry(7)	.257	.511	.041*	.841	.005*	.558	.009*	.582
Industry(8)	.001*	.580	.001*	.448	.001*	.429	.001*	.468
Industry(9)	.010*	1.527	.001*	2.410	.001*	2.141	.001*	2.198
Main Effect								
FemaleMan			.001*	1.016	.042*	1.050	.001*	1.020
FinancialPerf			.507	1.001	.001*	1.033	.005*	1.026
GovernEffect			.003*	1.005	.001*	1.059	.001*	1.032
VoiceAccount			.001*	1.012	.001*	1.024	.001*	1.015
RuleOfLaw			.001*	.993	.001*	.925	.001*	.961
Moderating effect								
*FemaleMan*GovernEffect*					.001*	.998		
*FemaleMan*VoiceAccount*					.001*	.999		
*FemaleMan*RuleOfLaw*					.001*	1.003		
*FemaleMan*FinanPerf*							.429	1.000
Model Summary								
Chi-Square	257.808		404.138		431.940		404.763	
NagelKerke $\boldsymbol{R^2}$	.101		.156		.166		.156	

Table 5: Overview logistic regression results

Model 1

The first model examined the impact of the control variables: firm age, firm size and industry sector on HR performance and it explained 10.1% of the variance in HR (Nagelkerke R^2 =.101). Not all variables show significant effects. The results show that firm size and industry sector 3,4, 6 and 7 are insignificant. Meaning that the size of the firm does not have an influence on whether the firm has a policy in HR. Also the sectors: consumer (non)-cyclicals, financials and healthcare show no significant effect. The industries basic materials (Expβ=1.321) and real estate (Expβ=1.527) have a positive significant effect indicating that firms within these industries are more likely to have a policy to respect HR than the reference industry utilities and the industries academic (Expβ=.243), energy (Expβ=.746) and industrials (Expβ=.580) are less likely to have a policy to respect HR than the industry utilities. The results show that firm age has a negative effect (Expβ=.987). Firms older are expected to have a policy to respect HR than younger firms.

Model 2

In the second model, the impact of the direct effects, Female managers, institutional quality and financial performance on HR were examined. The model showed an increase in the explained variance in HR to 15.6% (Nagelkerke R^2 =.156). The results show that the amount of female managers in the board room show a significant positive effect (Expβ=1.016) indicating that more female managers are more likely to have a policy to respect HR. Additionally, all the variables that are indicators for institutional quality are significant, however, rule of law is showing a negative effect (Expβ=.993) and government effectiveness and voice and accountability a positive effect (Expβ=1.005; Expβ=1.012). In contrast, Financial performance show an insignificant effect, indicating that financial performance of a firm has no significant influence on whether a firm has a policy to respect HR.

Model 3

In model 3, the moderator institutional quality was included. Also this model showed an increase in the explained variance in HR to 16.6% (Nagelkerke R^2 =.166). The results show a significant effect on the moderators of institutional quality. From the results can be concluded that government effectiveness and voice and accountability moderate negatively on the relationship between female managers and HR (Expβ=.998; Expβ=.999). Indicating that when government effectiveness and voice and accountability is high, more female managers in the board room would be more likely to not have a policy to respect HR. On the other hand, rule of law shows a significant positive moderating effect of female managers on HR (Expβ=1.003). Indicating that a stronger rule of law, more female managers in the board room a firm would be more likely to have a policy to respect HR.

Model 4

In the last model, the moderator financial performance was included. However, this model does not show an increase in the explained variance in HR, as the Nagelkerke R^2=.0156, so 15%, just as much as model 2. So the inclusion of the moderator financial performance does not improve the model. Also from the results this is shown, as the interaction term is insignificant, indicating that the financial performance does not have an significant influence on the relationship between female managers and HR.

Hypothesis

The first hypothesis stated a positive effect of female managers on HR performance, which was confirmed by this study. A significant moderating effect of institutional quality was found, however, it was negative for two out of three indicators: government effectiveness and voice and accountability, leading to the rejection of the second hypothesis. The third hypothesis, regarding the moderating effect of financial performance on the relationship between female managers and HR, was also rejected due to insignificant results. As shown in Table 6, the first hypothesis was accepted, while the second and third were rejected.

	Hypothesis	**Accepted/Rejected**
1	Female representation on firms' boards is positively related to human right performance of firms located in emerging economies.	√
2	The impact of institutional quality will moderate positively (i.e. amplify) the effect of female representation on firms' boards on human right performance of firms located in emerging economies.	*x*
3	The impact of financial performance will moderate negatively (i.e. weaken) the effect of female representation on firms' boards on human right performance of firms located in emerging economies.	*x*

Table 6: Overview tested hypothesis

4.4 Residual analysis

To confirm the validity of the results, a residual analysis was conducted. Residuals are the differences between observed and estimated values. By evaluating the residuals, the model fit can be evaluated. The residuals were standardised which provides a robust way to assess the magnitude and impact of residuals in statistical analysis. Standardising residuals enhances the interpretability of diagnostic plots and helps detect outliers and influential observations (Hair et al., 2008).

The analysis, shown in Appendix 8, indicates that the model fits the data well. The mean residual is .000, suggesting the model is unbiased. A smaller standard deviation reflects less variability around the mean. Overall, this residual analysis supports the validity of the logistic regression model, indicating it accurately represents the relationship between the predictor and outcome variables. More detailed research can be found in Appendix 8.

Chapter 5 - Discussion

This chapter will shed further light on the results and provide an in-depth discussion on how it relates to the existing literature. Starting with the main effect, the interaction effects and the control variables will be evaluated. Furthermore, this chapter will provide an answer on the research question, offer recommendations, and finally discuss limitations and suggestions for future research.

5.1 Female managers and human rights

The primary hypothesis of this research was the positive effect of female managers on HR performance of firms located in emerging economies, which was supported by the logistic regression analysis. The results confirm the findings of De Celis et al. (2015) and Monteiro et al. (2022). Hence, it can be concluded that firms with more female managers on the board are more likely to have a policy to respect HR.

As the results show, scholars argue that women, compared to men, feeling more responsible for other's wellbeing and for avoiding harm (Bennet et al., 1995). Women also tend to be more worried about social performance issues (Backhaus et al., 2002). The gender identity theory (McCabe et al., 2006) states that women are more inclined than men to prioritise ethical behaviour. Furthermore, Birindelli et al. (2019) also add that the impact of women holding top management positions in a firm on corporate strategies is more pronounced when more women also hold leadership roles within the same firm. This is because the presence of these female managers among these managerial positions facilitates their empowerment and thus enhances their capacity to influence corporate strategies (Birindelli et al., 2019). Furthermore, Monteiro et al. (2022) found that a higher proportion of women in management teams has a positive effect on the company's working conditions, improving the employees' knowledge and skills, and promoting the protection of HR. HR regulations are aimed to protect individuals from abuses and human dignity (Giuliani et al., 2016).

5.2 Interaction effects

Institutional quality

Interestingly, the results provided a significant positive direct effect of government effectiveness and voice and accountability on HR, but a significant negative moderating effect on the relationship between female managers and HR. However, the results also show a significant negative direct effect of rule of law, but a significant positive moderating effect on the relationship between female managers and HR. Thus, as the affect was contrariwise, the hypothesis was rejected.

The contradiction regarding institutional quality can be explained by the theories. The theory suggested a positive relationship between more female managers on boards and a policy to respect HR, where higher institutional quality facilitates greater gender parity and better board power balance (Byron & Post, 2016). However, the results contradict these findings, other plausible explanations could be present. While institutional quality generally aims to improve HR as shown by, the direct effects from the results, other context related factors could potentially limit the positive impacts of female mangers. Kabir et al. (2023) identified cultural factors like masculinity/femininity and power distance as potential moderators that could undermine the positive effects. In masculine cultures emphasising assertiveness and competition, increased female board representation may lead to less decisive action and greater adherence to societal norms. Moreover, high power distance cultures, female board members may face challenges in aligning with distant hierarchical power structures. This can limit their ability to effect change, as their authority is constrained by existing power dynamics (Kabir et al., 2023).

An explanation for the contradictory findings between the indicators government effectiveness, voice and accountability, and rule of law can be explained by the literature. A strong rule of law positively moderates HR protection, as companies in such countries face pressure to comply with regulations, as non-compliance can lead to significant legal repercussions (Spano, 2021; La Porta et al., 1998). However, government effectiveness and voice and accountability were found to have significant negative moderating effects. High government effectiveness may reduce firms' incentives to proactively address HR issues, assuming the government handles them (Matten & Moon, 2008). In countries with high voice and accountability, firms face greater public scrutiny and may react to political pressures and populist sentiments, which can vary widely and sometimes discourage progressive policies if they are not aligned with the current public mood or political climate (Bonardi et al., 2005). These roles can vary significantly with cultural context.

