

Does board independence moderate the effect of politician directors on CSR disclosure? Evidence from the publicly listed banks in Bangladesh

Md. Harun Ur Rashid and Syed Zabid Hossain

Abstract

Purpose – This study aims to investigate the moderating effect of independent directors on the relationship between politicians on the board and corporate social responsibility disclosure (CSR).

Design/methodology/approach – The ordinary least square has been used to analyze the CSR data collected from the annual reports of all 30 listed banks of Bangladesh covering six years period ranging from 2013–2018. Further, the study has applied the generalized method of moments to prove the robustness of the model across the endogeneity issue.

Findings – The study found a positive relationship between board independence and CSR that indicates board independence enhances the CSR to a great extent. On the contrary, the inclusion of politicians on the board has shown a negative impact on CSR that implies the higher the presence of political members on the board of a bank, the lower the involvement of the bank in CSR activities. However, board independence positively and significantly moderates the politician directors on the CSR. The findings imply that if the independent directors are empowered, they play the role of whistleblowers that, in turn, mitigates the negative role of politician directors to CSR.

Research limitations/implications – The study suggests the banks' management, and regulatory bodies formulate sound policies so that the banks are forced to include more independent directors with enough power and at the same time, reduce the politician directors on the board.

Originality/value – The study extends debate on the political CSR and CSR through validating the role of board independence.

Keywords Bangladesh, Banking industry, Board independence, Moderating effect, Corporate social responsibility disclosure, Politician directors

Paper type Research paper

Md. Harun Ur Rashid is based at the Department of Economics and Banking, International Islamic University Chittagong, Chattogram, Bangladesh. Syed Zabid Hossain is based at the Department of Accounting and Information Systems, University of Rajshahi, Rajshahi, Bangladesh.

1. Introduction

The main engagement of corporate managers is to maximize the wealth of the shareholders within the legal frame. This sort of engagement may force managers to disregard other stakeholders' rights, such as the climate, lenders, vendors and society at large, with whom a company is attached (Masud *et al.*, 2019a). Nevertheless, now, stakeholders want to know both financial and corporate social responsibility (CSR) performance as they play a crucial role in investment decisions (Colakoglu *et al.*, 2020). Banks' endowment to the social and environmental causes is noteworthy because of their unique economic status (Rashid and Uddin, 2018). As a bank board of directors (BOD) is responsible for developing sustainable business strategies and monitoring the use of its assets, the board must make decisions about the bank's CSR policies. Therefore, the decisions regarding CSR and

Received 6 August 2020
Revised 14 November 2020
2 March 2021
4 April 2021
Accepted 20 April 2021

corporate social responsibility disclosure (CSR) are affected by the corporate board (Khan *et al.*, 2013; Muttakin *et al.*, 2015).

Among the board members, independent directors are supposed to perform an essential role in supporting the interest of all stakeholders and firm performance as well (Alipour *et al.*, 2019; Jahid *et al.*, 2020; Formigoni *et al.*, 2020). Thus, board independence is regarded as very crucial in terms of the ability of independent directors to control the interest of shareholders, other stakeholders and society at large because they can assess firm performance separately (Li *et al.*, 2020; Alipour *et al.*, 2019). The CSR is also the most commonly used way for companies to appear socially accountable to strengthen relations with stakeholders (Jahid *et al.*, 2020). Hence, board composition concerning the number of independent directors is a pledge for greater organizational integrity, as these members are involved in securing compliance with the rules and moral behavior (Cuadrado-Ballesteros *et al.*, 2015). Based on the demand for stakeholders, it is supposed that independent directors continue to support CSR that is useful to a wide variety of interest groups.

The existent literature documented that firms in both developing and developed economies are deliberately attempting to integrate themselves into political organizations (Boubakri *et al.*, 2008; Jia, 2016; Rauf *et al.*, 2021; Rauf *et al.*, 2020; Zheng *et al.*, 2015; Qian and Chen, 2021; Rahman *et al.*, 2019). However, it is still unclear how political connection affects firm CSR disclosure in a meaningful way. Prior studies related to a political strategy determined the advantages of political connection in the form of government subsidies (Rauf *et al.*, 2020), government resources (Cheng, 2017), threat buffering (Zheng *et al.*, 2015), strengthening market capabilities (Jia, 2016), access to financial resources, relaxed regulatory oversight, licenses, project approval and avoid punishment for adverse environmental impacts (Qian and Chen, 2021; Muttakin *et al.*, 2018). Aside from these inherent advantages, some research has found that the firm with political connections has a positive effect on financial performance (Li *et al.*, 2019) and environmental performance (Qian and Chen, 2021). For instance, Qian and Chen (2021) record a positive relationship between connections of politician chairmen and environmental disclosure quality (EDQ) in Chinese polluting industries, which implies that the improvement of EDQ is prominent in firms with politically connected chairmen. Similarly, from listed Chinese companies in heavily polluting industries, Cheng *et al.* (2017) documented that political connection allows companies in rent-seeking activities through which the companies can conceal “bad” information, such as sewage charges, while exaggerating “good” information, such as environmental investment, to project a responsible picture. Rent-seeking is also a way to keep a strong relationship with the government and gain access to more favorable policies and services.

On the other hand, several studies have identified the negative effects of political connection on firms' EDQ and CSR in China (Li *et al.*, 2019; Rauf *et al.*, 2020, 2021), in Malaysia (Rahman *et al.*, 2019) and developed and developing countries (Boubakri *et al.*, 2008). For example, Rauf *et al.* (2020, 2021) documented that firms with a higher level of political embeddedness will disclose a lower quality CSR in China. From the neo-pluralist perspective, the political connection could enable corporate entities to avoid stakeholder pressure connected to potential legitimacy threats originating from inadequate CSR engagement and, consequently, low CSR (Muttakin *et al.*, 2018). Corporate managers prefer to use political connections to ward off the potential risk of transgressing the social commitment linked with the perceived poor performance of CSR and CSR. Moreover, Rahman *et al.* (2019) found a negative moderating impact of political directors on women directors' influence to provide quality CSR disclosure in Malaysia. In the presence of politicians on the board, female directors will be pressured to adhere to the directions imposed by the politicians and the latter may not be able to influence the decision-making process. Li *et al.* (2019) investigated the moderating effect of political embeddedness in the relationship between corporate public transparency and financial performance and found

that this relationship is negatively moderated by both politically embedded government officials and state-owned ownership. Moreover, conducting a study across the globe, [Faccio \(2006\)](#) recognized that politically connected firms are reluctant to obey the rules of regulatory bodies due to their close ties with the government.

