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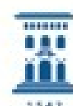

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FOUR ESSAYS ON FAMILY BUSINESSES AND CORPORATE SOCIAL RESPONSIBILITY

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PhD dissertation

FOUR ESSAYS ON FAMILY BUSINESSES AND CORPORATE SOCIAL RESPONSIBILITY

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"Although no one can go back and make a brand new start, anyone can start from now and make a brand-new ending" (Chico Xavier).

INDEX

ABSTRACT **1**

RESUMEN **3**

PART I **5**

1. Introdution 6

2. Justification for the study 10

3. Research objectives 12

4. Research method 13

References of Part I 16

PART II **26**

5. Studies' contribution 27

5.1 Family firms & corporate social responsibility: scientometric review 27

5.2 The connection between family involvement and firms' corporate social responsibility performance: meta-analysis of the main moderator effects. 60

5.3 Do national institutions enhance or restrict the link between family businesses and their environmental, social and governance (ESG) performance? 100

5.4 The influence of family firms' ownership on corporate ESG performance within emerging and growth-leading economies 140

PART III **190**

6. Conclusions 191

7. Conclusiones 196

ABSTRACT

The number of studies in the literature about family firms has been increasing, along with concerns on how these companies develop relationships associated with corporate social responsibility (CSR). Thus, the aim of the current PhD dissertation is to analyze how family influence can affect companies' CSR performance. Consequently, the study was divided into four chapters focused on investigating the relationship of family business and CSR, as well as the effect of different moderators on such a relationship. The first chapter comprises a scientometric analysis about the association between family business and CSR, based on 95 studies published from 2003 to 2020. The second chapter comprises a meta-analysis aimed on testing the influence of family involvement on CSR performance, based on a sample of 56 empirical studies. The third chapter investigates the moderator role played by national institutions in the relationship of family firms and environmental, social and governance (ESG) performance. To that aim, 51 countries and 3,991 firms were analyzed to investigate the effect of national institutions on the performance of each ESG dimension, in separate. The fourth chapter analyzes the moderating effect of family businesses environment on firms' ESG performance within and emerging and growth-leading economies (EAGLEs). Results evidence the progress of studies on the topic over the years, as well as the role played by stakeholder's theory, agency and socio-emotional wealth in studies about the relationship of family firms and CSR. Besides, family involvement moderators, such as companies' size and type, as well as other moderators associated with business context, such as countries' culture, were observed in CSR performance. The current dissertation has also shown that family firms score differently in each dimension of ESG performance. In fact, they get the best results in corporate social performance (CSP) and corporate environmental performance (CEP), but they also get the worst results in the governance dimension (CGP). Therefore, the current dissertation highlights the importance of conducting the individual analysis of all ESG

dimensions in order to identify the circumstances in which family firms can prioritize a given dimension at the expense of another. Furthermore, this research reveals that the association between family involvement and decisions involving ESG actions can be moderated by circumstances that are intrinsic to their countries, such as national institutions' influence on countries' development level. These circumstances can enhance the results of the analyzed dimensions, as seen in companies located in EAGLEs countries. Thus, the herein presented investigation may help managers, stockholders, advisors, among other stakeholders, to better understand how the family management model enhances actions associated with CSR and ESG performance.

RESUMEN

La investigación científica sobre las empresas familiares ha experimentado un crecimiento notable durante los últimos años. Asimismo, la conexión de este tipo de empresas con sus prácticas de responsabilidad social corporativa (RSC) está atrayendo una atención cada vez más significativa. Por este motivo, la presente tesis doctoral tiene como objetivo analizar de que forma la influencia de la familia en la gestión de la empresa puede influir en el desempeño social, medioambiental y de gobierno corporativo. Para ello, la presente tesis doctoral se estructura en cuatro capítulos independientes, pero estrechamente ligados en cuanto a área de conocimiento, temática y enfoques teóricos. En el primer capítulo se lleva a cabo un análisis bibliométrico acerca de la relación entre las empresas familiares y la RSC. Para ello, se analizan 95 artículos relevantes publicados entre los años 2003 y 2020. El segundo capítulo estudia, a través de un meta-análisis, la influencia de la participación familiar en la gestión empresarial sobre el desempeño en RSC. Para analizar dicha relación, se examina una muestra de 56 estudios empíricos. El tercer capítulo analiza el papel moderador de las instituciones nacionales en la relación entre empresas familiares y el desempeño medioambiental, social y en materia de gobierno corporativo. Con tal objetivo, se analizan 3991 empresas que operan en 51 países distintos. Finalmente, el cuarto capítulo examina el papel moderador de las empresas familiares en el desempeño en materia medioambiental, social y de gobierno corporativo en empresas que pertenecen a economías emergentes y líderes en materia de crecimiento (EAGLEs).

Los resultados indican un claro avance en el desarrollo teórico de la teoría de los grupos de interés, de la agencia y de la riqueza socioemocional en aquellos estudios que vinculan la influencia de la familia en la toma de decisiones empresariales y sus políticas de RSC. Además, se identifican moderadores de la participación familiar en el desempeño de la RSC, como el tamaño y tipo de empresa, y otros relacionados con el contexto empresarial,

como las dimensiones culturales predominantes de los distintos países. Los resultados de la presente investigación también indican que las empresas familiares pueden presentar distintos niveles de desempeño en cada una de las dimensiones abarcadas por la RSC. En este sentido, se muestra que logran un alto desempeño en la dimensión social y medioambiental, y un déficit en materia de gobierno corporativo. De este modo, la tesis subraya la importancia del análisis segregado de las dimensiones que componen la RSC, con el fin de identificar las circunstancias en las que las empresas familiares pueden priorizar una dimensión en detrimento de otras. Adicionalmente, los resultados indican que las instituciones nacionales actúan como factores moderadores entre la participación de la familia en la gestión de la empresa y su desempeño en materia de RSC. Finalmente, la presente investigación revela que el modelo de gestión empresarial familiar no disminuye significativamente el peor desempeño en materia de RSC de aquellas empresas que están ubicadas en países EAGLEs. Los resultados de la presente tesis doctoral pretender ser de utilidad para la toma de decisiones de directivos, accionistas, consejeros y demás grupos de interés acerca de cómo el modelo de gestión familiar influye sobre las prácticas de RSC implementadas.

PART I

1. Introdution

Family firms are organizations observed in all economies worldwide; they also represent the oldest management model (Zachary, 2011; Prencipe et al., 2014). Different concepts have already been adopted to classify family companies as such, based on criteria like control by family members, progression and succession from generation to generation, the proportion of shares detained by family members, and participation in boards of directors, among others (Chua et al., 1999; Garcia, 2001).

Overall, it is possible saying that family firms are organizations composed by family members who have influence on business decisions, either through ownership or management processes (Sharma, 2004; Zellweger & Nason, 2008). Unlike other companies, family firms are formed by heterogeneous groups that must be taken into account when one compares them to their non-family peers (Acquaah, 2013).

Thus, studies available in the literature have focused on investigating how these companies develop their activities and their relationship with the context they are inserted in (Muttakin et al., 2015; Mullins & Schoar, 2016). According to Cuadrado-Ballestero et al. (2015) issues associated with leadership, proprietorship and succession are frequent topics in these investigations, whereas the relationship of corporate social responsibility (CSR), stakeholders and family business, have been seen as emerging topics.

Concerns about the impacts of business actions on the environment, society and governance have encouraged researchers to investigate organizations' accountability for them (Canavati, 2018; Lamb et al., 2021). Based on this approach, CSR has been investigated both in family and non-family firms (Block & Wagner, 2014).

CSR concept stood out in recent years due to major social, environmental and economic events, although its definition is yet to reach consensus (Van Marrewijk, 2003; Wan, 2006; Matten & Moon, 2008). First, it was described as the fulfillment of the moral duty

to act with social responsibility towards society and coming generations (Bowen, 1953; Capron & Quairel-Lanoizelée, 2010).

This concept, was expanded by Carroll (1979) to a set of elements comprising economic sustainability, ethics, philanthropy and respect for the environment. Freeman (1984) has introduced the debate about the relationship between companies and stakeholders, since internal and external stakeholders can both influence, and be influenced by, organizations. Nowadays, CSR is understood as commitment including multidimensional analysis and respect for society's longings (Azugna, 2011; Froehlich, 2014; Maigan & Ferrel, 2004).

Other events have boosted CSR development and expanded the scope of this topic over the years. Among them, one finds: the four corporate responsibilities (Carroll, 1979), Wartick & Cochran's policies (1985); the concept of "Corporate Citizenship" (Carroll, 1991), the CSR principles by Wood (1991), the United Nations Global Compact in 1999 (Williams, 2004), the Global Reporting Initiative (GRI, 2006), as well as the publication of the Green Paper (European Commission, 2001), SA8000 (Social Accountability International, 2008), AA1000AS (Accountability, 2008), and ISO 26000 (Serrano, 2012) standards, as well as the sustainable development goals (SDGs) (UN, 2016).

CSR presents three dimensions with different features: i) corporate social performance (CSP), ii) corporate environmental performance (CEP) and iii) corporate governance performance (CGP). The central points analyzed in each dimension will be addressed below.

CSP analyzes companies' ability to build trust relationships with society, consumers and employees (Aguilera-Caracuel et al., 2015; Kacperczyk, 2009). Thus, CSP can be understood as a performance measurement used by companies to express the viewpoint of multiple stakeholders (Kacperczyk, 2009; Zhang, 2012). It emphasizes corporate reputation, business strengths and weaknesses regarding human rights, training and development, product responsibility, and quality of work, among others. According to CSP, companies are evaluated

for their response to stakeholders' social demands and issues, since it reveals their commitment and contribution to society (Brammer et al., 2006).

Market regulation and stakeholder attention to environmental protection can influence countries' social or CSR performance and environmental awareness development (Delmas & Toffel, 2008; Madsen & Ulhøi, 2001). Companies have been trying to find green technologies capable of both reducing natural resources' consumption and producing lower waste volume (Managi & Jena, 2008; Hensley et al., 2011). Accordingly, the aim of CEP is to measure the impacts of business activities on processes comprising elements such as air, land, water, and ecosystems. CEP enables analyzing companies' focus on reducing environmental risks posed by certain practices, as well as on highlighting the strengths and weaknesses associated with gas or waste emissions and with resource use indicators (Brammer & Pavelin, 2008; Ali & Rizawan, 2013).

Corporate governance issues also encourage companies to adopt strategic actions towards social responsibility (Siegel, 2009). Governance policies and structures can influence the way social activities are carried out (Gedajlovic & Shapiro, 1998; Harjoto & Jo, 2011). Thus, CGP evaluates whether procedures and techniques applied by companies can ensure that executives and directors will act together with long-term shareholders. Therefore, it evaluates companies' ability to perform the best governance practices, as well as highlights company board's functions and structure, remuneration policy, strategic positioning, and protection to shareholders (Al-Jaifi, 2020).

Whereas the important role of family business in the world market (Gomez-Mejia et al., 2001), studies available in the literature have deepened investigations about how these companies develop actions associated with CSR (Jain & Jamali, 2016; Rees & Rodionova, 2015). Different studies have shown that family participation in companies guides their social actions (Miller & Le Breton-Miller, 2003; Berrone et al., 2010, Bingham et al., 2011).

Additionally, other studies have focused on investigating the motivations and benefits of integrating such a responsible behavior to business strategies (Bergamaschi & Randerson, 2016). However, it is necessary analyzing how family firms develop the CEP, CSP, and CGP dimensions, in separate, to avoid compensations in CSR measurements.

The association between institutional development levels and CSR initiatives is also a constant topic in the scientific literature (Ortas et al., 2019; Ringov & Zollo, 2007). According to Brammer et al. (2012) and Fernando & Lawrence (2014), countries' development level can influence companies' involvement in CSR initiatives, due to different institutional and cultural factors. According to Deng et al. (2013), Chen et al. (2014) and Du et al. (2016), institutional systems have moderating effect on CSR practices that take into consideration governance and family influence aspects. Studies conducted by Idemudia (2011), Jamali (2008), and Visser (2008) have shown that developed and emerging countries presented divergent CSR results, and it emphasizes the need of conducting further in-depth investigations.

