Family Involvement, Institutional Investor Shareholding and Corporate Social Responsibility

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Abstract. As an important form of enterprise, family business's production and operation activities are largely affected by family involvement. This paper takes China's A-share listed family enterprises from 2016 to 2020 as the research object to explore the impact of family involvement on corporate social responsibility. The research results show that with the increase of family involvement, family members take the maintenance of social emotional wealth as an important basis for business decisions, and enterprises will take more active social responsibilities. Further analysis shows that the level of family ownership involvement plays a stronger role in enhancing the level of corporate social responsibility when institutional investors hold lower shares. Based on the subdivision analysis of the way of family ownership, the results show that the improvement of the involvement of family ownership contributes to the performance of the social responsibility of directly established enterprises, and the involvement of family governance and management power significantly and positively affects the performance of the social responsibility of indirectly established family enterprises. Based on the analysis of the difference in the duration of family-owned enterprises, the results show that the higher the degree of family involvement of family-owned enterprises with a shorter duration of family-owned enterprises, the more conducive to the performance of corporate social responsibility. This paper discusses the impact of family involvement of Chinese family enterprises on their social responsibility, hoping to provide guidance for reasonably guiding family enterprises to assume social responsibility.

Keywords: Family business; Family involvement; Corporate social responsibility; Shares held by institutional investors.

1. Introduction

The concept of family has a long history in China. The family members in enterprises exert influence on the business development of enterprises with blood relationship as the link. The research data shows that at present, the proportion of Chinese family enterprises in private enterprises has exceeded 80%, which plays an increasingly important role in the development of market economy. And with the increasing expectations of the government and the public for enterprises to fulfill their social responsibilities, enterprises pay more attention to the performance of social responsibilities. As an important part of the national economy, the family business has carried out a lot of in-depth discussions on the social responsibility of the family business in the academic community. Chen Zhijun and Min Yijie (2015) found that compared with non-family enterprises, family enterprises will take more active social responsibilities to maintain social emotional wealth. Ryu Haeyoung (2021) found that the CSR score of Korean family enterprises was higher than that of non-family enterprises through empirical research. Tao Zeng (2020), using the sample data of Canadian listed companies from 2010 to 2017, found that family listed companies had a higher level of CSR participation than other listed companies, indicating that family enterprises were relatively more active in corporate social responsibility activities. Zhou Zhifang et al (2021) and other scholars found that family enterprises are less responsible for the environment by comparing the differences between family enterprises and non-family enterprises.

Through the above research, we can find that family has an important impact on the performance of corporate social responsibility. The daily business activities of family enterprises are realized through family involvement in enterprises. The family, a special group, has a substantial impact on the decisions of enterprises by participating in the business activities of enterprises. The research shows that family involvement is conducive to improving enterprise performance. Fan Libo et al. (2016) found through research that the higher the level of family involvement, the more unique capabilities and resources of family enterprises, thus reducing the internal agency costs of enterprises and improving enterprise value. Wu Fang et al. (2019), based on the sample data of 3759 national private enterprises, found that the increase of family involvement significantly improved the level of corporate charitable donations, but was not conducive to the performance of corporate staff responsibilities. Xu Jinhua et al. (2018), using the data of the 10th National Private Enterprise Survey, found that the increase of family involvement helps promote enterprises to more actively perform the social responsibility of charitable donation and environmental governance. Through empirical analysis, Zhang Xuezhi et al. (2020) found that family enterprises jointly owned by husband and wife have worse social responsibility performance and lower scores of corporate social responsibilities than enterprises solely owned by husband.

In this paper, taking family involvement as the core entry point, we explore the impact of the degree and dimension of family involvement on the performance of corporate social responsibility, hoping to play a certain guiding role for the better performance of social responsibility of family enterprises in China. In the research design, institutional investor shareholding is included as the adjusting variable to analyze the mechanism of the impact of institutional investor shareholding level on family involvement and corporate social responsibility. In the further analysis, we will focus on the impact of family involvement on the performance of corporate social responsibilities in the context of differences in the way of family business and the length of family business.

