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BOARDS OF DIRECTORS IN BRIC COUNTRIES: A REVIEW OF EMPIRICAL STUDIES

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The paper is aimed to analyse the most recent and relevant research on boards of directors in BRIC. Existent reviews on the board of directors do not focus on BRIC and do not consider the specifics of their corporate governance model. Therefore, the current review fills this gap by analysing 111 research papers from Scopus/Web of Science published between 2015 and 2020. Firstly, we provide a content analysis of abstracts to find the most frequent research topics and compare them to the developed countries' studies. Secondly, based on the content analysis findings, we provide a qualitative analysis of three research directions: board composition, social capital, and board functioning, divided further into ten smaller research topics. Thirdly, we compare the research output with the developed countries' studies and the statistics provided by the Spencer Stuart Board Indexes to analyse whether they are coherent. The results confirm the topicality of board research in BRIC and overlapping topics between the BRIC and the more developed countries. As a result, we formulate a research agenda for further studies on boards in BRIC.

Keywords: boards of directors, corporate governance, BRIC, literature review, content analysis.

JEL: G34, C45.

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INTRODUCTION

When the acronym BRIC was coined almost twenty years ago, few people could imagine how widespread it would become. These countries (Brazil, Russia, India, China) are the four largest emerging countries and are known for their potential growth and influence regionally and globally [O'Neill et al., 2005; Wilson et al., 2011; Kirton, Larionova, 2018]. They account for slightly more than one-quarter of the world land surface and around 40% of the world population. According to the "Goldman Sachs Reports", the aggregate GDP of the BRICs is going to surpasses that of the G7 by 2035. At the same time, BRIC countries are characterized by a high level of corruption and low public trust to political authorities [Michailova, McCathy, Puffer, 2013]. Their common features allow to regard them as an alternative (in terms of geopolitical influence, attractiveness for investors, citizen's wealth, etc.) to the more developed countries on which most of the research has focused. Despite many other developing markets, BRIC countries have attracted large foreign direct investment inflows, which brings the corporate governance practices of firms from these countries under scrutiny [Hoskisson et al., 2000; Oliveira et al., 2014]. These common points become more critical in the business arena since the particular institutional design[1] of the BRIC can lead to a different set of corporate governance problems and, in turn, to a dissimilar functioning of corporate governance mechanisms.

This paper analyzes the most recent and relevant research on boards of directors in BRIC between 2015 and 2020. We identified 111 articles on boards of directors in one or more than one BRIC from the Scopus and Web of Science databases. First, we run a content analysis to find the most frequent research topics. Then, based on the content analysis findings, we provide a qualitative study in which we present the metrics, and output of these papers. We also compare the research output with the actual trends in the boards of directors in BRIC provided by the Spencer Stuart Board Indexes, which allows us to assess the match between the research and the business practice.

Whereas the research on corporate governance has boomed in recent years, BRIC still offers an opportunity for new research. Even one of the most comprehensive analyses, such as R. Adams [Adams, 2017], lacks a comprehensive approach to the BRIC. These countries have followed the good corporate practices of their more developed counterparts, but the effectiveness of such measures is still a pending issue [Oliveira, Cegila, Filho, 2016]. They have similarly improved their corporate governance systems in the recent past, with a framework based on the companies' law, supplemented or specified through regulations and recommendations issued by other institutions [Salvioni, Bosetti, Almici, 2013]. As shown by [Lattemann, 2014], Brazil, Russia and China have implemented a hybrid model of corporate governance, combining features of the Anglo-American (stockholder-oriented) and the Continental-European (stakeholder-oriented) models. Furthermore, formal and informal corporate governance institutions coexist with substitutive or complementary roles, resulting in a complex corporate governance system [Estrin, Prevezer, 2011]. As noted by M. Young and coauthors, the corporate governance system of these countries can be characterized by the relatively low institutional support of the standard mechanisms [Young et al., 2008]. Recently, K. Na with coauthors have noted the severe level of corruption in BRIC that has accompanied the fast economic growth [Na, Kang, Kim, 2018]. Thus, better corporate governance arises as a need in these countries.

Among the characteristics of the business and the institutional environment most influential on the BRIC firm corporate governance, one could cite the concentrated ownership structure, the weak legal protection of

[1] The institutional design of a country refers to the set of formal devised constraints that structure political, economic, and social human interaction (constitutions, laws, courts, markets development, property rights, etc.).

minority shareholders, the prominent role of state in the business sector, the importance of business groups, and the low competitiveness of the labor, takeover, financial and real-products markets [Enikolopov, Stepanov, 2013; Lazareva, Rachinsky, Stepanov, 2008; Michailova, McCathy, Puffer, 2013]. Together, these factors make the BRIC governance system relation-based rather than rule-based [Li, Filer, 2007].

In such a landscape, corporate governance — especially the board of directors — becomes an important element to assure economic and social development of a firm [Iwasaki, 2014; Steckler, Clark, 2019]. The board of directors is charged with three functions: the relative importance of each dependent on the firm, the industry, and the institutional environment. Firstly, given the separation between ownership and control so common in large firms, directors should supervise managers on behalf of the shareholders. Secondly, directors should provide strategic guidance to the managers. Furthermore, thirdly, directors bring the firm some valuable resources necessary for firm operations such as financial support, business connections, etc. Conditional on the board's function, different theoretical foundations and board configurations are needed to optimize the functioning.

Despite the saliency of corporate governance issues and the BRIC, there are almost no reviews on boards of directors in these countries. Prior research has dealt with more general topics such as corporate governance in emerging countries [Aguilera et al., 2012; Claessens, Yurtoglu, 2013; Fan, Wei, Xu, 2011] focusing on Asia [Oehmichen, 2018]. In a similar vein, K. Wang and G. Shailer meta-analyze the effect of ownership structure on firm performance in emerging countries [Wang, Shailer, 2015]. Nevertheless, as far as the board of directors is concerned, we are not aware of a review on the emerging markets of the BRIC despite the plethora of single-country analyses.

In turn, we fill a gap in the literature by making three contributions. Firstly, we obtain the most frequent collocations in papers abstracts by using a content analysis. They serve as the basis for further comparison. Secondly, based on the identified research topics we analyze and discuss the research on boards of directors in BRIC, which is published between 2015 and 2020. Given the lack of a specific study of this topic on BRIC, an updated and critical analysis of corporate governance in these countries is not negligible. Thirdly, we analyze the most relevant papers taking into account the specific characteristics of this group of countries. It means that we apply the main theoretical foundations to the institutional environment of BRIC and motivate why the results differ or coincide with those of more developed countries.

Our analysis confirms the topicality of boards of directors in BRIC, with an increasing trend of papers on these countries in international journals. We also find an apparent overlap of topics between the BRIC and the more developed countries in general interest journals, suggesting the convergence of approaches. More specific issues like political connections or regulatory change outcomes are usually published in-country or regional-specific journals. The results of research on BRIC and the more developed countries are also quite similar for many topics chosen. The comparison with the Spenser Stuart Board statistics allows revealing understudied questions like the role of committees, the reasons for appointing a particular share of independent directors on a board, gender-related issues.

The paper is divided into 6 sections. After the Introduction, we discuss the specific characteristics of the boards of directors in BRIC relative to other institutional settings in section 1. Section 2 describes the review methodology, focusing on the content analysis, whose results are presented in section 3. Sections 4, 5, and 6 are dedicated to the critical discussion of the three issues we study: the board composition, the social capital, and the board functioning. Finally, conclusion summarises the main ideas drawn from our paper and a research agenda for the future.

1. THE ROLE OF BOARDS OF DIRECTORS IN BRIC: WHAT IS DIFFERENT?

The different functions of the board of directors call for different theoretical approaches. Since boards are initially charged with monitoring managers, the agency theory is likely the most widely accepted approach [Schiehll, Martins, 2016]. According to this view, given the conflict of interests between shareholders and managers, the boards of directors ensure firm decision-makers pursue the shareholders' interest. This conflict prevails in countries with disperse corporate ownership, as happens in the common law setting [Franks, Mayer, Rossi, 2009; La Porta, Lopez-de-Silanes, Shleifer, 1999]. Accordingly, boards must be designed to optimize the monitoring ability: boards must consist of primarily independent directors, without ties with the managers, and there should be an optimal number or range of directors to enable effective communication and supervision.