Financial performance

The results displayed a significant positive direct relationship between financial performance and HR, whereas an insignificant moderation effect on the relationship between female managers and

HR. In theory, it was posited that the financial performance of a firm could contribute to HR performance, as companies might be tempted to fill their underperformance gaps with illegitimate solutions or by misbehaving (Harris & Bromily, 2007). This direct relationship is accepted from the results; however, the moderating effect is insignificant. The theory posits that women are put in a leadership position that are relatively risky (Ryan et al., 2007), indicating that when financial performance is low, female managers are appointed, female managers face greater pressures (Davidson & Cooper, 1987) and might deprioritise HR efforts, as the focus of the firm could prioritise the short-term results (Oelbaum, 2016).

However, the results show an insignificant negative effect, suggesting that financial performance does not significantly influence the impact of female managers on HR. This contrasts with previous findings, other plausible explanations could be present. Ryan & Haslam (2009) challenge the universality of the “glass cliff”, finding no difference in US companies’ financial performance before or after appointing male or female managers. Based on this, Ryan & Haslam (2009) conclude that manager hiring practices are not gender-based. Moreover, they argue that the concept of the glass cliff extends beyond economic metrics, encompassing notions of precariousness and risk. This suggest that solely examining return-on-assets as a financial measure may explain the insignificant result. Understanding the social, organisational, and psychological factors might lead to the emergence of the “glass cliffs”. Organisational factors that could play a role is history of leadership. If previous male leaders have navigated the organisations into difficulty, appointing a female leader may be seen as a “glass cliff” scenario (Bruckmüller & Branscombe, 2010).

5.3 Control variables

The last group of variables in the analysis were the control variables. Nearly all control variables showed a significant relationship with the concept of HR, except for firm size and some sector industries.

The results found that firm size does not have a significant influence. Previous literature stated that large firms with power have the influence of the moral obligation to intervene in the event of HR violations. An explanation for this contradictory finding could be the amount of missing data from the analysis. A missing data of 35% could cause for potential biases. However, the multiple imputation method is used to not influence the statistical power as the sample size remains the same and to reduce biases compared to listwise deletion.

The results indicated that the age of a firm negatively influence the likelihood of a firm in an emerging economy to have a policy to respect HR. As the previous literature confirms the relationship, older firms can learn from past experiences (Zahra et al., 2005) so they should be better placed to avoid involvement in HR violations (Kelley et al., 1990)

The last control variable, industry sector, shows that some industries do have a significant effect and others not. According to Preus & Brown (2012) certain industries exhibit higher adoption rates of HR policies compared to others, as some industries feel more pressure to address HR issues. However, from the results can be found that only the sectors basic materials and real estate have significant positive effect, the sectors academic, energy and industrials have a significant negative effect in comparison with utilities. The other industries were insignificant.

5.4 Answer research question

The research explored the influence of female managers on the human rights (HR) performance of firms located in emerging economies, focusing on the moderating roles of institutional quality and financial performance, as current literature provided limited insight. Hence, the following research question was given in this thesis:

What is the effect of females in managers positions on human right performance of firms located in emerging economies, and to what extent is this effect influenced by institutional quality and financial performance?

Using a binary logistic regression analysis, it was found, as hypothesised, that female managers positively impact HR performance, increasing the likelihood of firms having HR policies. In addition, two interaction effects were examined: (1) the institutional quality of the countries where the firms were located and (2) the firm's financial performance. The moderating effect of the institutional quality was found to be negative, which was in contrast with the hypothesised direction of the effect. Hence, this implied that a higher institutional quality weakened the primal effect of female managers on HR. Furthermore, the moderating role the financial performance proved insignificant results. Indicating that financial performance alone does not have a significant impact on the primal effect of female managers on HR.

5.4 Implications

Theoretical implications

This research provides significant evidence for the enhanced likelihood of firms located in emerging economies with more female managers in het board room to adopt a policy to ensure the respect HR in general. The finding of the effect was found to be consistent with the hypothesis. While much research focuses on women in managers position and CSR (De Celis et al., 2015; Ardito et al., 2021; Birindelli et al., 2019), there was still a gap in the comparison on the specific factor of HR (Giuliani et al., 2016). With this research, we have addressed this existing gap, thus fostering further confirmation of the phenomenon (Monteiro et a. 2022).

Another contribution is the investigation of this effect in emerging economies, which are characterised by collectivism and are more likely to have implicit notion of CSR and are less likely to emphasise the CSR disclosures (Welford, 2004).

A surprising theoretical contribution is discovered as the institutional quality in the environment of the firm was identified as a weakening factor on the effect of female managers to enhance a policy in HR. While previous research posited a positive effect (Adams & Kirchmaier, 2015; Ciravegna & Nieri, 2022), a contradictory contribution is acknowledged through this research. This could potentially introduce revived discussions on the institutions and the relationship of female managers and HR of firms in emerging economies, as other situational effects, such as cultural factors like power distance or masculinity/femininity (Kabir et al., 20233), might be at the foundation of this relationship.

Finally, financial performance was found to have an insignificant moderating effect on the amount of female managers and whether a firm has a policy to ensure to respect HR. Previous research posited a negative significant effect, explaining the “glass cliff” effect (Ryan et al., 2007). Hence, it could potentially introduce revived discussions on the influence of financial performance and the relationship of female managers and HR of firms in emerging economies, as other situational effect, for instance organisational factors like history of leadership (Bruckmüller & Branscombe, 2010), might also be relevant.

Managerial implications

Practical implications for managers and policymakers can likewise be derived from the results, offering valuable insights into the intersection of gender diversity, HR, and corporate governance of firms located in emerging economies. The positive effect of female managers on HR performance underscores the importance of gender diversity in leadership roles. Understanding that female managers positively influence HR performance should motivate firms to integrate gender diversity into their CSR strategies, as proactive HR practices can mitigate operational risks and protect a firm's reputation (Sambharya & Goll, 2018).

Legislators can use this evidence to support policies and regulations that promote gender equality in the workplace, as it improves HR and leads to a better gender quota or diversity targets. Additionally, this research found that institutional quality does not strengthen the effect of female managers on HR. Managers need to be aware that institutional environment can influence their leadership strategies. In regions with stronger institutional frameworks, regulatory pressures might already ensure higher HR policies, thereby reducing the relative impact that female managers can have. In such contexts, managers should focus on other aspects, for instance cultural factors (Kabir et al., 2023).

5.5 Limitations

There are several limitations regarding this research when interpreting the results. First, the indicator used to measure female managers, because this study is grounded in the theoretical assumption of gender but is treated as a dichotomous variable (i.e. sex). Other gender-related variables are not measured, due to the limited available data considering only female and men. The findings may be limited in their scope and breath. Second, the LSEG database makes no difference between emerging market multinational enterprises, multinational enterprises located in emerging markets or local firms. So for this research all firms are incorporated, where this research makes a general conclusion from the results. This limitation could influence the interpretation of the results, as these types of firms may face different pressures, as Sethi (2012) examines how MNEs face unique challenges and pressures in managing HR issues compared to local firms. However, Dunning & Lundan (2008) note the complexity of identifying MNE nationality due to mixed ownership (e.g. ownership that is, itself, fully or partly owned by foreign interests) and increasing global integration. Cuervo-Cazurra (2018) explains that EM MNEs adopt to global standards as they expand, reducing their distinctiveness derived from their country of origin. Therefore, firm age is included as a control variable, as older firms can learn from past experiences (Zahra et al., 2005). The inability to distinguish between EM MNEs, MNEs and local firms may limit the generalisability of the findings. Third, as the LSEG database is derived via a portfolio, this could cause for the potential for firms to over-claim adherence to reporting guidelines and to use transparency as a tool for enhancing legitimacy rather than accountability (Parsa et al., 2018). However, the LSEG's ESG reporting requirements are driven by regulatory mandates. At last, this research was measured at a specific point in time. However, firms undergo continuous change. The state of the a firm in 2022 may differ from its state in other years, affecting the relevance of the research findings over time.

5.6 Future research

This paragraph suggests several avenues for future research based on the aforementioned discussions. The research found that more female managers on the board increased the likelihood of firms in emerging economies adopting HR policy. However, the indicators in this research were measured at a single point in time, 2022. Institutional quality was assessed using the WGI, which are objective measures based on formal rules. Future research could consider using perception-based data from sources like the World Bank Enterprise Survey (ES), as suggested by Barasa et al. (2017), to gain a subjective understanding of institutional quality. Barasa et al. (2017) emphasise the importance of understanding the institutional environment. Additionally, conducting longitudinal studies on gender diversity and HR performance could reveal long-term trends. As Bear et al. (2010) suggests, this could enhance firm reputation and long-term success.