In light of the foregoing, the overall aim of the present dissertation is to analyze family influence on companies' environmental, social and governance actions (ESG). Intending to do so, it was divided into two stages: the first stage comprised scientometric and meta-analytical analyses about the evolution of studies on family firms and CSR, as well as about the association of family involvement and CSR performance in its three dimensions (CSP, CGP, and CEP). The second stage comprised the empirical study about how the institutional context of family firms can influence their ESG performance and their likely moderation in emerging and growth-leading economies (EAGLEs).

The following section presents the rationale for conducting research focused on describing the evolution and CSR performance of family firms, as well as for identifying moderators associated with this topic, analyzing different CSR dimensions and investigating whether the institutional context contributes to these companies, or not.

2. Justification for the study

The influence of family firms on CSR has significantly increased in the last decade, as well as the number of studies focused on analyzing moderators capable of influencing such a relationship (Block & Wagner, 2014; Labelle et al., 2015; Gavana et al., 2016). Despite the advancements achieved in this topic, results observed for CSR performance presented by family firms are yet to reach consensus (Cabeza-García et al., 2017).

Different methods have been adopted to investigate the association between family firms and CSR performance analyzing family influence on companies. Criteria based on management and ownership factors have been adopted to classify family companies as such. In addition, CSR performance can also be measured through several metrics. Divergences among studies lead to lack of general conclusion about the CSR performance achieved by family firms.

Negative CSR results can be identified based on shareholders' opinion, governance levels and management features (Aoi et al., 2015; Ducassy & Montandrau, 2015; El Ghoul et al., 2016; Abeysekera & Fernando, 2020). In accordance with Mitchell et al. (2011), family business tend to prioritize certain stakeholders in a different way from that adopted by other companies. Family firms can influence certain CSR dimensions by setting priorities in view of the expected return.

On the other hand, positive association between family involvement and CSR can be observed in social initiatives focused on employees, the community and consumers, mainly in initiatives family firms are mostly involved in (Bingham et al., 2011; Hirigoyen & Poulain-Rehm, 2014; Lamb et al., 2017). Authors such as Cruz et al. (2014), Cabeza-García et al. (2017) and Cuadrado-Ballesteros et al. (2017), family companies are worried with business image, reputation and longevity, a fact that encourages actions aimed at CSR.

It is possible perceiving a gap in the literature about the association between family firms and CSR. Thus, it is necessary conducting studies capable of bringing together moderators used by researchers in the field over the years in order to confirm, or not, the likely influencers of this association. The benefit of such studies lies on identifying factors capable of determining CSR levels reached by family firms in order to contribute better understanding the circumstances family influence takes place at.

Based on the aforementioned, the current dissertation has initially contributed to investigations on family firms by highlighting research lines associated with CSR over the years. Based on the current results, it was possible better understanding the determining factors for positive, negative or neutral CSR performance results presented by family firms. The second stage of the current research has improved its contributions by investigating each of the different CSR dimensions, in separate, as well as scenarios considered favorable, or unfavorable, for family firms.

Studies have shown that the institutional context can moderate companies' relationship with CSR (Adnan et al., 2018; Miras-Rodríguez & Escobar-Pérez, 2016), however, the analysis of how the environment could influence family firms remains a subject to be discussed. Thus, the current dissertation has also contributed to this topic by analyzing the influence of institutional aspects and countries' development level on the CSR performance of family firms. Moreover, it has explored how this influence can change depending on the CSR dimension to be taken into consideration.

Studies such as the present one are relevant to help shareholders, boards of directors and managers to understand the existing barriers to sustainable development in family firms. They also enable leaders and public managers to identify changes that should be implemented through public and market policies to allow companies to find a favorable scenario for CSR and for each of its dimensions.

3. Research objectives

The general aim of the current Doctoral dissertation is to analyze how family influence can moderate companies' environmental, social and governance actions (ESG).

The specific aims of the four chapters in the current dissertation comprise:

Chapter 1: Family firms & corporate social responsibility: scientometric review

Objectives: Investigating the evolution of research about family firms and CSR, by highlighting the most referenced authors and publications, presenting the main knowledge centers and the development of this topic, as well as identifying research opportunities through emerging topics.

Chapter 2: The connection between family involvement and firms' corporate social responsibility performance: meta-analysis of the main moderator effects

Objective: Investigating the influence of family involvement on CSR performance, by taking into consideration the size of the effect of family firms on CSR, and the likely moderators identified through a meta-analytical study.

Chapter 3: Do national institutions enhance or restrict the link between family firms and their environmental, social and governance (ESG) performance?

Objective: Analyzing the likely moderating role played by national institutions in the relationship between family firms and their environmental, social and governance (ESG) performance.

Chapter 4: The influence of family firms' ownership on corporate ESG performance within emerging and growth-leading economies.

Objective: Analyzing the moderating effect of corporate family ownership on the relationship between management practices adopted by firms within emerging and growth-leading economies (EAGLEs) and their environmental, social, and governance (ESG) performance.

4. Research method

Four different approaches were adopted in the present dissertation to achieve the proposed general objective, namely: scientometric review, meta-analysis, regression models and propensity score matching (PSM).

Chapter 1 comprised a scientometric review on the relationship of family businesses and CSR, which was based on the analysis of 195 studies published from 2003 to 2020. Bibliometrics and analysis of citations help improving knowledge about the structure of a given topic, as well as identifying emerging subjects (Gomez-Jauregui et al., 2014).

All data used in Chapter 1 were extracted from *the Web of Science* (WoS) and analyzed in *Vosviewer and CitNetExplorer* software. Variations and synonymous expressions were used for data collection in WoS, and it allowed expanding the research. After data collection and analysis in the aforementioned software were over, techniques such as network analysis of keywords' co-occurrence and co-citation were applied to plot knowledge maps.

Furthermore, citation networks were identified through the technique by which enabled analyzing the most cited keywords or the ones considered excellent search meshes for the investigated topic.

Chapter 2 comprised a meta-analytical study on family involvement in CSR performance. Different expressions on the subject were combined in different academic databases (ScienceDirect, EBSCO, Scopus and Google Scholar), and it allowed identifying approximately 300 studies published at early 2019. Next, some criteria were adopted to form the research sample, namely: articles should present correlation or regression coefficient between family firms and social performance, conceptualize family firms (management, property or multiple criteria) and measure CSR (management, processes, disclosures or reputation classifications). Articles that did not fulfilled the requirements described above were not considered; final sample comprised 56 studies.

The analysis of selected articles conducted in Chapter 2 was based on the Hedges and Olkin Meta-Analysis (HOMA) technique, which enabled identifying the size of the global average effect of the grouped data. The random effects model was used to examine different associations between family firms and CSR performance. It was also possible identifying the central measures of primary studies based on correction and regression coefficients. Finally, effect sizes were modified with Fisher z to minimize distribution asymmetry.

Chapter 3 has analyzed the likely moderating role played by national institutions in the association of family firms and their CSR performance. The analysis comprised a sample of 3,991 companies from 51 different countries, whose data were available at Thomson Reuters' ASSET4® DataStream from 2013 to 2017. Family firms were identified based on the Family Capital list, which presents the 750 largest companies worldwide. According to the Varieties of Capitalism (VoC) classification, companies were coded based on their stakeholder - operating in coordinated market economies (CMEs) - or shareholder's orientation - within

liberal market economies (LMEs). Finally, different panel data regression models were utilized to evaluate the built hypotheses.

Chapter 4 investigated the moderating effect of family business on the association of business management practices in emerging and growth-leading economies (EAGLEs) and CSR performance. It was done based on the classification of EAGLEs countries, which is defined by the Bank Bilbao Vizcaya Argentaria (BBVA, 2016). The analysis of companies was initially applied to the same sample of companies used in Chapter 3, which was subsequently subjected to the propensity score matching (PSM) method. This method combines each treatment company to control companies, based on the closest neighbor matching technique (Khandker et at., 2010). Thus, companies receive a propensity score that, after matching each other, helps reducing or eliminating selection bias in order to balance groups (418 companies within EAGLEs and their peers in non-EAGLEs countries).

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PART II

5. Studies' contribution

5.1 Family firms & corporate social responsibility: scientometric review

Abstract: Studies about the relationship of corporate social responsibility (CSR) and family business have drawn the interest of several researchers in recent years. The aim of the current research is to analyze 195 studies published from 2003 to 2020 to conduct a scientometric review about such a relationship. All data were extracted from *Web of Science* database and analyzed in software such as *Vosviewer* and *CitNetExplorer*. Network analysis techniques based on keyword co-occurrence and co-citations were applied to plot knowledge maps. This procedure enabled identifying two relevant periods for study on family firms and CSR. The current research has mostly aimed on the business performance of family firms than on their relationship with CSR throughout the first investigated period (2003-2013) – there was small number of studies and keywords associated with both topics. The second period (2014-2020) recorded increased number of surveys and the development of studies based on both governance analysis and the socioemotional wealth (SEW) theory. Emerging terms of research related to family firms were also identified, such as the study of the dimensions that comprise CSR, the inclusion of agency cost in companies, and the analysis of ownership structure, controlled firms, and institutional pressures. The present review has also enabled identifying significant studies about family involvement in social activities. Finally, the herein presented results and discussions can help better understanding CSR's fundamentals in family firms.

Keywords: socioemotional wealth; corporate social responsibility; scientometric review; family firms; governance.

1. Introduction

Family firms are the oldest business model type observed in all economies worldwide (Sharma et al., 2012; Wright & Kellermanns, 2011). These companies have high economic representativeness for the performance of countries they are operating. According to Zeisberger & Schoenberg (2017), family firms account for 70% of the world's Gross Domestic Product (GDP) and for 60% of job positions worldwide.

Family firms are also long-term orientated (Miller & Le Breton-Miller, 2005), and it explains why they develop their activities and apply large amounts of resources in investments to favor their relationship with stakeholders (Arregle et al., 2007; Brigham, 2013).

Despite the existing research on this subject, it is necessary finding a widely used definition for family firms (Gedajlovi et al., 2012; Xi et al., 2015). Three different dimensions - control, management and ownership - are often used to conceptualize these firms at the time to investigate their behavior (Amann et al., 2012; Villalonga & Amit, 2006).

According to Dyer & Whetten (2006) family firms are organizations focused on preserving their image and reputation, a fact that leads them to behave in a more socially responsible way than other companies. Furthermore, Marques et al. (2014) have stated that family values implemented in companies' management processes encourage them to adopt social behaviors capable of maintaining their image.

Variables capable of influencing the corporate social responsibility (CSR) of family business have led to negative (Abdullah et al., 2011; Wu et al., 2012), neutral research results (Cruz et al., 2010; Amann et al., 2012) and positive (Gallo, 2004; Bingham et al., 2011; Yu et al., 2015).

This current research performed scientometric analyses to help better understanding the topic associated with family firms and CSR. The analyses were based on three main objectives: a) understanding the evolution of research on family firms and CSR; b)

highlighting the most referenced authors and publications on the subject; c) presenting core knowledge groups and the development of studies on this topic; and d) identifying research opportunities by taking into account the emerging topics.

In order to do so, the present research has analyzed the co-occurrence of keywords and the citation network of 195 studies published from 2003 to 2020. It was done to help better understanding the association between the two addressed topics. In addition, not only studies about family firms and CSR available in the literature were herein assessed, but also the prevalent results, gaps yet to be fulfilled and opportunities for future research.

The current study was divided into four different stages to better investigate the relationship of family business and CSR. The main set of topics linked to family organizations and to social responsibility practices was pointed out at the first research stage, based on the keywords co-occurrence. The second research stage focused on investigating the mostly approached topics associated with the family firms-CSR relationship. This process was based on the constructed panorama and on co-citation analysis. The third stage comprised the analysis of the most important studies and relevant authors in the field, based on the analysis of citations. Topics considered by researchers as potential trends for future studies were established at the fourth stage.

Recent publications were analyzed to achieve this purpose. Moreover, the mean rate of studies with keywords, the number of occurrences and the mean number of citations per keyword were calculated. This study was structured as follows: the first section presented the research objectives and contributions to the field, the second section described the selected scientometric analysis process, the co-occurrence of keywords and, last but not least, the analysis of citations. The third section investigated the most relevant studies on the topic and research opportunities. Finally, the main results and conclusions of the current review were highlighted.