2. Literature review and hypotheses development

2.1 Family involvement and corporate social responsibility

According to the theory of social emotional wealth, family enterprises have the characteristics of "family" and "enterprise". With the increase of family involvement, the relationship between family image and reputation and the enterprises controlled by the family continues to deepen. Therefore, compared with pursuing economic benefits, family enterprises can pay more attention to acquiring social emotional wealth. Gomez-Mejia (2011) proposed that the business decision-making objectives of family enterprises not only focus on the maximization of their own economic interests, but also on the realization of non-economic goals such as social emotional wealth. With the deepening of family involvement, business owners, managers and enterprises as family members are more closely connected with each other (David and Peter, 2013), and family members in enterprises are more likely to regard the reputation of enterprises as family reputation (Zientara, 2017). The research found that the family, for the purpose of pursuing social emotional wealth, improving the reputation of the enterprise and expanding the influence of the family, will promote the enterprise to actively assume social responsibility (Chen Ling and Chen Huali, 2014). The positive social responsibility of enterprises is conducive to establishing a good corporate image, improving reputation and accumulating rich family moral capital (Zellweger et al., 2013). The deeper the family's involvement in the enterprise, the more likely any behavior that damages the image and reputation of the enterprise will cause the family greater material capital loss. Therefore, with the deepening of family involvement in the enterprise, in order to prevent the business risk and the loss of family social emotional wealth caused by the loss of corporate image and reputation, family enterprises will actively assume social responsibility to enhance the ability to resist risks.

Based on the stakeholder theory, in addition to the shareholders, owners and managers who are traditionally closely related to the enterprise, the development of the enterprise is also closely related to employees, consumers, customers, communities, governments and even the public. As an important carrier for stakeholders to realize their value pursuit, the strong support of stakeholders has an important impact on their production and operation activities, and enterprises are also responsible for creating value for these stakeholders (Margaret, 1996). Families and family members are particularly important stakeholders for family businesses, and there is a certain degree of "role overlap" with corporate shareholders, directors, executives, customers, suppliers, and in some cases, there are conflicts of interest due to role differences (Chen Ling et al., 2008). Therefore, based on the long-term development goals of the enterprise, when the family is more involved, the family members will pay more attention to the interests of stakeholders in the development process, and actively perform their social responsibilities to shareholders, creditors, the public and other internal and external stakeholders of the enterprise. Therefore, the deeper the family involvement, the stronger the motivation of enterprises to actively assume social responsibility. Based on the above analysis, the research hypothesis H1 is proposed.

Hypothesis 1. The degree of family involvement has a significant positive impact on the performance of family corporate social responsibility. That is, the higher the level of family involvement, the higher the score of corporate social responsibility.

2.2 Family involvement, institutional investor shareholding and corporate social responsibility

The research data shows that at this stage, public funds, as the main body of institutional investors in China's capital market, have an important impact on the market economy. At present, the main customer source of public funds is individual investors, while the individual investors have a weak risk bearing ability, and pay more attention to the short-term income performance of the fund, which will intensify the short-sighted psychology of the fund managers, and make institutional investors pay more attention to the short-term income performance of enterprises. And with the increasingly fierce market competition of institutional investors in China, if the return rate of corporate shares held by an institutional investor is lower than that of other investors in the short term, or the risk assumed by an institutional investor is higher than that of other institutional investors, it is likely to face the dilemma of customer loss, which may further lead to a clearer attitude of institutional investors to avoid risks, pay more attention to obtaining short-term benefits, and ignore the long-term development of enterprises. In addition, family enterprises should take into account the creation of financial interests and the maintenance of social emotional wealth when making business development decisions. The key to the creation and maintenance of social emotional wealth by family members in enterprises is their ability to influence business decisions. In some cases, family shareholders and family management members in the enterprise even abandon short-term financial interests to maintain the family's private wealth. Wei Minghai et al. (2013) found that the higher the proportion of family members in the enterprise's board of directors and senior executives, the greater the possibility of related party transactions, which led to the damage to the interests of small and medium-sized shareholders and the increase of the probability of the decline in the company's value. With the deepening of family involvement, protecting family social emotional wealth at the cost of giving up financial interests will lead to conflicts between family shareholders, management and institutional investors. Institutional investors, in order to reduce the agency cost of management's excessive investment in corporate social responsibility, expect to reduce the investment in corporate social responsibility. In order to avoid the impact of institutional investors' selling stocks on their own salaries and market reputation, corporate management may reduce the performance of corporate social responsibility to meet the needs of institutional investors, Therefore, institutional investors' shareholding will weaken the promotion of family involvement on corporate social responsibility. Based on the above analysis, the research hypothesis H2 is proposed.