Previous research was found a positive effect on female managers on HR in developed economies, and this study confirmed the effect in emerging economies. However, a gap remains regarding how and under what conditions firms in emerging economies differ in HR performance compared to developed economies. Emerging economies may face unique challenges, including different stakeholder pressures and resource constraints (Jamali et al., 2008). Future research should investigate these differences between developed and emerging economies.

Kabir et al. (2023) identified cultural factors such as masculinity/femininity and power distance that could significantly impact both gender diversity on boards and HR practices. By incorporating cultural dimension from frameworks such as Hofstede's cultural dimensions theory, different context related factors can be investigated whether it influences HR.

McCabe et al. (2006) suggests that exploring other dimensions of gender can provide a more comprehensive understanding about the gender phenomenon. Hillman et al. (2002) found that boardroom diversity, including ethnicity, also lead to a broader rang of perspectives, enhancing decision-making. Furthermore, Harjoto et al. (2005) noted that diverse boards are more likely to engage in CSR, considering factors like ethnicity and age. Future research should use intersectional analysis to examine how multiple diversity dimensions (e.g. gender, ethnicity, age) interact and influence HR outcomes. Integrating these dimensions will lead to a more nuanced understanding of board diversity's impact on HR performance.

According to Sethi (2012) different types of firms may face different pressures. According to Sethi (2012) MNEs must address pressures from both their home and host countries, while local firms encounter domestic advocacy pressures. MNEs, driven by the need to meet stringent international standers, often exhibit higher HR performance. In contrast, local firms, influenced by their domestic context. Future research could investigate these differences and develop a comprehensive understanding of HR performance across various types of firms.

Chapter 6 - Conclusion

To conclude, this research has explored the critical intersection between gender diversity in managerial positions and the implementation of human rights policies within firms in emerging economies. Through a review of literature, theoretical analysis and binary logistic regression, it has become evident that the amount of female representation in top managerial roles can have significant impact for organisational practices related to human rights. The relevance of this research extends beyond organisational boundaries, resonating with broader societal imperatives for gender equality. By recognising the importance of gender diversity in managerial positions and its potential impact on human rights policies, organisations can contribute to sustainable development goals.

References

Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal Of Financial Economics, 94*(2), 291–309.https://doi.org/10.1016/j.jfineco.2008.10.007

Adams, R. B., & Funk, P. (2012). Beyond the Glass Ceiling: Does Gender Matter? *Management Science, 58*(2), 219–235.https://doi.org/10.1287/mnsc.11101452

Adams, R. B., & Kirchmaier, T. (2015). Barriers to Boardrooms. *ECGI – Working Paper Series of Finance, 347*(?), 1-70.https://www.ecgi.global/sites/default/files/working_papers/documents/SSRN-id2192918.pdf

Amengual, M., Mota, R., & Rustler, A. (2022). The 'Court of Public Opinion:' Public Perceptions of Business Involvement in Human Rights Violations. *Journal Of Business Ethics, 185*(1), 49–74.https://doi.org/10.1007/s10551-02205147-5

American Psychological Association. (2017). Ethical principles of Psychologists and code of conduct (2002, amended effective Juni 1, 2010, and January 1, 2017).http://www.apa.org/ethics/code/index.html

Amorelli, M., & García-Sánchez, I. (2020). Critical mass of female directors, human capital, and stakeholder engagement by corporate social reporting. *Corporate Social Responsibility And Environment Management, 27*(1), 204–221.https://doi.org/10.1002/csr.1793

Anagnostou, D., & Mungiu-Pippidi, A. (2014). Domestic Implementation of Human Rights Judgments in Europe: Legal Infrastructure and Government Effectiveness Matter. *European Journal Of International Law, 25*(1), 205–227.https://doi.org/10.1093/ejil/chu001

Ardito, L., Dangelico, R. M. & Messeni Petruzzelli, A. (2021). The link between female representation in the boards of directors and corporate social responsibility: Evidence from B corps. *Corporate Social Responsibility and Environmental Management, 28*(2), 704-720.https://doi.org/10.1002/csr.2082

Arnold, D. (2010). Transnational Corporations and the Duty to Respect Basic Human Rights. *Business Ethics Quarterly, 20*(3), 371–399.https://doi.org/10.5840/beq201020327

Arnold, D., & Quelch, J. A. (1998). New strategies in emerging markets. *Sloan Management Review, 40*(1), 20.https://dialnet.unirioja.es/servlet/articulo?codigo=2490796

Baucus, M. S., & Near, J. P. (1991). Can illegal corporate behavior be predicted? An event history analysis. *Academic of Management Journal, 34*(1), 9-36.https://doi.org/10.2307/256300

Backhaus, K., Stone, B. A., & Heiner, K. W. (2002). Exploring the Relationship Between Corporate Social Performance and Employer Attractiveness. *Business & Society, 41*(3), 292–318.https://doi.org/10.1177/0007650302041003003

Barasa, L., Knoben, J., Vermeulen, P., Kimuyu, P., & Kinyanjui, B. (2017). Institutions, resources and innovation in East Africa: A firm level approach. *Research Policy, 46*(1), 280–291.https://doi.org/10.1016/j.respol.2016.11.008

Bear, S., Rahman, N., & Post, C. (2010). The Impact of Board Diversity and Gender Composition on Corporate Social Responsibility and Firm Reputation. *Journal Of Business Ethics, 97*2), 207–221.https://doi.org/10.1007/s10551-010-0505-2

Birindelli, G., Iannuzzi, A. P., & Savioli, M. (2019). The impact of women leaders on environmental performance: Evidence on gender diversity in banks. *Corporate Social Responsibility And Environmental Management, 26*(6), 1485–1499.https://doi.org/10.1002/csr.1762

Bishop, J. D. (2012). The Limits of Corporate Human Rights Obligations and the Rights of For-Profit Corporations. *Business Ethics Quarterly, 22*(1), 119-144.https://doi.org/10.5840/beq20122217

Bonardi, J., Hillman, A. J., & Keim, G. D. (2005). The Attractiveness of Political Markets: Implications for Firm Strategy. *The Academy Of Management Review, 30*(2), 397–413.https://doi.org/10.5465/amr.2005.16387895

Boulouta, I. (2013). Hidden Connections: The Link Between Board Gender Diversity and Corporate Social Performance. *Journal Of Business Ethics, 113*(2), 185–197.https://doi.org/10.1007/s10551-012-1293-7

Brenes, E., Ciravegna, L., & Pichardo, C. A. (2019). Managing institutional voids: A configurational approach to understanding high performance antecedents. *Journal Of Business Research, 105*(?), 345–358.https://doi.org/10.1016/j.jbusres.2018.03.022

Bruckmüller, S., & Branscombe, N. R. (2010). The glass cliff: When and why women are selected as leaders in crisis contexts. *British Journal Of Social Psychology, 49*(3), 433–451.https://doi.org/10.1348/014466609x466594

Brüderl, J., & Schüßler, R. (1990). Organizational Mortality: The Liabilities of Newness and Adolescence. *Administrative Science Quarterly, 35*(3), 530.https://doi.org/10.2307/2393316

Business & Human Rights Resource Centre - Business & Human Rights Resource Centre. (n.d.). Business & Human Rights Resource Centre.https://www.business-humanrights.org/en/

Byron, K., & Post, C. (2016). Women on Boards of Directors and Corporate Social Performance: A Meta-Analysis. *Corporate Governance: An International Review, 24*(4), 428–442.https://doi.org/10.1111/corg.12165

Chen, C. W., Tuliao, K. V., Cullen, J. B., & Chang, Y. Y. (2016). Does gender influence managers' ethics? A cross-cultural analysis. *Business Ethics: A European Review, 25*(4), 345–362.https://doi.org/10.1111/beer.12122

Ciravegna, L., & Nieri, F. (2022). Business and Human Rights: A Confgurational View of the Antecedents of Human Rights Infringements by Emerging Market Firms. *Journal Of Business Ethics, 179*(?), 431–450.https://doi.org/10.1007/s10551-021-04861-w

Cuervo-Cazurra, A. (2012). Extending theory by analyzing developing country multinational companies: Solving the Goldilocks debate. *Global Strategy Journal, 2*(3), 153–167.https://doi.org/10.1111/j.2042-5805.2012.01039.x