Also, the politicians on the BOD consider CSR practice as a cost rather than a hope for future business growth, and thereby, they become comfortable with a higher profit margin than higher CSR performance ([Rahman et al., 2019](#)). Sometimes, they also try to reduce the management's dominance over the board, mitigating the independent directors' role of exercising their required performance. On the other hand, the independent managers are appointed to oversee the actions of the executive managers, whether they are trying to protect the interests of the stakeholders based on the stakeholder theory. Besides, the independent directors are usually risk-averse relating to CSR that may have an impact on their professional reputation in listed Spanish companies ([Garcia-Sanchez et al., 2014](#)). The inverse relationship between independent and political directors relating to CSR creates a conflict of interest. This conflict of interests arises:

If there is competition among the top managers themselves (all want to be the boss of bosses), then perhaps they are the best ones to control the board of directors" ([Fama, 1980](#)).

The presence of independent directors can reduce such a struggle for control over the corporate board and increase their effectiveness as they are assigned to control the conflict of interests amid the leading managers ([Fama, 1980](#)). In both Brazilian and Spanish companies, [Formigoni et al. \(2020\)](#) documented that the percentage of independent directors has a positive impact on CSR disclosure. There are many reasons to support the presence of independent directors on the board. They alleviate the possible power disparity, reduce conflict of interests and safeguard the interests of the company. They also ensure sound corporate governance (CG) and intense monitoring and direction to the board ([Jahid et al., 2020](#)). The findings of [Alipour et al. \(2019\)](#) in Iranian companies revealed that board independence strengthens the positive impact of the EDQ on sustainability, and companies with more independent board members are more likely to engage in environmental disclosure for better performance. This is in line with agency theory, which states that a more autonomous BOD will better control the CEO and minimize incentives to follow personal interests. Based on the above argument, the study assumes that the presence of independent directors on the board has a moderating effect on the negative attitude of politician directors regarding the CSR to satisfy the desire of corporate stakeholders.

Less attention has been paid by scholars to ascertain the moderating effect of board independence on the relationship between the presence of politicians on the board and CSR though, independently, CG and CSR have been established as a well-researched and highly debated area ([Inekwe et al., 2021](#); [Jahid et al., 2020](#); [Khan et al., 2019](#)). Prior studies on CSR either examined the impact of independent directors or politicians on the board. Limited research using a developing country setting has motivated us to lead this research for determining the association of board independence and politician directors on CSR in light of the theoretical underpinnings of the agency-stockholder theory. However, to the best of our knowledge, there is an absence of research that has explored the moderating effect of independent directors on the association between political board members and CSR. Moreover, a conflict of interest between independent directors and politician directors on the board has also motivated us to initiate this study.

Therefore, the study investigated the following research question:

RQ1. Does the board's independence influence the effect of politicians on the board on CSR disclosure in banking companies in Bangladesh?

To answer the research question, the study is the first attempt that has examined the moderating effect of board independence on the politician directors' decision-making

regarding CSR disclosure. Moreover, this study filled the research gaps with the contribution to the existing literature in the following ways. First, the study has investigated the moderating effect of board independence on the relationship between politically connected firms and CSR. Second, this research has examined whether the independent directors moderate the relationship between politically owned firms (POF) and CSR. Third, the study has applied generalized methods of moments (GMM) to check the robustness of the estimated model resolving endogeneity problems. Finally, the study theoretically extends debate on the political CSR and CSR through validating the role of board independence; it demands academia and research scholars to pursue more research on other industries in the future.

The remainder of the paper is organized as follows. Section 2 presents the role of the politician and independent board members in the context of Bangladesh. Section 3 presents theories related to this study and the development of hypotheses. Section 4 presents the research design and methodology. Section 5 deals with the analysis, interpretation of results, while Section 6 presents conclusions, limitations and policy implications.

2. Politicians on the board and board independence in the context of Bangladesh

In Bangladesh, a unique incentive to shed light on CSR disclosure is the predominance of delicate democracy, poor governance and political uncertainty (Mehjabeen, 2018). Also, many industrialists and business tycoons in Bangladesh are attached to either Bangladesh Awami League or Bangladesh Nationalist Party, two leading political parties in the country. Business success seems to depend on the members of the parliament (MPs) who are also owners of large businesses. For example, 57% of elected MPs were businessmen in the ninth parliament (2009–2013), with 44% having assets worth at least BDT 10m (Muttakin *et al.*, 2018); their number stood at 59% and 61.07% in the 10th and 11th parliament, respectively.

Moreover, the position of the independent directors on banks' boards in Bangladesh became questionable because of the influence of politicians on banks' boards that contributed a lot to the stock market crash in 1996 and 2010. After the severe crash in 1996, the Bangladesh stock market had started growing in 2006. Moreover, the central bank's policy to control the money market had aggravated the volatility in the capital market (Pervez *et al.*, 2018). The financial markets also suffered a severe disaster due to false and erroneous information and rumors, as well as many bank loan defaults. For instance, we observed a crooked misappropriation by Hallmark Groups of BDT 36,070m from Sonali Bank, Bismillah Group's scam of BDT 11,00m of Shahjalal Islami Bank and the BASIC Bank scam of BDT 65,00m, etc. in 2010 (Shahajahan, 2017).

Consequently, Bangladesh Securities and Exchange Commission (BSEC) issued a "CG guidelines" stating that at least one-fifth of the board members must be independent of the listed companies (BSEC, 2012; Hasan *et al.*, 2013) and the head of the audit committee must be from the independent directors. Also, all companies have to appoint a Chief Financial Officer, a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary from the independent directors. Besides, the Banking Companies Act (Amendment) 2013 has established the status of an independent director as a watchdog and must be sovereign by meaning, image, integrity and judgment. The BSEC has made many stipulations on holding the position of an independent director that is exemplary and good for the company. As independent directors' role is crucial and fiduciary for a company and its stockholders, the requirements must be tested and relevant to the corporate environment in Bangladesh. This recent change in the CG code shows that the need for independent directors is growing not only to get valuable strategic guidance but also to have wisdom, knowledge and expertise to work for shareholders and other stakeholders' interests.