Nevertheless, the literature has shown that there is not a single universal approach to corporate governance. As I. Filatotchev, G. Jackson and C. Nakajima suggest, the agency relations differ among countries, so that cross-national comparisons of corporate governance should consider these specific characteristics [Filatotchev, Jackson, Nakajima, 2013]. BRIC consists of the four largest emerging countries and has institutional-specific features, unlike other more developed counterparts. Thus, the theoretical scope has been enlarged to include the institutional theory. According to this view, the corporate governance in these countries is to a great extent guided by informal institutions. Consequently, the standard design of corporate governance mechanisms may have little institutional support [Young et al., 2008].

Among the factors that modulate the corporate governance in BRIC, one could cite the prevalence of family firms, the use of control enhancing mechanisms as the business groups, and the poor shareholders' legal protection. This institutional setting may result in the concentration of shares in the hands of few large shareholders. These shareholders — often linked to the dominant family — usually oversee the managers or are involved in the firm's management [Enikolopov, Stepanov, 2013]. Thus, in this context, the central conflict is not the separation between firm ownership and control but the principal-principal agency problem, which arises between minority shareholders and large controlling owners. This situation is aggravated by the fewer publicly traded firms and the less information in stock prices in most BRIC [Young et al., 2008].

In addition, product markets, labor markets, and the market for corporate control function worse in BRIC than in the more developed countries. As a result, firms must compete to draw scarcely qualified workforce, financial funds, and supplies. Thus, directors can be seen as a means to bring the company these scarce resources, as posited by the resource dependency theory [Pfeffer, Salancik, 2003]. Therefore, outside directors are called to the boards not necessarily due to their independence but because of the valuable resources they provide. The available data from Spencer Stuart [Spencer Stuart, 2014; 2015a; 2015b; 2015c; 2018; 2019a; 2019b] show that, whereas in the developed countries, the average proportion of independent directors is 66%, this proportion is only 44.7% in Brazil and Russia. Another specific characteristic of the boards of the BRIC firms is the directors' average age: these countries have the youngest boards among the fifteen surveyed countries, with the only exception of Poland.

The scarcity of qualified directors, along with the need for critical resources, usually results in some directors holding multiple directorships, the so-called busy directors. On the one hand, busy directors have less time to spend in the firm. However, on the other hand, they can contact the firms for their mutual benefit. The extent to which multiple directorships increase or harm firm performance seems to be an empirical issue [Ferris, Jayaraman, Liao, 2020; Lei, Deng, 2014]. Nevertheless, since these directors play a more valuable role in BRIC, the effect of directorships in BRIC may deviate from that in other countries.

As posed by S. Estrin and M. Prevezer, to understand the corporate governance system in BRIC, it is central to consider how informal institutions interact with formal ones [Estrin, Prevezer, 2011]. These informal institutions sometimes substitute for and sometimes compete with formal institutions. An example of the first type of relations is the external connections of boards. The directors' connections may be critical in BRIC given the State's involvement in business so that the directors' ties with the State could be more relevant. Whereas the firms' political connections is a worldwide phenomenon [Faccio, 2006], the contribution of directors with political background seems to be more influential in these countries [Aguilera et al., 2012; Oehmichen, 2018].

One of the roles, played by the boards, is strategical advice. Consistent with this function, directors are chosen based on their expertise and knowledge of a given industry, market, foreign experience, etc. [Spencer Stuart, 2019a]. Consequently, a relevant dimension of the board is the members' background. It could imply the need to know the specific characteristics of BRIC. Although there are evident differences among the countries, the BRIC has a differentiated institutional environment, so conducting business in these countries requires understanding this peculiar idiosyncrasy.

The characteristics of the board can overlap in the sense that we can analyze a given feature from different theoretical points of view or in the framework of various theories. Thus, boards with more outsiders can be seen as more effective supervisors and include more outside expertise or external connections. In any case, irrespective of the theoretical lens, the underlying question we address is the role of these features in the boards of the BRIC firms.

2. THE SELECTION OF PAPERS FOR THE ANALYSIS

2.1. Procedure description

In order to provide an updated review of the board research in BRIC countries published in international peer-reviewed journals, we have chosen the journals indexed in the Scopus and Web of Science databases. We purposely limit our sample period to the interval between 2015 and 2020 to detect the most recent trends in the research and avoid an overload of papers that could prevent drawing any pattern. The latest search of papers was done on 26 July, 2021.

We choose the search keywords on the base of previous reviews on specific board-connected topics. For example, we use papers on the board chair role [Banerjee, Nordqvist, Hellerstedt, 2020], the gender structure [Pucheta-Martínez, Bel-Oms, Olcina-Sempere, 2018; Kirsch, 2018], the boards connections [Lamb, Roundy, 2016], the ownership concentration and board independence [Pérez-Calero, Hurtado-González, López-Iturriaga, 2019], and the CEO duality [Krause, Semadeni, Canella, 2014]. The final set that is used for the search consists of 27 keywords. In order to structure the chosen set of keywords we classify divide into three research directions: "board composition", "board social capital", and "board functioning". By "board composition" we understand the issues connected with the mix of directors' qualities, skills, their diversity and number [Deloitte, 2016]. By "board social capital" we mean social relationships of a board members that results in a company accessing to valuable information and resources [Hillman, Dalziel, 2003; Chen, Ho, Hsu, 2013]. The questions connected to the board committees and directors' relationships with a CEO are related to the "board functioning" direction. The correspondence of keywords and research directions are shown in Table 1.

Next, we combine the chosen keywords (Table 1) with the names of the BRIC coun-

Table 1

Papers selection procedure, 2015–2020

Research direction	Board composition	Board social capital	Board functioning
Keyword	Women/gender/national diversity; outside/inside/independent/executive directors; board's diversity; optimal board's structure/composition; board's size; directors' diversity	Social capital; directors' networks; busy directors; multiple directorships; interlocks; board connections; political directors; directors' experience; board expertise	Corporate governance quality; CEO power and board; CEO duality; CEO-board connections; committees; board committee
Document type	Article		
Subject area	Business, management, and accounting; economics, econometrics, and finance		
Language of the paper	English		
The final number of papers, *N*	63	26	29

N o t e: seven papers are referred to two research direction at the same time, so they are counted twice.
B a s e d o n: [Banerjee, Nordqvist, Hellerstedt, 2020].

tries (“Brazil” OR “Russia” OR “India” OR “China”) and search within the title, the abstract, or the keywords of papers. After the automatic search, we manually checked the relevance of the papers selected. The final number of documents analyzed is 111, and almost half of them refer to the “board composition” topic. These 111 papers have been published in 73 journals. For the sake of brevity, in Figure 1, we report the journals in which more than one paper has been published. Most of them are general scope journals that are not focused on a particular geographical or subject area.

We start with the content analysis of abstracts, which allows us to reveal the most frequently used words. The investigation is run using the R language. Based on the most popular collocations, which are presented later in the Figure 5, we have identified nine topics inside the three research directions. They are listed in Table 2. We have several topics that are at the intersection of two research directions. For instance, foreign directors may be related to board composition as well to board social capital. We classify this topic within board social capital given the characteristics of developing markets. In these countries, foreign directors may be valuable sources of information about international markets and best corporate governance practices. Similarly, the CEO duality can be a characteristic of board composition and an indicator of board functioning. Since CEO duality is forbidden in some BRIC countries, we have included it inside board functioning. Board committees can also be related both to board composition issues and board functioning. We consider that committees are a way for boards to work and make decisions. Thus, board committees are reviewed in the last section.

Then, the nine chosen research topics are coupled with the countries statistics collected by Spencer Stuart. This agency is specialized on leadership consulting and issues regularly the board index reports for different countries. These reports survey

Fig. 1. Main sources of papers on BRIC

Based on: authors' calculations.

