7-2018

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Published in Review of Managerial Science, January 2017, pp. 1-27. Advance Online
http://doi.org/10.1007/s11846-017-0227-2

How does interpersonal justice affect outside directors' governance behavior? A cross-cultural comparison

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Abstract We examine the impact of interpersonal justice among outside directors on the board and between a director and the CEO regarding the director's monitoring and resource provision behaviors in different cultural contexts. We argue that directors from individualistic countries are more influenced by CEO interpersonal justice while directors from collectivistic countries are more affected by the board interpersonal justice. Our main effect results indicate that interpersonal justice with board members is positively related to both monitoring and resource provision by a director, while CEO interpersonal justice is related only to resource provision. Our results also show different effects on the director's behaviors between three countries, i.e., Canada, Singapore, and Spain. We found that CEO interpersonal justice is positively associated with resource provision in Canada, while board interpersonal justice is positively related to both monitoring and resource provision in Singapore and Spain. These results suggest that directors discharge their board duties differently by how they are treated by other directors and the CEO and that their governance behaviors vary by culture. This study contributes to the literature on comparative corporate governance by showing the differences in directors' behaviors in different cultural contexts.

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Published online: 30 January 2017

Keywords Board of directors · Cross-cultural comparison · Interpersonal justice · Social exchange · Monitoring · Resource provision

Mathematics Subject Classification 62H25 · 62J05

1 Introduction

Directors of the board play both monitoring and resource provision roles as they fulfill their duties (Hillman and Dalziel 2003; Sundaramaurthy and Lewis 2003; Westphal 1999). Board members have the responsibility to monitor management on behalf of shareholders and other stakeholders (Fama 1980), and they also provide resources, such as skills, expertise, and connections to other organizations, to enhance organizational or firm performance (Carpenter and Westphal 2001; Pfeffer and Salancik 1978). Indeed, extant research on corporate governance often focuses on these roles and functions of the board. This is an important issue because what board members do can have a profound impact on organizational performance and strategic directions. Therefore, what factors influence board members' behaviors in the boardroom is a critical issue not only to researchers but also to practitioners.

The majority of corporate governance research thus far has been influenced by agency theory, which focuses on the board's monitoring function. In the agency theory framework, it is assumed that the CEO may act opportunistically to seek his or her personal interests and there is a conflict of interests between the CEO and shareholders or other stakeholders (Fama and Jensen 1983; Jensen and Meckling 1976). Directors, especially independent outsiders which are the main focus of our study, are therefore expected to monitor the CEO. But this theoretical perspective does not take into consideration interpersonal relationships among directors as well as between the CEO and directors (Cohen et al. 2012; Eisenhardt 1989).

Another important issue in research on the board of directors (and corporate governance in general) is the rising awareness that contexts in which the board is embedded affect how the board functions (Aguilera and Jackson 2003; Peng 2004; Van Essen et al. 2012; Yoshikawa et al. 2014) and how social factors affect the board's performance (Gillette et al. 2008; Yoshikawa and Hu 2016). Prior studies on the relationship between the board, especially the presence of outside directors, and firm performance show only mixed results (e.g., Dalton et al. 1998; Finkelstein and D'Aveni 1994; Peng 2004). It is possible that such findings may be due to the fact that the cultural contexts in which the boards are embedded are neglected. Indeed, prior research indicates that national culture affects governance and management practices within an organization (Kwok and Tadesse 2006; Tosi and Greckhamer 2004) and also a nation's governance system (Buck and Shahrim 2005; Licht et al. 2005). We contend that national culture also matters to governance practices at the individual level including individual directors' governance behaviors, just like CEOs' leadership style is influenced by culture (Child 1981).

This study thus aims to contribute to comparative corporate governance research by comparing individual outside directors' behaviors in three different countries with varying cultural characteristics, i.e., Canada, Singapore, and Spain. Prior research (e.g., Westphal and Stern 2006; Westphal and Zajac 1997) suggests that the interpersonal relationships or social ties between the CEO and outside directors have important implications on how the directors play their governance roles. For example, one study shows that directors' perceptions of the CEO's trustworthiness affect their governance behaviors (Del Brio et al. 2013). Indeed, a behavioral perspective of corporate governance is gaining increasing attention among governance researchers (Garg and Eisenhardt 2016; Westphal and Zajac 2013). We incorporate this perspective to investigate the effects of one of the key interpersonal factors, justice, which is broadly defined as fairness perceptions (Colquitt 2001; Colquitt et al. 2001; Whitman et al. 2012) in the three countries. Specifically, we investigate individual outside directors' boardroom behaviors from a relational perspective by focusing on interpersonal justice among the different dimensions of justice such as distributive and procedural justice. We chose to focus on interpersonal justice because this is one of the main factors that influence individual behaviors in interpersonal relationships based on research in organizational behavior (Cropanzano et al. 2011; Ferris et al. 2012; Lavelle et al. 2007) and prior research shows that culture affects the effects of justice on outcomes related to supervisor-employee relationships (Shao et al. 2013). We consider interpersonal relationships between directors and CEO and among directors as a social exchange (Camerman et al. 2007; Lavelle et al. 2007) and examine how a director's perceptions of interpersonal justice affect his or her decision to provide resources to and monitor the CEO.

We chose these three countries because board members face a somewhat similar ownership pattern of concentration by family, corporate, or state owners (La Porta et al. 1999), which likely affects how the board functions differently from other countries with dispersed ownership such as the U.S. (Van Essen et al. 2012; Yoshikawa et al. 2014). Yet, these countries exhibit quite different patterns in the cultural dimensions that are highly relevant to interpersonal relationships and group (board) dynamics. This study specifically focuses on the individualism/collectivism dimension, because it is one of the most highly used dimensions in cross-cultural studies, especially between East Asians and North Americans (Li and Cropanzano 2009). Canadian culture is characterized as highly individualistic, while Singapore represents strong collectivistic culture. Spanish culture in this dimension is characterized as in between these two countries. It is not as individualistic as Canada as typical in the Latin cultures, although it shares the Western culture (Hofstede 2011). Spanish culture is also characterized by strong family values and emphasis on social and group norms (Greenwood et al. 2010; Triandis 1989), which is similar to the East Asian culture. We examine how these differences in the individualism/collectivism dimension influence the effects of interpersonal justice with other board members and with the CEO on directors' behaviors in the boardroom.

Our findings show that while board interpersonal justice is positively related to both monitoring and resource provision by directors, CEO interpersonal justice is positively related to resource provision. There is also evidence on a non-linear relationship between CEO interpersonal justice and monitoring; negative at low levels and turning to positive at very high levels of CEO interpersonal justice. The empirical results largely support our predictions on cross-cultural differences; board interpersonal justice matters more to collectivists while CEO interpersonal justice has stronger impact on individualists. We found that CEO interpersonal justice is more positively associated with resource provision for directors in Canada, while board interpersonal justice is more positively related to both monitoring and resource provision for directors in Singapore and Spain. Thus, our empirical results are consistent with theory on justice and different cross-cultural effects on human behavior.

