

**Table 1**  
**Number of observations by country**

<b>Country</b>	<b>Observations</b>	<b>Percentage</b>	<b>Cum.</b>
Australia	784	6.30%	6.30%
Austria	41	0.30%	6.60%
Belgium	95	0.80%	7.40%
Brazil	250	2.00%	9.40%
Canada	1,124	9.00%	18.50%
Chile	108	0.90%	19.30%
China	335	2.70%	22.00%
Denmark	113	0.90%	22.90%
Finland	138	1.10%	24.00%
France	560	4.50%	28.50%
Germany	396	3.20%	31.70%
Hong Kong	125	1.00%	32.70%
India	168	1.40%	34.10%
Ireland	170	1.40%	35.50%
Italy	133	1.10%	36.50%
Japan	1,741	14.00%	50.50%
Mexico	121	1.00%	51.50%
Netherlands	214	1.70%	53.20%
New Zealand	52	0.40%	53.60%
Norway	67	0.50%	54.20%
Portugal	29	0.20%	54.40%
Spain	209	1.70%	56.10%
Sweden	256	2.10%	58.20%
Switzerland	384	3.10%	61.30%
Thailand	95	0.80%	62.00%
United Kingdom	1,178	9.50%	71.50%
United States	3,543	28.50%	100.00%
<b>Total</b>	<b>12,429</b>	<b>100.00%</b>	

**Table 2**  
**Number of firms and observations by activity sector**

<b>TRBC economic sector name</b>	<b>Number of observations</b>	<b>Percentage of observations</b>	<b>Cum. of observations</b>
Basic Materials	1,704	13.70%	13.70%
Consumer Cyclicals	2,374	19.10%	32.80%
Consumer Non-cyclicals	1,244	10.00%	42.80%
Energy	1,171	9.40%	52.20%
Healthcare	983	7.90%	60.10%
Industrials	2,739	22.00%	82.20%
Technology	995	8.00%	90.20%
Telecommunications services	442	3.60%	93.70%
Utilities	777	6.30%	100.00%
<b>Total</b>	<b>12,429</b>	<b>100.00%</b>	

**Table 3**  
***Variables description***

<b>Variables</b>	<b>Description</b>
FEMALE_DIR	Proportion of female directors on boards = Total number of female directors on boards / Total number of directors on boards
POW_DIST	Power distance is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
INDIV	Individualism is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
MASCUL	Masculinity is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
UNC_AVOID	Uncertainty avoidance is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
LONG_ORIENTATION	Long-term orientation is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
INDULG	Indulgence is one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100
SIZE	The log of total assets
ROA	Operating income before interests and taxes over total assets
B_SIZE	Number of directors on board
CEODUALITY	Dummy variable that takes the value 1 if the CEO of the firm also serves as chairman of the board and 0, otherwise
MARKET-BASED(LME)	Dummy variable: 1 = If firms operate in a country with a market-based (LME) institutional system; 0 = Otherwise
COLLABORATIVE (CME)	Dummy variable: 1 = If firms operate in a country with a collaborative (CME) institutional system; 0 = Otherwise
STATE_LED	Dummy variable: 1 = If firms operate in a country with a State-Led institutional system; 0 = Otherwise
FAMILY_LED	Dummy variable: 1 = If firms operate in a country with a Family-Led institutional system; 0 = Otherwise
EMERGENT_LME	Dummy variable: 1 = If firms operate in a country with an emergent LME institutional system; 0 = Otherwise
RULE_LAW	This variable measures the rule of law of a country and ranges from 0 to 10
EFFICIEN_JUDIC_SYST	This variable measures the efficiency of the judicial system of a country and ranges from 0 to 10