Table 2

Research directions and main topics

Board composition (Section 4)	**Board social capital (Section 5)**	**Board functioning (Section 6)**
4.1 Board size	5.1 Multiple directorships	6.1 Boards meetings
4.2 Board independence	5.2 Political connections	6.2 Board committees
4.3 Gender structure	5.3 Foreign directors	6.3 CEO duality

the largest and most representative firms and provide some average indicators of corporate governance like the size of a board, the independence, the number of board meetings, etc. It allows us to identify corporate governance trends in the analyzed countries without collecting data by ourselves. After that process we review the selected papers. We provide qualitative analysis, paying attention to the metrics used, the selection of dependent variables and the results. Then, we also compare the trends in the research topics with the facts and figures provided by the Spencer Stuart reports to assess the

Table 3

The stages of the study

Stage	Stage name	Description of the stage
1	Choice of the search details	The choice of the search period, language, type of the documents and keywords
2	Database search	The search in Scopus and Web of Science using the chosen keywords and countries names
3	Manual check of the papers	The check of the chosen papers relevance
4	Content analysis of the abstracts	Statistical analysis of the most popular collocations in the papers abstracts; comparison with the papers on more developed markets; identifying research topics for further analysis
5	Spencer Stuart statistics analysis	Collection and analysis of the board statistics on Brazil, Russia and India; comparison with the average statistics on more developed markets
6	Qualitative analysis of the collected papers	Descriptive analysis of the collected papers, divided by research directions and topics; comparison with the results on more developed markets

coherence between consulting agencies statistics and papers. The overall logic of the analysis is presented in the Table 3.

We should also note that on the stages 4–6 of the analysis we compare results on BRIC companies with those from developed market firms. The content analysis method also allows analyzing a comparable sample of papers on more developed markets in order to assess whether the results from BRIC are in line with those from more developed markets.

2.2. Sample description

As shown in Figure 2, the number of papers has steadily increased throughout the period, with more than half of them published in the last two years. This fact may be evidence that research on BRIC is gaining attention since it goes beyond the limits of ational-language journals and has started to be published in international ones with a broader audience.

In Figure 3, we report some statistics about the co-authorship patterns. The average number of coauthors per paper is 2.73. Only a minor fraction of papers (9.57%) have been written by one author, and around two-thirds of the sample are papers with three or more authors. More than three persons co-author a relatively large proportion of papers (28.72%). This fact is consistent with the increasing trend in the number of co-authors that have been reported in the economic and business literature [Kuld, O'Hagan, 2018; Rath, Wohlrabe, 2016; Shakina, Molodchik, Parshakov, 2020].

In Figure 4, we report the geographical scope of the papers. We can see that most of the research is focused on one single country, with a minor proportion of studies with an international scope. For example, around half of the sample study Chinese firms, and almost one out of four papers are from India. As far as the multiply countries analyses are concerned, some regard several BRIC countries, but others study a broader list of firms, including BRIC. For example, P. Iliev and L. Roth explore 33 countries, paying particular attention to the corporate governance mechanisms in developing countries [Iliev, Roth, 2018]. In the same vein, [Pucheta-Martínez, Gallego-Álvarez, 2020] analyze 34 countries which include all the BRIC.

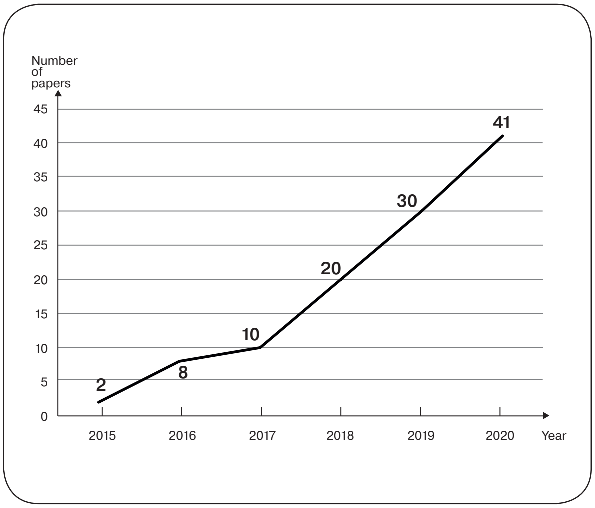

Fig. 2. The trend in research on boards of directors in BRIC countries, 2015–2020

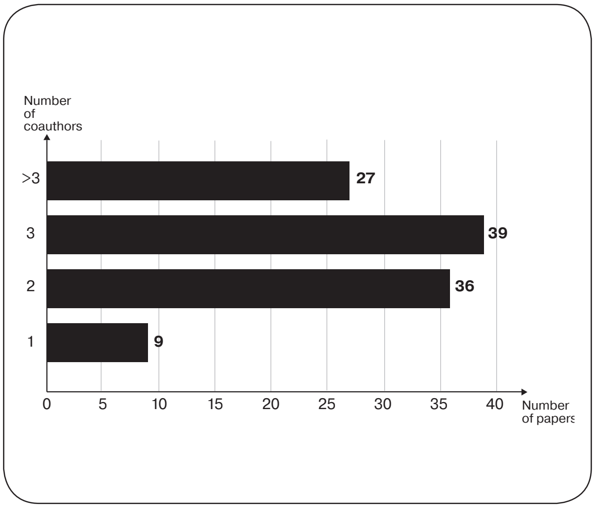

Fig. 3. Papers grouped by the number of coauthors

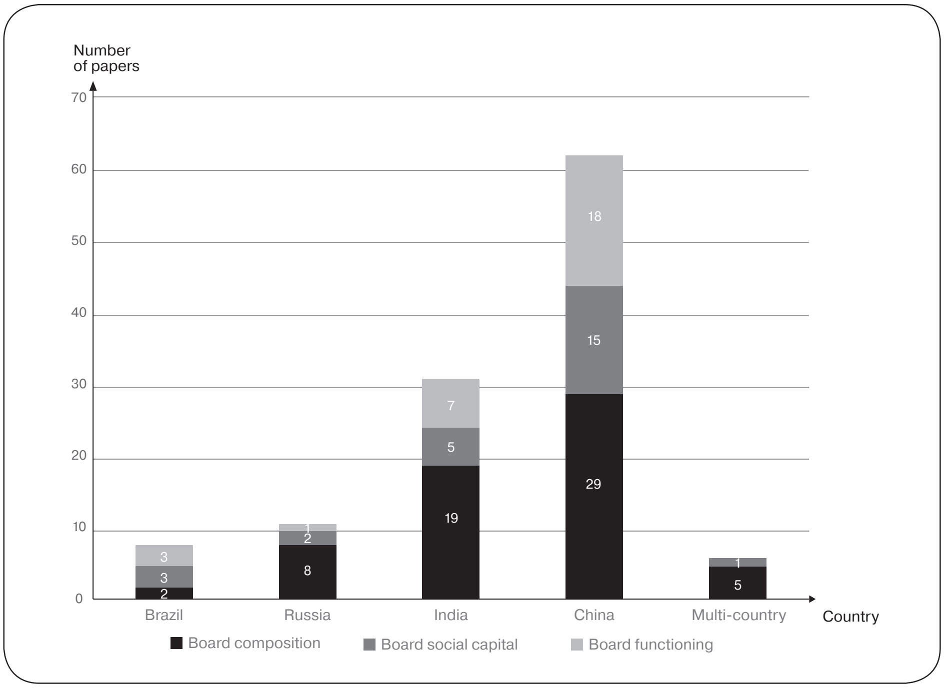

Fig. 4. The geographical scope of the papers

All of the three chosen research directions are represented by papers on all BRIC countries. However, there is only one paper about board functioning in Russia and two papers about social capital in Russia and board composition in Brazil.

3. CONTENT ANALYSIS

The content analysis gives information about the most usual research topic by identifying the most frequent collocations in the abstracts of the collected papers. A significant output

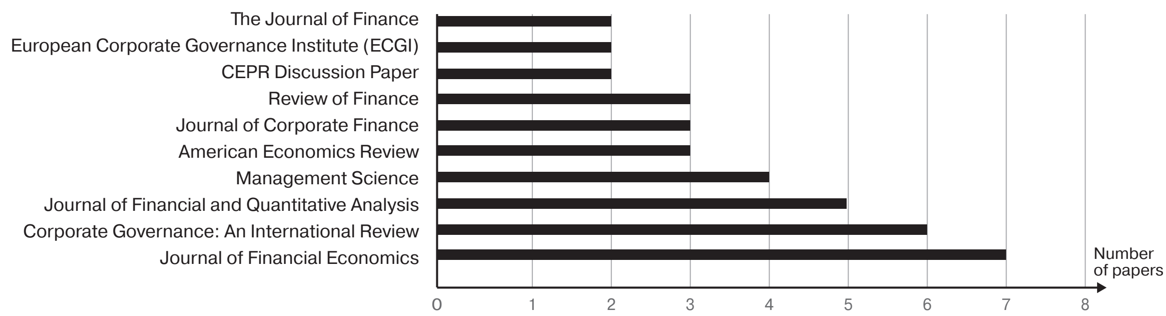

Fig. 5. Main sources of papers on developed markets

Based on: [Adams, 2017].

of our content analysis is the comparison between papers devoted to BRIC and more developed countries. As a benchmark for this analysis, we have employed the abstracts of papers studied in the review of [Adams, 2017] since it is one of the most updated and comprehensive research reviews on boards of directors in developed countries. The Figure 5 contains the main sources of the papers used. It includes journals that are included into the Adams's study more than once. We see that the list includes only the top journals in the fields of Economics, Finance, and Management, despite the list on BRIC, provided in the Figure 1. Thus, we have run a content analysis of the 89 abstracts included in this review and published after 2014. Their most frequently used collocations are compared with those from the BRIC.

