

The ESG performance in relation to the Board of directors' characteristics, sustainability incentives compensation, and CSR committee: a cross-national study

Tijani Amara¹, Ali Ahmadi²

¹ Dr. Assit Prof Accounting, Director, Higher Institute of Business Administration of Gafsa, University of Gafsa-Tunisia.

² Dr. Assit Prof Accounting, Higher Institute of Business Administration of Gafsa Tunisia.
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ABSTRACT

This paper seeks to fill the gap of the characteristics of board of directors, compensation policy, and the CSR committee can influence its ESG performance by examining the impact of board characteristics', sustainability incentive compensation, and a CSR committee on ESG performance. Using one of the largest datasets to date, consisting of an unbalanced data set of 36,764 constant-year observations from 6000 listed companies, covering a 16-year period (2002-2017) from 60 countries around the world. Anyway, we show that the share of board independence is positively related to the ESG scores. The relationship between women on the board of directors and management performance in the area of environmental, social and institutional governance is important to any institutional area. The results reveal that offsetting sustainability incentives has a positive effect in some geographic areas. There is a positive correlation between the performance of the ESG and the CSR Committee.

Keywords: ESG performance; board of directors; sustainability incentives compensation; CSR