**Table 4**  
**Descriptive analysis**

<b>Variable</b>	<b>Obs.</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>p25</b>	<b>p50</b>	<b>p75</b>
FEMALE_DIR	12,429	11.74	11.06	0.00	11.11	18.18
POW_DIST	12,429	45.17	13.33	38.00	40.00	54.00
INDIV	12,429	72.37	21.28	51.00	80.00	91.00
MASCUL	12,429	61.45	19.24	52.00	62.00	66.00
UNC_AVOID	12,429	56.58	20.54	46.00	48.00	76.00
LONG_ORIENTATION	12,429	48.13	24.07	25.70	38.29	67.00
INDULG	12,429	59.54	14.82	43.53	68.08	68.31
SIZE	12,429	9.83	0.61	9.42	9.82	10.25
ROA	12,429	6.39	7.83	2.75	5.51	9.47
B_SIZE	12,429	10.90	3.58	9.00	10.00	13.00
CEODUALITY	12,429	0.30	0.47	0.00	0.00	1.00
MARKET-BASED(LME)	12,429	0.58	0.49	0.00	1.00	1.00
COLLABORATIVE (CME)	12,429	0.32	0.47	0.00	0.00	1.00
STATE_LED	12,429	0.05	0.21	0.00	0.00	0.00
FAMILY_LED	12,429	0.03	0.17	0.00	0.00	0.00
EMERGENT_LME	12,429	0.02	0.13	0.00	0.00	0.00
RULE_LAW	12,429	9.25	1.12	8.98	10.00	10.00
EFFICIEN_JUDIC_SYST	12,429	9.36	1.25	9.25	10.00	10.00

Mean, standard deviation and percentile 25, 50 and 75. FEMALE\_DIR is the proportion of female directors on boards = Total number of female directors on boards / Total number of directors on boards; POW\_DIST is the power distance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDIV is the individualism, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; MASCUL is masculinity, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; UNC\_AVOID represents uncertainty avoidance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; LONG\_ORIENTATION represents long-term orientation, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDULG represents indulgence, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; SIZE is the log of total assets; ROA is the operating income before interests and taxes over total assets; B\_SIZE is the number of directors on a board; CEODUALITY is a dummy variable that takes the value 1 if the CEO of the firm also serves as chairman of the board and 0, otherwise; MARKET-BASED (LME) is measured as a dummy variable: 1 = If firms operate in a country with a market-based (LME) institutional system; 0 = Otherwise; COLLABORATIVE (CME) is a dummy variable: 1 = If firms operate in a country with a collaborative (CME) institutional system; 0 = Otherwise; STATE\_LED is a dummy variable: 1 = If firms operate in a country with a State-Led institutional system; 0 = Otherwise; FAMILY\_LED is a dummy variable: 1 = If firms operate in a country with a Family-Led institutional system; 0 = Otherwise; EMERGENT\_LME is a dummy variable: 1 = If firms operate in a country with an emergent LME institutional system; 0 = Otherwise; RULE\_LAW is the rule of law of a country and ranges from 0 to 10 and EFFICIEN\_JUDIC\_SYST is the efficiency of the judicial system of a country and ranges from 0 to 10.

**Table 5**  
**Correlation matrix**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
FEMALE_DIR (1)	1.00																	
POW_DIST (2)	-0.26***	1.00																
INDIV (3)	0.39***	-0.35***	1.00															
MASCUL (4)	-0.32***	0.07***	-0.18***	1.00														
UNC_AVOID (5)	-0.31***	0.39***	-0.51***	0.14***	1.00													
LONG_ORIENTATION (6)	-0.34***	0.24***	-0.75***	0.40***	0.43***	1.00												
INDULG (7)	0.30***	-0.62***	0.57***	-0.35***	-0.46***	-0.58***	1.00											
SIZE (8)	0.11***	0.23***	-0.06***	0.12***	0.07***	0.17***	-0.30***	1.00										
ROA (9)	0.11***	-0.09***	0.17***	-0.11***	-0.27***	-0.22***	0.15***	-0.22***	1.00									
B_SIZE (10)	0.10***	0.24***	-0.11***	0.07***	0.06***	0.15***	-0.28***	0.53***	-0.09***	1.00								
CEODUALITY (11)	0.04***	0.26***	0.24***	0.03***	-0.03***	-0.16***	-0.13***	0.14***	0.03***	0.10***	1.00							
MARKET-BASED(LME) (12)	0.27***	-0.51***	0.82***	-0.04***	-0.54***	-0.70***	0.66***	-0.20***	0.18***	-0.22***	0.11***	1.00						
COLLABORATIVE (CME) (13)	-0.18***	0.21***	-0.56***	0.12***	0.63***	0.69***	-0.51***	0.18***	-0.25***	0.17***	-0.08***	-0.81***	1.00					
STATE_LED (14)	-0.12***	0.36***	-0.33***	-0.01***	-0.24***	0.15***	-0.34***	0.04***	0.09***	0.09***	-0.01	-0.27***	-0.15***	1.00				
FAMILY_LED (15)	-0.09***	0.28***	-0.26***	-0.08***	0.16***	-0.08***	0.03***	0.03***	0.031***	0.04***	-0.04***	-0.21***	-0.12***	-0.04***	1.00			
EMERGENT_LME (16)	-0.07***	0.18***	-0.22***	-0.15***	-0.05***	0.02**	-0.15***	0.01	0.04***	-0.00	-0.06***	-0.16***	-0.10***	-0.03***	-0.02*	1.00		
RULE_LAW (17)	0.30***	-0.41***	0.67***	-0.30***	-0.12***	-0.50***	0.43***	-0.12***	0.07***	-0.18***	0.14***	0.55***	-0.24***	-0.36***	-0.31***	-0.22***	1.00	
EFFICIEN_JUDIC_SYST (18)	0.10***	-0.36***	0.49***	0.33***	-0.21***	-0.15***	0.32***	-0.04***	0.046***	-0.20***	0.08***	0.40***	-0.10***	-0.40***	-0.35***	-0.06***	0.50***	1.00