Also, we decide to divide the analyzed journals into general-interest ones and region-specific ones since it could provide a more fine-grained view of the topics that might be more important for regional journals. Therefore, we separately investigate 29 papers published in the Pacific-Basin Finance Journal, Asia Pacific Journal of Management, Russian Management Journal, etc.

We run the content analysis using the R language. Firstly, the abstracts were prepared by excluding punctuations and "stop-words" such as prepositions and articles. Secondly, using the "tidytext" and "tokenizers" packages, we split these abstracts into collocations and manually choose the most popular and meaningful ones. For example, we do not take the collocations "research question" or "main purpose" because they are used in all papers and do not help to understand the topic. Finally, thirdly, we calculate the frequency: the number of abstracts when we find collocation, divided by the total number of employed abstracts. Figure 6 (a, b, c) presents the bar chart that contains the 17 most frequent collocations on each sample of abstracts.

Looking simultaneously at the two left-hand side columns of Figure 6 (a, b, c), we can see the most frequent collocations on BRIC papers irrespective of the research outlet. They are broadly the same as in the right-hand side column, in which we report the most frequent words for the developed

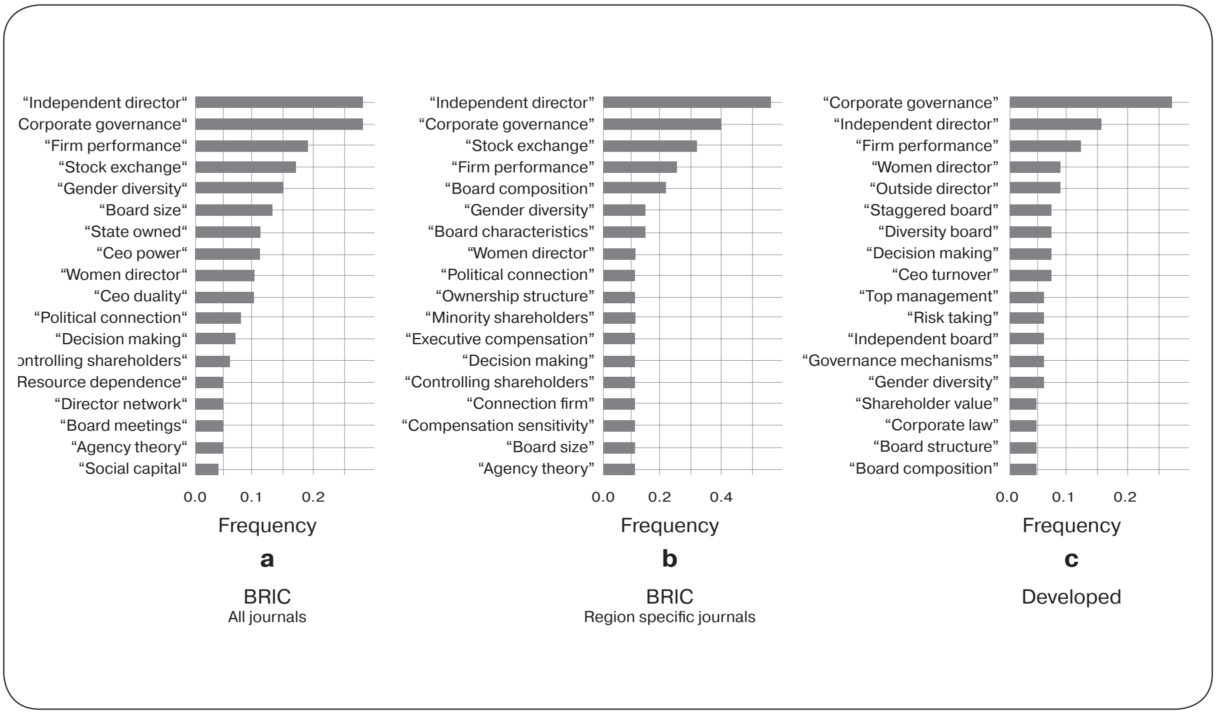

Fig. 6. Comparison of the most frequent collocations in the analyzed abstracts

countries. Thus, as a first conclusion of the content analysis, we check that the research topics on boards of directors in BRIC broadly coincide with those of more developed countries: the composition of the board ("gender diversity", "independent director"), the CEO and board relationship ("ceo turnover", "CEO power"), and the relationship with the owners of the firm ("shareholder value", "controlling shareholders", "minority shareholders"). Among the differences between both settings, in BRIC the social capital and the board functioning topics are more frequent. We also would say that the other mechanisms of corporate governance such as markets, ownership structure, etc. are more important in BRIC.

In addition, the research on BRIC does not present significant differences in topics depending on the scope of the journals. We just note that papers published in the region-specific journals may pay more attention to the exploration of a compensation policy and CEO's role.

4. BOARD COMPOSITION

Despite being a traditional topic in the research, the composition of a board has gained popularity in developed markets during the last 15–20 years. The main issues related to board composition are board size, independence, and diversity (by age, gender, experience, education, nationality, etc.). Our analysis shows that this topic is dominant in recent research on BRIC too.

4.1. Board size

Table 4 reports the average number of board directors collected from the Spencer Stuart

Table 4

Average board size in Brazil, Russia, India and developed countries, number of directors

Country	2015	2019
Brazil	8.8	8.4
Russia	10.3	10.6
India	10.3	11.3
Developed countries	12.4	11.3

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

reports in 2015 and 2019. We collect statistics on developed countries also in order to compare them with BRIC ones. The list of developed countries here and further includes the US, UK, Germany, Italy, France, and Spain. Unfortunately, Spencer Stuart Board Index Reports do not provide statistics on Chinese companies, so we cannot report it in the comparative tables in this and subsequent sections. Despite the slight decreasing trend in the developed countries, we see quite a stable number of directors in Russia and Brazil. Indian companies increase the average board size from 10.3 to 11.3 directors. Compared to other countries, Brazilian companies are characterized by smaller boards that included 8.8 members on average in 2015 and 8.4 in 2019.

The importance of board size may be explained by both the resource dependency view and agency theory. Agency theory suggests that larger boards may provide more monitoring and control of managers [Berezinets, Ilina, Cherkasskaya, 2017]. From the resource dependency view, directors are regarded as resource suppliers, so larger boards may have more connections and critical resources [Pfeffer, Salancik, 1978]. The research on BRIC empirically confirms the positive influence of board size on corporate performance. A. Manna, T. Sahu and A. Gupta find that the number of directors positively relates to ROCE (return on capital employed) and Tobin's *Q* in Indian companies, while the impact on market value added and cash holdings per share are not significant [Manna, Sahu, Gupta, 2016]. Other authors [Mishra, Kapil, 2018a; 2018b; Sehrawat, Singh, Kumar, 2020] also study Indian companies using different methods and find that larger boards are related to higher Tobin's *Q* and, sometimes, to ROA. C. Liu, K. Uchida and Y. Yang confirm the positive relationship between the number of directors and firm value, but it holds only in the crisis period [Liu, Uchida, Yang, 2012]. Chen confirms these results for listed Chinese firms when performance is measured by ROA [Chen, 2015]. This author goes a step ahead since it also identifies two determinants of board size: a positive relationship with firm complexity (in terms of firm size, the scope of operation, and the number of business lines) and a negative relationship with CEO duality.

