

Research on Corporate Social Responsibility Behaviour—— Family Enterprises and Non-Family Enterprises

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Abstract: With public awareness of social responsibility increasing recent years, corporate social responsibility has become the focus of public attention. In recent years, the research on social responsibility behaviour of family enterprises and non-family enterprises has attracted extensive attention and research interest from scholars and enterprises. This paper takes the listed companies in China's a-share market from 2015 to 2017 as the sample to empirically study whether there are practical differences between the two. The results show that family firms are superior to non-family firms in CSR practice.

Keywords: CSR Regression Analysis Family; Businesses Non-Family Businesses; Social Responsibility

1. Introduction

In recent years, with the frequent occurrence of public events such as the environmental movement, food safety incidents and labour protests in China, corporate social responsibility (CSR) has begun to attract extensive attention and related academic research is also increasing. The concept and practice of corporate social responsibility (CSR) are still new things in China. In a broad sense, Wood (1991)^[6] defined CSR policy as "the organization and social response process of the principle of social responsibility, as well as the distribution of policies, plans and observable results related to corporate social relations".

Corporate social responsibility (CSR) first reflects people's views on the relationship

between enterprises and society: "shareholder supremacist" believes that enterprises are forprofit organizations pursuing profit maximization, whose primary responsibility is to maximize the interests of shareholders, and there is no other social responsibility (Berle, 1931; Friedman, 1970)^[2]. In contrast, stakeholder theory and found that the existence and development of the modern enterprise is not just the largest contribution to the shareholders' capital investment, not shareholders assume all the risk of the enterprise management, but all stakeholders have a contribution, also have a certain risk, accordingly, companies must also bear certain social responsibility about stakeholders (Donaldson and Preston, 1995)^[3].

In the practice of corporate social responsibility (CSR), is there any difference between family business and non-family business? Since the 1990s, academia has turned its attention to the field of family business. So far, many scholars have studied the social responsibility of family enterprises, but most of the research background is in the United States or European countries, and only a few times in Asia. For example, Huang 's (2009)^[4] research on Taiwan; Research on Japan by Amann (2012)^[1].

In fact, China has a long tradition of family businesses. Zhou (2010)^[7], from the perspective of history, puts forward the origin of Chinese family businesses in the Spring and Autumn period and the Warring States Period. In the early decades of the 20th century, China's economy was structured around the chaebol -- family businesses run under familycontrolled companies, represented by the four big families.

2. Data and methodology

This article selects the Shanghai and Shenzhen stock exchange in 2015-2017 a-share companies as the research object, mainly studies the Chinese family and non-family enterprises practice in corporate social responsibility. In order to ensure the rationality and

accuracy of sample data, eliminate the abnormal samples to study the effect of conclusion, filtered to sample data according to the following criteria:

- (1) Remove enterprise samples with missing or confidential data;
- (2) Data with significantly abnormal variable value data are eliminated;
- (3) Remove the enterprise samples of ST and *ST.

After the above steps of data processing, this paper finally extracts the relevant data of 2,019 samples of family enterprises and 1,542 samples of non-family enterprises from Shanghai and Shenzhen A-share listed companies that meet the requirements.

This paper mainly collects and statistics related data from CSMAR database, and then organizes the data through Excel, and USES SPSS22.0 and Stata15 statistical software to conduct statistical test on the sample data.

3. Research conclusions

In this paper, 2019 family enterprises and 1542 non-family enterprises in the A-share market of Shanghai and Shenzhen Stock Exchanges from 2015 to 2017 are selected as research samples. Then, a comprehensive index of corporate social responsibility is constructed by factor analysis-principal component analysis, and a model is established by multiple regression method to test the difference between family enterprises and non-family enterprises in CSR practice in Chinese society. The research conclusion of this paper is consistent with the mainstream theory of social emotional wealth in academic circles, that is, in the practice of corporate social responsibility, family business is superior to nonfamily business. In addition, this paper simply studies the impact of financial performance, enterprise size and marketization degree on CSR performance.