3. Literature review and development of hypotheses

The stakeholder, legitimacy and agency theories are frequently used in CG and CSR disclosures. According to stakeholder theory, various kinds of information are disclosed to meet the needs of different groups. For instance, if a conceivably powerful group is concerned about a company's social or environmental performance, the company may feel a need to disclose public information on specific social or environmental policies. Thus, the managers of a firm provide enough CSR disclosure to alleviate the anxiety of influential stakeholders (Freeman, 2010). Likewise, the theory of legitimacy assumes that corporate disclosures should promote environmental factors, such as economic, political and social factors (Rashid *et al.*, 2019).

The agency theory, on the other hand, resolves the conflicts of interest between principals (shareholders) and their agents (managers) and confirms that managers prefer to disclose information in the presence of adequate incentives (Haniffa and Cooke, 2002). This conflict of interest heightens when politician directors try to maximize their benefits by controlling the board's decision-making. In this context, agency theory views independent directors as a mechanism to offset the gap between shareholders/stakeholders and managers to promote sound CG. From the standpoint of agency theory, executive directors are agents of the shareholders, while non-executive and independent directors have a fiduciary duty to compel corporate boards to disclose more corporate news voluntarily to lessen information asymmetry (Gul and Leung, 2004). Besides, from the viewpoint of stakeholder-agency theory, agency conflicts can be minimized when the banks' board's choices regarding voluntary disclosure set the interests of all stakeholders (Jahid *et al.*, 2020). In line with this theory, this study strives to examine the role of independent directors in moderating the effect of politician directors on the extent of CSRD.

3.1 Board independence and corporate social responsibility disclosure

An independent director is an outside non-executive member of the BOD who has no material interest or financial involvement with the company or associated persons apart from getting a sitting allowance for attending board meetings and management remunerations in their judgments (Wan-Hussin, 2009). The primary purpose of selecting independent directors on boards of publicly traded companies is to control any wrongdoing of the majority of directors and add value on boards, especially when choosing to disclose information that can protect all stakeholders' interests.

However, a vast majority of studies found a significant positive association between board independence and CSRD depending on the governance environment (Cuadrado-Ballesteros *et al.*, 2015; Khan *et al.*, 2013). Jahid *et al.* (2020) also documented a significant and positive relationship between independent directors and CSRD in Bangladeshi listed banks. Conducting a comparative study between Spanish and Brazilian companies, Formigoni *et al.* (2020) found a positive effect of the proportion of independent directors on CSRD in both Spain and Brazil. Hence, it is essential to examine the impact of board independence and CSRD.

H1. There is a positive relationship between board independence and CSRD.

3.2 Political board member and corporate social responsibility disclosure

The political board is controlled either by one or more politicians or parliamentarians or ministers or senior bureaucrats as directors (Boubakri *et al.*, 2008). Cheng *et al.* (2017) found that political relations engage a firm in rent-seeking activities, a way to maintain a close connection with the government to get more preferred policies and government resources. Faccio (2006) documented that politically connected firms enjoy various preferential treatment such as access to financial resources and relaxed regulatory

oversight, licenses, project approval and avoid punishment for adverse environmental impacts. These facilities provide the firm with better competitive advantages, which lead them to a lower tendency of CSR (Muttakin *et al.*, 2018).

In the developed economy, they are likely to engage in more CSR initiatives and disclosure. For instance, the study of Qian and Chen (2021) found a positive relationship between political connections of corporate chairmen and environmental disclosure in the Chinese polluting industries. Conversely, in developing countries such as Bangladesh, firms with a strong political connection may not be inclined to invest in CSR exercises; instead, they focus more on political pursuits (Mehjabeen, 2018). Several prior studies found a negative impact of political connection on the quality of CSR disclosure (Boubakri *et al.*, 2008; Li *et al.*, 2019; Rahman *et al.*, 2019). For example, Rauf *et al.* (2020, 2021) documented that firms with a higher level of political embeddedness will disclose a lower quality CSR. Similarly, Chaney *et al.* (2011) ruled out that politically connected firms intentionally disclose low-quality accounting information as they have lesser need to dedicate time and care for improving exact accruals. Moreover, the high costs associated with higher quality accounting information is one of the reasons for disclosing poor quality information. Additionally, in developing countries where the regulations are relaxed for the politically connected firms, there is little incentive to be engaged in high quality-responsibility disclosure. The study of Muttakin *et al.* (2018) investigated the relationship between politically connected firms and CSR in the context of Bangladesh and found that political connection reduces CSR. The political board members are less willing to follow the rules about equal employment opportunities, environmental policies and regulatory policies as the regulators and government rarely create any pressure on them to comply with those commands. Thus, the study expects that the board comprising of political members will negatively affect CSR disclosure.

H2. There is a negative relationship between the politician board member and CSR.

3.3 The moderating effect of independent directors between politicians on the board and corporate social responsibility disclosure

Political directors often strive to control corporate boards for their self-interests, and thus, they become reluctant to follow the rules and regulations in response to CSR (Muttakin *et al.*, 2018). Managers with profound political backgrounds seek to discourage regulatory action from revealing their businesses. They have little motivation to disclose some over-compliance obligation or provide high-quality social and environmental reports as they can minimize the risk of regulatory action, receive continuous favorable treatment and even prevent legal fines in response to violations due to their political ties (Wang and Qian, 2011).

On the other hand, independent directors try to reduce the adverse effect of political directors on the extend of CSR as they are appointed to control the management process and protect all stakeholders' interests (Khan *et al.*, 2013). So, questions may arise: what should be the CSR and CSR strategies? Whether political board members could adversely affect the level of CSR and CSR? And if so, whether independent directors could moderate political board members' influence on CSR and CSR?

The study of Muttakin *et al.* (2018) found that politically connected firms negatively respond to CSR, while independent directors prompt CSR positively. However, the reciprocation between political connection and board independence influences the extent of CSR adversely in non-financial sectors when there is no intense surveillance of CG similar to the banking industry. Cuadrado-Ballesteros *et al.* (2015) examined the moderating effect of board independence between family-owned firms and CSR. They affirmed that family-owned firms dominate independent directors extremely, and their interplay conferred an adverse impact on CSR. However, in the banking industry in Bangladesh, independent directors are empowered to alleviate the conflict between stakeholders and management,

and so, they are supposed to moderate the effect of political board members on the level of CSR. Thus, this study posits the following hypothesis.

H3. Board independence moderates the politician directors' effect on CSR positively.