Despite the theoretical and empirical evidence of a positive effect of board size, some papers pay attention to the costs of communication and free-riding problems in large boards. I. Berezinets, Y. Ilina, and A. Cherkasskaya mention that smaller boards are more coordinated and well-organized so that it is easier for them to find a consensus during meetings [Berezinets, Ilina, Cher-

Table 5

Average board independence in Brazil, Russia, India and developed countries, %

Country	2015	2019
Brazil	26.0	41.0
Russia	33.4	37.0
India	52.8	53.0
Developed countries	58.1	65.0

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

kasskaya, 2017]. These authors and A. Muravyev [Muravyev, 2017] find a non-linear relationship between board size and firm performance (measured by Tobin's **Q** or ROA and ROE) in Russian firms. Interestingly, they estimate the inflection point around 11 directors, above the optimal point in the relationship between board size and financial distress in Brazilian firms [Freitas Cardoso, Peixoto, Barboza, 2019].

Several studies find additional evidence of better monitoring provided by larger boards. For example, L. Liao, T. Lin, and Y. Zhang show that board size is positively connected with corporate social responsibility assurance in China [Liao, Lin, Zhang, 2018]. Teplova and Sokolova associate larger boards with reducing debtholder risk in Russian companies [Teplova, Sokolova, 2019]. D. Yang, Z. Wang, and F. Lu find a positive influence of board size on corporate environmental investments [Yang, Wang, Lu, 2019]. Finally, Y. Li and X. Zhang provide evidence of the dynamic nature of a board size: in Chinese listed firms, the number of directors declines over the firm life cycle, which the resources brought by new directors can explain [Li, Zhang, 2018].

Unlike the previously mentioned papers, which use just the number of directors, the study of W. He and J.-H. Luo differentiates between odd and even number of directors on board [He, Luo, 2018]. They argue that odd numbers of directors avoid a tie in voting so that an even number of directors may evidence agency problems in a company. Their empirical estimations in China support this idea. Firms with an even number of directors have fewer meetings and are more likely to lower attendance. These firms are also characterized by more tunneling, lower quality of financial reporting, and higher incidence of accounting irregularities [He, Luo, 2018].

The research on developed markets suggests some different results about the influence of board size on corporate performance. Most US- and European-based studies confirm an inverted *U*-shape relationship, while others reveal a positive connection [Berezinets, Ilina, Cherkasskaya, 2017]. In this sense, the recent review of [Adams, 2017] concludes that firms choose board size "to balance advisory needs with decision-making costs in large groups". We see that BRIC results mostly correspond to the developed market: some of them reveal a positive connection, while others are inverted *U*-shaped.

By comparing the research conclusions with the data on average board size reported in Table 3, we can see that large Russian firms have, on average, medium-sized boards, which coincides with the research recommendation of around 11 directors as an optimal board size. As for Brazil, although the surveyed firms have the smallest boards, we could not find any research during the last six years studying the effect of board size.

4.2. Board independence

According to Table 5, boards in developed countries are characterized by the predominance of independent directors, and their share had risen from 58.1% in 2015 to 65% in 2019. On the contrary, BRIC countries fall behind. Indian boards are closer to their more developed counterparts and relatively stable: 53% represent independent directors. More remarkably, only roughly one-third of Russian and Brazilian directors are independent, although this fraction is increasing fast in Brazilian companies. We do not have statistics on Chinese companies; however, we know that in 2001, the China Securities Regulatory Commission (CSRC) required all listed companies to include at least two independent directors on a board [McGuinness, Lam, Vieito, 2016]. According to the descriptive statistics provided in papers, Chinese listed companies' share of independent directors is between 36.5% [Yang, Wang, Lu, 2019] and 38% [Usman et al., 2020]. The majority of papers are dedicated to Chinese and Indian markets. There is a lack of studies on countries with a relatively low share of independent directors. Articles also do not explain the fast growth of independence in Brazil.

The general view of independence is positive, and many papers find that independent directors ensure the monitoring function through improving corporate policies. Thus, N. Kapoor and S. Goel support the agency theory foundation by finding that diligent independent directors decrease earnings management practices in India [Kapoor, Goel, 2019]. Diligence was measured as the average attendance of independent directors in board meetings. D. Yang, Z. Wang and F. Lu show that independence is the board characteristic with the highest positive impact on the environmental protection investment in China [Yang, Wang, Lu, 2019]. The share of independent directors positively influence the sustainable growth of Chinese companies [Ahsan et al., 2021] and improve firm performance in India and China [Manna, Sahu, Gupta, 2016; Mishra, Kapil, 2018a; Thenmozhi, Sasidharan, 2020; Farhan et al., 2020; Chen, 2015]. Independent technical directors also increase innovative performance in China [Li, Li, Xie, 2020], and independence is also positively related to the innovation of Russian firms [Berezinets et al., 2019; Grosman, Aguilera, Wright, 2019].

Some papers connect board independence with compensation. M. Usman with coauthors, and I. Brandão with coauthors stress the importance of independence in the compensation committees of Chinese and Brazilian firms, showing that the independence of this committee ensures better CEO pay-performance schemes [Usman et al., 2020; Brandão et al., 2019]. At the same time, K. Prasad, K. Sankaran and N. Prabhu find that grey directors share increase executive compensation [Prasad, Sankaran, Prabhu, 2019].

Board independence is an essential indicator of quality for foreign and institutional investors in India. Thus, the percentage of affiliated directors decreases foreign investments in a company [Banerjee, Oriani, Peruffo, 2019]. In the same vein, S. Bansal and M. Trenmozhi reveal that compliance with independence requirements[2] leads to a significant increase in institutional ownership [Bansal, Thenmozhi, 2019].

Nevertheless, this positive effect of independence is not unequivocal. It can be upset by the concentrated ownership structure in India, usually represented by fam-

[2] Clause 49 of the Listing Agreement on corporate governance of Indian firms came into effect in 2005, calling for independent directors to make up one-third of boards with non-executive chairs and half of the boards with executive chairs. Even after several years, this critical governance directive still has not achieved 100% compliance [Spencer Stuart, 2019].

Table 6

Average female share on boards in Brazil, Russia, India and developed countries, %

Country	2015	2019
Brazil	7.20	12.0
Russia	7.60	11.0
India	12.30	16.3
Developed countries	22.70	32.27

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

ily firms [Jameson, Prevost, Puthenpurackal, 2014]. Research from this country shows that independence decreases dividend payout [Sanan, 2019; McGuinness, Lam, Vieito, 2016] and increases bank's risk [Shukla et al., 2020]. Two papers fail to find any relationship between independence and firm performance in Russia and China [Berezinets, Ilina, Cherkasskaya, 2017; Lew, Yu, Park, 2018].

Several papers focus on regulatory changes observed in China, which restricts university employees from holding positions of independent directors in public companies. The first regulation is "Document No. 18", issued on 19 October, 2013, which prohibits state officials from holding any positions in enterprises [Freitas Cardoso, Peixoto, Barboza, 2019]. It influences independent academic directors indirectly since many of them work in state universities. Then the Chinese Ministry of Education issued "Regulation 11 on 3", November, 2015, which prohibits university employees from holding director positions in Chinese public companies [Chen, Garel, Tourani-Rad, 2019]. Before the regulatory changes, around a quarter of Chinese listed firms had at least one academic on board [Huang, Teklay, 2021]. In the six months following "Regulation 11", 330 academics resigned [Chen, Garel, Tourani-Rad, 2019].

The "Regulation 11" introduction allows researchers to test the role of independent academic directors regarding the changes as an experiment. Papers find that, before Regulation 11 was enacted, independent academic directors enhanced minority shareholders' protection, creating value through monitoring and advising [Pang, Zhang, Zhou, 2020], decreased agency costs, increased investment efficiency [Huang, Teklay, 2021], provided greater value relevance of reported earnings [Huang et al., 2016]. As a result of Regulatory changes, markets react negatively both to the issuance of Regulation 11 and to the academic director resignations [Chen, Garel, Tourani-Rad, 2019; Pang, Zhang, Zhou, 2020].