This paper proceeds as follows. First, we briefly review directors' monitoring and resource provision functions. Second, we review social exchange theory and the concept of justice, and develop hypotheses on the main effects of interpersonal justice. We then present the moderating effects of culture on the main effects. We present the method and empirical results. We conclude with a discussion of our results, contributions of this study, limitations and agenda for future research.

2 Theory and hypotheses

2.1 Directors' boardroom behaviors

Directors of the board typically play two different roles: monitoring and advisory or resource provision (Adams and Ferreira 2007; Hillman and Dalziel 2003; Hillman et al. 2008). Monitoring is emphasized in the agency theory literature, which is predicated on the assumption that managers may act opportunistically to pursue their own self interests. The monitoring role includes assessing CEO's performance, monitoring strategy implementation, designing the CEO compensation schemes, and CEO succession planning (Boyd 1995). Prior research in the agency theory perspective often investigates how monitoring by the board and shareholders mitigates the agency problem and thereby improves firm performance or leads to managerial decisions that benefit shareholders.

On the other hand, much of the extant literature in resource dependence theory has focused on how directors' expertise, knowledge, and skills as well as their ties to external organizations affect organizational performance (Pfeffer and Salancik 1978). Hillman and Dalziel (2003) and Johnson et al. (2013) argue that such human and relational capital is the antecedent of the directors' resource provision activities. In this role, the board provides advice and counselling, information channels with external organizations, access to external resources, and legitimacy (Pfeffer and Salancik 1978). Researchers have now begun to consider the directors' resource provision and incentive issues concurrently, by integrating agency and resource dependence theories (Hillman and Dalziel 2003; Zhu and Yoshikawa 2016). We build on this research by considering the board members' perceptions about how they are treated by the CEO and other directors.

2.2 Social exchange theory and interpersonal justice

Interpersonal interactions in organizations are generally governed by an unspoken social exchange between individuals (Blau 1964; Cohen et al. 2012; Homans 1958). Positive relationships are often based on norms of reciprocity and unspoken exchange of trust, honesty, and support (Buller and Burgoon 1996). Essentially, a board member who voluntarily engages in positive behavior towards another individual (i.e., the CEO) will lead to a similar but unspecified reciprocal behavior. The nature of the exchanges may expand over time, as obligations are discharged and new ones are created, and as trust between the parties builds. Prior research indeed suggests that directors' perceptions of the CEO's trustworthiness affect their governance behaviors (Del Brio et al. 2013). Thus, we suggest that social exchange theory (Blau 1964) can be used to explain the complex interpersonal interactions of corporate directors and their CEO.

Social exchange theory explains that people "enter into new social associations because they expect doing so to be rewarding and that they continue relations with old associates and expand their interaction with them because they actually find doing so to be rewarding" (Blau 1968: 452). The "rewards," in this case, are not limited to material or financial resources, but can also include psychological or socio-emotional needs. Social exchange relationships often entail emotional attachments and a sense of loyalty between exchange partners (Masterson et al. 2000). In the context of corporate governance, board members may provide greater assistance to the CEO when they believe that their contributions are reciprocated in the form of emotional and psychological support, endorsement of their reappointment (if the CEO has an influence on such a decision), or friendship. Directors may also be discouraged to engage in monitoring as part of their duties when they have an affective relationship with the CEO, who treats them with respect, dignity, and care.

In interpersonal relationships in the workplace, prior research shows that justice plays an important role in shaping employees' behaviors such as commitment, task performance, and organization citizenship behavior (Chiaburu and Lim 2008; Cropanzano et al. 2002). In the organizational behavior literature, it is suggested that justice has four distinct dimensions, i.e., distributive, procedural, informational, and interpersonal (Colquitt 2001; Colquitt et al. 2001). Distributive justice is defined as the fairness perceptions about the outcomes, while procedural justice is related to the fairness perceptions about the decision process that leads to such outcomes (Cropanzano et al. 2001). Information justice refers to the fairness perceptions of the information provided in the implementation of a procedure, while interpersonal justice can be defined as the degree to which individuals are treated with respect and dignity by those who are in the decision-making positions (Cropanzano et al. 2001; Greenberg 1993).

In this study, we focus on interpersonal justice because our objective is to investigate the effects of the interpersonal factors on directors' behaviors. Interpersonal justice is considered as one aspect of interactional justice which includes both information justice and interpersonal justice discussed above (Bies and Moag 1986). However, as it has been found that these two aspects have independent effects, other studies often use information justice and interpersonal justice separately (Colquitt 2001; Greenberg 1993). Prior research found that interpersonal justice includes such criteria in the survey used by Bies and Moag (1986) as respect (e.g., being polite) and propriety (e.g., not making improper remarks and statements) (Greenberg 1993). We follow the definition of interpersonal justice used in those prior studies.

Recently, researchers argue that targets of people's behaviors may be multifoci, depending upon the source of justice (Lavelle et al. 2007; Rupp and Cropanzano

2002). For example, the sources of justice can be the organization, one's supervisor, and one's coworkers and peers. This suggests that the social exchange process can also be multifoci and therefore, we need to specify the sources of justice to examine individuals' behaviors in order to deepen our understanding of the effects of justice. This multifoci nature of justice also applies to board members' fairness or interpersonal justice perceptions as well.

In the context of the board, the sources of interpersonal justice for board members can be other directors on the same board and the CEO. Here, we contend that the influence of a CEO is qualitatively different from that of other board members even when the CEO is also a board chair as often seen in some contexts such as the U.S. For a director of the board, other board members are essentially his or her peers or coworkers and also members of the same group or team. However, the CEO is the target individual whom board members are supposed to monitor as well as to support through advice and counselling. When a director perceives that other board members treat him or her with politeness, respect and dignity, which are key criteria of interpersonal justice (Colquitt 2001; Greenberg 1993), then it is likely that the director's commitment to and identification with the board will be enhanced (Hillman et al. 2008; Lavelle et al. 2007), which in turn will likely lead to enhanced commitment to the board duties. Polite and respectful treatment by other board members will enhance a director's self-esteem, the sense of emotional attachment or belonging to the group, and trust in the group, which in turn has a positive impact on the director's motivation. Therefore, we predict that board interpersonal justice will have positive effects on the director's monitoring and resource provision activities. Hence,

H1a Board interpersonal justice is positively related to a director's monitoring.

H1b Board interpersonal justice is positively related to a director's resource provision.

When the source of justice is the CEO, the director's behaviors are directed toward the CEO because a social exchange relationship is established between an individual director and the CEO (Camerman et al. 2007; Cropanzano et al. 2002). From a social exchange perspective, CEO interpersonal justice will likely motivate a director to engage in behaviors that are helpful to the CEO. Further, the director will be motivated to diligently fulfill his or her board duties, which often include providing advice and counselling as a response to the CEO's respectful treatment of the director. Therefore, we expect that the director will be more inclined to provide his or her resources to the CEO who treats the director with respect and dignity. Effectively, the director's resource provision is a reciprocal behavior in response to the CEO's interpersonal justice behavior.

The effect of the CEO's interpersonal justice on the director's monitoring, however, requires more careful thought. It may be argued that the director who is treated with respect, fairness, and dignity by the CEO may be motivated to engage in his or her monitoring duty more diligently out of respect to the CEO who exhibits interpersonal justice behavior. The director may feel that lowering his or her effort to engage in managerial monitoring can lead him or her to lose the CEO's respect.