4. Methodology

4.1 Sample size and data

The final sample of 180 has been drawn from the annual report of 30 publicly listed banks in Bangladesh, covering six years from 2013 to 2018. This study has been based on secondary data collected from the annual reports and bank websites. Social responsibility information has been collected from the CSR disclosures, CG disclosures, directors' reports, chairman's statements and notes to the financial statement contained in annual reports. The corporate social responsibility disclosure index (CSRDI) has been constructed after combining both corporate social responsibility items disclosed in the annual report and the company's websites.

4.2 Dependent variable

The study has used content analysis. It is a method by which one can codify the text or content (Weber, 1990). The disclosure items covering 22 items have been classified into five environmental categories, community involvement, human resource/employee information, product and service information and energy (Khan *et al.*, 2013; Khan *et al.*, 2019; Jahid *et al.*, 2020). This CSRDI has been developed by using the scores of "1" if the company discloses the corporate social responsibility items and "0" if it is not. In this study, we used CSRDI as a dependent variable, which is calculated as follows:

$$CSRDI = \sum_{i=0}^n ci$$

where $c = 1$ if item ci is disclosed.

0 if the item ci is not disclosed.

$n =$ number of items.

4.3 Independent and control variables

The independent and control variables as a part of the CG used in this study are shown in Table 1. In this study, we have used three control variables these are firm size (log of total assets), profitability (ROA) and age of the firms. If these variables are controlled, the relationship between CG characteristics and CSRDI can be adequately measured. The previous studies used the logarithm of the total asset as a proxy of firm size, while ROA is an indicator of profitability (Muttakin *et al.*, 2018). Therefore, the study has used bank size, age and profitability as control variables.

4.4 Data estimation model

To investigate the moderating effect of independent directors on the relationship between politicians on the board and CSRDI, we have developed the following model:

$$CSRDI_{it} = \alpha_0 + \beta_1 IBM_{it} + \beta_2 PBM_{it} + \beta_3 IBM \times PBM_{it} + \beta_4 BS_{it} + \beta_5 FBM_{it} + \beta_6 FoBM_{it} \\ + \beta_7 SIZE_{it} + \beta_8 ROA_{it} + \beta_9 AGE_{it} + \beta_{10} YEAR_DUMMY_{it} + \epsilon_{it}$$

where CSRDI = CSRDI index received by each sample bank.

$\alpha_0 =$ the constant.

Table 1 Variables measurements

<i>Variables</i>	<i>Form</i>	<i>Sign</i>	<i>Measurements</i>
<i>Dependent variable</i>			
CSR disclosure index	CSRDI		CSRDI was developed by using the scores of "1" if the company discloses the corporate social responsibility items and "0" if it is not
<i>Independent variables</i>			
Board characteristics			
Board independence	IBM	+	Number of independent directors on the board
Political board member	PBM	-	Number of the politicians on the board
Interaction between IBM and PBM	IBM × PBM	+	The interaction between the independent board members and political board members
<i>Additional variables</i>			
Politically owned firms	POF	-	If a politician or his/her family members hold a bulk share of a bank, coded as 1, otherwise it was 0
Interaction between IBM and PC	IBM × POF	-	The interaction between the board independence and politically owned firms
Board size	BOARD	+	Numbers of directors sit on the board
Female board member	FBM	+	Number of foreigners on the board
Foreign board member	FoBM	+	Number of female members on the board
Ownership structure			
Directors' ownership	DS	+	Percentage of shares held by directors on the board
Foreign ownership	FS	+	Percentage of shares held by foreigners
Institutional ownership	IS	+	Percentage of shares held by other institutions
Public ownership	PS	+	Percentage of shares held by the public
<i>Control variables</i>			
Firm size	SIZE		Log of total assets of the individual firm
Return on assets	ROA		Net income divided by total assets
Age	AGE		Number of years in business
Year dummy	YEAR DUMMY		Year dummy was created for the six-year period, where 1 is for the current year and 0, otherwise

ε_{it} = the error term.

β_1 to β_{10} = the coefficients of the variables.

i and t = the number of banks and time, respectively.

The variables are elaborated and defined in [Table 1](#).

Table 2 Descriptive statistics

<i>Variables</i>	<i>Obs.</i>	<i>Mean</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
CSRDI	180	17.22	2.07	11	21
BS	180	13.84	3.78	6	21
IBM	180	2.57	1.02	0	8
FBM	180	1.39	1.28	0	5
FoBM	180	0.31	0.98	0	7
PBM	180	0.33	0.71	0	3
POF	180	0.30	0.46	0	1
SIZE	180	12.23	0.66	9.34	13.81
ROA	180	0.79	1.03	-4.97	2.81
AGE	180	24.51	9.58	12	46
FS	180	4.19	12.47	0	52.98
IS	180	18.13	11.64	0	57.06
DS	180	33.55	16.80	0	87
PS	180	37.71	16.19	0	76.16

4.5 Measurement instruments

Descriptive statistics have been used as essential tools to evaluate the overall summary of a set of data. Moreover, we have run the Pearson correlation to show the relationship and check multicollinearity among the variables. Multicollinearity is a phenomenon in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy. High multicollinearity can bias a model. We have also used the variance inflation factor (VIF) to confirm whether the multicollinearity problem exists in our data. Then, we run the ordinary least square (OLS) regression to investigate the moderating effect of board independence on the politician to CSRDI. Further, we have also run some additional models to test the robustness of our baseline model. Finally, the GMM regression model was run to check the endogeneity issue of the study.

5. Results and discussion

5.1 Descriptive statistics

Table 2 presents the descriptive statistics of all the 30 banks listed on the Dhaka stock exchange. The mean value and standard deviation (SD) are used to measure the individual and combined performance of banks. The dependent variable CSRDI has a mean of 17.22 within a range of 11 to 21% and has an SD of 2.07. Most of the banks disclosed CSR-related information as the mean value is near to the maximum score. Most of the banks are controlled by public ownership (37.71%), as their percentage is higher than any other group of shareholders. Moreover, the average board size of the Bangladesh banking industry is high (nearly 14 members per bank), while the number of independent, female, foreign and expert members on the board is insufficient.