FEMALE\_DIR is the proportion of female directors on boards = Total number of female directors on boards / Total number of directors on boards; POW\_DIST is the power distance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDIV is the individualism, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; MASCUL is masculinity, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; UNC\_AVOID represents uncertainty avoidance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; LONG\_ORIENTATION represents long-term orientation, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDULG represents indulgence, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; SIZE is the log of total assets; ROA is the operating income before interests and taxes over total assets; B\_SIZE is the number of directors on a board; CEODUALITY is a dummy variable that takes the value 1 if the CEO of the firm also serves as chairman of the board and 0, otherwise; MARKET-BASED (LME) is measured as a dummy variable: 1 = If firms operate in a country with a market-based (LME) institutional system; 0 = Otherwise; COLLABORATIVE (CME) is a dummy variable: 1 = If firms operate in a country with a collaborative (CME) institutional system; 0 = Otherwise; STATE\_LED is a dummy variable: 1 = If firms operate in a country with a State-Led institutional system; 0 = Otherwise; FAMILY\_LED is a dummy variable: 1 = If firms operate in a country with a Family-Led institutional system; 0 = Otherwise; EMERGENT\_LME is a dummy variable: 1 = If firms operate in a country with an emergent LME institutional system; 0 = Otherwise; RULE\_LAW is the rule of law of a country and ranges from 0 to 10 and EFFICIEN\_JUDIC\_SYST is the efficiency of the judicial system of a country and ranges from 0 to 10. \*p-value<0.1 \*\*p-value<0.05 \*\*\*p-value<0.01.