2. Scientometric analysis of family firms & CSR

2.1. Articles' selection and methods

Web of Science (WoS) database was used to select the materials to be subjected to scientometric analysis. It was the database of choice due to its broadness of research and quality of data, which are higher than that of more generalist databases, such as Google Scholar. Two scientometric techniques were herein adopted: (1) keywords' co-occurrence analysis and (2) authors' co-citation analysis.

Synonymous terms and variations enabling research expansion were used to identify studies addressing the relationship of family firms and CSR. The following family firm-related terms were selected: family firms, family enterprises, family companies, family organizations, family group and family business. With respect to CSR, the following variations were adopted: corporate environmental performance, corporate responsibility, sustainability reporting, sustainability, disclosure, corporate social performance, corporate sustainability, social and environmental disclosure, environmental reporting, environmental accounting, circular economy, social accounting and social and environmental reporting.

Based on this definition, the search for the "topic" field in WoS - which took into consideration information available in articles' title, abstract and keywords - was carried out through the following command:

TS= ("Family Companies" OR "Family firm*" OR "Family Enterprise*" OR "Family Business" OR "Family Organization*" OR "Family Group") AND ("Corporate Social Responsibility" OR "Sustainability Disclosure" OR "Corporate Sustainability" OR "Social Accounting" OR "Corporate Social Performance" OR "Corporate Environmental Performance" OR "Corporate Responsibility" OR "Sustainability Reporting" OR "Social and Environmental Reporting" OR "Circular Economy" OR "Social and Environmental Disclosure" OR "Environmental Accounting" OR "Environmental Reporting")).

All studies published from 1945 to 2020 were taken into consideration in the aforementioned search, as well as the following collection indices: CPCI-SSH, SSCI, A & HCI, SCI-EXPANDED, ESCI and CPCI-S. This procedure enabled identifying 195 different studies. Subsequently, keywords adopted in each of the selected materials were collected to analyze their co-occurrence. According to Radhakrishnan et al. (2017), the keyword analysis technique is fundamental to enable plotting knowledge maps based on the review of studies available in the literature about a given topic.

The *Vosviewer* software by Van Eck & Waltman (2017) was used to plot the maps. The relationship shown in these maps derives from the number of times the terms, published studies or referenced journals, altogether. The aforementioned maps enabled identifying links between terms and nodes. The closer the keywords are to one another in the map, the more often they are cited together. The size of the nodes shows the volume of keyword occurrences. This aspect is also observed for authors' co-citations: the closer they are to one another in the map, the larger the number of co-citations. The size of the nodes indicates the volume of research citations.

Citation networks were identified and analyzed in the *CitNetExplorer* software, based on a set of relevant scientific publications. The main articles focused on investigating the relationship between family firms and CSR were reviewed. According to Martinez & Anderson (2015), the 80/20 rule (Pareto principle) can be applied in academic research whenever 20% of related articles account for 80% of the volume of citations on the topic. Accordingly, 20% of studies analyzed in the current study accounted for 87.5% of citations. Abramo et al. (2014) have mentioned that searches conducted at the time to select the “top 5% of articles” are defined as excellent or as presenting the largest number of citations. Thus, the criterion “5% of total studies”, which represents 10 articles (rounding 9.75) out of 195 selected materials, was herein applied and reached 53.51% of citations.

2.2 Keyword co-occurrence networks

Figure 1 shows increased number of studies published at WoS over the years. In fact, studies started analyzing family firms and CSR back in 2003 and the number of these surveys has substantially increased from 2014 onwards.

Fig. 1. Number of studies about Family firms and CSR published on a yearly basis. Source: Web of Science.

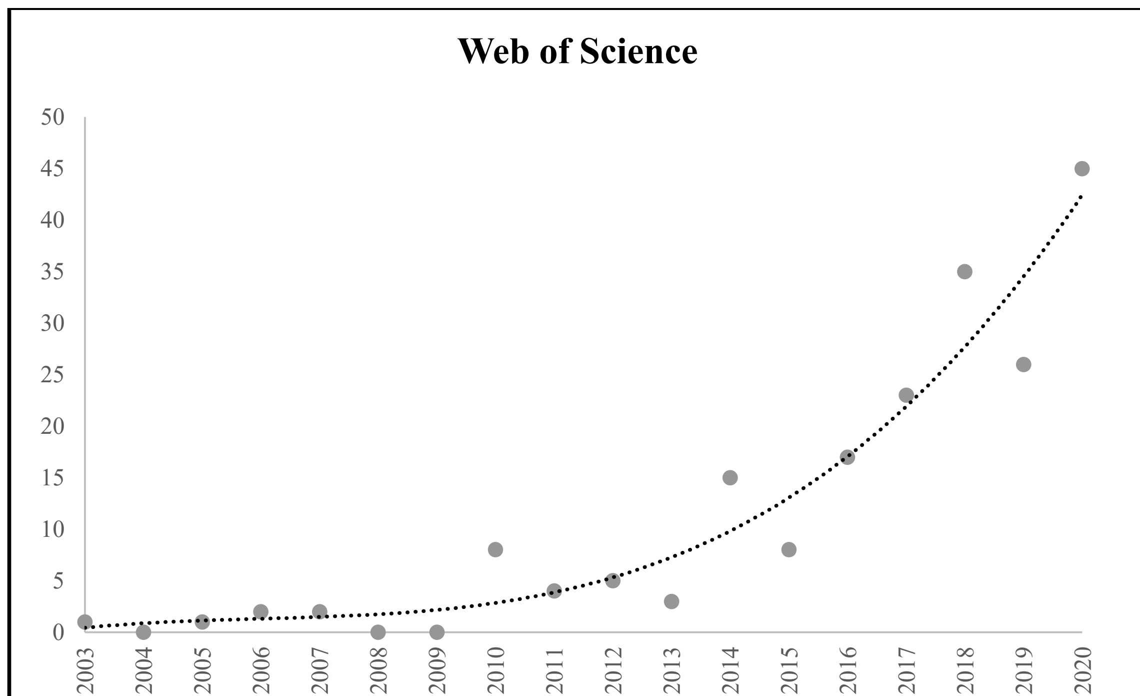
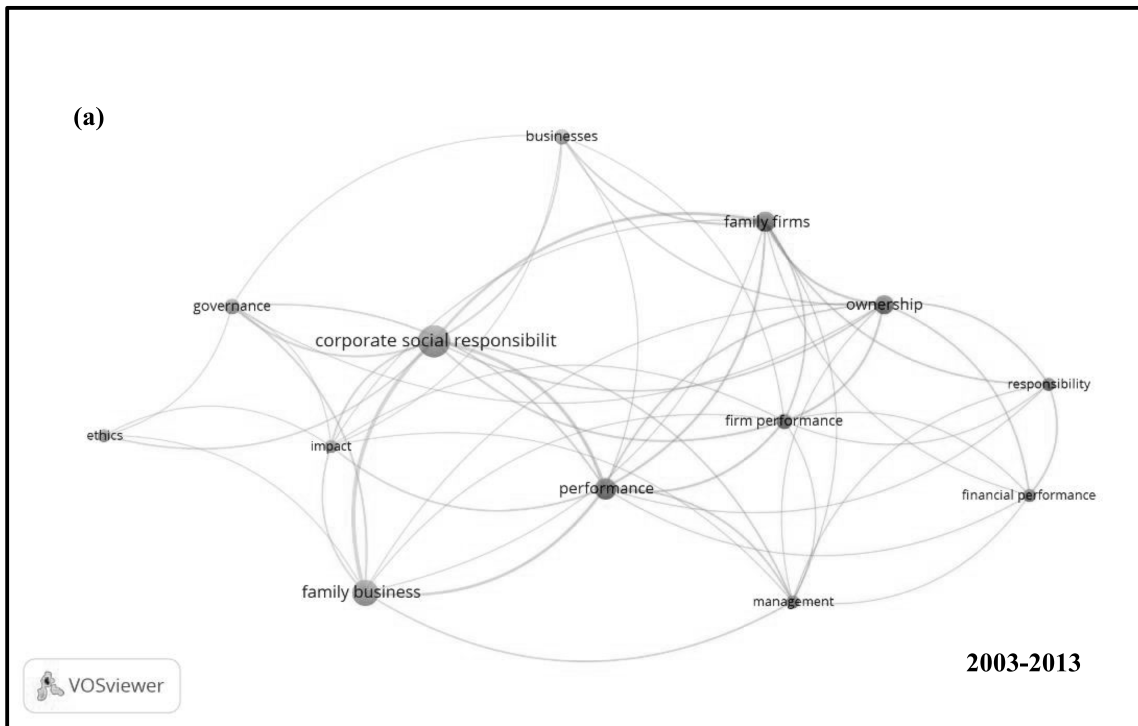
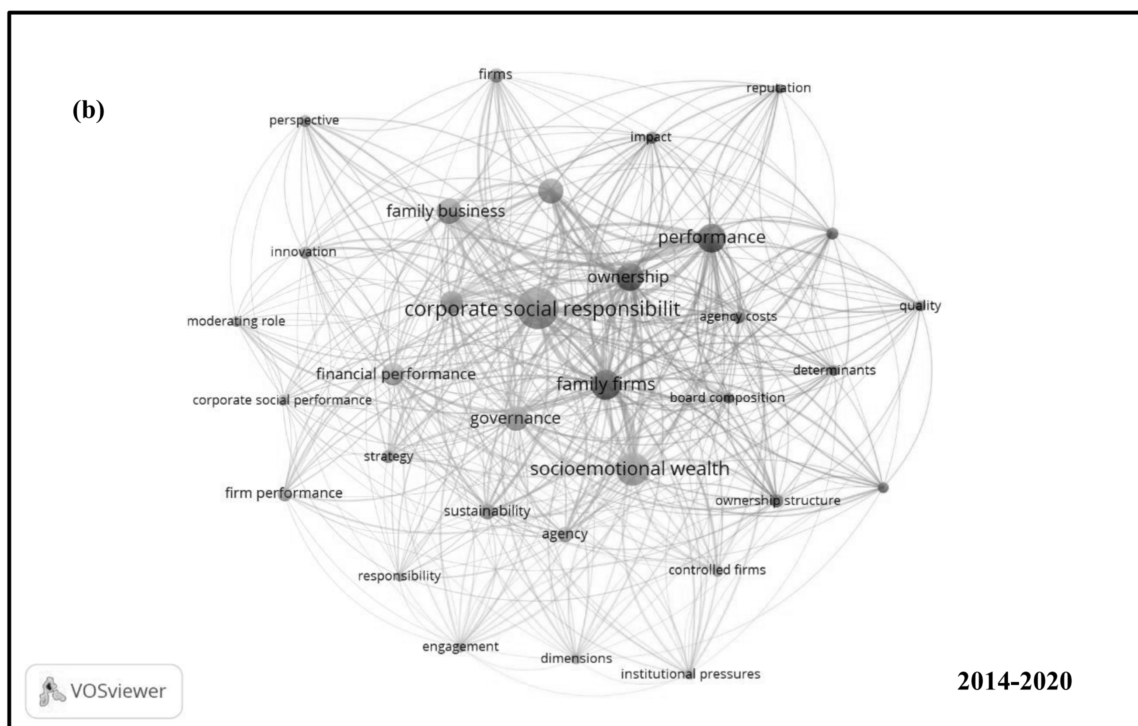


Figure 2 shows maps plotted by separating studies published in the 2003-2013 (a) and 2014-2020 (b) time spans. Dividing these publications into clusters enabled analyzing the groupings and interpreting research patterns.

Fig. 2. Knowledge map plotted based on keywords' co-occurrence analysis. a) Initial time span encompassing research on the subject from 2003 to 2013. b) Time span encompassing the expansion of research on the subject from 2014 to 2020





Map analysis enabled identifying some groups of research. Figure 2a shows scarce number of articles about family firms; nonetheless, such number has substantially increased over the second time span (Fig. 2b).

Figure 2a shows two main clusters, namely: studies about family firms (red) and the ones focused on CSR analysis (green). “Performance”, “ownership” and “financial performance” were the main keywords used in studies focused on investigating family organizations, whereas “family business”, “governance”, “ethics” and “impact” stood out among the keywords mostly used in studies about CSR.