5.2 Correlation matrix

The correlations coefficient between each pair of variables is used to explore the interrelationship between two variables negatively or positively at a certain level of significance. Table 3 shows that CSRDI is positively related to board size, board independence, female board members, directors' ownership, size and financial

Table 3 Pair-wise correlations

Variables	CSRDI	BS	IBM	FBM	FoBM	PBM	IBM × PBM	SIZE	ROA	AGE
CSRDI	1									
BS	0.295***	1								
IBM	0.490***	0.400***	1							
FBM	0.194***	0.004	0.049	1						
FoBM	0.064	-0.063	0.173**	-0.107	1					
PBM	-0.031	0.278***	0.057	0.266***	-0.038	1				
IBM × PBM	0.049	0.279***	0.093	0.252***	-0.072	0.801***	1			
SIZE	0.527***	0.309***	0.456***	-0.001	-0.121	0.024	0.103	1		
ROA	0.382***	0.116	0.133*	-0.080	-0.314***	-0.154**	-0.264***	0.436***	1	
AGE	-0.231***	0.015	-0.069	-0.139*	0.109	-0.194***	-0.060	0.185**	-0.156**	1
FS	0.072	-0.064	0.200***	-0.121	0.864***	-0.089	-0.088	-0.091	-0.283***	0.128*
IS	0.112	-0.156**	0.070	0.340***	-0.195***	-0.035	-0.014	0.116	0.027	-0.015
DS	0.292***	0.197***	0.128*	0.025	-0.128*	0.143*	0.147**	0.063	0.140*	-0.537***
PS	0.022	0.105	-0.168**	-0.068	-0.313***	0.040	0.038	-0.050	0.307***	-0.003
FS		FS			IS			DS		PS
IS		1			1					
DS		-0.182**			-0.134*			1		
PS		-0.151**			-0.007			-0.140*		1
		-0.353***								

Notes: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

performance, while negatively associated with the age of the banks. The results indicate that the higher the board size, the greater the number of independent directors and female directors, the higher the percentage of director ownership and the better the financial performance of firms, the greater the extent of CSR.

5.3 Multicollinearity test

The multicollinearity problem exists when the correlation coefficient between any two variables is above the threshold of 0.90; it can bias the regression model (Black *et al.*, 2010). Table 3 shows that the highest correlation coefficient (0.864) is between foreign owners and foreign directors on board, which is less than 0.90. Thus, the study has no collinearity problem. Further, the study deals with the VIF test to confirm whether the collinearity exists in the model. Table 4 represents all the values less than the threshold value of 10 (Hair *et al.*, 1984); it indicates that there is no multicollinearity among the variables in the study.

5.4 Regression results and analyzes

Table 4 shows the OLS regression results. Column 3 of Table 4 represents the effect of CG such as board size, independent, female, foreign, political board member and the interaction effect between board independence and political board member on CSR. The study found a significant and positive relationship between board independence and CSR; the result implies that the larger the board's independence, the higher the CSR. Confirming H1 at a 1% level of significance, the result supports the prior studies (Cuadrado-Ballesteros *et al.*, 2015; Khan *et al.*, 2013; Formigoni *et al.*, 2020). The positive relationship between board independence and CSR implies that companies with more board independence are more likely to provide executives with incentives in the form of appreciation for CSR performance (Jahid *et al.*, 2020). As the primary purpose of appointing independent directors is to control the wrongdoing of the board, they can substantially play a role in protecting the interest of stakeholders, especially in the issue of

Table 4 OLS regression results				
1	2 VIF	3 CSR	4 CSR	5 CSR
IBM	1.63	0.381*** (0.133)	0.323** (0.133)	0.557*** (0.154)
PBM	3.18	-0.923*** (0.266)	-0.930*** (0.267)	
IBM × PBM	3.41	0.263** (0.118)	0.257** (0.119)	
POF				1.093 (0.711)
IBM × POF				-0.560** (0.263)
Size	1.91	0.981*** (0.244)	1.301*** (0.233)	0.989*** (0.243)
ROA	1.84	0.566*** (0.148)	0.340** (0.148)	0.453*** (0.140)
AGE	1.26	-0.066*** (0.012)	-0.039*** (0.015)	-0.059*** (0.012)
BS	1.38	0.081** (0.033)	0.047 (0.034)	0.067** (0.033)
FBM	1.13	0.316*** (0.088)	0.351*** (0.091)	0.260*** (0.087)
FoBM	1.34	0.450*** (0.126)	0.393 [†] (0.213)	0.333** (0.130)
FS			0.024 (0.017)	
IS			0.018 [†] (0.011)	
DS			0.033*** (0.009)	
PS			0.029*** (0.008)	
YEAR		Yes	Yes	Yes
_cons		4.716 [†] (2.788)	-2.529 (2.734)	4.348 (2.757)
N		180	180	180
F		15.584	16.871	14.636
r2		0.569	0.589	0.554
r2_a		0.533	0.554	0.516

Notes: Standard errors in parentheses. **p* < 0.10, ***p* < 0.05, ****p* < 0.01

disclosure (Li *et al.*, 2020). In Bangladesh, as the BSEC has issued a notification to appoint the independent directors at least one-fifth of the total directors and keep the head of internal control and compliance from the independent directors, they substantially influence the board to disclose more CSR in the banking industry.

On the other hand, the political board member was found to have a negative relationship with the CSRD, confirming *H2*; it implies that the more presence of political members on the board of a bank, the lower the involvement of a bank in CSR activities (Boubakri *et al.*, 2008; Rahman *et al.*, 2019). As the politicians perceive the CSR activities as an expense rather than the potential for new business sustainability due to their lack of professional knowledge; they feel reluctant to contribute to CSR. If we consider the present political situation of Bangladesh, then the result might be substantial as the majority of the corruption and fraud are held by the politician directors in Bangladesh, and also the political board member influence in many decision-making largely (Masud *et al.*, 2019b). The study of Muttakin *et al.* (2018) found similar results and documented that political connection reduces the level of CSRD as they enable companies to avoid the burden of stakeholders association to potential credibility problems arising from poor CSR performance.

While examining the synergy between board independence and political directors to enhance CSRD, we found a significant positive effect of the interplay between IBM and PBM on CSRD, confirming *H3*. This finding not supporting the study of Muttakin *et al.* (2018) as they found that the synergy between political connections and board independence prompts CSR adversely in non-financial sectors due to the lack of sound CG, unlike the banking industry. Moreover, in the banking industry, many provisions have been established to hold up the position of independent director by the BSEC so that they can smoothly exercise their power and function with the dignity. The study documents the board's independence with strong supervision moderates the effect of political directors on CSRD as laws empowered the independent directors to comply with data disclosure and protect the interest of stakeholders as well. Moreover, independent directors supervise the management performance and compensation, advise on succession plans, alleviate conflicts of interest and provide guidance on other matters, such as compliance. In case of need, they can play a vital role in blowing the whistle. Thus, the study documented that ensuring CG, the independent directors on the board moderate the effect on the negative attitude of politician directors regarding the CSRD.