Cuervo-Cazurra, Á., Ciravegna, L., Melgarejo, M., & López, L. (2018). Home country uncertainty and the internationalization-performance relationship: Building an uncertainty management capability. *Journal Of World Business, 53*(2), 209–221.https://doi.org/10.1016/j.jwb.2017.11.002

Davidson, M. J., & Cooper, C. L. (1987). The Pressures on Women Managers. *Management Decision, 25*(4), 57–63.https://doi.org/10.1108/eb001464

Dawson, L. M. (1997). Ethical Differences Between Men and Women in the Sales Profession. *Journal of Business Ethics, 16*(1), 1143–1152.https://doi.org/10.1023/A:1005721916646

De Celis, I. L, Velasco-Balmaseda, E., Fernández de Bobadilla, S., Alonso-Almeida, M. D. M., & Intxaurburu-Clemente, G. (2015). Does having women managers lead to increased gender equality practices in corporate social responsibility? *Business Ethics: A European Review, 24*(1), 91–110.https://doi.org/10.1111/beer.12081

Dreher, G. F. (2003). Breaking the Glass Ceiling: The Effects of Sex Ratios and Work-Life Programs on Female Leadership at the Top. *Human Relations, 56*(5), 541–562.https://doi.org/10.1177/0018726703056005002

Dunning, J. H. & Lundan, S. M. (2008). *Multinational enterprises and the global economy.* Edward Elgar Publishing.

Eagly, A. H., Karau, S. J., & Makhijani, M. G. (1995). Gender and the effectiveness of leaders: A meta-analysis. *Psychological Bulletin, 117*(1), 125–145.https://doi.org/10.1037/0033-2909.117.1.125

Elango, B. (2019). When do women reach the top spot? A multilevel study of female CEOs in emerging markets. *Management Decision, 57*(9), 2344–2357.https://doi.org/10.1108/md-11-2017-1147

European Union. (2012). *Women in economic decision-making in the EU: Progress report.* Publications Office of the European Union.https://doi.org/10.2838/65541

Field, A. (2017). *Discovering statistics using* IBM *SPSS statistics.* (5th ed.) Sage Publishers.

Gallhofer, S., Haslam, J., & Van Der Walt, S. (2011). Accountability and transparency in relation to human rights: A critical perspective reflecting upon accounting, corporate responsibility and ways forward in the context of globalisation. *Critical Perspectives On Accounting, 22*(8), 765–780.https://doi.org/10.1016/j.cpa.2011.07.002

General Data Protection Regulation (GDPR) – legal text. (2024, 22 april). General Data Protection Regulation (GDPR).https://gdpr-info.eu/

Gilligan, C. 1982. *In a different voice: Psychological theory and women's development.* Cambridge, MA: Harvard University Press

Giuliani, E. (2016). Human Rights and Corporate Social Responsibility in Developing Countries' Industrial Clusters. *Journal Of Business Ethics, 133*(1), 39–54.https://doi.org/10.1007/s10551-014-2375-5

Giuliani, E., Nieri, F., & Vezzulli, A. (2023). Big Profits, Big Harm? Exploring the Link Between Firm Financial Performance and Human Rights Misbehavior. *Business & Society, 62*(6), 1248–1299.https://doi.org/10.1177/00076503221144994

Giuliani, E., Santangelo, G. D., & Wettstein, F. (2016). Human Rights and International Business Research: A Call for Studying Emerging Market Multinationals. *Management And Organization Review, 12*(3), 631–637.https://doi.org/10.1017/mor.2016.27

Griffin, J. (2008). *On human rights.* Oxford University Press eBooks.https://doi.org/10.1093/acprof:oso/9780199238781.001.0001

Haile, S., Emmanuel, T., & Dzathor, A. (2015). Barriers and challenges confronting women for leadership and management positions: review and Analysis. *International Journal Of Business & Public Administration, 13*(1), 36–51.https://link.gale.com/apps/doc/A468852645/AONE?

Hair, J., Babin, B., Anderson, R. & Black, W. (2018). *Multivariate Data Analysis.* Cengage Learning.

Harjoto, M., Laksmana, I., & Lee, R. (2015). Board Diversity and Corporate Social Responsibility. *Journal Of Business Ethics, 132*(4), 641–660.https://doi.org/10.1007/s10551-014-2343-0

Harris, J. D., & Bromiley, P. (2007). Incentives to Cheat: The Influence of Executive Compensation and Firm Performance on Financial Misrepresentation. *Organization Science, 18*(3), 350–367.https://doi.org/10.1287/orsc.1060.0241

Hillman, A. J., Cannella, A. A., & Harris, I. C. (2002). Women and Racial Minorities in the Boardroom: How Do Directors Differ? *Journal Of Management, 28*(6), 747–763.https://doi.org/10.1177/014920630202800603

Hoffman, J. J. (1998). Are Women Really More Ethical Than Men? Maybe It Depends on the Situation. *Journal Of Managerial Issues, 10*(1), 60.https://www.questia.com/library/journal/1G1-20562998/are-women-really-more-ethical-than-men-maybe-it-depends

Hoskisson, R. E., Eden, L., Lau, C. P., & Wright, M. (2000). STRATEGY IN EMERGING ECONOMIES. *Academy Of Management Journal, 43*(3), 249–267.https://doi.org/10.2307/1556394

Hsieh, N. (2017). Business Responsibilities for Human Rights: A Commentary on Arnold. *Business And Human Rights Journal, 2*(2), 297–309.https://doi.org/10.1017/bhj.2017.6

Ioannou, I., & Serafeim, G. (2012). What drives corporate social performance? The role of nation-level institutions. *Journal Of International Business Studies, 43*(9), 834–864.https://doi.org/10.1057/jibs.2012.26

Islam, M. A., Haque, S., & Roberts, R. W. (2016). Human Rights Performance Disclosure by Companies with Operations in High Risk Countries: Evidence from the Australian Minerals Sector. *Australian Accounting Review, 27*(1), 34–51.https://doi.org/10.1111/auar.12108

Islam, M. A., & Jain, A. (2013). Workplace Human Rights Reporting: A Study of Australian Garment and Retail Companies. *Australian Accounting Review, 23*(2), 102–116.https://doi.org/10.1111/auar.12009

Jamali, D., Abdallah, H., & Hmaidan, S. (2007). The challenge of moving beyond rhetoric. *Equality, Diversity And Inclusion, 29*(2), 167–185.https://doi.org/10.1108/02610151011024484

Jamali, D., Safieddine, A. M., & Rabbath, M. (2008). Corporate Governance and Corporate Social Responsibility Synergies and Interrelationships. *Corporate Governance, 16*(5), 443–459.https://doi.org/10.1111/j.1467-8683.2008.00702.x

Kabir, A., Ikra, S. S., Saona, P., & Azad, M. A. K. (2023). Board gender diversity and firm performance: new evidence from cultural diversity in the boardroom. *LBS Journal Of Management & Research/LBS Journal Of Management & Research, 21*(1), 1–12.https://doi.org/10.1108/lbsjmr-06-2022-0022

Kaufmann, D. E., Kraay, A., & Mastruzzi, M. (2009). Governance Matters VIII: Aggregate and Individual Governance Indicators 1996-2008. *In World Bank policy research working paper.*https://doi.org/10.1596/1813-9450-4978

Kaya, Y. (2013). Comparison of Quantitative and Qualitative Research Traditions: epistemological, theoretical, and methodological differences. *European Journal Of Education, 48*(2), 311–325.https://doi.org/10.1111/ejed.12014

Kelley, S. W., Ferrell, O. C., & Skinner, S. J. (1990). Ethical behavior among marketing researchers: An assessment of selected demographic characteristics. *Journal Of Business Ethics, 9*(8), 681–688.https://doi.org/10.1007/bf00383395

Khanna, T., & Palepu, K. G. (2010). Winning in Emerging Markets: A Road Map for Strategy and Execution. *NHRD Network Journal, 3*(3), 75.https://doi.org/10.1177/0974173920100316

Laczniak, G. R. (1983). Framework for Analyzing Marketing Ethics. *Journal Of Macromarketing, 3*(1), 7–18.https://doi.org/10.1177/0276146783003001

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. W. (1998). Law and Finance. *Journal Of Political Economy, 106*(6), 1113–1155.https://doi.org/10.1086/250042

Loy, T., & Rupertus, H. (2018). Institutional correlates with female board representation. *Finance Research Letters, 24*(?), 238–246.https://doi.org/10.1016/j.frl.2017.09.013

LSEG. (2023). *Environmental, social and governance scores from LSEG.*https://www.lseg.com/content/dam/data-analytics/en_us/documents/methodology/lseg-esg-scores-methodology.pdf

