Corporate Governance and Sustainability Research Proposal

# 1. Title

Board Diversity and ESG Performance: Evidence from Chinese Listed Firms

# 2. Introduction and Motivation

In recent years, environmental, social, and governance (ESG) performance has emerged as a key indicator of corporate sustainability. Regulators and investors have increasingly emphasized the role of corporate boards in shaping ESG strategies. In China, while ESG reporting has gained momentum, the empirical link between board diversity and ESG performance remains underexplored. This research aims to fill this gap by investigating whether diverse boards—particularly in terms of gender and professional background—can positively influence the ESG outcomes of Chinese listed companies.

# 3. Research Objectives and Questions

Objective:

To examine the relationship between board diversity and ESG performance in the context of Chinese listed firms.

Research Question:

Does board diversity significantly improve ESG performance in Chinese listed companies?

# 4. Literature Review (Brief)

**Adams & Ferreira (2009)**: Show that gender-diverse boards enhance monitoring and improve firm performance.

**Eccles et al. (2014)**: Find that firms with strong sustainability practices outperform peers in the long term.

**Lins et al. (2017)**: Demonstrate that social capital and stakeholder trust drive resilience during crises.

**Bebchuk & Fried (2003)**: Discuss agency issues in corporate governance and the importance of incentive alignment.

**Research Gap**: Most existing studies focus on Western contexts; Chinese listed firms remain under-investigated in terms of how internal governance diversity shapes ESG performance.

# 5. Theoretical Framework

The study adopts a hybrid approach based on Agency Theory and Stakeholder Theory.

•Agency Theory: Diverse boards can reduce agency problems by improving oversight and information flow.

•Stakeholder Theory: Directors from varied backgrounds are more likely to consider stakeholder interests, thus aligning ESG goals with governance decisions.

# 6. Data and Methodology

**Data Type**: Panel data (2015–2023), firm-level

**Data Source**:

•Board composition: CSMAR

•ESG scores: Wind ESG or Huazheng ESG Ratings

•Financials: WIND or company reports

**Methodology**: Panel regression with firm and year fixed effects

**Key Variables**:

•Dependent: ESG score

•Independent: Gender diversity (female %), Blau Index, professional diversity

•Controls: ROA, firm size, leverage, industry dummies

**Robustness checks**: Lagged variables, alternative diversity metrics

# 7. Expected Contributions

（1）Academic Contribution: Enhances understanding of board structure and ESG governance in emerging markets.

（2）Practical Contribution: Offers data-driven evidence to help Chinese firms and regulators refine board selection strategies to boost sustainability.

（3）Policy Implications: Supports regulatory efforts to encourage board diversity as part of ESG disclosure reform.

# 8. Timeline (Optional)

| **Time** | **Task** |
| --- | --- |
| July 1-2 | Collect and clean board and ESG data |
| July 3 | Run empirical model and analyze results |
| July 4 | Draft final proposal and prepare slides |

# 9. 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.
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* Lins, K. V., Servaes, H., & Tamayo, A. (2017). Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. *Journal of Finance*, 72(4), 1785-1824.
* Bebchuk, L. A., & Fried, J. M. (2003). Executive compensation as an agency problem. *Journal of Economic Perspectives*, 17(3), 71-92.
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