Firstly, the empirical results from Chinese enterprises are a strong supplement to the research field of corporate social responsibility. This shows that the generally accepted theory of social emotional wealth is also applicable in the Chinese environment. Family firms tend to make more socially responsible decisions than nonfamily firms. Family businesses are more concerned about social emotional wealth, so they are more active in fulfilling their corporate social responsibilities.

Secondly, this paper found that the level of corporate social responsibility of large companies is low. This is not the same as mainstream research in academia. However, based on the actual situation, the larger an enterprise is, the better its social responsibility practice may not be. It is directly or indirectly related to the internal management and corporate structure of the enterprise. According to the theory of information asymmetry, compared with companies with large enterprise size, because small companies are not established for a long time, investors cannot get enough information to evaluate the enterprise potential, which tends to lead to the undervaluation of the enterprise value. As a result, smaller companies are more likely to issue voluntary disclosures. There is a negative correlation between corporate scale and corporate social responsibility. The bigger the enterprise is, the more the number and types of stakeholders it has, which further increases the social pressure of the enterprise. Therefore, the larger the scale of Chinese enterprises, the lower the level of CSR practice will be. Considering that the higher the CSR practice level is, the higher the CSR cost will be, the lower the CSR level of large enterprises can be well explained in the context of imperfect construction in China.

Thirdly, this paper finds that whether it is a family business or a non-family business, the level of profitability will affect the corporate social responsibility. Corporate social responsibility is proportional to the total return on assets. Corporate social responsibility practices with high return on assets are better. This finding is consistent with the academic consensus that highly profitable enterprises pay more attention to the practice of socially responsible behaviour.

Finally, the degree of marketization will also affect the corporate social responsibility. The result of empirical analysis shows that the practice effect of CSR is the best in eastern region, the second in western region and the worst in central region. This is basically consistent with the current market economy situation in China. The eastern region has the highest degree of marketization, and enterprises are more inclined to assume social responsibility. However, in the central and western regions, the degree of marketization is relatively low, and the practice of corporate social responsibility is relatively poor.

4. Policy Suggestions

In view of the problems found in the study, this paper proposes corresponding countermeasures in the hope of improving the level of social responsibility behaviour of Listed companies in China.

To start, non-family enterprises should pay more attention to the practice of corporate social responsibility. China's non-family enterprises are mainly state-owned enterprises and collective enterprises. Different from family businesses, China's non-family businesses control the lifeblood of the national economy and dominate the Chinese economy.

Then, enhancing the public company's sense of social responsibility, actively undertake social responsibility. Since the reform and opening up more than 40 years ago, China's socialist market economy has made considerable progress. But at the same time, China is also facing some negative effects of high economic growth. Therefore, as the leader of China's market economy, listed companies must show their due responsibilities and responsibilities as public companies under such social problems. At the same time of obtaining economic benefits and meeting profit targets, they must realize their social responsibilities and actively fulfil their responsibilities to employees, consumers and the public.

In addition, we should enhance the public awareness of supervision and mobilize the power of stakeholders. The social public is the most extensive and powerful supervision group. The economic behaviour, words and deeds of enterprises all affect the social public. As the most extensive stakeholder group, the public should give full play to its supervisory role. On the one hand, through the supervision of enterprise behaviour, its vital interests as stakeholders can be protected and the quality of life can be improved. On the other hand, it can promote enterprises to regulate their own behaviour, improve the sense of responsibility, avoid operational risks, improve enterprise value, and achieve long-term development.

Last but not least, the Chinese government should keep pace with The Times, implement more feasible and complete checks and balances mechanism and incentive mechanism, encourage listed companies to actively carry out social responsibility behaviour practice, and create better social results. Enterprises with social responsibility ethics shall be encouraged by means of tax reduction or exemption, official media commendations or certificates. At the same time, the regulatory authorities should strengthen the examination of enterprises, to lose social ethics of the "black" enterprises to vigorously punish, so as to improve China's level of corporate social responsibility.

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