Figure 2b depicts the increased number of studies on this subject and the development of two new clusters. The blue group highlights studies linked to governance analysis, whereas the yellow one highlights the rise of the socio-emotional wealth (SEW) theory. Terms such as “controlled firms”, “institutional pressures” and “dimensions” stood out in the second cluster.

The family firms’ cluster maintained its relationship with terms such as “ownership” and “performance”, and it introduced links to “agency costs” and “ownership structure”. The term “financial performance”, which was strongly linked to the “family firms” cluster, became part of a new group (governance), along with “firm performance”. In addition to the linked terms (except for “governance”), the CSR cluster presented links to “sustainability” and “strategy”.

The analyzed maps presented synonymous terms that were grouped in a dictionary of terms. Table 1 presents the main keywords used in each of the analyzed time spans, and it takes into consideration the number of keyword occurrences and their frequency rates.

Table 1 also shows the terms surveyed in both time spans, namely: “performance”, “ownership”, “business”, “governance”, “management” and “firm performance”. Based on these keywords, it was observed that studies focused on analyzing the relationship between

family firms and CSR comprised business management aspects, by taking into consideration the influence of ownership and governance on business performance.

Table 1: Top twenty topics based on number of occurrences.

Years 2003-2013		**Years 2014-2020**	
Topics	**Occurrences/(%)**	**Topics**	**Occurrences/(%)**
Corporate Social Responsibility	17/15,59%	Corporate Social Responsibility	134/12,05%
Family Business	12/11,00%	**Socioemotional Wealth**	91/8,18%
Performance	8/ 7,33%	Family Firms	72/6,47%
Family Firms	7/ 6,42%	Performance	63/5,66%
Ownership	6/ 5,50%	Ownership	59/5,30%
Businesses	4/ 3,67%	Family Business	51/4,58%
Firm Performance	4/3,67%	Businesses	50/4,49%
Governance	4/3,67%	Governance	49/4,41%
Ethics	3/2,75%	Management	42/3,78%
Financial Performance	3/2,75%	Financial Performance	40/3,60%
Impact	3/2,75%	**Agency**	20/1,80%
Management	3/2,75%	**Sustainability**	20/1,80%
Responsibility	3/2,75%	Firm Performance	16/1,44%
Business History	2/1,83%	**Firms**	16/1,44%
Commitment	2/1,83%	**Ownership Structure**	14/1,26%
Corporate	2/1,83%	**Strategy**	14/1,26%
Corporate Governance	2/1,83%	**Agency Costs**	13/1,17%
Corporate Social Performance	2/1,83%	**Controlled Firms**	13/1,17%
Downsizing	2/1,83%	Impact	13/1,17%
Entrepreneurs	2/1,83%	**Perspective**	13/1,17%

Synonym keywords were replaced with the aid of a thesaurus in order to calculate their occurrence rate. Topics emerging at each stage are highlighted in bold.

Keywords might pop in and off research databases depending on research trends and on researchers' interests. Studies published in the first analyzed time span aimed at differentiating the way companies developed CSR; the analysis of family firms was incipient at that stage. The volume of studies published and the new keywords used in the second time

span were associated with family firms; these studies aimed at better understanding how these companies operate.

Table 2 presents all four clusters identified in the knowledge maps, based on the volume of keywords and on the impact of each keyword on citations

Table 2: Evolution of family firms vs. CSR vs. governance vs. socioemotional wealth, according to the number of articles and on their impact on citations, which was measured based on the number of citations to each one of them

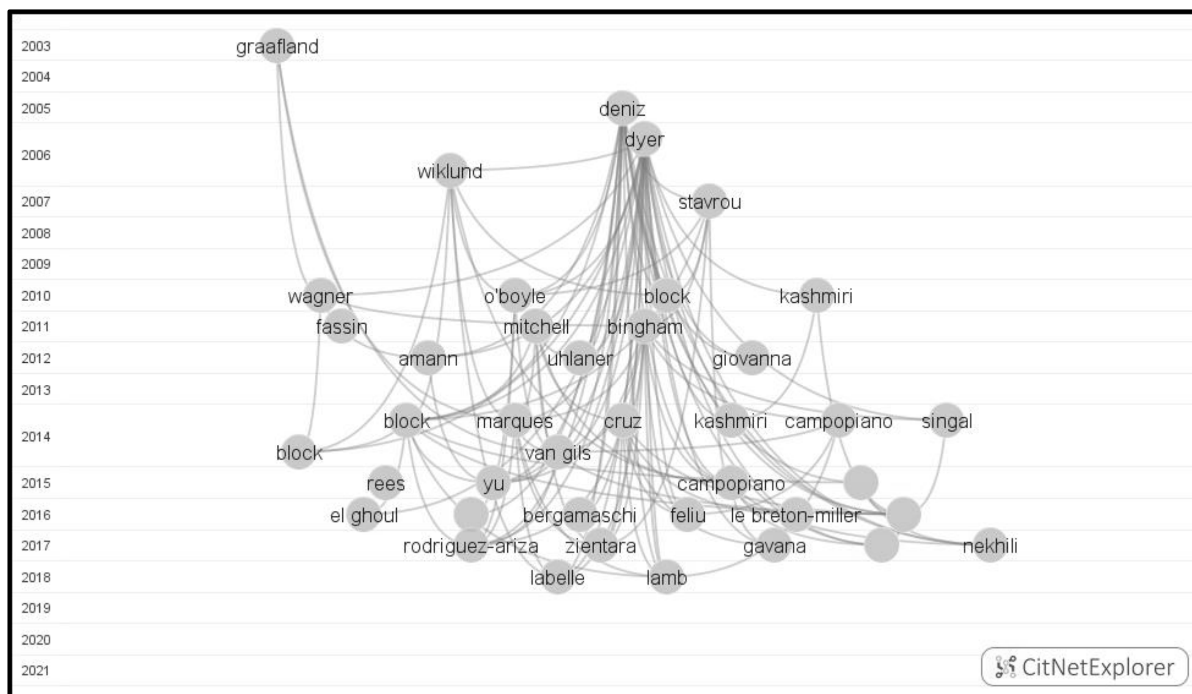
	Publications' rate	
	2003-2013	2014-2020
Family firms	44.15%	31.49%
CSR	50.64%	16.34%
Governance	5.21%	38.09%
Socioemotional wealth	-	14.08%
	Impact according to citations	
	2003-2013	2014-2020
Family firms	68.77%	38.31%
CSR	25.14%	23.57%
Governance	6.08%	21.06%
Socioemotional wealth	-	17.06%

According to Table 2, the CSR cluster shows higher representativeness in the volume of studies conducted in the first-time span (50.64%), although the strongest impact of citations can be identified in the family firms' cluster (68.77%). The expansion of studies about governance (38.09%) and the emergence of the socioemotional cluster (14.08%) were observed between 2014 and 2020. The impact of studies on these two groups was also representative - governance accounted for 21.06% of such an impact and socio-emotional wealth, for 17.06% of it.

2.3 Citation network

Figure 3 highlights the most used surveys on the subject and labels them according to their publication year. This figure enables analysing the studies and identifying the association among publications over the investigated period

Fig 3. *CitNetExplorer* visualization of the most often cited publications about Family firms & CSR, and their citation relationship. Only the last names of first authors are shown in the figure.



The study by Graafland et al. (2003) lies at the top of the figure, a fact that shows the pioneering nature of the research carried out by the aforementioned authors, who investigated strategies and instruments used to enable the ethical organization of small and large Dutch companies, by taking into consideration the difference of family firms and non-family ones. Their research has contributed to further studies aimed on analyzing the moderation of family firms in innovations and social benefits (Wagner, 2010), as well as the SEW theory in family business (Marques et al., 2014; Van Gils et al., 2014).

Studies carried out by Deniz & Suarez (2005) and Dyer & Whetten (2006) can be considered influential. Both studies compared the CSRs of family and non-family companies in developed countries (Spain and the USA) and applied the stakeholder theory to analyze their results.

Table 3 shows the 10 most relevant articles, based on the number of citations. This table was prepared based on the identification of the 5% most important studies on the topic.

Table 3: The top 5% of influential articles written by Family firms & CSR researchers

Article	Journal	Citations researcher/ (ranking)	Citation from Web of Science/ (ranking)	Exclusivity ratio *
Bingham et al. (2011)	*Journal of Business Ethics*	46/ (4)	102/ (6)	46.09%
Block & Wagner (2014)	*Business Strategy and The Environment*	37/ (6)	85/ (8)	43.53%
Campopiano & De Massis (2015)	*Journal of Business Ethics*	33/ (7)	109/ (4)	30.27%
Cruz et al. (2014)	*Entrepreneurship Theory and Practice*	48/ (3)	144/ (2)	33.33%
Deniz & Suarez (2005)	*Journal of Business Ethics*	56/ (2)	143/ (3)	39.16%
Dyer & Whetten (2006)	*Entrepreneurship Theory and Practice*	92/ (1)	421/ (1)	21.85%
Marques et al. (2014)	*Family Business Review*	41/ (5)	80/ (9)	51.25%
Mitchell et al. (2011)	*Business Ethics Quarterly*	20/ (9)	104/ (5)	19.23%
Stavrou et al. (2007)	*Journal of Business Ethics*	17/ (10)	87/ (7)	19.54%
Van Gils et al. (2014)	*Family Business Review*	21/ (8)	57/ (10)	36.84%

* The exclusivity ratio measures the percentage of citations to the studies, from the core set to the ones extracted from the Web of Science.

Mean exclusivity index of 34.11% was recorded for all 10 studies highlighted in Table 3. Among the aforementioned studies, one can highlight the mean exclusivity index of 51.25% achieved by Marques et al. (2014), who analyzed the relationship of twelve Spanish family firms with CSR. The research by Bingham et al. (2011) - that included stakeholder theory with emphasis on stakeholder identity orientation - recorded mean exclusivity index of 46.09%. Block & Wagner (2014) reached 43.53% in their attempt to investigate how family firms could influence different CSR dimensions.

The study by Bingham et al. (2011) - which included stakeholder theory with emphasis on stakeholder identity orientation - recorded mean exclusivity index of 46.09%. Block & Wagner (2014) reached 43.53% in their attempt to investigate how family firms could influence different CSR dimensions.

Table 3 also presents the number of citations of studies indexed at WoS. The *Journal of Business Ethics* accounted for four of the top ten articles among the assessed journals; after it was the *Entrepreneurship Theory and Practice* and the *Family Business Review*.

Knowledge maps plotted based on co-citations of studies about family firms and CSR are shown in Fig. 4a, which also presents the co-citation analysis results and a compilation of the analyzed group of publications. Figure 4b identifies the journals these studies were published.