In other words, the director's monitoring activity may be perceived as a reciprocal social exchange behavior to the CEO's respectful treatment of the director.

Based on the social exchange rationale, however, one can argue that the director would be discouraged from engaging in strong monitoring of the CEO that may create social distance and strain the relationship between the director and the CEO (Gulati and Westphal 1999; Westphal and Zajac 2013), especially as it is generally assumed that the CEO does not like to be monitored intensely by the board (Walsh and Seward 1990). Hence, one could argue that the director will reciprocate by lowering his or her monitoring intensity to the CEO's interpersonal justice behavior toward the director. Further, the director may develop greater trust in the CEO who exhibits greater interpersonal justice (Lavelle et al. 2007), which in turn leads the director to reduce his or her monitoring intensity as trust and monitoring can be substitutes (Langfred 2004: McEvily et al. 2003).

H2a CEO interpersonal justice is positively related to a director's resource provision.

H2b CEO interpersonal justice is negatively related to a director's monitoring.

2.3 Cross-cultural differences

We predict that interpersonal justice, both with the board and the CEO, will have important effects on monitoring and resource provision by a director. However, we expect that the effects of interpersonal justice with other board members and the CEO will vary by country due to cultural differences. Prior research shows that national culture influences corporate governance practices within an organization (Kwok and Tadesse 2006; Tosi and Greckhamer 2004) and also a nation's governance system (Buck and Shahrim 2005; Daniel et al. 2012; Licht et al. 2005). In our view, national culture is at least equally important to governance practices at the individual director level as the directors are also embedded in the cultural context of each country. Indeed, it is suggested that culture influences CEOs' leadership style (Child 1981). Then, it is reasonable to expect that individual directors' behaviors, especially the impact of interpersonal factors on those behaviors, would also be influenced by national culture.

We focus on one cultural dimension proposed by Hofstede (1997), i.e., individualism/collectivism. While there are several other models that distinguish culture (e.g., Inglehart et al. 2004; House et al. 2004—which will also be used for the sake of robustness), we cannot clearly argue which model is superior to others for what types of study. Even though Hofstede's cultural dimensions are criticized by some researchers (Brett and Okumura 1998; Schwartz 1994), more recent research claims that the measures are still relevant. Drogendijk and Slangen (2006), for example, find in their study of Dutch MNEs that the Hofstede- and Schwartz-based measures have comparable explanatory power. There is also a suggestion that Schwartz's measures may be more appropriate than Hofstede's measures in non-work related contexts (Ng et al. 2007). Further, much prior research on justice use the cultural dimensions of Hofstede (see Shao et al. 2013 for review of research on employee justice). Hence, this study adopts primarily Hofstede's cultural dimensions.

We choose to focus on the individualism/collectivism dimension because the effects of other cultural dimensions are likely to be contingent upon other board-level and individual director-level factors or they capture similar aspects in individualism/collectivism that may influence directors' behaviors. In addition, the cultural frameworks proposed by Hofstede (1997), Schwartz (1994), and House et al. (2004) include only a set of selected cultural dimensions and do not comprehensively capture all relevant aspects of national culture. Indeed, some of the dimensions in one framework are highly correlated with other dimensions in other frameworks. In the case of individualism in Hofstede's model, it is negatively correlated with "conservatism" and positively with "affective autonomy" in Schwartz's model. Hence, the individualism/collectivism dimension likely captures several cultural dimensions in different models.

Among the dimensions proposed by Hofstede (1997), power distance, uncertainty avoidance, and feminism/masculinity can possibly influence the directors' behaviors. Power distance, defined as the degrees to which differences in power and status are accepted (Hofstede 1997), creates a hierarchy among directors on the board based on such factors as age, board tenure, and status in another organization. The presence of high power distance, which often creates an informal hierarchy, can thus promote directors' deference to other directors and the CEO (He and Huang 2011). However, its impact may vary between the high status directors and the low status directors as well as the relative status of the CEO. For example, the high status directors may take other board members' interpersonal justice behavior for granted and therefore, they are not likely to be much influenced by respect shown by other board members. But the low status directors may react positively to such treatment. As for the CEO interpersonal justice, the low status directors likely respond positively because they may regard the CEO as a higher status individual and thus avoid intense monitoring and engage in resource provision more intensely. However, the high status directors likely behave differently. Hence, it is expected that the impact of power distance varies by the status of each board member and of the CEO.

Uncertainty avoidance is defined as the degree to which people prefer rules and conformity and the extent to which people are uncomfortable with high risk and ambiguity (Hofstede 1997). High uncertainty avoidance in the board or group context means that group members have a tendency to avoid conflict with other members by following rules and norms (Tosi and Greckhamer 2004). The effects of the degree of uncertainty avoidance are, however, likely to be similar to those of individualism/collectivism where people in more collectivistic societies tend to emphasize their group's interests and aim to preserve group harmony. Lastly, feminism/masculinity, which indicates the degree of gender role distinction (Hofstede 1997), can potentially impact directors' behavior (Ahern and Dittmar 2012; Matsa and Miller 2013), e.g., when there are some female directors in an institutional context characterized by high masculinity. However, our study does not focus on gender diversity on the board, as it is beyond the scope of this study. Hence, adding these cultural dimensions to the model does not likely increase value of the study or is not appropriate in addressing our research questions.

2.4 Cultural effects on the impact of board interpersonal justice

We expect that these differences may arise because directors from countries that are more collectivistic or individualistic will react differently to interpersonal justice when the source of such justice is different; the source of interpersonal justice with other board members is the board itself or group, while the source of the CEO interpersonal justice is another individual. Li and Cropanzano (2009) find in their meta-analysis that the effects of justice (distributive and procedural justice in their study) on such outcomes as affective organizational commitment and turnover intensions tend to be greater among North Americans than among East Asians. They theorize that North Americans who are more individualistic than East Asians emphasize personal self-concept and the promotion of personal goals (Markus and Kitayama 1991) and thus injustice that may prevent the achievement of their personal goals provokes a strong reaction. East Asians, on the other hand, are more collectivistic and hence have stronger collective or relational self-concept than North Americans.

While Li and Cropanzano (2009) show that the effects of distributive and procedural justice are stronger among North Americans than among East Asians, it is likely that the effects of interpersonal justice with group members or peers have different patterns. As discussed, individuals from collectivist societies tend to emphasize relational or collective self-concept, group and social norms, and group duty (Markus and Kitayama 1991; Triandis 1989). This implies that how they are treated by other members will likely have an important impact on their behaviors, especially compared to those from more individualistic cultures. Unfair treatment by their group members likely triggers concern about their long-term relationship with the group (Brockner et al. 1992), and fair treatment by group members may enhance their commitment to and motivation to work for the group. This suggests that interpersonal justice by other board members will likely have a positive effect on a director's governance behaviors in Singapore and Spain.