H2. For enterprises with low institutional investors' shareholding, the level of family participation has a stronger role in improving the level of corporate social responsibility.

3. Data and methodology

3.1 Data and sample

Based on the research of The Xiaogang (2010) and others, the sample family enterprises choose multi-person family enterprises, that is, the actual controller is a single natural person or family, and at least one natural person or family member works in the listed company. Collect the data of A-share listed family enterprises from 2016 to 2020, and eliminate ST companies, financial industry, companies with asset-liability ratio greater than 1 and the lack of relevant research data. After preliminary sorting, a total of 7186 company-year observations were finally obtained.

3.2 Dependent variables

Corporate social responsibility (CSR) is measured by the corporate social responsibility score published by Hexun. The higher the total CSR score, the better the level of corporate social responsibility.

3.3 Family involvement

With regard to the measurement of family involvement (FI), this paper refers to the practices of Schmid et al. (2014), Li Weian (2017) and Fu Yao et al. (2019) to measure the family involvement from three aspects: family ownership involvement (FI_1), governance involvement (FI_2) and management involvement (FI_3).

3.4 Institutional investors' shareholding

For the measurement of institutional investors' shareholding ratio (Ins), refer to the research method of Li Wenjing et al.

3.5 Control variables

Referring to the practices of Hegde and Mishra (2019), this paper takes the company size (Size), asset-liability ratio (Lev), return on equity (ROA), growth (Growth), board size (Board), proportion of independent directors (Ind), dual of chairman and general manager and relative value of the company (Bm) as the control variables. In addition, industry and year are included in the control variables.Detailed definitions of the main variables are provided in an Appendix A.

3.6 Research design

In order to verify the relationship between family involvement and corporate social responsibility, a basic regression model is constructed as shown in equation (1), where CSR represents the score of corporate social responsibility; FI represents the degree of family involvement, and Controls represents the row vector composed of control variables. On the basis of model (1), model (2) adds the interaction term FI * Ins of the adjusting variable institutional investor shareholding and family involvement variable to test the regulatory effect of institutional investor shareholding.

$$CSR_{i,\,t}= \alpha_0+\alpha_1 FI_{i,t}+\alpha_i \Sigma Controls_{i,t}+\sum Year+\sum Industry+\varepsilon_{i,t} \tag{1}$$

$$CSR_{i,\,t}=\alpha_0+\alpha_1 FI_{i,t}+\alpha_2 INS_{i,t}+\alpha_3 FI_{i,t}*Ins_{i,t}+\alpha_i \Sigma Controls_{i,t}+\sum Year+\sum Industry+\varepsilon_{i,t} \tag{2}$$

4. Empirical results

4.1 Descriptive statistics

This paper first makes descriptive statistics on the main relevant variables in the research design. The results of descriptive statistics are shown in Table 1. Among the 7186 sample family enterprises, the average score of corporate social responsibility is 21.202, the variance is 10.163, and the median score is 21.96, indicating that there is a significant gap in the performance of family enterprises' social responsibility in China. Most family enterprises are in the low segment, and there is a large room for improvement in the performance of family enterprises' social responsibility in China, which should be reasonably guided. In addition, among the two indicators of family involvement, the average value of family members' ownership involvement is 39.4%, indicating that the overall level of family ownership involvement is relatively high, the average value of governance involvement is 23.5%, and the median value is 22.2%, indicating that more than 1/5 of the board of directors of most sample family enterprises are family members. The average value of the involvement of family management power is 60.6%, with a median of 1, indicating that more than half of the sample family enterprises have family members as the general manager, and family members may be more inclined to participate in business management through the involvement of management power.