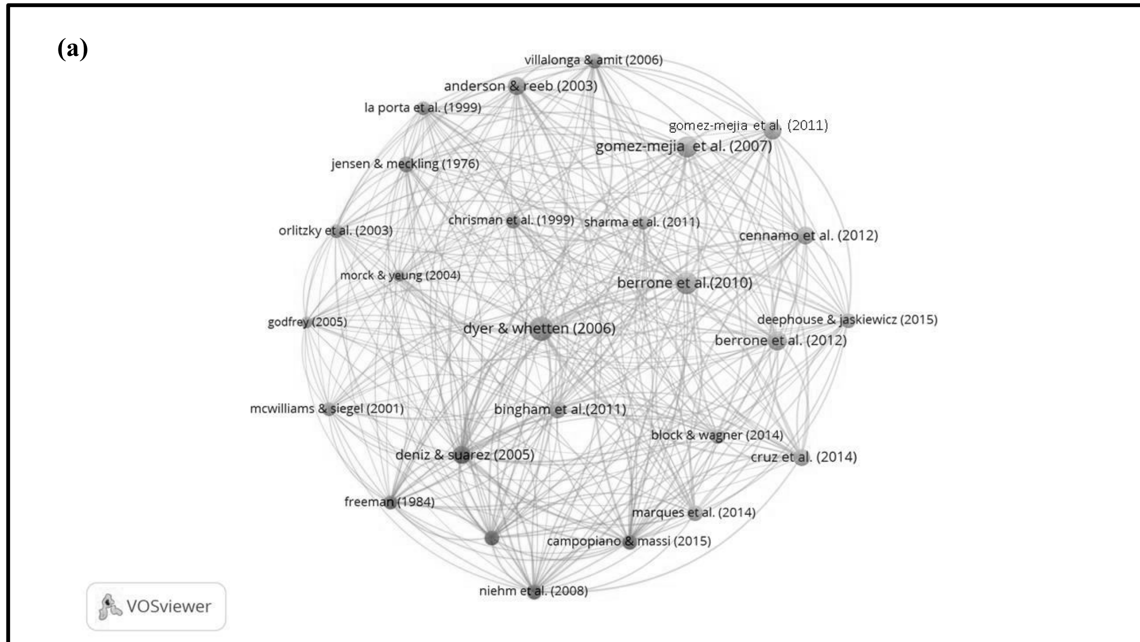
Three clusters that were strongly related to one another were identified in the analysis of references. This outcome has evidenced that authors tend to quote each other and to use studies deriving from other clusters. Studies located at the extremities of each grouping were the most specific studies in each cluster. The most cited study was the one by Dyer & Whetten (2006); it was placed at the center of the figure and was used in all other clusters. The aforementioned study took into consideration all companies displayed in the Standard & Poor's 500 Index - which totaled 10 years of data - and it concluded that the most socially responsible are family companies in comparing to non-family ones. The study by Anderson & Reeb (2003), who analyzed the relationship between founding families' ownership and S&P 500 companies' performance stood out in this set of published studies.

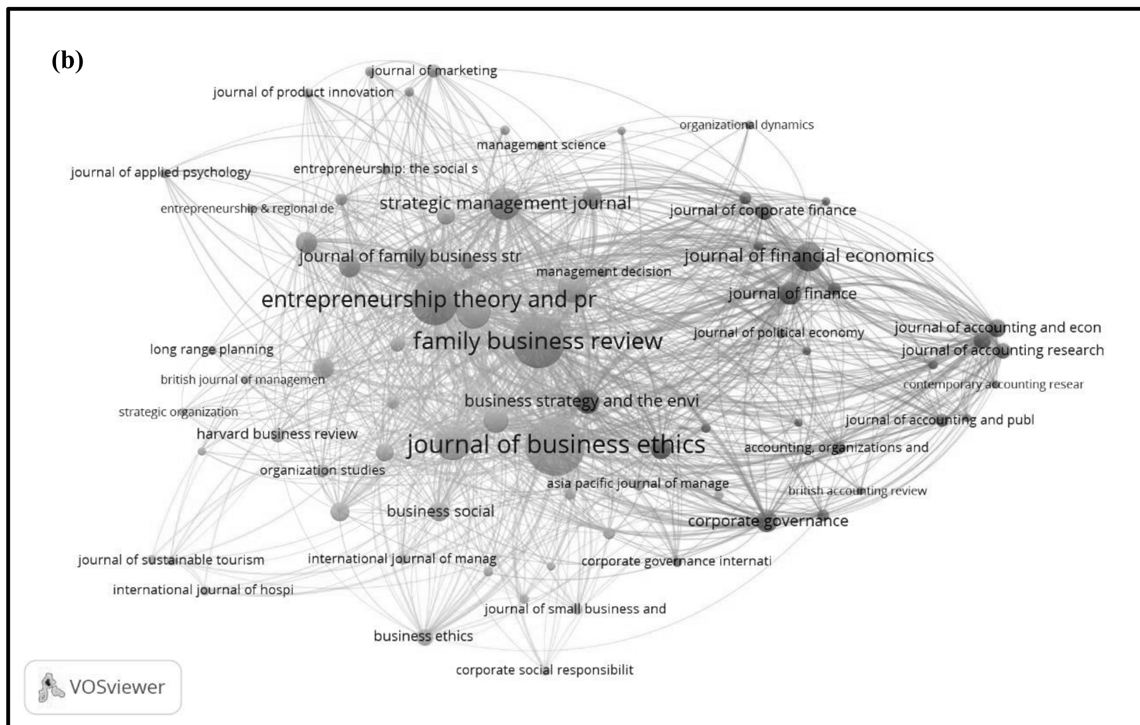
Research conducted by Bingham et al. (2011) and Deniz & Suarez (2005) stood out in cluster "Family firms". Both studies helped better understanding how companies act socially, with emphasis on family firms' performance. Freeman (1984), Niehm et al. (2008) and Campopiano & De Massis (2015) were also the authors responsible for relevant studies observed in this cluster.

Gomez-Mejia et al. (2007) and Berrone et al. (2012, 2010) were the authors of the main studies in cluster "governance". They addressed the SEW theory to analyze family firms and CSR. The most specific studies in the governance group were the literature review

conducted by Gomez-Mejia et al. (2011) and Cennamo et al. (2012), and the empirical study by Cruz et al. (2014).

Fig. 4. Knowledge map plotted based on the co-citations of studies about Family firms and CSR. a) Authors and respective publication years; b) Main journals.





As shown in Fig. 4b, results deriving from journals complied with points identified in the keyword analysis, since they led to the formation of four different clusters, namely: family firms, CSR, governance and socioemotional wealth.

Knowledge maps enabled identifying the studies forming the basis of the literature about the relationship of family firms and CSR. Consequently, they highlighted the ones that should be taken into consideration by researchers of this topic.

3. Review of articles about family firms & CSR

Based on the analyses of keywords' co-occurrence and co-citation, it was possible identifying emerging topics and studies capable of influencing research about family firms and CSR. Thus, this topic was elaborated based on points highlighted in the previous topics and it enabled the emergence of new topics to be investigated.

3.1. Main family firms & CSR topics

Based on the initial studies conducted by Gersick et al. (1997), followed by Chua et al. (1999) and Chrisman et al. (2003), family firms show a specific functioning nature that should not be neglected in studies associated with management aspects. With respect to CSR, two research lines aim at explaining how family firms develop their actions.

The first current suggests that family organizations are worried with business image, reputation and longevity; therefore, they would adopt more responsible behavior than that of other companies (Godfrey, 2005; Miller & Le Breton-Miller, 2003; Whetten & Mackey, 2005). Such a concern would lead family firms to develop actions aimed at stakeholders (Deniz & Suarez, 2005). Dyer & Whetten (2006) have analyzed 271 German companies over a 10-year time span and concluded that family firms outperformed other companies on CSR.

The second approach states that family firms have negative influence on CSR due to factors such as nepotism, overlapping family interests, low professionalism level, ownership concentration and lack of preparation for succession processes (Danco, 1992; Gallo & Mele, 1998; Morck & Yeung, 2004).

Two different theories are widely used to analyze the positive and negative outcomes of the relationship of family firms and CSR: stakeholder and agency theories. The importance of these theories is evidenced in studies such as the one conducted by Sharma (2004), who claimed for research focused on analyzing family firms as heterogeneous group. Thus, one should take into consideration both the extent and form of family involvement in, as well as the size of, the analyzed company.

3.2 Emerging trends

The analysis of keyword frequencies and the identification of emerging terms enable acknowledging new approaches and directions taken by investigations about the relationship of family firms and CSR.

Table 4 shows a group of 11 keywords, the mean publication year, the number of keyword occurrences and the mean number of citations. The mean number corresponds to the amount of citations to documents wherein a given keyword was used. The oldest studies had a longer time interval to be referenced; thus, raw and standardized indicators were included in Table 4 to minimize this advantage.

Table 4 indicates the occurrence of terms "ownership structure" and "controlled firms", which were observed 14 and 13 times, respectively; mean publication year was 2018.8, and standardized values for citations were 1.12 and 1.38, respectively. Based on market development, on the expansion of multinational companies and on new business arrangements, studies have focused on investigating how different ownership forms can

influence companies. It is essential identifying the levels and forms of control observed in different organizations, as well as in family firms.

Table 4: Emerging topics in research focused on investigating the relationship of Family firms and CSR, based on keyword analysis.

Keyword	Mean Publication Year	Number of Occurrences	Mean number of Citations	Standardized Citations
Ownership Structure	2018.8	14	15.50	1.12
Controlled Firms	2018.8	13	9.67	1.38
Sustainability	2018.0	22	12.68	1.55
Socioemotional Wealth	2017.9	92	15.34	1.17
Agency	2017.6	21	28.24	1.35
Firms	2017.6	17	12.47	0.87
Agency Costs	2017.6	13	15.38	0.95
Perspective	2016.2	15	13.13	0.58
Responsibility	2016.1	11	32.73	1.79
Strategy	2015.5	15	28.43	0.93
Ethics	2014.1	9	26.22	0.79

The third new topic refers to "sustainability"; it stood out for its 22 occurrences and 1.55 standardized citations. One can perceive the high occurrence (92) of the term "socioemotional wealth", which recorded 1.17 standardized citations. According to Mako et al. (2018), the SEW theory refers to an often-overlooked intangible element, in comparison to physical and financial resources. Studies on SEW started in the early twentieth century (Goto, 2014). Concerning family firms, SEW has highlighted families' concern with preserving their control over their company (Miller & Le Breton-Miller, 2014).

Three terms presented the same mean publication year (2017.6), namely: "agency", "firms" and "agency costs". The large number of standardized citations has evidenced researchers' interest in the investigation of family firms and CSR including aspects associated with agency theory. Martin et al. (2016), followed by Campopiano et al. (2017), Gavana et al. (2017), and Liu et al. (2017) are among researchers who applied this theory.

"Responsibility" (2016.1) and "ethics" (2014.1) were widely used among the keywords belonging to the governance cluster, a fact that evidenced their maturity in view of the mean number of citations. Research like the ones conducted by Van Gils et al. (2014) Bergamaschi & Randerson (2016) and Madueno et al. (2016) have focused on investigating

issues such as board members influence based on sex, philanthropic donations and business ethics.

The maturity of term “strategy” (2015.5) and the increased use of term “perspective” (2016.02) also stood out in the family firms’ cluster. Studies such as the ones conducted by Martínez-Ferrero et al. (2016), Pogutz & Winn (2016) and Singal & Gerde (2015) are examples of research focused on investigating how family involvement can influence activities developed by companies in their social, governance and environmental practices.

3.3.1 Family involvement and CSR performance

Two keywords applied in recent studies about CSR comprised analysis control and companies’ ownership structure, as shown in Table 4. This initial development can also be seen in knowledge maps, which showed the low volume of studies that used them as moderation element.

The fact that the current literature has more than one definition of family firm (Feldman et al., 2019; Villalonga & Amit, 2010), enables creating different criteria; consequently, it leads to different results to be analyzed.

Studies about family involvement in companies have also assessed how family firms differ from other company types (Boling et al., 2016; Sánchez-Medina & Díaz-Pichardo, 2017), they provided both negative (Aoi et al., 2015; El Ghoul et al., 2016) and positive results (Dyer & Whetten, 2006; Cruz et al., 2010). These investigations demonstrated that the relationship of family business and CSR can be moderated by different factors. Concerns with family’s image, family control maintenance and company’s longevity were defined as features capable of influencing the adoption of CSR practices (Le Breton-Miller & Miller, 2016).

Therefore, it is essential investigating results of empirical studies focused on analyzing family influence over CSR performance in order to synthesize their conclusions and to

highlight the variables capable of moderating such a relationship, by taking into consideration conceptual and research aspects.

3.3.2 Institutions' context

The analyzed maps have shown a yet preliminary search for elements that play moderation role in the family firms' CSR performance. One of the factors capable of determining the development of socially responsible actions lies on the pressure exerted on companies by national institutions (Marano & Kostova, 2015; Matten & Moon, 2008).

Institutions are seen as a set of rules and patterns shaping business relationships and activities (March & Olsen, 2006). Their regulation can be done in a formal or informal manner, by taking into consideration fixed rules or expectations associated with corporate behavior (Mair et al., 2012).

The development of initiatives linked to CSR is more favorable in contexts presenting strong and well-established political and regulatory policies (Albareda et al., 2007; Brown & Knudsen, 2013). Some preliminary studies have explored how companies respond to institutional pressure, by taking into account their heterogeneity (Berrone et al., 2012; Greenwood et al., 2011). Results have shown that companies differ from each other in the way they respond to such a pressure (Scott, 2008), by following the examples of social practices developed by them (Delmas & Toffel, 2008).