Maher, R. (2020). De-contextualized corporate human rights benchmarks: Whose perspective counts? See disclaimer. *Business and Human Rights Journal, 5*(1), 156–163.https://doi.org/10.1017/bhj.2019.19

Maher, R., Neumann, M., & Lykke, M. S. (2022). Extracting Legitimacy: An Analysis of Corporate Responses to Accusations of Human Rights Abuses. *Journal Of Business Ethics, 176*(4), 609–628.https://doi.org/10.1007/s10551-020-04678-z

Mair, J., & Martí, I. (2009). Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal Of Business Venturing, 24*(5), 419–435.https://doi.org/10.1016/j.jbusvent.2008.04.006

Market Classification. (n.d.). MSCI. Accessed 6 March 2024, from https://www.msci.com/our-solutions/indexes/market-classification

Matten, D., & Moon, J. (2008). “Implicit” and “Explicit” CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility. *Academy Of Management Review, 33*(2), 404–424.https://doi.org/10.5465/amr.2008.31193458

McCabe, A. C., Ingram, R., & Dato-On, M. C. (2006). The business of ethics and gender. *Journal of Business Ethics, 64*(2), 101–116. https://doi.org/10.1007/s10551-005-3327-x

Mena, S., De Leede, M., Baumann, D., Black, N., Lindeman, S., & McShane, L. (2009). Advancing the Business and Human Rights Agenda: Dialogue, Empowerment, and Constructive Engagement. *Journal Of Business Ethics, 93*(1), 161–188.https://doi.org/10.1007/s10551-009-0188-8

Méndez, J. E., & Mariezcurrena, J. (1999). Accountability for past human rights violations: Contributions of the Inter-American Organs of Protection. *Social Justice, 26*(4), 84–106.https://www.jstor.org/stable/29767176

Mishina, Y., Dykes, B. J., Block, E. S., & Pollock, T. G. (2010). Why “Good” Firms do Bad Things: The Effects of High Aspirations, High Expectations, and Prominence on the Incidence of Corporate Illegality. *Academy Of Management Journal, 53*(4), 701–722.https://doi.org/10.5465/amj.2010.52814578

Monteiro, A. P., García-Sánchez, I., & Guzmán, B. A. (2022). Labour Practice, Decent Work and Human Rights Performance and Reporting: The Impact of Women Managers. *Journal Of Business Ethics, 180*(2), 523–542.https://doi.org/10.1007/s10551-021-04913-1

North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. https://doi.org/10.1017/cbo9780511808678

Ntoutoume, A. G. N. (2023). Challenges of CSR in Sub-Saharan Africa: clarifying the gaps between the regulations and human rights issues. *International Journal Of Corporate Social Responsibility, 8*(1).https://doi.org/10.1186/s40991-023-00079-3

Oelbaum, Y. S. (2016). *Understanding the Glass Cliff Effect: Why Are Female Leaders Being Pushed Toward the Edge?* City University of New York. Accessed on 17 April, from https://academicworks.cuny.edu/cgi/viewcontent.cgi?article=2602&context=gc_etds

Parella, K. (2019). Improving human rights compliance in supply chains. *Notre Dame Law Review, 95*(2), 727-794.https://scholarlycommons.law.wlu.edu/cgi/viewcontent.cgi?article=1636&context=wlufac

Parsa, S., Roper, I., Müller-Camen, M., & Szigetvari, E. (2018). Have labour practices and human rights disclosures enhanced corporate accountability? The case of the GRI framework. *Accounting Forum, 42*(1), 47–64.https://doi.org/10.1016/j.accfor.2018.01.001

Preuss, L., & Brown, D. (2012). Business Policies on Human Rights: An Analysis of Their Content and Prevalence Among FTSE 100 Firms. *Journal of Business Ethic, 109*(3), 289-299.https://doi.org/10.1007/s10551-011-1127-z.

Radboud University. (2022). *Nijmegen School of Management Master Thesis Handbook for Business Administration* [PDF]. Nijmegen School of Management.

Ridgeway, C. L. (2009). Framed before we know it: how gender shapes social relations. *Gender & Society, 23*(2), 145-160.https://doi.org/10.1177/0891243208330313

Robin, D. P., & Babin, L. A. (1997). Making Sense of The Research on Gender and Ethics in Business: A Critical Analysis and Extension. *Business Ethics Quarterly, 7*(4), 61–90.https://doi.org/10.2307/3857209

Ryan, M. K., & Haslam, S. A. (2005). The Glass Cliff: Evidence that Women are Over-Represented in Precarious Leadership Positions. *British Journal Of Management, 16*(2), 81–90.https://doi.org/10.1111/j.1467-8551.2005.00433.x

Ryan, M. K., & Haslam, S. A. (2009). Glass Cliffs Are Not So Easily Scaled: On the Precariousness of Female CEOs' Positions. *British Journal Of Management, 20*(1), 13–16.https://doi.org/10.1111/j.1467-8551.2008.00598.x

Ryan, M. K., Haslam, S. A., Hersby, M. D., Kulich, C., & Atkins, C. (2007). Opting out or Pushed off the Edge? The Glass Cliff and the Precariousness of Women's Leadership Positions. *Social And*

Personality Psychology Compass, 1(1), 266–279.https://doi.org/10.1111/j.1751-9004.2007.00007.x

Sambharya, R. B., & Goll, I. (2018). Do international and product diversification strategies affect human rights and employee orientation disclosures? An across-country empirical study of large multinational enterprises. *Global Strategy Journal, 11*(2), 245–268.https://doi.org/10.1002/gsj.1334

Sethi, S. P. (2012). *Multinational Corporations and the Impact of Public Advocacy on Corporate Strategy: Nestle and the Infant Formula Controversy*. Springer Science & Business Media.

Spano, R. (2021). The rule of law as the lodestar of the European Convention on Human Rights: The Strasbourg Court and the independence of the judiciary. *European Law Journal, 27*(1–3), 211–227.https://doi.org/10.1111/eulj.12377

Spencer, J. W., & Gómez, C. (2011). MNEs and corruption: the impact of national institutions and subsidiary strategy. *Strategic Management Journal, 32*(3), 280-300.https://doi.org/10.1002/smj.874

Terjesen, S., & Singh, V. (2008). Female Presence on Corporate Boards: A Multi-Country Study of Environmental Context. *Journal Of Business Ethics, 83*(1), 55–63.https://doi.org/10.1007/s10551-007-9656-1

United Nations Statistics Division. (2020). — *SDG indicators*. Accessed 13 February 2024, from https://unstats.un.org/sdgs/report/2020/goal-05/.

Welford, R. (2004). Corporate Social Responsibility in Europe and Asia: Critical Elements and Best Practice. *Journal Of Corporate Citizenship, 13*(?), 33–52.http://hub.hku.hk/handle/10722/89735

Wettstein, F. (2009). *Multinational corporations and global justice.* Human rights obligations of a quasi-governmental institution. Stanford University Press

Wettstein, F. (2010). The Duty to Protect: Corporate Complicity, Political Responsibility, and Human Rights Advocacy. *Journal Of Business Ethics, 96*(1), 33–47.https://doi.org/10.1007/s10551-010-0447-8

Wettstein, F. (2012). CSR and the Debate on Business and Human Rights: Bridging the Great Divide. *Business Ethics Quarterly, 22*(4), 739–770.https://doi.org/10.5840/beq201222446

Wettstein, F., Giuliani, E., Santangelo, G. D., & Stahl, G. K. (2019). International business and human rights: A research agenda. *Journal of World Business, 54*(1), 54–65.https://doi.org/10.1016/j.jwb.2018.10.004

Wilson, D., & Purushothaman, R. (2006). Dreaming With BRICs: The Path to 2050. *In Edward Elgar Publishing eBooks*. https://doi.org/10.4337/9781847202987.00008

World Bank Open Data. (n.d.). World Bank Open Data. Accessed 7 March 2024, from https://data.worldbank.org/

Zahra, S. A., Priem, R. L., & Rasheed, A. (2005). The Antecedents and Consequences of Top Management Fraud. *Journal Of Management, 31*(6), 803–828.https://doi.org/10.1177/0149206305279598

Zhou, S. (2023). Gender Politics and Power Structure: An Analysis of Institutional Barriers to Gender Equality. *Journal Of Research in Social Science And Humanities, 2*(10), 64–71.https://doi.org/10.56397/jrssh.2023.10.08