Table. 1 Descriptive statistical analysis

Variable symbol	Sample size	Mean	p50	SD
CSR	7186	21.202	21.96	10.163
FI_1	7186	0.394	0.388	0.169
FI_2	7186	0.235	0.222	0.118
FI_3	7186	0.606	1	0.489
Ins	7186	0.333	0.291	0.250
Size	7186	21.897	21.782	1.066
Lev	7186	0.366	0.352	0.183
Roa	7186	0.051	0.052	0.082
Growth	7186	0.278	0.097	3.562
Board	7186	2.069	2.197	0.187
Ind	7186	0.380	0.375	0.054
Dual	7186	0.417	0	0.493
Bm	7186	0.754	0.544	0.856

4.2 Main results

4.2.1 The impact of family involvement on corporate social responsibility

Table 2 is the empirical regression results of hypothesis 1 test. The control variables such as company size are not added in columns (1), (3) and (5) of Table 2. The control variables are included in the regression model in columns (2), (4) and (6). The basic regression results show that the coefficient of family ownership involvement in FI1 is significantly positive at the level of 1%, indicating that with the increase of family ownership involvement, enterprises are more active in fulfilling their social responsibilities, and the score of corporate social responsibility is also higher. Moreover, the involvement of family governance power in FI2 and family management power in FI3 significantly and positively affect the performance of corporate social responsibility, which verifies the research hypothesis 1. In addition, the regression model results show that the coefficient of company size is significantly positive, indicating that the larger the company size, the higher the degree of social responsibility fulfillment. The coefficient of asset-liability ratio is significantly negative, indicating that enterprises with relatively high financial risk have a low degree of fulfillment of social responsibilities. The coefficient of return on net assets is significantly positive, indicating that the better the performance of enterprises, the more likely they are to actively fulfill their social responsibilities. The coefficient of integration of two positions is significantly negative, indicating that when the chairman and general manager are held by the same person, the score of corporate social responsibility is low. This is basically consistent with most previous studies. Although the results of the regression model show that some control variables do not have a significant impact on the social responsibility of the explained variables, it cannot be directly inferred that the variables involved in the research design have no impact on the performance of corporate social responsibility.

Table. 2 Analysis of basic regression results

	CSR					
	(1)	(2)	(3)	(4)	(5)	(6)
FI_1	9.724*** (14.60)	3.025*** (5.70)				
FI_2			8.146*** (8.38)	3.351*** (4.52)		
FI_3					1.017** (4.36)	0.613*** (2.95)
Size		1.474*** (13.13)		1.433*** (12.81)		1.424*** (12.71)
Lev		-3.875*** (-6.26)		-3.610*** (-5.84)		-3.668*** (-5.93)
Roa		88.044*** (63.39)		89.111*** (65.28)		89.404*** (69.55)
Growth		-0.811*** (-3.28)		-0.844*** (-3.41)		-0.867*** (-3.50)
Board		0.412 (0.66)		0.615 (0.97)		0.222 (0.36)
Ind		0.303 (0.14)		1.326 (0.61)		0.997 (0.46)
Dual		-0.478*** (-2.78)		-0.392** (-2.28)		-0.742*** (-3.65)
Bm		0.295 (1.47)		0.216 (1.08)		0.216 (1.08)
Cons	19.363*** (17.19)	-16.658*** (-5.47)	20.969*** (18.49)	-16.384*** (-5.36)	22.288*** (19.85)	-14.693*** (-4.86)
YEAR	Yes	Yes	Yes	Yes	Yes	Yes
Industry	Yes	Yes	Yes	Yes	Yes	Yes
Adj.R^2	0.0755	0.4825	0.0572	0.4816	0.0505	0.4808

Note: t value in brackets; *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