On the other hand, while it is still important to individuals from more individualistic cultures to be treated with respect and politeness by their group members, interpersonal justice from group members may have a weaker effect because of their strong self-concept rather than relational or collective self-concept and their emphasis on specific individual interactions. This is because the achievement of their personal goals is more important than the positive evaluation by their group members for individuals from individualistic cultures (Markus and Kitayama 1991). Thus, North Americans or Canadian likely exhibit weaker reactions to interpersonal (in)justice from group members compared to individuals from more collectivistic or less individualistic cultures. In short, we predict that the directors in more individualistic countries will react less strongly to board interpersonal justice. Hence,

Hypothesis 3a Board interpersonal justice is less strongly associated with a director's monitoring in countries with stronger individualism.

Hypothesis 3b Board interpersonal justice is less strongly associated with a director's resource provision in countries with stronger individualism.

2.5 Cultural effects on the impact of CEO interpersonal justice

In terms of CEO interpersonal justice, following the argument on the difference between individualists and collectivists, we expect that directors in more individualistic countries are more likely to be affected by interpersonal justice with the CEO than directors in more collectivistic countries because directors in individualistic countries will likely react more strongly to (in)justice exhibited by a specific individual, i.e., the CEO. To directors in individualistic countries, who tend to emphasize individual interactions due to their individualistic orientation (Hofstede 1997), how the CEO shows respect, dignity, and care when they interact with him or her is expected to have a strong influence on their behavior because it affects their self-concept and self-esteem. The CEO's interpersonal justice behavior toward the director affirms that director's individual worth, which in turn motivates the director to engage in his or her governance duties, i.e., monitoring and resource provision. Thus, we predict that interpersonal justice with the CEO will likely affect the director's behaviors in the boardroom more strongly in highly individualistic countries.

The individual interactions, for example with the CEO, are likely *relatively less* important to directors in more collectivistic countries compared to those in more individualistic countries because individuals in collectivistic countries emphasize the positive evaluation within a group rather than by a specific individual (Markus and Kitayama 1991). Hence, directors in more collectivistic countries will likely to be more influenced by how other board members treat him or her rather than by how the CEO treats him or her. Especially, this is likely to be the case for outside directors as other outside board members are their fellow group members while the CEO's position on the board is clearly different from outside directors (He and Huang 2011). This suggests that such directors are less likely to be affected by the CEO's interpersonal justice when they engage in their governance duties on the board. Hence, when the source of justice is CEO, we predict that the directors in more individualistic countries will react more strongly to the CEO interpersonal justice, either negatively or positively.

Hypothesis 4a CEO interpersonal justice is more strongly and negatively associated with a director's monitoring in countries with stronger individualism.

Hypothesis 4b CEO interpersonal justice is more strongly and positively associated with a director's resource provision in countries with stronger individualism.

3 Methods

3.1 Sample and data collection

Our study focuses on three different countries, Spain, Singapore and Canada, among which important cultural and institutional differences were expected, thus enhancing the generalizability of our findings. However, the official responsibilities of the board do not differ much among the three contexts. Our study focuses on behaviors of the director as a profession.

To undertake this study, an anonymous survey questionnaire was sent to outside directors of major organizations (both listed and non-listed organizations) in the three countries. Formal agreements with some major director associations facilitated the implementation of the investigation. The associations were in charge of emailing the survey to their members from October 2009 to March 2010. The survey consisted of a set of questions which allow us to build the constructors, according to Colquitt's (2001) definition of justice. We followed a similar procedure as that described in Del Brio et al. (2013), although the questions in the survey and the final sample differ from one paper to the other. Thus, we also included a cover letter which explained the relevance of the study. After three weeks, we sent a first reminder, and a second one was sent six weeks later.

The final sample includes 164 outside directors coming from three different countries: 62 responses from Singapore, 72 responses from Canada (after removing responses with missing values), and 30 usable responses from Spain (after removing several respondents due to technical problems). For the Spanish case, 30 responses were obtained from 300 directors, which represented 10% of the target directors' population, according to the ICA association. No information on the target population was obtained either from Canada or Singapore, the reason why we cannot produce a precise response rate, although we expect it to be under 10% according to the estimated number of registered directors in those countries.

To quantify the average outside director in our sample, we can indicate that out of the 72 respondents who indicated their gender, most were male (71%); the average age of the 92 respondents who indicated it was 56 [comparable figure to that indicate in previous literature in Singapore (50; Quah 2006), Spain (59; Spencer Stuart Board Index 2010), and Canada (61; Spencer Stuart Board Index 2008)]. Regarding their academic background, most of our respondents had either Master's or undergraduate-level education, from a wide range of functional backgrounds such as marketing/sales, finance, research and development, engineering, operations, and law. Finally, the average directors board tenure was 7.8 years, which is slightly over the average board tenure of directors in Spain and Canada (5 years; Spencer Stuart Board Index Canada and Spain; 7 years for Singapore). No general information about the board was incorporated in the survey to avoid a lengthy questionnaire and because our main focus was on the interpersonal and individual characteristics.

3.2 Survey design

The questions from the questionnaire which are used in the current analysis are listed in Table 1 below. For the case of Spain, we used Spanish rather than English to ensure a higher response rate, but we took all the preventions to keep the spirit of the questions. In fact, the entire questionnaire was carefully designed to prevent an excessive length as well as item ambiguity (which will exacerbate common method biases). Actually, we did pretest it to several directors to ensure this aim. The scale employed was a 7-point Likert scale from 1 (strongly disagree) to 7 (strongly agree)

Table 1 Confirmatory factor analysis

Construct ($N = 164$)	Scale items	Standardized factor loading	t value	Average variance extracted	Composite reliability coefficient
Monitoring	I monitor the CEO's strategic decision making. [Decision]	.754	–	.546	.783
	I formally evaluate the CEO's performance. [Performance]	.740	3.771		
	I try to link the CEO's compensation to the firm performance. [Compensation]	.723	3.160		
Resource provision	I provided advice and counsel to the CEO in discussions outside of board/committee meetings. [Advice]	.623	–	.548	.779
	I provide information to the CEO which I obtained through my personal networks. [Information]	.912	5.270		
	I make my external professional relationships available to the CEO. [Relationships]	.660	5.164		
Board interpersonal justice	They have treated me in a polite manner. [Board politeness]	.901	–	.770	.929
	They have treated me with dignity. [Board dignity]	.932	14.713		
	They have treated me with respect. [Board respect]	.960	15.570		
	They have refrained from improper remarks or comments. [Board remarks]	.690	10.126		
CEO interpersonal justice	He/she has treated me in a polite manner. [CEO politeness]	.911	–	.850	.944
	He/she has treated me with dignity. [CEO dignity]	.962	16.592		
	He/she has treated me with respect. [CEO respect]	.890	16.353		

Some items were dropped from the original scales for the sake of the validity of the constructs. Additionally, the item "How often, on average, do you interact with the CEO outside the boardroom?" was used to proxy *Social desirability response bias*

to agree or disagree with our statements. Once more, we followed Del Brio et al. (2013; p. 161) procedures to deal with the problem of low response rate (which was a priori expected as a consequence of the sensitive topics covered by our questionnaire) and the problem of common-method bias derived from using only one data source. Thus, we applied N-Bias techniques and common method basis and restriction-of-range biases tests proposed by Rogelberg and Stanton (2007) and

Randall and Fernandes (1991), and followed Podsakoff et al. (2003) by using Harman's single factor test and undertaking two different partial correlation procedures (one for partialling out social desirability response bias—SDRB—and a second test for partialling out an unrelated market variable, as shown in the next section). By doing so, we ensured the validity of the conclusions drawn from our study.