Appendices

Appendix 1: Frequency tables

	FREQUENCY	PERCENT
BRAZIL	61	8.0
CHILE	21	2.8
CHINA	220	28.9
COLOMBIA	8	1.1
CZECH REPUBLIC	2	.3
EGYPT	4	.5
GREECE	11	1.4
HUNGARY	3	.4
INDIA	33	4.3
INDONESIA	155	12.3
KUWAIT	9	1.2
MALAYSIA	2	.3
MEXICO	28	3.7
PERU	1	.1
PHILIPPINES	24	3.2
POLAND	19	2.5
QATAR	11	1.4
SAUDI-ARABIA	11	1.4
SOUTH-AFRICA	101	13.3
SOUTH-KOREA	62	8.2
THAILAND	2	.3
TURKEY	24	3.2
UNITED ARAB EMIRATES	9	1.2
TOTAL	759	100

Table 1: Frequency table: Country

	FREQUENCY	PERCENT
0 (NO)	164	21.6
1 (YES)	595	78.4
TOTAL	759	100

Table 2: Frequency table: HRpolicy

	FREQUENCY	PERCENT
.00	145	19.1
0-10	100	13.2
10-20	255	33.6
20-30	154	20.3
30-40	62	8.2
40-50	28	3.7
50-60	17	2.2
60-70	4	.5
70-75	1	.00
TOTAL	759	100

Table 3: Frequency table: BoardGenderDiversity

	FREQUENCY	PERCENT
-73.80 – 0	31	4.1
0 – 252.28	713	94.2
MISSING	15	1.7
TOTAL	759	100

Table 4: Frequency table: FinancialPerf

	FREQUENCY	PERCENT
30-40	66	8.7
40-50	153	20.2
50-60	41	5.4
60-70	404	53.2
70-80	11	1.4
80-90	75	9.9
MISSING	9	1.2
TOTAL	759	100

Table 5: Frequency table: GovernEffect

	FREQUENCY	PERCENT
0-10	239	31.5
10-20	0	0
20-30	44	5.8
30-40	0	0
40-50	146	19.2
50-60	105	13.8
60-70	120	15.8
70-80	94	12.3
80+	2	0.3
MISSING	9	1.2
TOTAL	759	100

Table 6: Frequency table: VoiceAccount

	FREQUENCY	PERCENT
20-30	28	3.7
30-40	57	7.5
40-50	98	12.9
50-60	438	57.8
60-70	22	2.9
70-80	32	4.2
80-90	64	8.4
MISSING	9	1.2
TOTAL	759	100

Table 7: Frequency table: RuleOfLaw

	FREQUENCY	PERCENT
ACADEMIC & EDUCATIONAL SERVICES	4	.5
BASIC MATERIALS	87	11.5
CONSUMER CYCLICALS	75	9.9
CONSUMER NON-CYCLICALS	76	10.1
ENERGY	37	4.9
FINANCIALS	164	21.6
HEALTHCARE	29	3.8
INDUSTRIALS	93	12.2
REAL ESTATE	39	5.0
TECHNOLOGY	114	15.1
UTILITIES	41	5.4
TOTAL	759	100

Table 8: Frequency table: IndustrySector

	FREQUENCY	PERCENT
1808	1	.1
1841	1	.1
1892	1	.1
1895	1	.1
1906	2	.3
1907	1	.1
1910	1	.1
1911	1	.1
1913	2	.3
1916	1	.1
1918	3	.4
1919	2	.3
1920	1	.1
1924	2	.3
1925	2	.3
1927	1	.1
1928	2	.2
1929	4	.5
1930	1	.1
1932	1	.1
1933	4	.5
1934	2	.3
1935	3	.4
1936	4	.5
1937	1	.1
1938	1	.1
1939	1	.1
1940	1	.1
1943	1	.1
1944	6	.8
1945	4	.5

1946	8	1.1
1947	3	.4
1948	4	.5
1949	2	.3
1950	4	.5
1951	4	.5
1952	4	.5
1953	3	.4
1954	6	.8
1955	6	.8
1956	2	.3
1957	7	.9
1958	4	.5
1959	6	.8
1960	3	.4
1961	3	.4
1962	5	.7
1963	5	.7
1964	8	1.1
1965	3	.4
1966	12	1.6
1967	8	1.1
1968	11	1.4
1969	9	1.2
1970	2	.3
1971	6	.8
1972	5	.6
1973	18	2.4
1974	6	.8
1975	8	1.1
1976	7	.9
1977	11	1.5
1978	9	1.0
1979	10	1.3
1980	6	.8
1981	8	1.1
1982	10	1.3
1983	10	1.3
1984	12	1.6
1985	10	1.3
1986	16	2.1
1987	18	2.4
1988	6	.8
1989	16	2.1
1990	8	1.1
1991	18	2.3
1992	16	2.1
1993	16	2.1
1994	22	2.9
1995	16	2.1
1996	15	1.9

1997	25	3.4
1998	16	2.1
1999	19	2.5
2000	27	3.6
2001	22	2.9
2002	20	2.6
2003	12	1.6
2004	17	2.2
2005	16	2.1
2006	15	2.0
2007	18	2.4
2008	11	1.4
2009	3	.4
2010	5	.6
2011	6	.8
2012	4	.5
2013	1	.1
2014	2	.3
2016	2	.3
2019	1	.1
MISSING	19	2.5
TOTAL	759	100

Table 9: Frequency table: FirmAge

	FREQUENCY	**PERCENT**
3-592195	490	64.6
MISSING	269	35.4
TOTAL	759	100

Table 10: Frequency table: FirmSize

Appendix 2: Descriptive statistics

Statistics

	N		Mean	Median	Std. Deviation	Skewness	Std. Error of Skew	Kurtosis	Std. Error of Kurt	Min	Max
	Valid	Missing									
HRPerformance	759	0									
FemaleMan	759	0	16.92	14.29	13.24	.844	.089	.820	.117	.00	75.00
FinanPerf	759	15	6.50	4.93	8.33	1.345	.090	8.451	.179	-36.91	56.94
GovernEffect	759	9	61.09	66.04	15.03	-.234	.089	-.094	.178	30.66	90.09
VoiceAccount	759	9	40.86	49.28	26.65	-.217	.089	-1.517	.178	6.28	80.67
RuleOfLaw	759	9	53.89	52.83	13.62	.407	.089	1.205	.178	20.75	84.91
IndustrySect	759	0									
FirmAge	759	19	1981.49	1988	24.22	-1.652	.089	5.157	.179	1808	2019
FirmSize	759	269	40465.59	14153.50	75291.24	3.888	.110	18.031	.220	3	592195

Appendix 3: Missing data

		Missing	
	N	Count	Percent
Human right performance	759	759	0
FemaleMan	759	759	0
VoiceAccount	759	9	1.2
GovernEffect	759	9	1.2
RuleOfLaw	759	9	1.2
FinancialPerf	759	15	1.2
FirmSize	759	490	35.4
FirmAge	759	19	2.5
IndustrySector	759	759	0

Table 11: missing value analysis

	CHI-SQUARE	**DF**	**SIG.**
TEST	180.972	43	.000

Table 12: Little's MCAR Test

		Missing	
	N	Count	Percent
Human right performance	3795	3795	0
FemaleMan	3795	3795	0
VoiceAccount	3795	3795	0
GovernEffect	3795	3795	0
RuleOfLaw	3795	3795	0
FinancialPerf	3795	3795	0
FirmSize	3795	3795	0
FirmAge	3795	3795	0
IndustrySector	3795	3795	0

Table 13: missing value analysis after multiple imputation

Appendix 4: Assumptions logistic regression analysis

Dependent variable

In a logistic regression analysis, one of the key assumptions involves the dependent variable being of categorical or dichotomous scale (Hair et al., 2018). In chapter 3, the dependent variable "human right performance" was operationalised. The variable is measured through the question whether the company does have a policy to ensure the respect of human rights in general. The data includes the answers of either 'yes' or 'no', with yes indicating a 1 and no indicating a 0, which means that this assumption is adequately met.

Dependent variable	
Human right performance	*Does the company have a policy to ensure the respect of human rights in general?*
No	0
Yes	1

Table 14: Dependent variable: human right performance

Sample size

For the next assumption, a sample size of the overall model should be at least 400 in order to reach the best results possible by using the maximum likelihood estimation (MLE) (Hair et al., 2018). This assumption is met, as the sample size of the model exceeds well over 759 firms with data of 2022 which results in 3,795 observations.

Independence of observations

To ensure the assumption of independence of observations the Durbin-Watson test is used, producing a value of 1.537. This does not violate the assumption, as it should be close to 2 and fits within the range of 1.5 and 2.5 (Hair et al., 2018).