Moreover, we have included some other board characteristics, namely, board size (BS), female board member (FBM) and foreign board member (FoBM) as the additional variables with the baseline model. The results show a significant positive effect of BS, FBM and FoBM on CSRD, which supports the findings of the prior study (Jahid *et al.*, 2020). The results imply that the larger the board size, the greater the number of female and foreign directors on the board, the higher the possibility of CSRD. The huge remuneration of boards with diversification may have a chance of getting highly educated and skilled members on the board (Rashid *et al.*, 2020). These are positively related to a firm's reputation; it, in turn, ensures greater transparency and full disclosure of CSR information.

Further, among the control variables, we have noticed a significant positive influence of firm size and ROA on CSRD, which implies that the larger the firm size, the higher the profitability and the greater the CSR disclosure. However, over time, banks become older and get sufficient clients and gradually start focusing on higher profit instead of more CSR and CSRD (Jahid *et al.*, 2020).

5.5 Additional tests

We have run some additional models to examine the robustness of our study in Columns 4 and 5 of Table 4.

In Column 4, we have assigned ownership structure, namely, foreign (FS), institutional (IS), directors (DS) and public shareholders (PS) and observed IS, DS and PS have a significant positive effect, but FS and board size have an insignificant impact (Khan *et al.*, 2013). As institutions, directors and the general public hold a significant portion of the total shares of a company, they seek to control managers by introducing various disclosure strategies that, in turn, creates tremendous pressure on bank management to pursue CSR and leads to more CSRD. On the contrary, an insignificant influence of FS on CSRD implies that foreign shareholders cannot regulate the company management directly as they hold a negligible portion of shares. However, the outcomes of the baseline model remain unchanged, which suggests that our hypothetical results are robust.

Finally, the study uses the interaction between POF and board independence in Column 5. The study demonstrates an insignificant relationship between POF and CSRD; it implies that politically owned banks are less likely to contribute to CSR practices. However, the interaction between board independence and politically owned banks shows a significant negative influence on CSRD, which is congruent with the findings of Muttakin *et al.* (2018) and Li *et al.* (2019). The findings imply that politically owned banks use political power to evade accountability toward stakeholders due to inadequate regulatory surveillance in Bangladesh. Also, the politician directors mitigate the role of independent board members and influence them negatively toward CSR. In Bangladesh, most POF appoints independent directors based on their ties rather than skill and experience (Uddin and Choudhury, 2008). Hence, the appointment of independent directors and the effectiveness of their positions are usually under question because of the presence of their political ties.

5.6 Two-step system generalized methods of moments

Prior literature demonstrates that most CG variables are endogenous because companies choose their board members or subcommittee members to suit their environment (Khan *et al.*, 2019). Columns 2–3 of Table 5 represent the results of GMM regression on the association between CG and CSRD. We have conducted relevant diagnostic tests, such as estimated coefficients, Sargan and Hansen test of validity, AR (1), AR (2) and *F* test to confirm the strength and validity of the model and used instrumental variables as well (Khan *et al.*, 2019).

As documented in Column 2 of Table 5, the GMM regression results are similar to Column 2 presented in Table 4. Similarly, when the ownership structures were included in Column 3 of Table 5, almost all results remained unchanged except the significant effect of foreign shareholders on CSRD compared to Column 4 of Table 4. Therefore, the results of GMM estimation prove the robustness of our model again across the endogeneity issue.

6. Conclusion

The study has strived to examine the moderating effect of board independence on the relationship between politician directors on boards and CSRD. To sum, it is evident that board independence significantly enhances the CSRD as the study found a positive relationship between board independence and CSRD. On the contrary, the politicians on the board have a negative impact on CSRD as it implies that the more presence of politician members on the board of a bank, the lower the involvement of the bank in CSR activities. However, a significant positive effect of the interplay between independent directors and politicians on the board on CSRD implies that if the directors are effectively empowered, they will play a vital role in blowing the whistle. It, in turn, mitigates the negative role of politician directors to CSRD.

The study provides the banks' management, regulatory bodies, policymakers and researchers some crucial insights and implications into the relationship between board independence and politician directors in CSR disclosure. First, the research recommends

Table 5 Two-step system GMM regression

1	2 CSR	3 CSR
L.CSRD	0.247** (0.096)	-0.136 (0.125)
IBM	0.177** (0.074)	0.288** (0.116)
PBM	-0.627*** (0.175)	-0.901*** (0.273)
IBM × PBM	0.218*** (0.047)	0.247*** (0.067)
SIZE	0.997*** (0.184)	1.882*** (0.417)
ROA	0.292*** (0.049)	0.263*** (0.083)
AGE	-0.040*** (0.013)	-0.033* (0.018)
BS	0.077** (0.031)	0.030 (0.043)
FBM	0.227*** (0.059)	0.416*** (0.083)
FoBM	0.259*** (0.075)	0.232* (0.116)
FS		0.050*** (0.008)
IS		0.024** (0.009)
DS		0.051*** (0.009)
PS		0.053*** (0.008)
YEAR	Yes	Yes
_cons	-0.063 (0.973)	-8.811* (4.348)
N	150	150
F	2,629.221	200.930
AR (1)	-2.43 (0.015)	-2.00 (0.046)
AR (2)	1.55 (0.122)	1.19 (0.232)
Sargan test (<i>p</i> -value)	69.25 (0.000)	71.27 (0.000)
Hansen test (<i>p</i> -value)	17.47 (0.491)	13.12 (0.975)

Notes: Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

that bank management increase the board size by adding more independent directors to lead the board decision-making about CSRD significantly. Moreover, the regulatory bodies should implement rules that could force banks to empower independent directors and ensure their independence. Conversely, the negative influence of political directors on CSRD implies that politicians demoralize the boards to contribute more CSRD. Therefore, the study suggests that the bank management and regulatory bodies should not include the politicians on the board as their presence makes it difficult for the firms to comply with different standards and disclosure due to the lack of politicians' professional knowledge. Second, the regulatory bodies, such as BSEC and Bangladesh Bank, the central bank of Bangladesh, should formulate rules that will require banks to accommodate diversified directors on their boards, such as independent, female and foreign directors, but avoiding any person active in party politics.