**Table 6**  
**Multivariate analysis results of the Generalized Method of Moments**

	<b>MODEL 1</b>	<b>MODEL 2</b>	<b>MODEL 3</b>	<b>MODEL 4</b>	<b>MODEL 5</b>	<b>MODEL 6</b>
	<b>Coef.</b>	<b>Coef.</b>	<b>Coef.</b>	<b>Coef.</b>	<b>Coef.</b>	<b>Coef.</b>
	<b>P&gt; t </b>	<b>P&gt; t </b>	<b>P&gt; t </b>	<b>P&gt; t </b>	<b>P&gt; t </b>	<b>P&gt; t </b>
FEMALE_DIR(t-1)	0.76*** (0.000)	0.77*** (0.000)	0.71*** (0.000)	0.77*** (0.000)	0.76*** (0.000)	0.74*** (0.000)
POW_DIST	0.26* (0.090)					
INDIV		0.43*** (0.004)				
MASCUL			-0.32*** (0.001)			
UNC_AVOID				-0.33 (0.808)		
LONG_ORIENTATION					-0.31** (0.019)	
INDULG						0.46* (0.070)
SIZE	1.04 (0.580)	-0.19 (0.921)	-2.18 (0.282)	1.20 (0.556)	-1.44 (0.455)	-1.74 (0.410)
ROA	0.08 (0.362)	0.05 (0.519)	0.04 (0.622)	0.10 (0.247)	0.37 (0.706)	-0.01 (0.878)
B_SIZE	0.14 (0.618)	0.17 (0.579)	0.08 (0.734)	-0.01 (0.979)	0.21 (0.414)	-0.30 (0.324)
CEODUALITY	-0.62 (0.803)	-2.60 (0.351)	-1.59 (0.471)	1.31 (0.565)	-1.09 (0.603)	-2.95 (0.291)
MARKET-BASED(LME)	8.65 (0.463)	-20.18 (0.184)	26.45** (0.021)	8.60 (0.433)	1.76 (0.882)	34.36** (0.031)
COLLABORATIVE (CME)	2.34 (0.836)	-9.03 (0.418)	23.86** (0.030)	5.19 (0.636)	12.54 (0.238)	39.47** (0.036)
STATE_LED	-31.69* (0.083)	5.48 (0.733)	12.06 (0.506)	-20.70 (0.184)	-12.40 (0.440)	28.81 (0.332)
EMERGENT_LME	-18.31 (0.340)	3.89 (0.803)	22.24 (0.248)	-13.80 (0.424)	-13.87 (0.445)	54.50* (0.077)

RULE_LAW	-0.21 (0.930)	-3.31* (0.073)	-8.81*** (0.000)	-3.63 (0.122)	-5.26*** (0.009)	-5.03** (0.022)
EFFICIEN_JUDIC_SYST	-1.60 (0.178)	1.01 (0.349)	2.89 (0.102)	-1.47 (0.187)	0.13 (0.927)	-2.29** (0.041)
<b>Year effects</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Wald <math>\chi^2</math> test</b>	3571.75***	4203.66***	3468.98***	3529.77***	3566.36***	3912.01***
<b>Arellano--Bond test AR(1) (z, p&gt; z )</b>	-14.15 (0.000)	-15.19 (0.000)	-13.56 (0.000)	-14.08 (0.000)	-14.44(0.000)	-14.35 (0.000)
<b>Arellano--Bond test AR(2) (z, p&gt; z )</b>	0.48(0.633)	0.24 (0.813)	0.14 (0.889)	0.03 (0.979)	1.78 (0.175)	2.67 (0.408)
<b>Hansen test (chi-square, p&gt; chi<sup>2</sup> )</b>	73.12 (0.344)	62.84 (0.686)	63.31 (0.670)	72.55 (0.362)	57.88 (0.554)	65.37 (0.534)

FEMALE\_DIR is the proportion of female directors on boards = Total number of female directors on boards / Total number of directors on boards; POW\_DIST is the power distance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDIV is the individualism, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; MASCUL is masculinity, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; UNC\_AVOID represents uncertainty avoidance, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; LONG\_ORIENTATION represents long-term orientation, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; INDULG represents indulgence, one of the six culture dimensions addressed by Hofstede et al. (2010) and ranges from 0 to 100; SIZE is the log of total assets; ROA is the operating income before interests and taxes over total assets; B\_SIZE is the number of directors on a board; CEODUALITY is a dummy variable that takes the value 1 if the CEO of the firm also serves as chairman of the board and 0, otherwise; MARKET-BASED (LME) is measured as a dummy variable: 1 = If firms operate in a country with a market-based (LME) institutional system; 0 = Otherwise; COLLABORATIVE (CME) is a dummy variable: 1 = If firms operate in a country with a collaborative (CME) institutional system; 0 = Otherwise; STATE\_LED is a dummy variable: 1 = If firms operate in a country with a State-Led institutional system; 0 = Otherwise; FAMILY\_LED is a dummy variable: 1 = If firms operate in a country with a Family-Led institutional system; 0 = Otherwise; EMERGENT\_LME is a dummy variable: 1 = If firms operate in a country with an emergent LME institutional system; 0 = Otherwise; RULE\_LAW is the rule of law of a country and ranges from 0 to 10 and EFFICIEN\_JUDIC\_SYST is the efficiency of the judicial system of a country and ranges from 0 to 10. \*p-value<0.1 \*\*p-value<0.05 \*\*\*p-value<0.01.