MODEL	**DURBIN-WATSON**
1	1.537

Table 15: Durbin-Watson test

Linearity of the independent variables

The next assumption involves the linearity of the independent variables and the logarithm of the odds (log-odds). The Box Tidwell test is executed to confirm this assumption. To test this assumption, interaction terms of the independent variables and its log value are created (independent variable X log(independent variable). However, the variables FemMan, FinanPerf, VoiceAccount and RuleOfLaw are not linear, as the test shows a significant result. Thus, these interactions should be retained in the model (Hair et al., 2018).

Variables	**B**	**S.E**	**Wald**	**Df**	**Sig.**	**Exp(B)**
FemMan	.094	.022	18.396	1	.001	1.099
FinanPerf	.271	.037	52.301	1	.001	1.311
GovernEffect	.160	.136	1.390	1	.238	1.174
VoiceAccount	.168	.040	17.880	1	.001	1.183
RuleOfLaw	-.266	.1200	4.912	1	.027	.767
LNFemMan	-.019	.006	10.878	1	.001	.981
LNFinanPerf	-.064	.010	37.614	1	.001	.938
LNEffect	-.028	.028	1.017	1	.313	.972
LNVoice	-.036	.009	15.917	1	.001	.965
LNRule	.052	.025	4.263	1	.039	1.053

Table 16: Box-Tidwell test of independent variables

Multicollinearity

For the last assumption of logistic regression there must be an absence of multicollinearity among the independent variables. There are several ways to check for multicollinearity. In table 15 below, the output is shown for the correlation statistics using the Pearson's correlation coefficient. The general threshold level of >.8 indicates caution (Field, 2017). However, in the table is shown that none of the variables in this thesis exceeds the >.8 threshold. So the assumption of the absence of multicollinearity is met. However, the variable GovernEffect and RuleOfLaw has a Pearson's correlation of .673. This is logic as both these variable are indicators for institutional quality. However, the correlation does not exceed the threshold of >.8. Also in the collinearity matrix in table 16, the tolerance and VIF are shown. The general guideline, VIF values above 10 are considered problematic (Field, 2017). However, from the table below, the results show no violations.

Correlations

		FirmAge	FemMan	FinanPerf	FirmSize	GovernEffect	VoiceAccount	RuleOfLaw
FirmAge	*Pearson Cor*	*1*	*-.128***	*-.017*	*.056***	*.126***	*-.245***	*-.014*
FemMan	*Pearson Cor*		*1*	*.045***	*-.036***	*-.201***	*.212***	*-.115***
FinanPerf	*Pearson Cor*			*1*	*-.029*	*-.116***	*.072***	*-.062***
FirmSize	*Pearson Cor*				*1*	*.117***	*-.269***	*-.057***
GovernEffect	*Pearson Cor*					*1*	*-.189***	*.673***
VoiceAccount	*Pearson Cor*						*1*	*.365***
RuleOfLaw	*Pearson Cor*							*1*

** Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).
Table 17: Correlation Matrix

Collinearity Statistics Matrix

	TOLERANCE	VIF
FEMMAN	*.909*	*1.100*
FINANPERF	*.984*	*1.017*
GOVERNEFFECT	*.329*	*3.044*
VOICEACCOUNT	*.471*	*2.124*
RULEOFLAW	*.291*	*3.436*
FIRMAGE	*.931*	*1.074*
FIRMSIZE	*.953*	*1.049*
INDUSTRYSECTOR	*.987*	*1.036*

Table 18: Collinearity Statistics

Appendix 5: Model 1

Model 1: control variables

Omnibus Test of Model Coefficients

		CHI-SQUARE	DF	SIG.
STEP 1	Step	257.808	11	<.001
	Block	257.808	11	<.001
	Model	257.808	11	<.001

Table 1: Omnibus Test of Model Coefficients

Model Summary

STEP	-2 LOG LIKELIHOOD	COX & SNELL R SQUARE	NAGELKERKE R SQUARE
1	373.365a	.066	.101

a.Estimation terminated at iteration number 4 because parameter estimates changed by less than ,001

Table 20: Model Summary of Model 1

Variables in the Equation

		B	S.E	WALD	DF	SIG.	EXP(B)
STEP 1A	FirmSize	.000	.000	3.210	1	.073	1.000
	FirmAge	-.013	.002	74.573	1	.001	.987
	Industry			91,765	9	.001	
	Industry(1)	-1.414	.492	8.247	1	.004	.243
	Industry(2)	.279	.176	2.502	1	.114	1.321
	Industry(3)	-.077	.161	.229	1	.632	.926
	Industry(4)	.298	.207	2.073	1	.150	1.348
	Industry(5)	-.293	.157	3.484	1	.062	.746
	Industry(6)	-.250	.220	1.283	1	.257	.779
	Industry(7)	-.671	.172	15.292	1	.001	.511
	Industry(8)	-.546	.211	6.661	1	.010	.580
	Industry(9)	.423	.189	5.032	1	.025	1.527
	Constant	26.981	3.066	77.450	1	.001	5.221E+11

a.Variable(s) entered on step 1: FirmSize, FirmAge, IndustrySector

Table 21: Variables in the equation of Model 1

Appendix 6: Model 2

Model 2: direct effects

Omnibus Test of Model Coefficients

		CHI-SQUARE	DF	SIG.
STEP 1	Step	404.138	16	.000
	Block	404.138	16	.000
	Model	404.138	16	.000

Table 22: Omnibus Test of Model Coefficients

Model Summary

STEP	-2 LOG LIKELIHOOD	COX & SNELL R SQUARE	NAGELKERKE R SQUARE
1	3557.034a	.101	.156

a.Estimation terminated at iteration number 4 because parameter estimates changed by less than ,001

Table 23: Model Summary of Model 2

Variables in the Equation

		B	S.E	WALD	DF	SIG.	EXP(B)
STEP 1A	FemaleMan	.016	.001	179.396	1	.001	1.016
	FinanPerf	.001	.002	.441	1	.507	1.001
	GovernEffect	.005	.002	8.657	1	.003	1.005
	VoiceAccount	.012	.001	258.369	1	.001	1.012
	RuleOfLaw	-.007	.002	17.460	1	.001	.993
	FirmAge	-.011	.001	280.434	1	.001	.989
	FirmSize	.000	.000	3.484	1	.062	1.000
	Industry			1041.139	9	.001	
	Industry(1)	-1.251	.194	41.791	1	.001	.286
	Industry(2)	.229	.070	10.760	1	.001	1.258
	Industry(3)	-.114	.064	4.991	1	.025	.866
	Industry(4)	.295	.083	12.561	1	.001	1.343
	Industry(5)	-.360	.063	32.517	1	.001	.698
	Industry(6)	-.569	.086	43.926	1	.001	.566
	Industry(7)	-.138	.067	4.170	1	.041	.841
	Industry(8)	-.802	.080	101.123	1	.001	.448
	Industry(9)	.880	.069	163.837	1	.001	2.410
	Constant	21.025	1.272	273.342	1	.001	1352705604

a.Variable(s) entered on step 1: FemaleMan, FinanPerf, GovernEffect, VoiceAccount, RuleOfLaw, FirmAge, FirmSize, IndustrySector

Table 24: Variables in the equation of Model 2

Appendix 7: Model 3

Model 2: indirect effect Female managers X Institutional quality

Omnibus Test of Model Coefficients

		CHI-SQUARE	DF	SIG.
STEP 1	Step	431.941	19	.000
	Block	431.941	19	.000
	Model	431.941	19	.000

Table 25: Omnibus Test of Model Coefficients of Model 3

Model Summary

STEP	-2 LOG LIKELIHOOD	COX & SNELL R SQUARE	NAGELKERKE R SQUARE
1	3529.231a	.108	.166

a.Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001

Table 26: Model Summary of Model 3

Variables in the Equation

		B	S.E	WALD	DF	SIG.	EXP(B)
STEP 1A	FemaleMan	.006	.021	.076	1	.042	1.050
	FinanPerf	.032	.006	28.150	1	.001	1.033
	GovernEffect	.058	.010	36.396	1	.001	1.059
	VoiceAccount	.024	.003	45.895	1	.001	1.024
	RuleOfLaw	-.077	.011	53.939	1	.001	.925
	FirmAge	-.018	.002	63.611	1	.001	.982
	FirmSize	.000	.000	4.674	1	.060	1.000
	Industry			96.140	9	.001	
	Industry(1)	.051	.570	.008	1	.929	1.155
	Industry(2)	.019	.231	.007	1	.935	1.019
	Industry(3)	-.082	.212	.149	1	.700	.922
	Industry(4)	.141	.283	.248	1	.618	1.151
	Industry(5)	-.431	.199	4.689	1	.030	.650
	Industry(6)	-.118	.282	.175	1	.676	.889
	Industry(7)	-.584	.209	7.775	1	.005	.558
	Industry(8)	-.847	.237	12.774	1	.001	.429
	Industry(9)	.761	.225	11.482	1	.001	2.141
	IntFemManGovernEffect	-.002	.001	13.278	1	.001	.998
	IntFemManVoiceAccount	.001	.000	11.832	1	.001	.999
	IntFemManRuleOfLaw	.003	.001	27.613	1	.001	1.003
	Constant	37.210	1.588	65.777	1	.001	1.44E+16

a.Variable(s) entered on step 1: FemaleMan, FinanPerf, GovernEffect, VoiceAccount, RuleOfLaw, FirmAge, FirmSize, IndustrySector, IntFemManGovernEffect, IntFemManVoicAccount, IntFemManRuleOfLaw