With respect to CSR, the pressure experienced by companies can influence the established adoption of CSR-related practices, goals and objectives (Lankoski, 2016). However, absences or institutional voids can also determine companies' performance, due to factors such as corruption level (Alon & Hageman, 2013; Luo, 2006), pollution (Redfern & Crawford, 2010), government/business relationships (Li et al., 2008) and foreign capital raising (Dhaliwal et al., 2011).

In light of the foregoing, it is essential analyzing how national institutions can act as moderation elements by restraining or increasing bonds of family firms and CSR performance. Thus, results may contribute to the definition of policies and initiatives that take into consideration family firms' specificities in different contexts.

3.3.3 Emerging market

The third contribution of the current research lies on the concentration of countries investigated in the last few years The four articles mostly cited in the investigated period were the ones written by Block & Wagner (2014) and Bingham et al. (2011) who investigated the herein analyzed topic in a sample of companies from the USA; and by Campopiano & De Massis (2015) and Cruz et al. (2014), who investigated this topic in European countries.

Despite the literature's focus on understanding how Family firms develop CSR in the world's largest economies (De Massis et al., 2012), studies about practices adopted by emerging economies often focus on accountability, as well as on environmental and social awareness (Kansal et al., 2014).

Emerging countries have different features from those of other economies; these features can moderate the way companies develop CSR (Dobers & Halme, 2009; Jamali & Mirshak, 2007). Vulnerability in governance structure, lack of effective legal system, and weak protection to stockholders are examples of variables observed in these countries (Briano-Turrent & Poletti-Hughes, 2017; De Holan & Sanz, 2006; Reimann et al., 2012).

Although the herein presented points were negative, adopting CSR practices in emerging countries can have positive impacts on them since these activities can mitigate institutional deficit (Cordeiro et al., 2018). Studies have shown that emerging economies often prioritize actions associated with social responsibilities (Furrer et al., 2010), such as decreasing poverty rates and enabling sustainable economic development (Bai & Chang, 2015; Hou et al., 2016).

With regard to Family firms, studies have shown that the Family management model is capable of adapting to institutional differences in different countries (González-Rodríguez et al, 2019; Jamali et al., 2009). Thus, studies focused on comparing family firms located in emerging economies to the ones located in developed economies can contribute to the analysis of corporate strategies adopted by companies in different scenarios.

4. Summary and conclusions

Despite the valuable contributions made by family firms, it was only after the first decade of the 21st century that the interest in investigating how these companies operate, whom they influence and what influences them, based on CSR, has increased.

The present study performed the scientometric analysis of family firms and CSR. Results have shown increased number of research focused on this topic over the last 17 years. One hundred and ninety-five articles were found at WoS database (published from 2003 to 2020) and analyzed, with emphasis on the ten main published documents (5%). Scientometric keywords' co-occurrence and co-citation techniques were herein adopted. In addition, knowledge maps were plotted to help better understanding the evolution of this topic.

Knowledge maps about keywords' co-occurrence have emphasized studies focused on investigating companies' CSR by differentiating family firms from other company types. The first investigated period (2003-2013) presented few studies mainly focused on analyzing business performance. The second period has shown significant increase in the number of publications, as well as the addition of new elements in the analysis of family involvement in CSR. This period has also recorded the expansion of governance-related terms and the application of the SEW theory to help better understanding how family firms influence CSR.

The current study has identified four research patterns enabling different approaches to this topic. Another analyzed point lied on the close association among studies since authors

in the same cluster often cite each other, as well as authors in different ones. This factor has not only evidenced the strengthening of research axes but it has also enabled new approaches based on the contributions from previous studies.

Although traditional terms remain often used in the analyzed studies, variations of them are also adopted in pursuit of new knowledge. Other topics have shown lower representativeness levels, and it has indicated that such terms still need to mature. The current study has evidenced new trends in studies about family firms and CSR by identifying the most frequent keywords in nowadays' research. It has innovated by including aspects associated with the SEW cluster, such as the analysis of different CSR dimensions, controlled firms and institutional pressures. The family firms' cluster has pointed towards the inclusion of companies' ownership structure analysis as research trend. However, the CSR cluster has pointed towards the study about the influence of institutional context and the strategic CSR development level adopted by companies. Finally, those who aim at understanding the fundamental aspects of CSR in family firms may use results and discussions presented in the current study.

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5.2 The connection between family involvement and firms' corporate social responsibility performance: meta-analysis of the main moderator effects.

Abstract: The aim of the current chapter aims to analyze the moderation of family involvement on corporate social responsibility (CSR) performance, based on a meta-analysis study. The main effect size and likely moderators of this association were analyzed based on a sample comprising 56 articles and on the review of studies on this topic. Four hypotheses were raised based on the agency, stakeholders and socio-emotional wealth theories. Results have shown that family involvement in companies has negative effect on their CSR performance, although low, in comparison to that of other companies. Likewise, moderating elements capable of significantly exacerbating the results were observed. The current study has contributed to the literature by emphasizing that the association of family involvement and CSR performance is moderated by companies' size and type, as well as by the culture of the country in which they operate. Moreover, results helped better understanding how different variables associated with the family firms' context are inserted in can moderate their CSR performance. Further empirical studies on the subject should be conducted based on the current findings.

Keywords: corporate social performance; meta-analysis; family firms.

1. Introduction

Several studies available in the literature have already addressed the context family firms are inserted in and how they develop different levels of corporate social responsibility (CSR) (Block & Wagner, 2014a; Cabeza-García et al., 2017). Despite the large amount of studies focused on investigating the effect of family involvement on CSR, there is little consensus on the subject.

Some scholars advocate that family environment encourage positive performance (Anderson & Reeb, 2003; Cruz et al., 2010; Dyer & Whetten, 2006) due to families' concern with their image, reputation and longevity. However, researchers have found negative results when shareholders' opinion, investment levels in the sector and the managerial features of these organizations were taken into consideration (El Ghoul et al., 2016; Abeysekera & Fernando, 2018). Thus, there is a gap to be filled in the literature to help better understanding whether family firms perform different from other companies.

Meta-analytical studies enable synthesizing and measuring opposite data to help better understanding different perspectives about a given topic. The fundamental aim of meta-analysis also lies on investigating a set of testable and verifiable statistical information (Botella & Sánchez-Meca, 2015). Thus, the current research has used meta-analysis to answer: what is the relationship between family involvement and CSR performance?

Meta-analysis uses effect size measurements as connection among investigated variables in order to respond questions that cannot be answered through individualized studies (Lipsey & Wilson, 2001; Schmidt & Hunter, 2014). Thus, the aim of the current study is to investigate whether different contexts can moderate the relationship of family firms and CSR performance, or not, based on meta-analysis and on the random-effects model. This meta-analytical study comprised 56 primary studies conducted in different countries; different academic databases were searched and studies were selected based on previously established

criteria. The sample analyzed in the current study has shown heterogeneous effect sizes and evidenced significant (specific and conceptual) moderators capable of influencing the investigated association.

The current chapter was structured as follows. Besides the current introduction, section 2 report the theoretical framework and section 3 shows the study hypotheses. Section 4 details the data set and the adopted method, whereas the results was described in Section 5. Lastly, section 6 analyzes the results and presents the conclusion of the chapter.

2. Theoretical framework

The current theoretical review about the relationship of family firms and social performance encompassed three important theories, namely: stakeholder, agency and socio-emotional wealth. These theories provide relevant elements to explain this relationship by taking into consideration different contexts. The current study has also investigated how previous theories and studies substantiated negative and positive results concerning the association of family firms and social performance. The herein presented global aspect of such a relationship has evidenced that the topic remains poorly understood, a fact that turns it into the perfect setting for meta-analytical studies.

The current study has used the concept of family firms introduced by Chua et al. (1999), who investigated families' connection with companies based on multiple aspects. Thus, these theories were selected because they can help better understanding the core aspect of the association of family involvement in companies and corporate social performance.

2.1 CSR analysis based on the agency theory perspective

Studies about agency theory comprise a multifaceted process, mainly in the heterogeneous scenario encompassing family firms (Berrone et al., 2010). Thus, these studies can vary depending on families' degree of involvement in companies or on their ownership level.

The agency theory focuses on the agent versus owner relationship; it addresses the interests of both involved parties at the very core of a given matter, rather than focusing on agents' priorities or on information asymmetry (Jensen & Meckling, 1976). Other relationships were developed based on this main one, they helped explaining different associations inherent to this theory, such as the manager-employee and investor-owner ones (Dawson, 2011). Two perspectives stand out in this theory, namely: the first one lies on qualifying/disqualifying agents chosen by owners, whereas the second one is the moral perspective, i.e., whenever agents work on behalf of their personal interests to the detriment of the owners'.

Studies involving family often explain circumstances based on the agency theory, which shows the disharmony of interests among those involved in business activities as major factor for decision-making (Abeysekera & Fernando, 2018; Cabeza-García et al., 2017). Family firms may have lesser conflicts between shareholders and managers; thus, the high family involvement level observed in them suggests high management-monitoring level (Anderson & Reeb, 2003).

High family involvement level enables better monitoring the environment (Shleifer & Vishny, 1997), and it could lead to less information asymmetry between owners and managers. This monitoring process enables companies to minimize likely excess in social investments (Cespa & Cestone, 2007).

Family firms can show better social performance than other companies, as reported by El Ghoul et al. (2008) and Panicker (2017). Such an outcome is associated with long-term

investments (Berrone et al., 2010) reduced information asymmetry and concern with organizational reputation (Block & Wagner, 2014a; Dyer & Whetten, 2006). However, the relationship of family firms and CSR tends to be negative, based on the general view of the agency theory (Barnea & Rubin, 2010; Ducassy & Montandrau, 2015). According to Darmadi & Sodikin (2013), family involvement in companies moderates their social performance. In addition, Cui et al. (2016) have shown that a family CEO in companies increases the family ownership effect on CSR.

According to Dyer & Whetten (2006), family firms have lesser social concerns, despite their high initiative level. Other factors, such as corporate governance level (Surroca & Tribo, 2008) and national market systems (Rees & Rodionova, 2015) were addressed in studies to help better understanding this behavior. According to El Ghoul et al. (2016), CSR was lower in family firms presenting higher agency costs, poor external shareholder monitoring and less effective advice.

Based on the agency theory, these considerations suggest that family firms may provide fewer resources and pay lesser attention to CSR activities, since they are high-cost actions supported by owner-families.

2.2 Stakeholder theory - a positive or negative relationship with CSR?

Stakeholders have mutual relationship with their companies; thus, they end up creating organizational value. Based on the stakeholders' theory, family firms have positive results in social initiatives, since higher family involvement in companies lead to more initiatives focused on employees, community, consumers and diversity (Bingham et al., 2011; Hirigoyen & Poulain-Rehm, 2014; Lamb et al., 2017). Stakeholders would be willing to act in social activities, rather than just focus on financial performance; it is so, because they aim at "family

image" and transgenerational control. Therefore, this involvement is more advantageous for family companies than for other firms (Gavana et al., 2016; Shahzad et al., 2017).

However, family shareholders aim at preserving their companies' image and reputation (McGuire et al., 2012; Radhouane et al., 2018); consequently, it influences their environmental concerns, social actions, corporate safety and corporate governance aspects (Lamb et al., 2017). In accordance with Cruz et al. (2014), family business adopt a significant quantity of social practices aimed at external stakeholders (environment and community) rather than at the internal ones (employees and governance); besides, they are lesser influenced by national and sectoral standards.

Thus, based on the stakeholder theory, family involvement in companies affects their social performance, although it is not possible concluding whether the presence of families in these companies results in positive or negative indicators, since each CSR dimension must be analyzed in separate (Block & Wagner, 2014b).

2.3 Socioemotional wealth: emerging theory to CSR

The socioemotional wealth theory (SEW) has emerged in the last two decades to help better understanding and differentiating the actions of family firms and non-family ones (Kellermanns et al., 2012; Zientara, 2017). The SEW theory is a multidimensional approach that involves families' affective needs in association with their image and ability to influence decisions (Gomez-Mejía et al., 2007, 2011; Miller & Le Breton-Miller, 2014).