The results from developed markets are also mixed. R. Adams [Adams, 2017] mentions no clear evidence that board independence monitoring is connected with corporate performance. Papers that follow agency theory usually find that boards with a higher share of independent directors are positively related to company performance [Choi, Park, Yoo, 2007], while boards with a higher percentage of executive directors tend to have less motivation to monitoring [Hillman, Dalziel, 2003]. However, other papers do not find any statistically significant relationship between the share of independent directors and corporate value [De Andres, Azofra, Lopez, 2005; Tian, Lau, 2001]. A possible reason for the ambiguous results can be the difficulties of measuring truly independent directors [Hwang, Kim, 2009; Crespí-

Cladera, Pascual-Fuster, 2014; Adams, 2017]. Also, some countries are characterized by low diversified boards by independence. Thus, many traded US companies include only one insider — a CEO; Finnish and Norway have more than 95% of outside directors on average [Adams, 2017]. Consequently, the research should focus on a more thorough analysis of independent directors' identity [Jiraporn, Lee, 2018; Kim, Mauldin, Patro, 2014].

The comparison of the empirical studies on BRIC and the statistics reported in Table 4 suggests that the share of independent directors is barely connected with their potential influence on corporate policy and results. The unbalance might be explained by the institutional and historical specificity of the BRIC or by the regulatory changes introduced.

4.3. Board gender structure

Table 6 reports the statistics on the share of women on boards, collected from the Spencer Stuart reports in 2015 and 2019. We may observe that the rising importance of gender equality has led to increased female directors' share both in developed countries and in BRIC. Some developed countries like Italy, Spain, Norway, Belgium, France have introduced high gender quotes on boards: 33 to 40%. Other countries like Germany and UK set up lower quotas but still highlight the necessity to include women on boards. Consequently, the female share in large companies has grown by 10% during these five years, and now the average equals 32.27%. We do not see such rapid growth in BRIC countries. They grow by approximately 4% during the last five years. Indian companies include 4–5% more women than Brazilian and Russian ones. It may be explained by the Companies' Act passed in 2013 in India, which requires the listed firms to include at least one on the board.

The women's presence on boards is analyzed using a variety of methods. The most widely used is the proportion of female directors [Berezinets, Ilina, Cherkasskaya, 2017; Chauhan, Dey, 2017; Muravyev, 2017; Usman et al., 2020]. Some authors [Horak, Cui, 2017; Kim, Qin, Kuang, 2020; Mukarram, Ajmal, Saeed, 2018; Srivastava, Das, Pattanayak, 2018; Garanina, Muravyev, 2020] use a dummy variable that equals one if at least one woman is included on board. Kim, Qin, Kuang also test the total number of women on board [Kim, Qin, Kuang, 2020]. T. Garanina and A. Muravyev use a set of dummy variables equal to one if at least 1, 2, 3, or 4 women are included on a board [Garanina, Muravyev, 2020]. Markoczy, Sun and Zhu study interlocking male and female directors [Markoczy, Sun, Zhu, 2020]. A paper also employs the content analysis of companies' annual reports included in the BSE200 index [Singh, 2020].

Research conducted on Chinese and Russian markets suggests that female directors help to provide efficient corporate control. They increase the CEO turnover–performance sensitivity and more board activities after CEO retention decisions [Kim, Qin, Kuang, 2020g], provide performance-related CEO compensation [Usman et al., 2020], facilitate women appointments [Markoczy, Sun, Zhu, 2020], support corporate social responsibility performance [McGuinness, Vieito, Wang, 2017; Liao, Lin, Zhang, 2018], decrease corporate risk [Bhat et al., 2019], and improve intellectual capital disclosure [Nadeem, 2020]. On the contrary, male directors appointed after the CEO assumed office increase crash risk in Chinese companies [Kao et al., 2020]. In addition, T. Ahsan with coauthors show that board gender diversity smooths the influence of economic policy uncertainty on sustainable growth [Ahsan et al., 2021]. As a result, female directors in BRIC positively impact book and market performance [Berezinets, Ilina, Cherkasskaya, 2017; Horak, Cui, 2017; Kim, Qin, Kuang, 2020; Muravyev, 2017; Garanina, Muravyev, 2020].

India represents an interesting case. On the one hand, the research shows negative or no influence of gender diversity on corporate policy and results. Y. Chauhan and D. Dey highlight that women have more attendance problems, are rarely included in committees, and do not influence performance [Chauhan, Dey, 2017]. S. Mukarram with coauthors find that female boards are more prone to corporate risk-taking [Mukarram, Ajmal, Saeed, 2018] and A. Saeed and M.Sameer [Saeed, Sameer, 2017], and N. Sanan [Sanan, 2019] show that gender diversity decreases cash dividend payments. Only a paper by C. Khandelwal with coauthors represents a positive outcome of the female board — increased risk disclosure [Khandelwal et al., 2020]. On the other hand, India is the only BRIC country that has passed a gender quota to ensure at least one woman on the corporate boards of the listed firms. V. Strivastava, N. Das and J. Pattanayak study the consequences of this Act and find that having at least one woman on board decreases the cost of equity and increases the company's ROA [Srivastava, Das, Pattanayak, 2018]. On the contrary, G. Singh shows that women are appointed just as a compliance and do not influence the decision-making process [Singh, 2020]. The different periods explored may explain the divergence in the results because the research that shows negative or no effect of women analyzes earlier data. Thus, the samples of Y. Chauhan, D. Dey, and A. Saeed, M. Sameer end in 2014 [Chauhan, Dey, 2017; Saeed, Sameer, 2017]; the data of S. Mukarram with coauthors in 2013 [Mukarram, Ajmal, Saeed, 2018]. Therefore, the samples may not reflect the effect of the Act introduced in 2013.

The research on developed countries confirms the importance of gender-related issues on boards. R. Adams [Adams, 2017] finds that 45 countries have a board-level policy concerning gender, and some more initiatives are likely to be enacted. However, the consequences of female representation and the regulatory changes are not clear. Some papers reveal a positive effect of the women's share on performance in Spain [Campbell, Mínguez-Vera, 2008; Valls Martínez, Rambaud, 2019] and the USA [Carter, Simkins, Simpson, 2003]. Despite them, other researchers find negative influence for Norway after the quota's introduction [Ahern, Dittmar, 2012], the US [Adams, Ferreira, 2009], and France [Bennouri et al., 2018]. The meta-analysis provided by J. Pletzer with coauthors concludes that there is no stable influence of women's share on corporate performance [Pletzer et al., 2015]. Also, it is still unclear whether the quotas solve governance problems in companies [Adams, 2017]. So, we see that both developed and BRIC countries lack research on the women's role on boards and quotas consequences. It is needed to provide deeper analysis, looking at financial results and ethical and moral ones, and consider cultural and institutional specific of the analyzed countries.

The number of gender-related research in BRIC is rising, reflecting the increasing female participation on boards. According to the empirical results, Chinese, Russian, and probably Indian companies may benefit from higher gender diversity.

5. BOARD SOCIAL CAPITAL

With the term "social capital", we refer to directors' connections and relationships with other directors or institutions [Kim, Cannella, 2008; Scrivens, Smith, 2013]. These ties are an essential part of directors' contribution as they may help them bring resources that are especially important in developing countries such as BRIC [Hoi, Wu, Zhang, 2019].

According to the literature and the resource dependency theory, we underline three types of connections relevant to BRIC countries. The first type is the professional ties with other directors. These are created when directors are appointed to one board where they can share the experience and information. The second type is directors' political connections. These are established by directors' prior or current government

Table 7

Average directorships of non-executive directors in Brazil, Russia and developed countries, %

Country	2015	2018
Brazil	1.10	1.10
Russia	1.50	1.90
Developed countries	2.30	1.98

B a s e d o n: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

work. Such directors might deal with government and bureaucracy more effectively. The third type is foreign directors that have working experience in different economics. They may use their knowledge to ease companies' access to international markets.

Nevertheless, these connections may have a negative side since they can lead to busyness or "overcommitment" of directors [Lei, Deng, 2014]. Keeping these connections or sitting at multiple boards can be time-consuming and worse managerial oversight, increasing agency problems. Moreover, connected directors' interests may deviate from the fair execution of their board's duties.

5.1. Multiple directorships

Based on Spencer Stuart's reports, Table 7 provides the average directorships of non-executive directors. We may observe the increase in directors' business in some BRIC countries, whereas a downward trend is shown in developed countries. Moreover, this tendency is continuing in the following years. For example, on average, Russian non-executive directors had 3.5 directorships in 2019, and Brazilian have 1.2. On the one hand, these tendencies may be explained by the importance of being connected in BRIC.