Table 27: Variables in the equation of Model 3

Appendix 7: Model 4

Model 2: indirect effect Female managers X Financial performance

Omnibus Test of Model Coefficients

		CHI-SQUARE	DF	SIG.
STEP 1	Step	404.763	17	.000
	Block	404.763	17	.000
	Model	404.763	17	.000

Table 28: Omnibus Test of Model Coefficients of Model 4

Model Summary

STEP	-2 LOG LIKELIHOOD	COX & SNELL R SQUARE	NAGELKERKE R SQUARE
1	3556.409a	.101	.156

a.Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001

Table 29: Model Summary of Model 4

Variables in the Equation

		B	S.E	WALD	DF	SIG.	EXP(B)
STEP 1A	FemaleMan	.020	.004	19.638	1	.001	1.020
	FinanPerf	.025	.009	7.908	1	.005	1.026
	GovernEffect	.031	.005	32.925	1	.001	1.032
	VoiceAccount	.015	.002	44.869	1	.001	1.015
	RuleOfLaw	-.040	.006	37.269	1	.001	.961
	FirmAge	-.018	.002	60.424	1	.001	.983
	FirmSize	.000	.000	5.532	1	.090	1.000
	Industry			101.409	9	.001	
	Industry(1)	.144	.565	.065	1	.799	1.155
	Industry(2)	.082	.228	.128	1	.720	1.085
	Industry(3)	-.032	.208	.023	1	.879	.969
	Industry(4)	.179	.279	.412	1	.521	1.196
	Industry(5)	-.431	.197	4.812	1	.028	.650
	Industry(6)	-.103	.280	.136	1	.713	.902
	Industry(7)	-.542	.207	6.885	1	.009	.582
	Industry(8)	-.855	.234	13.317	1	.001	.468
	Industry(9)	.788	.223	12.523	1	.001	2.198
	IntFemManFirmPer	.000	.000	.626	1	.429	1.000
	Constant	35.665	4.531	61.922	1	.001	3.054E+15

a.Variable(s) entered on step 1: FemaleMan, FinanPerf, GovernEffect, VoiceAccount, RuleOfLaw, FirmAge, FirmSize, IndustrySector, IntFemManFirmPer,

Table 30: Variables in the equation of Model 4

Appendix 8: Residual analysis

RESIDUAL STATISTICS					
	Minimum	Maximum	Mean	Std. deviation	N
PREDICTED VALUE	.46	1.22	.78	.097	3795
RESIDUAL	-.999	.539	.000	.400	3795
STD. PREDICTED VALUE	-3.329	4.498	.000	1.000	3795
STD. RESIDUAL	-2.495	1.345	.000	.999	3795

a. Dependent variable: HRpolicy

Table 31: Residual statistics

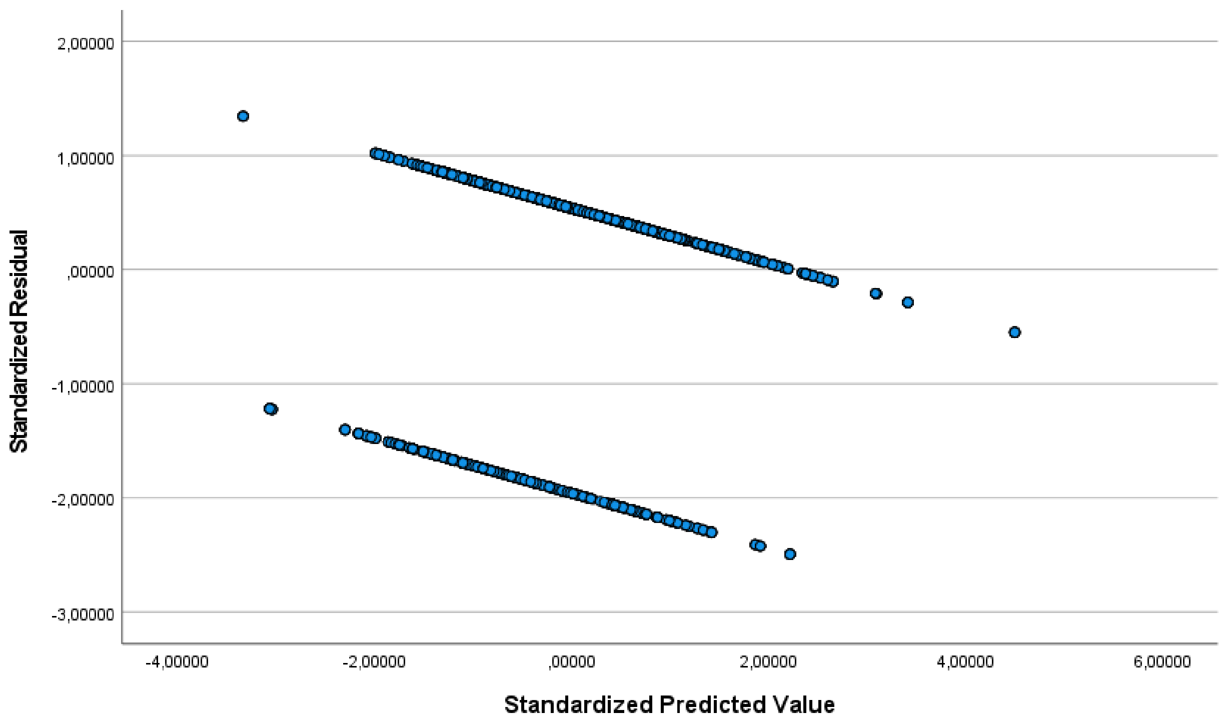

Figure 1: Scatterplot residual analysis

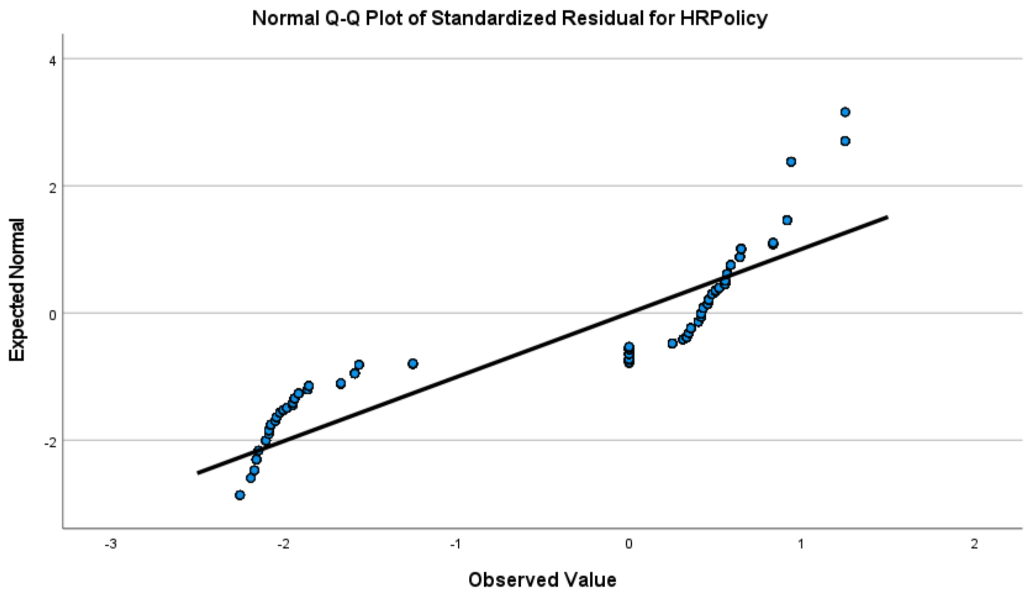

Figure 2: Q-Q plot of residual analysis