4.2.2 The regulatory role of institutional investors' shareholding

The regression results of hypothesis 2 are shown in Table 3. The regression results in column (1) show that the coefficient of the cross product (FI_1 * Ins) of family ownership involvement and institutional investors' shareholding is -9.073, which is significantly negative at the level of 1%, indicating that when institutional investors' shareholding is low, the higher the level of family ownership involvement of enterprises, the stronger the role of improving the level of corporate social responsibility. From the regression results in columns (2) and (3), we can see that the coefficients of the cross items of family governance involvement, management involvement and institutional investor ownership are -2.279 and -0.083, respectively, but they are not significant, indicating that institutional investor ownership has no significant regulatory effect on the relationship between family governance involvement, management involvement and corporate social responsibility. This may be because when the level of family governance and management involvement is high, Family directors and senior executives are more closely connected with the enterprise. They are worried that the damage to the enterprise reputation will lead to the double loss of personal career development and family social emotional wealth, and will be more active in assuming social responsibility. Therefore, the mechanism of institutional investors' shareholding is not obvious.

Table. 3 Function mechanism of institutional investors' shareholding

	CSR		
	(1)	(2)	(3)
FI_1	6.215*** (7.01)		
FI_1*Ins	-9.073*** (-4.67)		
FI_2		4.058*** (3.31)	
FI_2*Ins		-2.279 (-0.77)	
FI_3			0.712** (2.22)
FI_3*Ins			-0.083 (-0.12)
Ins	5.136*** (5.57)	1.849** (2.28)	1.471** (2.58)
Controls	Yes	Yes	Yes
Industry/Year	Yes	Yes	Yes
Cons	-15.541*** (-4.99)	-14.208** (-4.55)	-12.284 (-3.99)
Adj.R^2	0.4847	0.4824	0.4817

4.3 Robustness tests

In order to avoid the possible endogenous problems, this paper uses the method of lag one-phase regression to deal with the explanatory variables and control variables. The multiple regression results show that there is a significant positive correlation between the degree of family involvement and corporate social responsibility. When institutional investors have a high level of shareholding, it will weaken the positive impact of family ownership involvement on corporate social responsibility. The main conclusions have not changed.

Table. 4 Test results of corporate social responsibility lagging for one period

	CSR_{t+1}					
FI_1	5.164*** (7.39)	7.021*** (6.60)				
FI_1*Ins		-0.057** (-2.30)				
FI_2			5.074*** (5.15)	5.317*** (3.66)		
FI_2*Ins				-0.009 (-0.25)		
FI_3					0.616*** (3.20)	-0.648** (2.16)
FI_3*Ins						-0.001 (-0.06)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Year	Yes	Yes	Yes	Yes	Yes	Yes
Cons	-24.187*** (-5.98)	-23.027*** (-5.52)	-23.809*** (-5.84)	-20.936*** (-5.22)	-20.877*** (-5.18)	-18.796*** (-4.53)
Adj.R^2	0.2366	0.2367	0.2333	0.2329	0.2314	0.2311

Because the family control power of some selected sample enterprises is relatively low, and the family shareholding ratio is lower than the sample selection requirements of some articles for family enterprise control, it may lead to the insufficient influence of the family on the enterprise, and affect the analysis of the results of the degree of involvement of family enterprises on the performance of corporate social responsibilities. Therefore, we further screened the sample enterprises and selected the companies with the actual control power of the family not less than 20% as the sample data of the robustness study, and the main conclusions remained unchanged.

Table. 5 Test Results of Improving "Familiality"

	CSR					
FI_1	2.418*** (4.12)	6.306*** (6.14)				
FI_1*Ins		-10.338*** (-4.71)				
FI_2			3.234*** (4.25)	4.272*** (3.40)		
FI_2*Ins				-3.244 (-1.09)		
FI_3					0.568*** (2.65)	0.613* (1.85)
FI_3*Ins						-0.039 (-0.06)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Year	Yes	Yes	Yes	Yes	Yes	Yes
Cons	-14.451*** (-4.60)	-13.679*** (-4.24)	-15.011*** (-4.75)	-13.070*** (-4.04)	-13.308*** (-4.26)	-11.091*** (-3.47)
Adj.R^2	0.4780	0.4803	0.4781	0.4788	0.4772	0.4780