3.3 Measures

3.3.1 Dependent variables

Monitoring was measured through the first three items shown in Table 1 below. These items were developed based on the works of Westphal (1999), but adapted for board members, similarly to Del Brio et al. (2013), and incorporating executive compensation as an additional dimension (e.g., Tosi and Gómez-Mejía 1994; Mehran 1995). A representative item of this scale is "I monitor the CEO's strategic decision making [labelled as Decision]." The reliability of this measure, as denoted by Cronbach's alpha, was acceptable ($\alpha = .76$). We also adapted from Westphal (1999) the measure for *Resource provision*, through the following three items in Table 1. A representative item of this measure is "I provided advice and counsel to the CEO in discussions outside of board/committee meetings [labelled as Advice]." The reliability of this measure was also acceptable ($\alpha = .76$).

3.3.2 Independent variables

On the justice measures, we followed the survey items in prior studies (Bies and Moag 1986; Colquitt 2001; Greenberg 1993). *Board interpersonal justice* was measured with the following 4 items in Table 1, a representative item being "Board members have treated me with respect [labelled as Board respect]." The reliability of *Board interpersonal justice* was very high ($\alpha = .92$). Finally, *CEO interpersonal justice* was assessed with 3 items, its reliability being also very high ($\alpha = .94$). A representative item is "The CEO has treated me with respect [labelled as CEO respect]."

3.3.3 Control variables

We control for country effects, *Firm type*, *Director tenure* and *Director education*. On the one hand, since we expect interpersonal justice will vary by country due to the cultural differences, we need to control for country effects first. Thus, three dichotomous variables, *d1*, *d2* and *d3*, were built; where *d1* takes the value of 1 for Canada, and 0 otherwise; *d2* takes the value of 1 for Singapore and 0 otherwise, and finally *d3* takes the value of 1 for Spain and 0, otherwise. On the other hand, to control for *Firm type*, we used a binary variable, where 1 stands for publicly listed corporations, and 0 otherwise. We additionally control for *Director tenure*, measured as the number of years a director has served for the same board, and for

Director education, which ranges from 1 to 3, where 1 stands for Bachelor's degree, 2 stands for Master's degree and 3 stands for PhD.

As noted above, it was also our main aim to avoid common method biases. For this purpose, three main tests were performed following Podsakoff et al. (2003). Two of them (those that meant to build a surrogate for method variance) require two new variables. The first is the effect of SDRB. For this purpose, we asked respondents the frequency of their meetings with the CEO outside the board room, an indirect question to calibrate directors' independence. However, since the provision of resources may take place in those additional meetings, there is a trade-off for directors between a high meeting frequency, which could compromise their independence, and a low meeting frequency, which may constrain their opportunities to provide resources. This trade-off makes this question a good proxy for *Social desirability response bias*, which in turn reduces the effects of restriction-of-range bias.

In a second step, we need a "market variable" from a different source so as to partialling out an unrelated "market" variable. For this purpose, we built a variable that identifies the role of the respondent within the organization, namely, a variable that indicates whether the director was also the first executive or CEO of the organization. We built a dummy variable that takes the value of 1 in case of *Duality* (the director is also the CEO) and 0, otherwise to measure this variable.

3.4 Data analysis

The lack of longitudinal data, due to the characteristics of our survey, led us to choose a methodology based on cross sectional data. Structural Equation Modelling (SEM) was used to test the hypotheses. We used Partial Least Squares (PLS) rather than covariance-based SEM. Not only has PLS been used in different sectors and research settings (Helm 2005; Pavlou and Fygenson 2006; Hernández-Maestro and González-Benito 2014), but also one feature of this research makes PLS appropriate: Our data set includes different types of variables (including dichotomous ones), and PLS can estimate both measurement and structural parameters through an iterative process that includes simple and multiple regression by traditional Ordinary Least Squares. Thus, it avoids distributional assumptions about the observed variables. The software employed was SmartPLS 3.2.4 (Ringle et al. 2015) and we determined the level of statistical significance of the coefficients through a bootstrap re-sampling procedure (500 sub-samples, randomly generated). Traditional parametric tests are inappropriate, because we made no assumption about the distribution of observable variables.

To test our hypotheses1a, 1b, 2a, and 2b, we first run a Confirmatory Factor Analysis. For each construct, Table 1 shows the standardized factor loading, t-value, average variance extracted and composite reliability coefficient. With reference to convergent validity, the t values associated with the coefficients of the indicators are significant in all cases, so such validity exists. The measure of discriminant validity first takes into account that the correlations do not surpass the level of .8. Complementarily, strong condition of discriminant validity is indicated (Fornell and Larcker 1981), because the average variance extracted for each

Table 2 Discriminant validity

	Monitoring	Resource provision	Board interpersonal justice	CEO interpersonal justice
Monitoring	.54			
Resource provision	.010	.55		
Board interpersonal justice	.064	.052	.77	
CEO interpersonal justice	.019	.048	.075	.85

Diagonal shows average variance extracted for each construct. Squared correlations are shown below the diagonal

construct is greater than the squared correlation between that construct and any other (Table 2). We also estimated Model 1 for each of the dependent variables: *Monitoring* and *Resource provision* (Fig. 1). Model 1 includes as independent variables both *Board interpersonal justice* and *CEO interpersonal justice*, as well as the set of control variables. Within this set of control variables, we included three dummy variables, *d1*, *d2* and *d3*; where *d1* takes the value of 1 for Canada, and 0 otherwise; *d2* takes the value of 1 for Singapore and 0 otherwise, and finally *d3* takes the value of 1 for Spain and 0, otherwise. We leave out *d2* to avoid the dummy trap problem.

Even though we controlled for country effects, the estimation of Model 1 cannot provide us with information on the different patterns in board behaviors (i.e., *Monitoring* and *Resource provision*) for each country, hypothesized in H3a, H3b and H4a, H4b. To test these hypotheses, a second estimation, Model 2, is presented. For this model, we considered the split level as the median value of the individualism index. Singapore and Spain are hence grouped together representing low individualistic countries and, Canada (*d1*) representing high individualistic countries. Therefore, Model 2 includes the whole set of independent variables and the interaction effect of one of the three different dummies (*d1*). The results of the effect of the interaction effects can be interpreted as the amount that should be added to the effect of the predictor when we pass from $d2 + d3$ (Singapore and Spain) to *d1* (Canada). Model 2, by running a *single* analysis for each dependent variable, shows several advantages. First, it does not require the disaggregation of the data by country, which would motivate an excessive atomization of the sample, and consequently a reduction in the statistical power of our analysis. Therefore, the *caveat* of a low rate of response can be somewhat addressed since we avoid methodologies that may exacerbate its problem.