Nevertheless, what is the consequence for companies having directors with a high number of appointments? Multiple directorships may have both positive and negative effects on companies. The agency theory treats multiple directorships with caution as overloaded directors may experience time problems resulting in busy directors being worse monitors. Multiple directorships positively correlate with a stock price crash risk in China [Jebran, Chen, Zhu, 2019]. In addition, such directors may have higher turnover and remuneration [Chen, Zheng, Huang, 2020]. Consequently, busy directors might perform worse in their monitoring function and receive more benefits from their positions.

On the other hand, busy directors may be valuable advisors. As for companies' strategies, such directors are helpful for internationalization and innovation activity in Indian firms [Singh, Delios, 2017; Sukumara Panicker, Upadhyayula, 2020]. Also, they positively impact corporate innovation in China [Wu, Dong, 2020]. Despite a positive influence on the strategies, connected directors may have a controversial effect on companies' risk-taking and financial results. There are conflicting results on the relationship between multiple directorships and firm return in Brazil [Mbanyele, 2020] and China [Su, Liu, 2018; Tao et al., 2019]. Some other papers have found that multiple directorships have a positive impact on capital structure adjustments [Li, Jiang, Mai, 2019], trade credits [Xia et al., 2019], and earnings persistence [Liao, Chen, 2020].

As far as the evidence from more developed countries is concerned, the findings

Table 8

The average share of foreign directors in Brazil, Russia, India and developed countries, %

Country	2015	2018
Brazil	9.50	10.0
Russia	22.20	30.0
India	7.60	7.0
Developed countries	21.0	23.0

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

are also mixed. Whereas some authors underline the decrease of value due to busy directors [Fich, Shivdasani, 2006; Cashman, Gillan, Jun, 2012], there is also evidence that such directors are essential sources of knowledge and enhance performance [Ferris, Jagannathan, Pritchard, 2003; Harris, Shimizu, 2004]. This non-concluding evidence suggests a context-dependency so that the effect of busy directors can depend on the cultural environment or some firm-level issues [Adams, 2017; Ferris, Jayaraman, Liao, 2020; Liu, Paul, 2015].

5.2. Political directors

Directors' political connections could be viewed as the specific source of benefits because of the high share of government in the companies of some BRIC countries. Politically connected directors may ease access to funds or subsidies from the government because these directors have knowledge and connections. For example, politically experienced directors increase the international scope of the companies [Sawant, Nachum, Panibratov, 2020; Wang, Feng, Xu, 2019] and positively influence the value of firms that have transactions with the government [Zhang, Truong, 2019]. Moreover, W. Wei and Y. Muratova claim that political directors negatively associate with CEO power [Wei, Muratova, 2020]. However, these connections do not come without costs, and political directors could decrease companies' value in regulated industries and have poor attendance at board meetings [Zhang, Truong, 2019].

To show the influence of politically connected directors, we can refer to the natural experiment in China. The Rule N 18 was adopted in 2013 and forbade officials to serve as independent directors. According to the literature, the consequences of this regulation are mixed. Findings show both positive [Zhang, Truong, 2019] and negative [Hu et al., 2020] stock market reactions to the Rule announcement and political directors' exclusion from boards. In addition to the market reaction, the loss of political connections decreases companies' value [Chen, Zheng, Huang, 2020; Ren et al., 2020; Liu, Lin, Wu, 2018], long term financing, and government subsidies to private firms [Hu et al., 2020], and increases the risk [Ren et al., 2020]. At the same time, such directors could play a negative monitoring role and destroy value [Shi, Xu, Zhang, 2018]. Thus, politically connected directors may provide valuable resources and preferences to some companies, but they might increase agency costs.

The evidence from more developed countries is also mixed. Political connections are worldwide extended and can be set either through the board of directors or through the ownership structure [Faccio, 2006]. The

Table 9

Average board meetings in Brazil, Russia, India and developed countries, %

Country	2015	2018
Brazil	15.00	18.2
Russia	21.00	21.4
India	7.80	7.5
Developed countries	8.83	8.92

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

firms with political connections usually have more financial leverage, more market power but lower performance [Faccio, 2010].

5.3. Foreign directors

According to the resource dependency theory, foreign directors may benefit a company by bringing good corporate governance practices, broader access to experience, and increasing international involvement.

Based on the statistics (see Table 8), there is a minor change in the share of foreign directors across developed and some BRIC countries except in Russia. How do such directors influence companies? Should companies attract more international directors?

Surprisingly, there is a low focus on these questions. Foreign directors may be a valuable source of social capital. Directors with a global presence add value to a company by sharing their international experience [Iliev, Roth, 2018]. For example, foreign directors facilitate Russian companies' financial results and market perception by increasing M/B value [Muravyev, 2017]. Moreover, foreign independent directors can effectively monitor the allocation of resources to investment [Grosman, Aguilera, Wright, 2019]. However, foreign directors may provide insufficient voluntary disclosure [Liao, Lin, Zhang, 2018]. These mixed results should be considered to further research in BRIC.

6. BOARD FUNCTIONING

Indeed, boards of directors fulfill essential functions, and directors' incentives and decisions determine companies' future strategies. In turn, that might reflect in financial and other results. Thus, it is crucial to understand how directors make decisions and what influences them. However, there are some difficulties in evaluating inner boards' processes since we cannot directly observe them.

The researchers usually concentrate on the board monitoring function [Ararat, Claessens, Yurtoglu, 2020]. According to the agency theory, monitoring is crucial since it may decrease shareholders' agency costs [Zhang et al., 2020]. The authors try to evaluate this function using the number of board meetings and the presence of committees. These two characteristics may positively influence the quality of boards' decisions [Adams, 2017; Malenko, 2014].

6.1. Board meetings

Based on Table 9, we may conclude that, on average, the number of meetings slightly increased. We observe the downward trend only in India. Note that these results are provided for total meetings. When we focus on in-person meetings, Russian directors prefer absentia and have just 6 or 7 meetings per year.

Table 10

Average board committees in Brazil, Russia and developed countries, %

Country	2015	2018
Brazil	2.1	2.5
Russia	3.3	3.5
Developed countries	3.6	3.6

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

The importance of meetings is highlighted in the literature. It may have a positive influence on the earnings management problem [Chatterjee, 2020]. A. Arora and C. Sharma found a positive relation with Indian firm performance [Arora, Sharma, 2016]. Interesting that despite this, the number of meetings, on average, decreased in India.

R. Adams also suggests that board meetings rely on the strategic role [Adams, 2017]. It is also observed in Indian companies, where meetings may be helpful to the internationalization strategy [Sukumara Panicker, Upadhyayula, 2020]. However, there are still unanswered questions about "how the board operates" [Adams, 2017, p. 333] and how the quality of meetings could be measured.

6.2. Board committees

Table 10 shows that companies in some BRIC countries increased the average number of committees. Also, statistics show that Audit, Compensation and remuneration, and nomination committees are the most frequent. Mainly it could be explained by government regulation. R. Adams [Adams, 2017] admits that the research still does not provide clear evidence of committees affecting companies and board decision-making processes.

As Spencer Stuart reports show, companies may create different committees. However, it is difficult to evaluate their performance because there are no unequivocal indicators, and their role is still unclear [Berezinets, Ilina, Cherkasskaya, 2017]. From this point of view, the audit committee is the most frequent. An audit committee might increase the quality of financial disclosure and decrease earnings management practices [Haldar, Raithatha, 2017; Chatterjee, 2020]. Nevertheless, there is also some evidence concerning other committees that shows the influence of the strategy committee in the performance of innovative Russian firms [Berezinets et al., 2019].

R. Adams says that it is not fully explored how subcommittees influence group-decision making [Adams, 2017, p. 333]. Committees' influence on a board functioning and results in developed markets is still developing research area, despite the relatively more significant number of papers compared to BRIC countries. It is shown that the presence of committees is a positive signal for investors [Calleja, 1999]. In turn, empirical papers usually confirm the effectiveness and positive influence of committees. Audit committees may increase the quality of financial reports and management monitoring [Anderson, Mansi, Reeb, 2004]. Remuneration committees establish compensation policy more coherent with firms' performance [Laux, Laux, 2009]. The characteristics of nomination committees are essential for creating a diversified board [Kaczmarek, Kimino, Pye, 2012]. However, there is evidence of the detrimental impact

Table 11

Firms with a dual CEO in Brazil, Russia, India and developed countries, %

Country	2015	2018
Brazil	0	0
Russia	0	0
India	0	0
Developed countries	32	29

Based on: Spencer Stuart Board Index Reports. The list of developed countries includes the US, UK, Germany, Italy, France, and Spain. SpencerStuart: https://www.spencerstuart.com/research-and-insight/board-indexes (accessed: 20.04.2021).

of committees, since they may be established to create only a good image [Liao, Luo, Tang, 2015] or receive better financial ratings [Ames, Hines, Sankara, 2018].