Additionally, banks should diversify their ownership structure among different classes of shareholders. More specifically, banks should keep ownership of a certain percentage of public, foreign, institutional and directors as they have a positive relationship with CSRD. Third, the study suggests not operating banks under the control of politicians, bureaucrats and their family members as they could dominate independent directors; it, in turn, reduces CSRD. Politically owned banks appoint independent directors from a political perspective. Hence, independent directors are demoralized to disclose CSR information, leading to the denial of good governance, transparency, accountability and fairness. The Bangladesh Bank should expand the scope of CSR and set a minimum level of contributions from a bank's net income and compel the bank to disclose as per the set norm. Further, with proper monitoring, Bangladesh Bank should take legal actions against the banks that will fail to comply with the set. Finally, the study provides the researchers and academicians with valuable insights on the need for separation of CG and CSR and their complex relations in the context of developing countries. There is scope for research on the interplay between internal and external CG mechanisms in a specific industry setting and how this shapes unique CSR and CSRD.

Though this paper has provided fruitful insights into the moderating effect of board independence on the association between political directors on bank boards and CSR from a developing country perspective, the study has, indeed, several shortcomings. The findings have been derived from single-country research and only on the banking industry, and thus, the results cannot be easily generalized for other sectors or industries, though they have broader relevance and applicability in developing countries. Notwithstanding these limitations, we believe this study has explored a new area for CG and CSR synergy and contributed significantly to CG–CSR research in the context of developing countries. Besides, our research has raised a question on the authority of the agency theory as a regular basis for CG and CSR research, indicating, in turn, the benefit of alternate stakeholder theory in accounting for a complex composition of corporate stakeholders in emerging countries. This opening trend can probably be explored and validated by future researchers on the issue.

References

- Alipour, M., Ghanbari, M., Jamshidinavid, B. and Taherabadi, A. (2019), "Does board independence moderate the relationship between environmental disclosure quality and performance? Evidence from static and dynamic panel data", *Corporate Governance: The International Journal of Business in Society*, Vol. 19 No. 3, pp. 580-610, doi: [10.1108/CG-06-2018-0196](https://doi.org/10.1108/CG-06-2018-0196).
- Black, W.C., Babin, B.J. and Anderson, R.E. (2010), *Multivariate Data Analysis: A Global Perspective*, Pearson, London.
- Boubakri, N., Cosset, J.C. and Saffar, W. (2008), "Political connections of newly privatised firms", *Journal of Corporate Finance*, Vol. 14 No. 5, pp. 654-673.
- BSEC (2012), "Bangladesh securities and exchange commission", Notification No: SEC/CMRRCD/2006-158/134/admin/44 dated August 7, 2012), available at: www.dsebd.org/pdf/Notification_on_20CG-070812-Amended.pdf
- Chaney, P.K., Faccio, M. and Parsley, D. (2011), "The quality of accounting information in politically connected firms", *Journal of Accounting and Economics*, Vol. 51 Nos 1/2, pp. 58-76.
- Cheng, Z., Wang, F., Keung, C. and Bai, Y. (2017), "Will corporate political connection influence the environmental information disclosure level? Based on the panel data of A-shares from listed companies in Shanghai stock market", *Journal of Business Ethics*, Vol. 143 No. 1, pp. 209-221.
- Colakoglu, N., Eryilmaz, M. and Martínez-Ferrero, J. (2020), "Is board diversity an antecedent of corporate social responsibility performance in firms? A research on the 500 biggest Turkish companies", *Social Responsibility Journal*, Vol. 17 No. 2, pp. 243-262.
- Cuadrado-Ballesteros, B., Rodríguez-Ariza, L. and García-Sánchez, I.M. (2015), "The role of independent directors at family firms in relation to corporate social responsibility disclosures", *International Business Review*, Vol. 24 No. 5, pp. 890-901.
- Faccio, M. (2006), "Politically connected firms", *American Economic Review*, Vol. 96 No. 1, pp. 369-386.
- Fama, E.F. (1980), "Agency problems and the theory of the firm", *Journal of Political Economy*, Vol. 88 No. 2, pp. 288-307.
- Formigoni, H., Segura, L., Gallego-Álvarez, I. and Garcia-Sanchez, I.M. (2020), "Board of directors characteristics and disclosure practices of corporate social responsibility: a comparative study between Brazilian and Spanish companies", *Social Responsibility Journal*, Vol. 17 No. 2, pp. 282-298.
- Freeman, R.E. (2010), *Strategic Management: A Stakeholder Approach*, Cambridge University Press, New York, NY.
- García-Sánchez, I.M., Cuadrado-Ballesteros, B. and Sepulveda, C. (2014), "Does media pressure moderate CSR disclosures by external directors?", *Management Decision*, Vol. 52 No. 6, pp. 1014-1045.
- Gul, F.A. and Leung, S. (2004), "Board leadership, outside directors' expertise and voluntary corporate disclosures", *Journal of Accounting and Public Policy*, Vol. 23 No. 5, pp. 351-379.
- Hair, J., Anderson, R.E., Tatham, R.L. and Black, W. (1984), *Multivariate Data Analysis with Readings, 1995*, Petroleum Publishing, Tulsa, OK.