4 Results

4.1 Main results

Table 3 shows the correlation matrix between both dependent variables and the entire set of independent variables for the entire sample. As this table shows, there are no significant correlations among the variables. We also checked variance

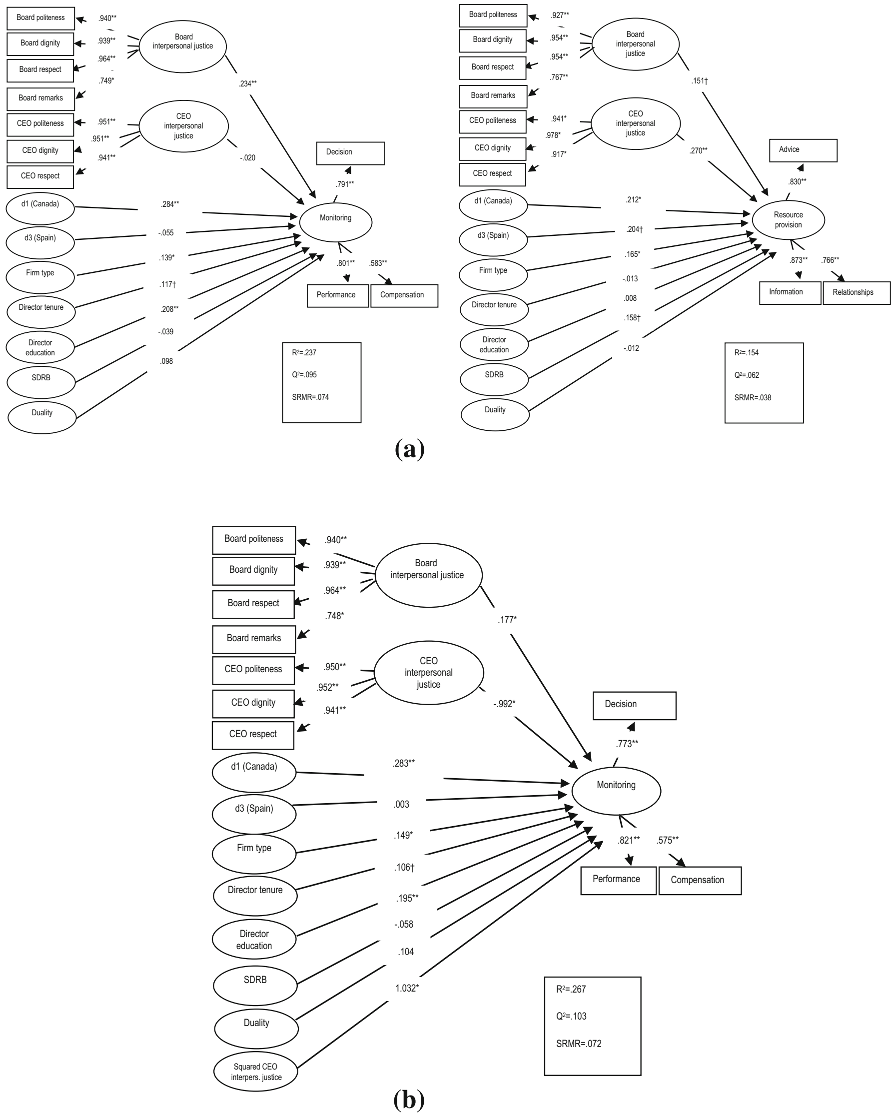

Fig. 1 Results for Model 1 (standardized coefficients). **, *, †Significance at the 99, 95 and 90% confidence level, respectively

inflation factors (VIF) for each variable and did not find values of VIF larger than 10 (rule of thumb commonly used to identify serious multicollinearity); most values are below 2. Thus, we conclude that multicollinearity is not a major problem for this study.

As to the common method bias tests, Harman’s test results were satisfactory, indicating that the variance of the model was not explained by a single factor but by up to 4 different factors. We also partialled out *Social desirability response bias* and the selected market variable (*Duality* of the director) as surrogates of common method variance, compared the model with and without these variables, and detected that the structural parameters among the rest of the variables/constructs in the model were not affected.

For each model the following indicators are provided as measures of the predictive and model fit quality: R^2, Q^2 and the Standardized Root Mean Square Residual (SRMR). Q^2 values larger than 0 indicate that the exogenous constructs have predictive relevance for the endogenous constructs under consideration. SRMR measures the squared discrepancy between the observed correlations and the model-implied correlations, as a means to validate a model (Henseler et al. 2014). Although widely-accepted threshold values have not been derived yet for SRMR, following a conservative approach, SRMR values below .08 would indicate good fit (Hair et al. 2017).

Figure 1 shows the results of SEM analysis for Model 1 for both *Monitoring* and *Resource provision* as dependent variables. It shows that *Board interpersonal justice* is positively and significantly related to both *Monitoring* and *Resource provision*, supporting Hypotheses 1a and 1b. Figure 1 also indicates that *CEO interpersonal justice* is positively and significantly associated with *Resource provision*, but no significant effect of *CEO interpersonal justice* is found for *Monitoring*, supporting Hypothesis 2a, but not 2b. Thus, all but one of our predictions on the main effects of *Board interpersonal justice* and *CEO interpersonal justice* on the director's boardroom behaviors are supported. The effect of the two dummies (country effect) in Fig. 1 should be interpreted as the added effect on *Monitoring* or *Resource provision*, when we pass from the one that is excluded, d2 (Singapore), to the one in the model (Hair et al. 2010: 177–178). There are differences among countries regarding their direct effect on *Monitoring* or *Resource provision.* That is, compared to d2 (Singapore), d1 (Canada) indicates a greater direct positive effect on *Monitoring* and *Resource provision*. Moreover, d3 (Spain) vs. d2 (Singapore) also entails a greater direct positive effect on *Resource provision*, but not on *Monitoring,* for which d3 (Spain) direct effect is non-significant.

Regarding the control variables, three of them (*Firm type, Director tenure, Director education*) exert a positive effect on *Monitoring*. Being a publicly listed corporation, greater number of years that the director has been on the same board, and higher level of his/her education, are all positively related to *Monitoring*. But for *Resource provision*, from these three control variables, only *Firm type* shows a significant positive direct effect. Finally, although *Duality* (the role of the Director as a CEO) has no significant effect on *Monitoring* or *Resource provision*, *SDRB* has a significant effect (90% confidence level) on *Resource provision*.