6.3. CEO duality

The statistics show that it is pretty standard for developed countries to have a dual CEO (Table 11). Some analyzed countries like the US, Spain, and France have more than 50% of companies with shared Chairmen and CEO roles. On the contrary, BRIC companies try to avoid this practice. CEO and chair roles have to be separated in Russia according to Federal Law. Brazilian Securities Commission (CVM) Recommendations on Corporate Governance require separating the Chairmen and CEO roles. Spencer Stuart Report highlight that all the BM&BOVESPA-listed companies follow this rule. India also tries to decrease the share of companies with a dual CEO: listed companies with more than 40% public shareholding should have separated the chair and CEO roles by April 1, 2020. Because of the lack of data in the reports, we cannot observe it in dynamics.

The surveyed research confirms that CEO duality practice is detrimental for corporate results in BRIC. D. Yang, Z. Wang and F. Lu find that duality leads to opportunism by the controlling shareholder, and the degree of willingness to invest in environmental protection is low [Yang, Wang, Lu, 2019]. The CEO duality increases earnings management in Indian private manufacturing [Chatterjee, 2020] and decreases the quality of voluntary disclosure, measured using the content analysis of the reports [Bueno et al., 2018]. The opportunistic behavior of a dual CEO harms value [Mishra, Kapil, 2018a; 2018b], so the separation of the roles may be value-creating.

We also find papers that explore Indian data and find positive or no influence of CEO duality. R. Kaur and B. Singh study Nifty 500 firms from 2012 to 2016 and find that CEO duality increases ROA [Kaur, Singh, 2019]. A. Arora and C. Sharma used the sample of 2,431 manufacturing firms listed under the Bombay Stock Exchange and did not find a significant influence of CEO duality on performance [Arora, Sharma, 2016]. Chinese manufacturing firms with a dual CEO and went public on the Shanghai and Shenzhen Stock Exchanges in 2010 are characterized by higher ROA and ROE two years after IPO [Lew, Yu, Park, 2018].

Some papers analyze the moderation role of duality or use it as a dependent variable. Uppal shows that it exacerbates the negative influence of CEO narcissism on corporate performance [Uppal, 2020]. Z. Zheng and coauthors find that shared roles of Chairmen and CEO weaken the relationship between CEO values and innovations [Zheng et al., 2020]. Y. Li and Z. Zhang analyze how Chinese companies choose company leadership structures measured by a CEO duality over the firm life-cycle [Li, Zhang, 2018]. They find that it is beneficial for a company with an increase in the CEO's power to have a decentralized leadership structure at the maturity stage; however, a company with high information asymmetry tends to have a dual CEO at the decline stage.

Some papers propose to analyze "informal duality" in countries where CEO duality is restricted. It is the situation when a CEO uses informal methods to control a board [Judge, Naoumova, Koutzevol, 2003]. However, it is not a common type of analysis in the literature. There are no papers on informal duality in the analyzed sample.

As far as developed markets are concerned, R. Adams [Adams, 2017] mention that CEO duality is often regarded as a "symbol of poor governance". However, the results of the empirical studies are mixed and, therefore, not convincing [Krause, Semadeni, Cannella, 2014]. The reason could be due to the different roles of boards of directors: whereas a CEO chairing the board can diminish the oversight ability of directors, he can enhance the firm's leadership structure. Consequently, it is needed to understand the institutional reasons to have a dual CEO and the mechanisms of his/her influence on a corporate value.

CONCLUSION

In this paper we analyze the research papers on the board of directors in BRIC recently published in Scopus/WoS journals. The traditional qualitative analysis of the papers is complemented by quantitative content analysis and the Spencer Stuart statistics. Finally, we compare the research trends identified in BRIC with those of the more developed markets. The rationale to study BRIC countries separately from the other developed or developing markets is in the specific characteristics of BRIC: the ownership structure, markets functioning, the high role of the State in the economy, and the importance of business groups, among others. Due to this particular institutional framework, the questions that arises is to which extent the the research on boards of directors BRIC should differ from that of developed markets.

We have reviewed 111 papers published in 73 journals between 2015 and 2021. We notice an upward trend in the number of papers up to the point that more than have of them have been published in the latest two years. Thus, the research on boards of directors in BRIC seems to reflect the international evolution and show a more and more important topicality. We also divide the journal into general-interest ones and region-specific ones. We do not find significant differences between the two outlets, which could suggest that boards of directors in BRIC have gained relevance, such that the research on them draws the attention of a wide audience. Also coherently with other fields of the research in business and economics, most of the papers are coauthored and less than 10% have been written by a single author.

The content analysis of abstracts and the qualitative study of papers show some overlap of topics between BRIC and more developed countries. For example, board composition issues and the CEO's role are core topics in both BRIC and developed markets samples. Nevertheless, we find some differences too. Social capital issues — in particular directors' connections — and the external markets are more explored by BRIC research than in developed markets. It can be due to the underdevelopment of markets in BRIC, which makes critical the resources brought by the directors with their connections. From a theoretical point of view, we find two main foundations: the agency and the resource dependency theories.

Our study shows that the research has been developed around three main directions: the composition, the social capital, and the functioning of boards. The board composition is one of the most explored topics because it is crucial to understand how to achieve higher board efficiency by including the right person in a team. The first direction includes the size, the independence, and the gender diversity of the boards. At the same time it opens some new questions. Since studies on gender diversity have risen, future studies could address the financial and non-financial consequences of women's participation. In addition, the unstable environment of BRIC may raise the importance of behavioral issues in the composition of boards like overconfidence, optimism, etc.

The second direction or research refers to the social capital of boards, i.e., the resources brought by directors. The papers have addressed the multiple directorships, the political connections of directors, and the foreign directors. There is room for new research on the efficiency of connected directors. Since the globalization processes underline the importance of foreign directors, more attention to their role and performance in BRIC could be paid too. Given the specific cultural background of these countries, foreign directors' culture, values, and inputs could also be a promising field.

The third direction of research has to do with the board functioning and includes the meetings, the committees, and the relationship with the CEO. The focal point is the boards' monitoring and controlling roles. Future research could delve into the committees structure: why and under which circumstances non-mandatory committees are created, the profile of directors (knowledge, experience, incentives) called to the committees, etc. Another topic that could draw the attention is power balance between boards of directors and CEOs: the consequences of CEO duality and even the power distribution inside boardrooms. some less visible distribution of authority that would be an exciting topic. To address these issues new datasets, such as directors' surveys, could be helpful.

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Советы директоров компаний в странах БРИК: обзор эмпирических исследований

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В статье представлен обзор наиболее актуальных исследований, посвященных роли советов директоров компаний в странах БРИК. В литературе не акцентируется внимание на компаниях стран БРИК и особенностях их моделей корпоративного управления. Настоящее исследование заполняет этот пробел, в нем анализируются 111 работ, опубликованных в период с 2015 по 2020 г. и индексируемых в базах научного цитирования Scopus или Web of Science. Авторы, во-первых, провели контент-анализ аннотаций этих статей для выделения наиболее часто встречающихся вопросов и сравнили полученные результаты с исследованиями по развитым рынкам; во-вторых, осуществили качественный анализ трех выделенных исследовательских линий по изучению состава совета директоров, социального капитала, функционирования советов директоров, которые в дальнейшем были разделены на десять более узких тематических вопросов; в-третьих, используя статистическую информацию, собранную консалтинговой компанией Spenser Stuart, сравнили результаты исследований с работами по развитым рынкам для определения степени схожести эмпири-

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ческих результатов и тенденций изменений в советах директоров компаний. Результаты подтверждают, что анализ советов директоров компаний в БРИК актуален, а исследовательские вопросы пересекаются с проблемами, анализируемыми в более развитых странах. В статье сформулированы актуальные направления будущих исследований, посвященных роли советов директоров компаний в странах БРИК.

Ключевые слова: совет директоров, корпоративное управление, БРИК, обзор, контент-анализ.

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