- Haniffa, R.M. and Cooke, T.E. (2002), *Culture, Corporate Governance and Disclosure in Malaysian Corporations*. *Abacus*, Vol. 38 No. 3, pp. 317-349.
- Hasan, M.S., Hossain, S.Z. and Swieringa, R.J. (2013), "Corporate governance and financial disclosures: Bangladesh perspective", *Corporate Governance*, Vol. 4 No. 1, pp. 109-119.
- Inekwe, M., Hashim, F. and Yahya, S.B. (2021), "CSR in developing countries – the importance of good governance and economic growth: evidence from Africa", *Social Responsibility Journal*, Vol. 17 No. 2, pp. 226-242, doi: [10.1108/SRJ-10-2019-0336](https://doi.org/10.1108/SRJ-10-2019-0336).
- Jahid, M.A., Rashid, M.H.U., Hossain, S.Z., Haryono, S. and Jatmoko, B. (2020), "Impact of corporate governance mechanisms on corporate social responsibility disclosure of publicly-listed banks in Bangladesh", *The Journal of Asian Finance, Economics and Business*, Vol. 7 No. 6, pp. 61-71.
- Jia, N. (2016), "Political strategy and market capabilities: evidence from the Chinese private sector", *Management and Organization Review*, Vol. 12 No. 01, pp. 75-102.
- Khan, I., Khan, I. and Saeed, B. (2019), "Does board diversity affect quality of corporate social responsibility disclosure? Evidence from Pakistan", *Corporate Social Responsibility and Environmental Management*, Vol. 26 No. 6, pp. 1371-1381.
- Khan, A., Muttakin, M.B. and Siddiqui, J. (2013), "Corporate governance and corporate social responsibility disclosures: evidence from an emerging economy", *Journal of Business Ethics*, Vol. 114 No. 2, pp. 207-223.
- Li, H., Hang, Y., Shah, S.G.M., Akram, A. and Ozturk, I. (2020), "Demonstrating the impact of cognitive CEO on firms' performance and CSR activity", *Frontiers in Psychology*, Vol. 11, p. 278, doi: [10.3389/fpsyg.2020.00278](https://doi.org/10.3389/fpsyg.2020.00278).
- Li, Y., Miao, X., Zheng, D. and Tang, Y. (2019), "Corporate public transparency on financial performance: the moderating role of political embeddedness", *Sustainability*, Vol. 11 No. 19, p. 5531.
- Masud, A.K., Rashid, H.U., Khan, T., Bae, S.M. and Kim, J.D. (2019a), "Organisational strategy and corporate social responsibility: the mediating effect of triple bottom line", *International Journal of Environmental Research and Public Health*, Vol. 16 No. 22, p. 4559.
- Masud, M.A.K., Bae, S.M., Manzanares, J. and Kim, J.D. (2019b), "Board directors' expertise and corporate corruption disclosure: the moderating role of political connections", *Sustainability*, Vol. 11 No. 16, p. 4491.
- Mehjabeen, M. (2018), "The politics of CSR reporting practices: a traditional economy perspective", A PhD thesis submitted to the University of Manchester in the Faculty of Humanities, University of Manchester.
- Muttakin, M.B., Khan, A. and Subramaniam, N. (2015), "Firm characteristics, board diversity and corporate social responsibility: evidence from Bangladesh", *Pacific Accounting Review*, Vol. 27 No. 3, pp. 353-372.
- Muttakin, M.B., Mihret, D.G. and Khan, A. (2018), "Corporate political connection and corporate social responsibility disclosures", *Accounting, Auditing & Accountability Journal*, Vol. 13 No. 2, pp. 725-744.
- Pervez, M., Rashid, M., Ur, H., Chowdhury, M., Iqbal, A. and Rahaman, M. (2018), "Predicting the stock market efficiency in weak form: a study on Dhaka Stock Exchange", *International Journal of Economics and Financial Issues*, Vol. 8 No. 5, pp. 88-95.
- Qian, W. and Chen, X. (2021), "Corporate environmental disclosure and political connection in regulatory and leadership changes: the case of China", *The British Accounting Review*, Vol. 53 No. 1, p. 100935.
- Rahman, I.M.A., Jamil, N.N. and Ismail, K.N.I.K. (2019), "Does political connection moderate women directors' effect on CSR disclosure? Evidence from Malaysia", *Asian Journal of Accounting and Governance*, Vol. 11, pp. 61-70, doi: [10.17576/AJAG-2019-11-06](https://doi.org/10.17576/AJAG-2019-11-06).
- Rashid, M.H.U. and Uddin, M.M. (2018), "Green financing for sustainability: analysing the trends with challenges and prospects in the context of Bangladesh", *International Journal of Green Economics*, Vol. 12 Nos 3/4, pp. 192-208.
- Rashid, M.H.U., Zobair, S.A.M., Chowdhury, M.A.I. and Islam, A. (2020), "Corporate governance and banks' productivity: evidence from the banking industry in Bangladesh", *Business Research*, Vol. 13 No. 2, pp. 1-23, doi: [10.1007/s40685-020-00109-x](https://doi.org/10.1007/s40685-020-00109-x).
- Rashid, M.H.U., Zobair, S.A.M., Shadek, M.J., Hoque, M.A. and Ahmad, A. (2019), "Factors influencing green performance in manufacturing industries", *International Journal of Financial Research*, Vol. 10 No. 6, pp. 159-173.

Rauf, F., Voinea, C.L., Bin Azam Hashmi, H. and Fratostiteanu, C. (2020), "Moderating effect of political embeddedness on the relationship between resources base and quality of CSR disclosure in China", *Sustainability*, Vol. 12 No. 8, p. 3323.

Rauf, F., Voinea, C.L., Naveed, K. and Fratostiteanu, C. (2021), "CSR disclosure: effects of political ties, executive turnover and shareholder equity", *Evidence from China. Sustainability*, Vol. 13 No. 7, p. 3623.

Shahajahan, M. (2017), "Corporate governance and the role of independent directors in Bangladesh", *The Chartered Secretary*, Vol. 19 No. 1, pp. 32-37, available at: www.icsb.edu.bd/wpcontent/uploads/2017/05/ICSB-Journal-January-March-2017-Final.pdf

Uddin, S. and Choudhury, J. (2008), "Rationality, traditionalism and the state of corporate governance mechanisms: illustrations from a less-developed country", *Accounting, Auditing & Accountability Journal*, Vol. 21 No. 7, pp. 1026-1051.

Wang, H. and Qian, C. (2011), "Corporate philanthropy and corporate financial performance: the roles of stakeholder response and political access", *Academy of Management Journal*, Vol. 54 No. 6, pp. 1159-1181.

Wan-Hussin, W.N. (2009), "The impact of family-firm structure and board composition on corporate transparency: evidence based on segment disclosures in Malaysia", *The International Journal of Accounting*, Vol. 44 No. 4, pp. 313-333.

Weber, R.P. (1990), *Basic Content Analysis*, Sage University Paper Series on Quantitative Applications in the Social Sciences, Series No. 07-049, Sage, Beverly Hills, CA and London.

Zheng, W., Singh, K. and Mitchell, W. (2015), "Buffering and enabling: the impact of interlocking political ties on firm survival and sales growth", *Strategic Management Journal*, Vol. 36 No. 11, pp. 1615-1636.

Further reading

Hajawiyah, A., Adhariani, D. and Djakman, C. (2019), "The sequential effect of CSR and COE: family ownership moderation", *Social Responsibility Journal*, Vol. 15 No. 7, pp. 939-954.

Corresponding author

Md. Harun Ur Rashid can be contacted at: harunais88@gmail.com

For instructions on how to order reprints of this article, please visit our website:
www.emeraldgroupublishing.com/licensing/reprints.htm
Or contact us for further details: permissions@emeraldinsight.com