Due to the unexpected relationship for *CEO interpersonal justice*, which seemed not to be significantly related to *Monitoring*, we went deeper into the analysis and explored the possibility of the existence of a quadratic relationship between *CEO interpersonal justice* and *Monitoring*. Two reasons motivated us to explore this relationship. First, the careful examination of a scatter plot suggested a non-linear relationship, and second, the fact that the existence of a quadratic relationship could be uncovered as a non-significant relationship when the quadratic factor is not

Table 3 Correlation matrix

	Means	SD	Monitoring	Resource provision	Board inter-personal justice	CEO inter-personal justice	d1: Canada	d2: Singapore	d3: Spain	Firm type	Director tenure	Director education	Social desirability response bias (SDRB)	Duality
Monitoring	4.039	.630	1.000											
Resource provision	5.374	1.267	.101	1.000										
Board interpersonal justice	5.526	.726	.253**	.229**	1.000									
CEO interpersonal justice	5.081	1.087	.137†	.219**	.274**	1.000								
d1: Canada	.439	.498	.288**	.121	.031	.150†	1.000							
d2: Singapore	.378	.486	−.180*	−.129	−.118	.244**	−.690**	1.000						
d3: Spain	.183	.388	−.143†	.007	.108	−.499**	−.419**	−.369**	1.000					
Firm type	.299	.459	.101	.122	.010	.019	−.228**	.233**	.001	1.000				
Director tenure	7.840	6.103	.075	.008	.035	.072	−.117	.182**	−.079	−.006	1.000			
Director education	2.574	.806	.235**	.031	.071	.030	.003	−.096	.117	.142†	−.061	1.000		
Social desirability response bias (SDRB)	2.725	1.292	−.142	.075	−.161*	−.181*	−.117	.032	.110	−.037	.255**	−.172*	1.000	
Duality	1.371	.448	.138†	−.066	−.060	−.027	.165*	−.043	−.158*	−.055	.046	−.037	−.193*	1.000

**, *, † Significance at the 99, 95 and 90% confidence level, respectively included in the model. For these reasons, we tested a new version of Model 1 for the case in which the dependent variable was *Monitoring*, where we included the square term of *CEO interpersonal justice* and called this Model 1b. Model 1b produced interesting results; we detected the existence of a non-linear relationship between *CEO interpersonal justice* and *Monitoring*. The relationship is negative at low levels of *CEO interpersonal justice* and turns to positive at very high levels of *CEO interpersonal justice* (Fig. 1b). The rest of the results remained unchanged.

Figure 2 shows the results of the interaction model (Model 2) for both *Monitoring* and *Resource provision* as dependent variables. Again, the effect of the interaction variable should be interpreted as the added effect to that of the independent variable (*Board interpersonal justice* or *CEO interpersonal justice*) on the dependent one (*Monitoring* or *Resource provision*). As for the country effects of *Board interpersonal justice*, we found that *Board interpersonal justice* is significantly and less strongly related to *Monitoring* or *Resource provision* for Canada, the more individualistic country, than for Singapore and Spain grouped together. These results support Hypotheses 3a and 3b, which predict that *Board interpersonal justice* has less effect in the individualistic country. The figure also shows that *CEO interpersonal justice* is, as expected, more related to *Resource provision* in Canada (the more individualistic country) than in Singapore and Spain. It also shows that there are no significant differences among the three countries regarding the effect of *CEO interpersonal justice* on *Monitoring* (please note that congruently with Model 1b, again in Model 2 the square term of *CEO interpersonal justice* has been included for the case of *Monitoring*; however, the effect of the interaction terms is not significant either for the square term of *CEO interpersonal justice*). Hence, Hypothesis 4b is supported, but no support is found for Hypothesis

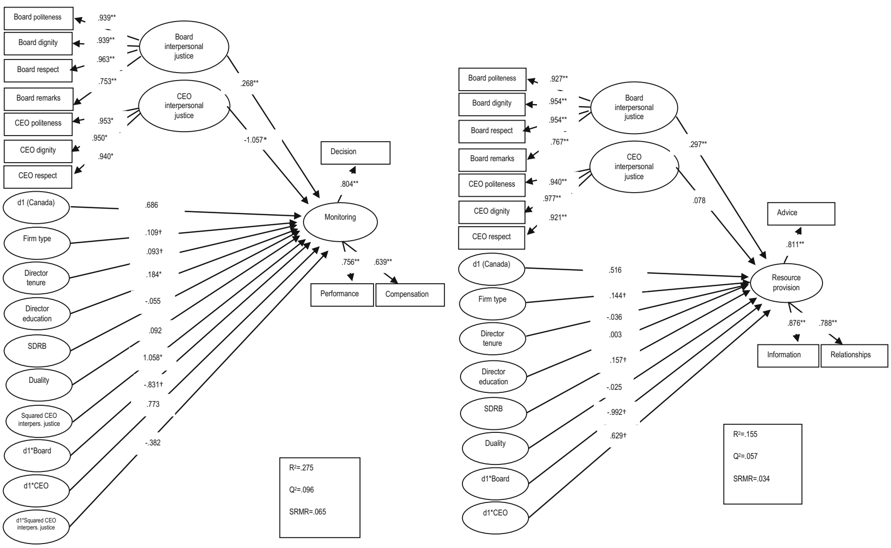

Fig. 2 Results for Model 2 (standardized coefficients). **, *, †Significance at the 99, 95 and 90% confidence level, respectively

Table 4 Results summary (standardized coefficients)

Independent variables	Monitoring			Resource provision	
	Model 1[a]	Model 1b[a]	Model 2[b]	Model 1[a]	Model 2[b]
Board interpersonal justice	.234**	.177*	.268**	.151†	.297**
CEO interpersonal justice	−.020	−.992*	−1.057*	.270**	.078
d1: Canada	.284**	.283**	.686	.212*	.516
d2: Singapore	–	–	–	–	–
d3: Spain	−.055	.003	–	.204†	–
Firm type	.139*	.149*	.109†	.165*	.144†
Director tenure	.117†	.106†	.093†	−.013	−.036
Director education	.208**	.195**	.184*	.008	.003
Social desirability response bias (SDRB)	−.039	−.058	−.055	.158†	.157†
Duality	.098	.104	.092	−.012	−.025
Squared CEO interpersonal justice	–	1.032*	1.058*	–	–
d1*Board	–	–	−.831†	–	−.992†
d1*CEO	–	–	.773	–	.629†
d1*Squared CEO interpersonal justice	–	–	−.382	–	–
R^2	.237	.267	.275	.154	.155

**, *, † Significance at the 99, 95 and 90% confidence level, respectively

[a] d2 (Singapore) is left out to avoid the dummy trap problem

[b] d2 (Singapore) + d3 (Spain) are left out (vs. d1 (Canada), Canada is the more individualistic country)

4a, since no effect for *Monitoring* is detected. Overall, all of our hypotheses related to cultural differences among countries, except Hypothesis 4a, are supported.

Table 4 shows a summary of results regarding models. These results are robust for both Hofstede's cultural measures and House et al. (2004). Although results for the latter are not displayed for the sake of brevity, they draw the identical conclusions.

5 Discussion and conclusions

In this study, we used social exchange theory and the concept of justice to explain board members' behaviors in terms of their monitoring of and the resource provision to the CEO. Our findings show that interpersonal justice is indeed an important predictor of the director's boardroom behaviors. We found that both board and CEO interpersonal justice is positively related to resource provision, as predicted, and board interpersonal justice is also positively related to monitoring. Although the results for CEO interpersonal justice did not hold at the outset, we found significant results when we considered a non-linear relationship; CEO interpersonal justice negatively affects monitoring at low levels, and the relationship becomes positive at high levels of CEO interpersonal justice.

It is, however, also possible that no support for Hypothesis 2b is driven by the fact that aggregation of the three countries cancel out different effects among those countries between individualism and collectivism, which supports our approach to examine cross-cultural differences. Our findings still generally suggest that a board member who is treated with respect by other board members and the CEO likely has higher incentives to fulfill his or her board duties, both monitoring the CEO and providing resources.

