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| **Variables’ names in the article** | **Description** | **Name of the variables in the ddbb** |
| Return on Assets (ROA) | Ratio of EBIT to total assets | OROA |
| Corrupt Executives (Crr.Exe) | Percentage of corrupt executives with respect to total executives in the firm | E\_corruptG |
| Average Executives Age | Average managers ‘age in the firm | exe\_age |
| Board Size | Natural logarithm of total number of board of directors in the firm | board\_size |
| Board Gender Diversity | Percentage of female board member with respect to total board members | epercentage\_female\_board |
| Ownership | Percentage of direct and indirect ownership of the top one largest shareholder | shareholder\_ownership\_top |
| Firm Age | Natural logarithm of firm age where firm age has calculated from date of creation of the company | firm\_age |
| Firm Size | Natural logarithm of total assets measured in year t-1. | firm\_Size |
| Financial Leverage | Ratio between financial debt and total assets, where financial debt comprises short-term financial debt (i.e. to credit institutions, short term bonds, etc.) while long term financial debts (i.e. with credit institutions: (loans, credits) and bonds with a maturity > a year) measured in year t-1. | Lfinancial\_leverage |
| Tangibility | Ratio of tangible fixed assets to total assets, measured in year t-1. | Ltangibility |
| Sales Growth | Variation in percentage of net sales with respect to the previous period, measured in year t-1. | Lsale\_growthx |
| R&D Intensity | Ratio of research and development expenses to total assets, measured in year t-1. | Lresearch\_devlopment\_intensity |
| GDP growth | Annual percentage growth rate of GDP | gdp\_growth\_rate |
| Control of Corruption | Measure based on the World Bank index for year 2015. It captures perceptions of the degree to which public power is used for personal gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. | Control\_of\_Corruption |
| d\_nace\_10\_i | Dummy of industry i | Dummy of industry i |
| ***Instrumental variables*** |  |  |
| Industry average of the % of corrupt managers | we use the industry average for our measure of problematic or corrupt managers | av\_execorrupt1G\_alt |
| The percentage of women in each country's parliament | the percentage of women in each country's parliament | women\_share\_parliament |
| ***Other variables*** |  |  |
| Industry adjusted variable | Industry adjusted variable | Any variable with the suffix ams |
| Other performance measures: |  |  |
| ROA | net income/total assets | ROA |
| ROE | net income/equity | ROE |
| ROS | Net income/total sales | ROS |
| ROI | EBIT/Non current assets | ROI |
| ROI2 | EBITDA/(Non current assets- | ROI2 |
| Future performance | ROA in year t+1 | futper |

ANALYSES

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| Table 1 | estpost sum OROA E\_corruptG exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top firm\_age firm\_Size Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption if year ==2015 , d |
| Table 2 - 1 | ivreg2 OROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Table 2 – 2 | gen E\_inter = E\_corruptG\*firm\_Size  ivreg2 OROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age E\_inter exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Table 2 - 3 | gen E\_interA = E\_corruptG\*firm\_age  ivreg2 OROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age E\_interA exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Table 3 - 1 | gen D\_High\_size = 0  replace D\_High\_size = 1 if firm\_Size >11.72055  gen E\_interact\_dummy = E\_corruptG \* D\_High\_size  label variable E\_interact\_dummy "ExeCorrupt x D\_High\_Size"  ivreg2 OROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament) D\_High\_size firm\_age E\_interact\_dummy exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Table 3 – 2 | gen D\_High\_age = 0  replace D\_High\_age = 1 if firm\_age >3.407034  gen E\_interact\_dummyA = E\_corruptG \* D\_High\_age  label variable E\_interact\_dummyA "ExeCorrupt x D\_High\_Age"  ivreg2 OROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament) D\_High\_age firm\_Size E\_interact\_dummyA exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Table 3 - 3 | ivreg2 amsOROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) amsfirm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lamsfinancial\_leverage Lamstangibility Lamssale\_growthx Lamsresearch\_devlopment\_intens gdp\_growth\_rate Control\_of\_Corruption if year ==2015 , first endog(E\_corruptG) |
| Table 3 – 4 | gen D\_High\_size2 = 0  egen amsfirm\_Sizep50 = pctile(amsfirm\_Size)  replace D\_High\_size2 = 1 if amsfirm\_Size > amsfirm\_Sizep50  gen E\_interact\_dummy2 = E\_corruptG \* D\_High\_size2  ivreg2 amsOROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) amsfirm\_Size firm\_age E\_interact\_dummy2 exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lamsfinancial\_leverage Lamstangibility Lamssale\_growthx Lamsresearch\_devlopment\_intens gdp\_growth\_rate Control\_of\_Corruption if year ==2015 , first endog(E\_corruptG) |
| Table 3 – 5 | ivreg2 amsOROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) amsfirm\_Size firm\_age E\_interA exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lamsfinancial\_leverage Lamstangibility Lamssale\_growthx Lamsresearch\_devlopment\_intens gdp\_growth\_rate Control\_of\_Corruption if year ==2015 , first endog(E\_corruptG) |

OTHER ANALYSES

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| Multicollinearity | \*OLS equivalent of each regression.  vif |
| Managerial corruption across countries | bysort country: sum E\_corruptG |
| Differences of means of managerial corruption, performance and financial leverage between high/low value of size and age. | ttest Lfinancial\_leverage , by(D\_High\_size)  ttest Lfinancial\_leverage , by(D\_High\_age )  ttest E\_corruptG, by(D\_High\_size)  ttest E\_corruptG, by(D\_High\_age )  ttest OROA, by(D\_High\_size)  ttest OROA, by(D\_High\_age ) |
| More corrupt sectors in the 3 countries with more observations | bysort country Ind\_Sec : sum E\_corruptG if country =="France" | country =="United Kingdom" | country =="Ukraine" |
| Anova Ho: the managerial corruption is equal across industries | anova E\_corruptG Ind\_Sec |
| Other measures of performance | ivreg2 ROA (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG)  ivreg2 ROE (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG)  ivreg2 ROS (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG)  ivreg2 ROI (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG)  ivreg2 ROI2 (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |
| Using performance (t+1) | ivreg2 futper (E\_corruptG= av\_execorrupt1G\_alt women\_share\_parliament ) firm\_Size firm\_age exe\_age board\_size epercentage\_female\_board shareholder\_ownership\_top Lfinancial\_leverage Ltangibility Lsale\_growthx Lresearch\_devlopment\_intensity gdp\_growth\_rate Control\_of\_Corruption d\_nace\_10\_1- d\_nace\_10\_10 if year ==2015 , first endog(E\_corruptG) |