4.4 Additional tests

4.4.1 Subdivision analysis of family

Due to the different ways of family business, there are significant differences in the attitudes of the actual family controllers, shareholders, and members of the family governance and management of the enterprise towards the maintenance of family social emotional wealth and business development decisions. There are two main ways of enterprise family formation: direct formation and indirect formation. Direct formation means that the company is controlled by the family enterprise when it is listed, and indirect formation means that the company is controlled by the state or non-natural person when it is listed, and subsequently controlled by the family enterprise through equity transfer, restructuring, etc. Therefore, in this paper, the grouping test is carried out under the condition of further distinguishing the differences in the way of family business. The results of regression model analysis are shown in Table 6. The improvement of the degree of involvement of family ownership contributes to the improvement of the score of social responsibility of directly established enterprises. The involvement of family governance and management power has a significant positive impact on the score of social responsibility of indirectly established family enterprises. The research results show that in the directly-established family enterprises, the actual controller of the enterprise or other family member shareholders have experienced the process from the beginning to the development and expansion, have deep feelings for the enterprise and pay more attention to the long-term development of the enterprise, which helps promote the enterprise to perform its social responsibilities more actively, with a view to obtaining more social emotional wealth. For the indirect start-up enterprises, the family shareholders may not have special deep feelings for them and pay more attention to short-term interests, so they will not significantly promote the performance of corporate social responsibilities. However, when the level of involvement of family governance and management power is high, the family directors and senior executives are more closely connected with the enterprise, because they are worried about the loss of personal reputation and family wealth caused by the damage of corporate reputation, It is more conducive to promoting the performance of corporate social responsibility.

Table. 6 Test results based on differences in familial methods

	CSR					
Familiarization	Direct establishment	Indirect establishment	Direct establishment	Indirect establishment	Direct establishment	Indirect establishment
FI_1	2.754*** (4.89)	2.129 (1.05)				
FI_2			1.970** (2.54)	11.279*** (3.89)		
FI_3					0.171 (0.79)	2.961*** (3.80)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Year	Yes	Yes	Yes	Yes	Yes	Yes
Cons	-16.860*** (-5.31)	-35.134*** (-3.25)	-15.555*** (-4.89)	-37.356*** (-3.49)	-11.376*** (-4.57)	-32.086*** (-2.99)
Adj.R^2	0.4870	0.4768	0.4855	0.4853	0.4851	0.4849

4.4.2 Analysis based on the difference of family time

One of the important reasons why enterprises are willing to assume social responsibility is to expect long-term strategic returns, thus reducing enterprise risks. However, with the continuous increase of the business time of family enterprises, only a small number of family enterprises may be able to survive. Most family enterprises may experience the process of prosperity and decline, so the performance of enterprises in fulfilling social responsibility may also be different. In this paper, the duration of family integration is included in the regression model to explore the mechanism of the impact of the duration of family integration on the degree of family involvement and corporate social responsibility. Because the family business may be established directly or indirectly, if it is directly established, the measurement of the length of the family business is the observation year minus the year of the stock listing; In case of indirect establishment, the observation year minus the official year of equity acquisition shall be taken. The cross product (FT * FI) of family length and family involvement degree was constructed and included in the regression model. The analysis results are shown in Table 7. The results of the regression model show that the longer the time of business family, the significantly lower the positive impact of family involvement on the score of corporate social responsibility. The reason may be that with the growth of the time of family business, most of the enterprises are in the mature or declining period. The family enterprises in the mature period have strong anti-risk ability, and the willingness to protect the enterprises by actively undertaking social responsibilities is reduced, so it may reduce the attention to the performance of social responsibilities. When the family business is in the recession stage, the enterprise may face operating difficulties such as sharp drop in profits and high debt. In order to achieve the "survival breakthrough" of the enterprise, the management is likely to reduce the expenditure of social responsibility in order to improve the operating difficulties.