On the overall results of the main effects, one could argue that there are differences between board interpersonal justice and CEO interpersonal justice in terms of their effects on directors' behaviors because the source of board interpersonal justice is the board itself as a group and the source of CEO interpersonal justice is the CEO as an individual. Our findings, however, show that regardless of the source of interpersonal justice, board members' emphasis on monitoring and resource provision behaviors will be enhanced. This suggests that interpersonal justice increases a director's motivation to engage in his or her board duties of monitoring and resource provision.

Our results on the cross-national comparison between Canada, Singapore, and Spain reveal that the effects of interpersonal justice vary by country as consistent with our predictions. These countries share some similarities such as the legal framework of corporate governance and ownership structure characterized by relatively high concentration (Garcia-Castro and Aguilera 2012; Morck et al. 2005; Tsui-Auch 2012) and yet, cultural characteristics in various dimensions including individualism/collectivism are quite different; high individualism in Canada, high collectivism in Singapore, and moderate collectivism in Spain compared to Canada. Our findings indicate that CEO interpersonal justice is more positively associated with resource provision for directors in Canada than in Singapore and Spain, supporting the argument that individuals in a highly individualistic culture emphasize fair treatment by other individuals. Also, we found that board interpersonal justice is more strongly associated with monitoring and resource provision for directors in Singapore and Spain, the more collectivistic countries, than in Canada. This is consistent with the view that individuals in more collectivistic or less individualistic cultures (compared to North Americans) tend to be more sensitive about how they are treated by their group members. These findings suggest that interpersonal justice has different effects on directors in different cultures and contexts.

Interestingly, we did not find a stronger negative relationship between CEO interpersonal justice and monitoring for directors in the case of Canada. Complementarily, provided the u-shaped effect that CEO interpersonal justice has on monitoring, no stronger positive effect is found in Canada either, for great values of CEO interpersonal justice. One possible explanation for this result is that the board norm in Canadian organizations expects directors to engage in monitoring, which is the board's primary function, and thus interpersonal factors have little influence on their monitoring behavior.

One of the important contributions of this study is that to the best of our knowledge, this is the first study that examines the effects of interpersonal justice on directors' behaviors in the boardroom in different cultural contexts. We thus contribute to the comparative corporate governance literature by showing that cultural differences affect directors' behaviors and the perceptions of interpersonal justice have differential effects on the intensity of their monitoring and resource provision. While there are prior studies that examine the impact of culture on governance practices within a firm and on governance system at the national level (Buck and Shahrim 2005; Kwok and Tadesse 2006; Licht et al. 2005; Tosi and Greckhamer 2004), there is little research that investigates how individual board members behave differently in different cultural contexts. Our study fills this gap. In addition, our study makes a modest contribution to cross-cultural justice research. As Li and Cropanzano (2009) point out, there is little cross-cultural research on interpersonal justice. We have specifically focused on cross-cultural differences in interpersonal justice in a very unique setting, the board of directors, and shown that the different sources of justice, i.e., other board members and the CEO, have different effects in different cultural contexts.

One of the important managerial implications is that how an individual board member perceives other board members' fair treatment toward each other can affect how much effort he or she expends in fulfilling the board duties especially in more collectivistic or less individualistic cultures. Our findings suggest the importance of the board environment and interpersonal relationships for effective functioning of individual directors in certain contexts. Another implication is that while CEO interpersonal justice does not seem to have stronger negative effect on directors' monitoring in Canada, it has greater positive impact on their resource provision, which implies that how the CEO treats board members affects the extent of advice and counselling that he or she can obtain from them. This means that for the CEO to take full advantage of the board capital or resources that the board has, his or her interpersonal relationship with board members is quite important.

This study also has an implication on corporate governance regulations and harmonization of corporate governance rules across countries. There is a greater attention globally on expertise and professional experience of outside directors who are expected to play a managerial monitoring role using such director capital. However, while rich director capital may be helpful in fulfilling their board duties, how they actually behave in the boardroom is heavily influenced by culture because the board functions as a group and how members interact with each other who often, if not always, share the same culture affects board dynamics and ultimately behavior of individual directors. Our results suggest that board interpersonal justice has greater effects in more collectivistic countries implying that interpersonal factors have varying effects in different countries. This suggests that while corporate governance regulations are becoming increasingly similar in different countries, it is also important to look at their characteristics such as their justice behavior because it likely impacts group dynamics and individual directors' behavior, especially in more collectivistic countries.

The majority of corporate governance research has been heavily influenced by agency theory, which focuses on the board's monitoring function. Because this theoretical perspective was initially developed in an impersonal context in the contractual relationship between shareholders and management (Eisenhardt 1989), interpersonal perceptions such as justice among directors as well as between CEO and directors have been neglected by corporate governance researchers. While there have been recent attempts to incorporate such factors as social and friendship ties between CEO and the board (McDonald and Westphal 2003; Westphal 1999; Westphal and Khanna 2003), those studies do not specifically address how directors' personal perceptions affect their behaviors. We have shown that interpersonal justice perceptions play an important role in shaping behaviors of directors in the boardroom. These relationships and the resultant behaviors have important implications for board effectiveness and organizational performance.

This study examines the importance of interpersonal justice perceptions in predicting two elements of board member performance; monitoring and resource provision. Some limitations must be acknowledged, although we have taken as many corrections as possible to ensure that they do not affect the validity of our findings and conclusions. First, our study relied on self-reported data. However, it should be noted that the board members' perceptions of the CEO's behavior would be difficult for a third party to assess. Second, our data was not longitudinal, which prevents us from making more definite claims about the causal relations between the variables. Third, we deal with a low rate of response, although we have applied robust tests and mechanisms in order to reduce the impact of common method bias and to prevent a substantive impact of a low response rate on the conclusions drawn from our study. However, we should emphasize the difficulty of surveying active members of boards of directors; this population is limited in number, busy, and not always motivated to complete surveys, even for academic research.

Future research can build on this work by examining potential antecedents and moderators of this relationship. For example, social ties (Granovetter 1973; Westphal 1999) between a board member and the CEO may reduce the board member's likelihood of monitoring, and they may cause the CEO to treat the board member with greater interpersonal justice, thereby increasing the board member's likelihood of providing resources. Whereas this study has focused on the role of interpersonal justice, it would be interesting to examine other important social exchange factors. For instance, future research may investigate the role of informational justice (Masterson et al. 2000), especially in a board member's relationship with the CEO, in predicting board members' behaviors.

Future research can also extend this study by including directors from other countries. While we believe that the three countries examined in this study clearly have different cultural characteristics, we need to investigate other countries from different cultures in order to more deeply understand the effects of culture and institutions on director's behaviors. Further, governance environment of each country or context may also have influence how board members behave in the boardroom. It is likely that the governance environment has some effects in shaping the board norm. The overall quality of corporate governance may have some impact on what the board does and what board members do. For example, based on one assessment of the quality of corporate governance, Canada and Singapore are ranked high while Spain is ranked relatively lower compared to these countries (GMI 2010). It would be thus interesting to examine the relationship between the quality of corporate governance of each country and directors' behaviors and expected roles.

Acknowledgements The authors acknowledge funding from the Spanish Ministry of Science and Technology, Projects ECO2013-45615-P and ECO2014-53060-R.

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