SEW has been applied in several researches about family firms; it takes into consideration that wealth is intangible and linked to affectivity, identity and surname, pride, succession and family control (Berrone et al., 2012; Glover & Reay, 2015). Wealth feeds families' businesses by developing emotional ties between families and companies; however,

there is no consensus about what wealth type (either financial or emotional) is the most important for family organizations (Berrone et al., 2010).

Family firms prevent getting involved in actions capable of damaging their reputation; thus, the social and emotional ties developed between family firms and stakeholders put significant pressure on these companies and influence their social behavior (Block & Wagner, 2014a). Yu et al. (2015) propose that the family business can be more open to adopt socially responsible behaviors due to the SEW theory's influence and to their concern with the organizational image. According to Dou et al. (2014) it happens because companies seen as socially responsible by their external stakeholders have better socioemotional wealth performance.

However, the family owners implemented a larger number of social initiatives to protect SEW in companies subjected to low control level (Labelle et al., 2015). According to Rodríguez-Ariza et al. (2016), SEW can be used by families as self-service tool, based on which companies meet families' goals to the detriment of other interested parties. Families controlling companies where SEW may be at risk are likely to make decisions focused on protecting themselves, regardless of whether these measures can overwhelm other shareholders (Villalonga & Amit, 2006).

Based on the SEW theory, CSR can help family firms to build a positive image in the market (Gavana et al., 2016). However, companies experiencing conflicts of interest among its members can implement activities to build organizational legitimacy and to preserve SEW (Cui et al., 2016). Consequently, it can lead to variations in companies' social performance. Organizational legitimacy works as companies' cultural support, since organizations are considered legitimate when their structural principles are accepted by society (Rossoni, 2016).

3. Hypotheses and moderators' development

The three theories previously described in the current study have indicated likely positive and negative aspects capable of influencing the relationship of family firms and CSR performance. These theories were herein used to support the hypotheses presented below in order to answer the guiding question of the study.

Previous studies aimed on investigating the relationship of family influence in companies and CSR performance have suggested prospective factors to explain this relationship (Bingham et al., 2011; Aoi et al., 2015). Conceptual moderators (i.e., company type, size, cultural dimensions, legal and institutional systems) were taken into consideration at the time to calculate the overall effect on, and potential of, the sample to help better understanding the individual effects of these moderators on global values.

3.1 Public versus private companies

Public companies are more closely monitored by shareholders since they are not as directly involved in daily activities as small companies (Branco & Rodrigues, 2008; Patel & Cooper, 2014). Block & Wagner (2014a) family owners in public companies are not concerned with the CSR levels achieved by them.

On the other hand, private companies' owners are the "face" of the company; thus, they are concerned with maintaining its image, longevity and SEW. Given the vertical organizational structure of these companies and family members' participation in their management process, it is essential adopting a more responsible behavior to preserve both the family and business' reputation. Thus, the first hypothesis proposed is:

H1: The effect of family involvement on CSR performance is greater in private companies than in the public ones.

3.2 Company size

Company size is a relevant dimension in studies involving family firms (Corbetta & Salvato, 2012) and CSR performance (Branco & Rodrigues, 2008; Reverte, 2009). Preliminary research suggests that small family firms invest less in CSR compared to other companies (Dekker & Hasso, 2014) and that they tend to focus their social performance on communities, as well as on philanthropic and nonprofit organizations (Bingham et al., 2011; Déniz & Suarez, 2005). They have simpler structures and may even go unnoticed in the market due to their size (Delgado-García et al., 2010); thus, their corporate reputation can be damaged in case of non-responsible events.

Large companies have a larger number of stakeholders involved in them, a fact that increases their visibility and, consequently, the pressure on them (Brammer & Millington, 2006). Family involvement in large companies could have greater effect on CSR performance than on small and mid-size companies based on company's size and on family's concern with image and reputation (Labelle et al., 2015). Thus, it is possible assuming that families' influence on CSR performance is higher in large companies than in small and mid-sized (SMEs) enterprises, as established by the second hypothesis:

H2: The effect of family involvement on CSR performance is greater in large companies than in SMEs.

3.3 Cultural dimensions

Cultural contexts have been constantly analyzed in academic studies, a fact that proves their relevance for the relationship of family firms and CSR performance (De Mooij & Hofstede, 2002; Shahzad et al., 2017). According to Peng et al. (2014) and Ringov & Zollo (2007), firms operating in countries with high power distance, masculinity, as well as uncertainty and individualism preservation levels, show lower social performance levels. Ho et al. (2012)

contradict the aforementioned research, since they recorded positive results for the same cultural features.

Gallén & Peraita (2017) have emphasized that countries are not homogeneous and that cultural dimensions have a certain influence on companies' social information. Thus, Hofstede's model takes into consideration six dimensions that indicate the predominant features of each national culture, namely: uncertainty avoidance, individualism, masculinity, long-term orientation, indulgence and power distance (Hofstede, 1991). Thus, it is necessary assessing how different features provided by this model can influence the families' involvement in CSR performance. Therefore, the third theory was established:

H3: The effect of family involvement on CSR performance is moderated by countries' national culture.

3.4 Legal system

Studies have emphasized the importance of taking into consideration countries' legal system in research about CSR practices, since it can influence the way companies carry out their social activities. The return given by companies to stakeholders regarding their activities shows relevant differences depending on the adopted system (Benlemlih & Girerd-Potin, 2017; Liang & Renneboog, 2017).

According to Collucia et al. (2018), the most liberal countries, or countries with greater regulatory systems, can influence the way companies disclose social information. Likewise, Barakat et al. (2015) and Gallén & De Grado (2016) advocate that more stable and greater legal systems are capable of influencing social information released by companies. According to Gómez (2016), the legal system is a determining factor for business behavior, mainly with respect to community and ethics

According to Dyer & Whetten (2006), the legal system is one of the aspects having negative influence on CSR performance. Albers & Günther (2010) have emphasized the importance of taking into consideration the legal system in the analysis of the investigated countries, since it hinders social information outspread. Thus, it is possible assuming that the legal system can directly influence the way families perform CSR practices, as proposed in the following hypothesis:

H4a: The effect of family involvement on CSR performance is moderated by countries' legal system.

3.5 Institutional system

Previous studies have shown that certain institutional features, such as owners' protection, democratic systems and stable governments, contribute to CSR practices (Amor-Esteban et al., 2017; Ehnert et al., 2015). Thus, institutional heterogeneity can be considered a differentiation element in CSR performance among countries (Hotho, 2014; Ioannou & Serafeim, 2012).

The institutional system can have greater influence on small or private companies due to few relationships between these companies and external environments (Yu et al., 2015). According to Rodríguez & Pérez (2016), the institutional system has significant influence on how social information is disclosed; such an influence is measured at corporate governance level. Similarly, Gallego-Álvarez & Quina-Custodio (2017) have shown that companies operating in market economies disclose more social information than those operating in liberal countries. Thus, it is possible assuming that countries' institutional system can influence the family firms' CSR performance, as established in the hypothesis below:

H4b: The effect of family involvement on CSR performance is moderated by countries' institutional system.

4. Research Design

4.1 Sample: Inclusion and Exclusion Criteria

A combination of different expressions was used in several databases (ScienceDirect, EBSCO, Scopus, and Google Scholar) to find articles focused on investigating family firms' effect on social performance. Studies published up to the first semester of 2019 were selected; this process totaled approximately 300 studies.

Inclusion criteria comprised empirical studies presenting correlation to, or regression coefficient between family firms and social performance. Furthermore, selected articles should also present the concept of family firms (management, ownership or multiple criteria) and CSR measurement (management, processes, disclosures or reputation ratings). After the process to exclude articles that did not fulfilled the inclusion criteria was over, the final sample comprised 56 studies published in different years.

4.2 Meta-analytical approaches

Meta-analytical studies can be separated into two groups: one group according to the fixed-effects model and other group based on the random-effects model. The first group assumes that all studies in the sample investigate the same effect size and that the observed differences are sampling errors (Borenstein et al., 2009; Hedges et al., 1998). On the other hand, the second group considers all the analyzed studies as part of a random sample of a given population. However, even if the effects of the studies are not the same, they are interconnected by normal probability distribution (Rodrigues & Ziegelmann, 2010).

The Hedges and Olkin Meta-Analysis (HOMA) technique was applied in the current study; a technique enables analyzing the size of the global average effect of data grouped in the selected sample (Borenstein et al., 2009). Thus, the random-effects model was herein utilized to find whether the relationship of family firms and CSR performance in distinct

contexts are not the same. Therefore, it is essential defining effect size as link between variables (Lipsey & Wilson, 2001). Accordingly, it is possible analyzing additional information that could not be found in individual studies (Lipsey & Wilson, 2001; Schmidt & Hunter, 2014).

The main measurements adopted in the current research comprised the correlation and regression coefficients identified in primary studies, which were later converted into partial correlations, based on Peterson & Brown (2005). These coefficients were explained by a composite variable (O'Boyle et al., 2012). The effect sizes of some studies were measured due to the incidence of different sizes. Finally, effect sizes were modified to minimize distribution asymmetry, based on Fisher's z-transformation. The current research also analyzed variations in average effects' sizes by using subgroups and inference, based on moderating variables.

4.3 Variable definitions

Two dependent variables were taken into account in the current study, namely: the concept used to establish family involvement and the featuring used to measure CSR. Conceptual moderators were defined based on what was indicated in the process to build the hypotheses. Finally, they were included in the analysis of specific moderators, such as the relevance of time when the selected articles were published and their publication year.

4.3.1 Dependent variables

4.3.1.1 Family Involvement

Studies have shown more than one family firm definition or criterion (Feldman et al., 2019; Villalonga & Amit, 2010). Several definitions of family firm were identified during the compilation of the selected articles; these definitions were based on ownership rate, (Lamb et al., 2017; Nurmala, 2018; Rees & Rodionova, 2015), on the participation of management

members and on the combination of different criteria (McGuire et al., 2012; Nekhili et al., 2017).

Thus, the sample was divided into three groups: the first group comprises studies featuring family firms based on ownership criteria; the second group gathered studies featuring family involvement based on management aspects, such as the influence of family members on management processes; and the third group included studies that have combined different perspectives to identify family organizations.

4.3.1.2 Corporate Social Performance

Selected studies were coded based on four measurement strategies in order to moderate social performance (Post, 1991), namely CSR management, CSR processes, CSR disclosures, CSR reputation ratings.

CSR management was the first herein applied CSR measurement category; it was used to analyze values and principles observed in the organizational culture associated with CSR (Fitzgerald et al., 2010, Shahzad et al., 2017). The second category, named CSR processes, took into consideration aspects linked to audits, lawsuits and social outcomes (Ducassy & Montandrau, 2015, Hirigoyen & Poulain-Rehm, 2014; Hirigoyen & Poulain-Rehm, 2015). The third category, named CSR disclosures, covered information disclosure aspects, such as annual reports (Huang et al., 2014, Kurniawati & Sudibyo, 2017). Finally, the CSR category, called reputation ratings, analyzed companies' classifications, based on business reputation ranking (Cruz et al., 2014).

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4.3.2 Conceptual moderators

Five conceptual moderators were added to the study: company type (public, private or both types) and size (large, small or both sizes), institutional and legal system, and sample culture.

4.3.2.1 Company type

The assessed companies were classified based on their size by taking into consideration the sample used in each article. Companies operating in stock exchanges, that belonged to CSR rankings, were classified as public companies (Abeysekera & Fernando, 2018; Cabeza-García et al., 2017; Gavana et al., 2016) otherwise they were classified as private companies. On the other hand, companies analyzed in studies that did not make such a distinction were herein classified as both public and private (Block & Wagner, 2014a; Fitzgerald et al., 2010). There was prevalent use of data deriving from listed companies (Stock Exchange); according to CSR, most of studies used this ranking (KDL).

4.3.2.2 Company size

Studies focused on analyzing big companies used the ones listed in the S&P 500 and Forbes rankings as data source (Labelle et al., 2015; Panicker, 2017; Rodríguez-Ariza et al., 2016). However, studies that did not analyze companies in these rankings were classified as research about SMEs (Song et al., 2015; Zhou, 2014).