Table. 7 Based on the difference of family time

Familiarization duration	CSR		
FI_1	4.459*** (5.36)		
$FT*FI_1$	-0.328*** (-2.73)		
FI_2		5.172*** (4.70)	
$FT*FI_2$		-0.368** (-2.55)	
FI_3			1.427*** (4.47)
$FT*FI_3$			-0.141*** (-3.59)
FT	0.060 (1.34)	0.153 (0.40)	0.001 (0.01)
Controls	Yes	Yes	Yes
Industry/Year	Yes	Yes	Yes
Cons	-18.946*** (6.07)	-18.736*** (-6.01)	-17.224*** (-5.58)
Adj.R^2	0.4832	0.4825	0.4823

5. Conclusion

Based on the theory of social emotional wealth and stakeholder theory, this paper explores the impact of family involvement on the performance of corporate social responsibility, selects Chinese A-share listed family enterprises from 2016 to 2020 as the source of research sample data, analyzes the impact of family involvement on corporate social responsibility scores, and focuses on the mechanism of institutional investors' shareholding on the relationship between the two. The results of empirical analysis show that the higher the degree of family involvement of enterprises, the higher the score of social responsibility of family enterprises, and the more actively the enterprises perform their social responsibilities. And when the level of institutional investors' shareholding is high, it will weaken the positive impact of family ownership involvement on corporate social responsibility scores, but there is no significant regulatory effect on the relationship between family governance, management involvement and corporate social responsibility. In the further analysis, based on the subdivision analysis results of the way of family ownership, it is shown that the improvement of the degree of involvement of family ownership will contribute to the performance of the social responsibility of directly established enterprises, and the involvement of family governance and management power will significantly and positively affect the performance of the social responsibility of indirectly established family enterprises. Based on the analysis of the difference in the length of family-owned enterprises, the results show that the higher the degree of family involvement of family enterprises with a short time of family-owned enterprises is, the more conducive it is to the performance of corporate social responsibility, which enriches the research on the impact of family involvement on corporate social responsibility in different situations. This paper further tests the applicability of the theory of social emotional wealth to China's listed family enterprises through empirical analysis, and analyzes the impact of family involvement on the performance of corporate social responsibility in different situations in detail, which provides important enlightenment for improving the efficiency of corporate governance of family enterprises, improving their performance of corporate social responsibility, and enhancing the ability of sustainable development of enterprises.

This paper also has the following limitations: First, different scholars have different views on the measurement method of corporate social responsibility evaluation. This paper chooses the corporate social responsibility score of Hexun as the data source, and the score basis mainly comes from the information report disclosed by the enterprise, so there may be omissions that may affect the accuracy of the score. In addition, this paper mainly explores the mechanism of institutional investors' shareholding ratio on corporate social responsibility, without further consideration of the impact of institutional investors' types, and the impact of different types of institutional investors on the performance of family corporate social responsibility may have certain differences. The above limitations also provide direction for future research.

Appendix A. Variable definitions

Variable	Definition
Total score of corporate social responsibility (CSR)	Score of corporate social responsibility report of Hexun
Ownership involvement (FI_1)	The proportion of ownership of listed companies owned by the ultimate controlling family
Involvement of governance power (FI_2)	Number of family directors/number of directors
Management involvement (FI_3)	If the general manager is a family member, the value is 1, otherwise 0
Shareholding ratio of institutional investors (Ins)	Number of shares held by corporate institutional investors/Total number of shares
Company size (Size)	The logarithm of the total assets of the enterprise
Asset-liability ratio (Lev)	Total liabilities/Total assets of the enterprise in the current year
Return on net assets (ROA)	Net profit/Total assets of the year
Growth (Growth)	The ratio of the difference between the total operating revenue of the current year and the total operating revenue of the previous year
Board size (Board)	The number of directors is the natural logarithm
Proportion of independent directors (Ind)	Number of independent directors in the board of directors/number of directors
Chairman and General Manager in one (Dual)	When the chairman and general manager are held by the same person, the value is 1, otherwise 0
Relative value of the company (Bm)	Shareholders' equity divided by total market value

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