4.3.2.3 Culture

After the investigated country identification process was over, studies were scored based on six dimensions defined and provided by *Hofstede*'s website, namely: uncertainty avoidance, long-term orientation, individualism, indulgence, power distance and masculinity. The mean between scores was calculated to analyze each dimension. Thus, scores were classified as "high" when they were higher than the mean score; on the other hand, scores were classified as "low" when they were lower than the average.

4.3.2.4 Legal System

The legal system of each country is structured based on historical events that have transformed their context. Countries were herein divided into two groups, based on the legal system adopted by them.

Countries whose courts were limited to implement formal laws (previously approved) were classified as civil law countries. However, countries whose law can be perfected and created by judges, due to the evolution of lawsuits, were classified as common law countries (La Porta et al., 2000).

4.3.2.5 Institutional System

National systems are an essential international business theory component (Cantwell et al., 2010) that involve two pillars: National Business Systems by Whitley (1999) and Varieties of Capitalism by Hall & Soskice (2001). Starting from these pillars, Fainshmidt et al. (2016) have widely featured countries' systems by capturing their institutional context based on qualitative data (financial market, provided by the state, human social, corporate governance and capital).

The current study used these scholars' proposal to classify the investigated countries based on three different perspectives: i) Liberal Market Economies (LME), ii) Coordinated Market Economy (CME) and iii) others (State-Led, Fragmented, Collaborative, Family-Led, Emergent, Centralized Tribe, Hierarchically Coordinated economies, Collaborative Agglomerations, Market-based).

4.3.3 Study-specific moderators

4.3.3.1 Journal's relevance

This moderator was included in the study to analyze whether the relationship of family firm and CSR performance was different in studies published in journals of greater scientific relevance (i.e., h-index). The aim was to better understand whether the size effect of this relationship was divergent, by assuming that it would be higher in high impact journals due to the higher methodological and technical research rigor required for publication.

The Hirsch index (2019) was used to measure the relevance of all articles added in the meta-analysis; the Publish or Perish software by Harzing (2019) was used to calculate the relevance of all articles added in the meta-analysis. After indicators' collection, means were calculated and defined as high when the study scored grades higher than the average and as low if it scored grades lower than the average.

4.3.3.2 Publication year

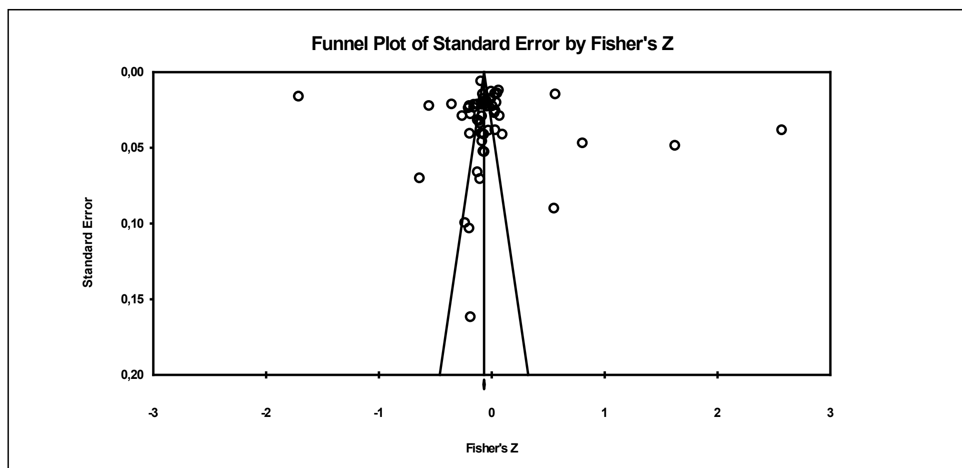
Publication year was the last moderator outlined for the current study, since previous studies have pointed out the strong effects of the first publications on the topic (Wagner et al., 2015), although they declined over the years (O'Boyle et al., 2012). The number of publications about family businesses' influence on social performance has significantly increased in the last decades. Most studies included in this sample were published between 2013 – and 2019; they were codified to help better understanding the evolution of investigations on this topic over the years.

5. Results and Discussion

5.1 Outliers, publication bias and effect sizes' distribution among primary studies

The first data analysis stage focused on investigating publication bias based on the funnel plot (Light & Pillemer, 1984). Biases take place either when scholars choose significant results or when studies added to the sample are tendentious towards the subject (Lipsey & Wilson, 2006; Stanley, 2005). On the other hand, on primary studies, the effect size conducted with large samples got narrow towards the top of the graph (Geyskens et al., 2009). According to Figure 1, the analyzed studies did not show publication bias since research conducted with large samples converged towards the top of the graph. Data heterogeneity suggested favorable condition for meta-analysis studies.

Fig 1. Funnel plot.



Descriptive statistics provided a preliminary indicator between CSR and family firms; such an indicator has shown that only 33.92% of the herein analyzed primary studies reported positive effect of family firms on CSR performance, as shown in Table 1.

Table 1: Meta-analysis sample: summary statistics

	Number of effects	**Positive effect size rate**
Overall relationship	56	33.92%
Conceptual moderators		
Categorization of family firms		
Family management	5	20.00%
Family ownership	36	30.55%
Multiple criteria	15	46.66%
CSR measurement		
CSR management	11	63.63%
CSR processes	10	20.00%
CSR disclosures	14	21.42%
CSR reputation ratings	21	33.33%
Type of firms / Listed on stock market		
Private and Mixed	13	30.76%
Public	43	34.88%
Firm size		
Large	49	32.65%
SMEs	7	42.85%
Country culture		
Uncertainty Avoidance		
High	20	15.00%
Low	20	60.00%
Masculinity		
High	21	47.61%
Low	19	26.31%
Power Distance		
High	19	31.57%
Low	21	42.85%
Long-term Orientation		
High	20	30.00%
Low	20	45.00%
Individualism		
High	21	38.09%
Low	19	36.84%
Indulgence		
High	21	38.09%
Low	19	36.84%
Legal System		
Civil Law	22	27.27%
Common Law	18	50.00%

Table 1: Continuation.

Institutional System		
CME**	12	8.33%
LME**	12	58.33%
Others	16	43.75%
Study-specific moderators		
Year of publication		
2016 to 2019	30	30.00%
Before 2016	26	34.61%
Journal relevance		
High	28	39.28%
Low	28	28.57%

SMEs: Small and mid-size enterprises;
CME: Coordinated Market Economy;
LME: Liberal Market Economies.

The number of effects increased to 46.66% when family firms' definition was based on multiple criteria, i.e., studies that took into consideration more than one criterion to classify companies as family firms. It also increased to 63.63% when the primary study measured performance based on CSR Management. With respect to public companies, the percentage of studies reached 34.88%, although the positive effect of primary studies dropped to 32.65% at large companies. Thus, Table 1 enables identifying the overall results of primary studies and their respective positive effect rates, based on the previously described categorization.

5.2 Overall results observed for family involvement in companies and CSR performance

Table 2 presents the overall results of the meta-analysis applied to family business and CSR performance. The overall effect size observed for families' influence on CSR was -0.0077, based on k = 56 studies, including N = 118854, which indicated non-significant result. The adopted 95% confidence interval (CI) resulted in CSR values ranging from -0.1158 to 0.1006.

Table 2: Overall results observed for family involvement and CSR performance.

	K	N	ES	s.e	Z	-95% CI	+95% CI	Q-test	I^2	Z-test	p-value
Overall relationship	56	118854	-0.0077	0.0551	-0.14	-0.1158	0.1006	19002.919	99.71		
Conceptual moderators											
Family firms' categorization											
Family management	5	5433	-0.0600	0.1773	-0.32	-0.4075	0.3027	9.168	0.00	RC	
Family ownership,	36	78837	-0.0037	0.0704	-005	-0.1417	0.1344	4074.704	97.99	0.30	0.77
Multiple criteria	15	34584	0.0002	0.1078	0.00	-0.2112	0.2115	14545.350	99.65	0.29	0.77
CSR measurement											
CSR management	11	20046	0.3778	0.1119	3.28	0.1585	0.5616	6202.452	99.84	RC	
CSR processes	10	16176	-0.2027	0.1146	-1.60	-0.4274	0.0455	7658.608	99.88	-3.62	0.0003***
CSR disclosures	14	22337	-0.0761	0.1040	-0.71	-0.2799	0.1342	1535.500	99.15	-2.97	0.0030***
CSR reputation ratings	21	60295	-0.0814	0.0850	-0.93	-0.2481	0.0900	366.516	94.54	-3.27	0.0011***
Firm types/											
Listed in stock market											
Private and mixed	13	16189	0.2459	0.1127	2.18	0.0250	0.4438	5728.732	99.79	RC	
Public	43	102665	-0.0858	0.0620	-1.36	-0.2073	0.0383	12852.661	99.67	-2.58	0.0099***
Firm size											
Large	49	110028	-0.0915	0,0570	-1.57	-0.2031	0.0225	13005.276	99.63	RC	
SMEs*	7	8826	0.5230	0.1284	3.77	0.2713	0.7078	4845.109	99.88	4.37	0.0000***
Legal System											
Civil law	22	27951	0.0141	0.0899	0.16	-0.1622	0.1894	1561.905	98.66	RC	
Common law	18	39796	0.1098	0.0991	1.11	-0.0844	0.2960	6559.305	99.74	0.72	0.4742
Institutional System											
CME	12	13542	-0.0861	0.1177	-0.70	-0.3168	0.1543	186.829	94.11	RC	
LME	12	26755	0.1749	0.1216	1.44	-0.0634	0.3944	4604.228	99.76	1.54	0.1231
Others	16	27450	0.0751	0.1063	0.70	-0.1332	0.2771	3149.353	99.52	1.02	0.3095
Country culture											
Uncertainty Avoidance											
High	20	24521	-0.0851	0.0907	-0.91	-0.2628	0.0982	252.529	92.48	RC	
Low	20	43226	0.1977	0.0923	2.14	0.0168	0.3661	7560.999	99.75	2.19	0.0288**
Masculinity											
High	21	45934	0.1500	0.0915	1.64	-0.0294	0.3201	6035.215	99.67	RC	
Low	19	21813	-0.0472	0.0954	-0.48	-0.2343	0.1432	2161.217	99.17	-1.49	0.1359

Table 2: Continuation.

Power Distance											
High	21	30311	0.0383	0.0923	0.41	-0.1426	0.2167	3207.077	99.38	RC	
Low	19	37436	0.0787	0.0965	0.81	-0.1104	0.2624	4910.459	99.63	0.30	0.7619
Long-term Orientation											
High	20	26921	0.0171	0.0943	0.18	-0.1677	0.2008	1558.595	98.78	RC	
Low	20	40826	0.0974	0.0941	1.04	-0.0870	0.2753	6564.026	99.71	0.60	0.5469
Individualism											
High	17	34710	0.1128	0.1022	1.11	-0.0875	0.3044	4656.737	99.66	RC	
Low	23	33037	0.0160	0.0881	0.18	-0.1567	0.1878	3537.029	99.38	-0.72	0.4732
Indulgence											
High	17	31487	0.0944	0.1026	0.92	-0.1068	0.2881	4643.615	99.66	RC	
Low	23	36260	0.0304	0.0881	0.34	-0.1422	0.2012	3553.991	99.38	-0.47	0.6363
Study-specific moderators											
Publication year											
From 2016 to 2019	30	54471	-0.0563	0.0755	-0.73	-0.2044	0.0943	2500.603	98.84	RC	
Before 2016	26	64383	0.0487	0.0826	0.59	-0.1133	0.2081	16052.347	99.84	0.94	0.3482
Journal's relevance											
High	29	80407	0,0435	0.0777	0.56	-0.1088	0.1937	5815.736	99.52	RC	

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.
SMEs: Small and Mid-size Enterprises.
LME: Liberal Market Economies.
CME: Coordinated Market Economies,
k: Number of effect sizes.
N: Total sample size is according to the number of firms in the primary studies.
ES: Effect size
s.e.: Standard error of ES.
CI: Confidence interval.
Q-test: chi-squared statistic test.
I^2: Ratio of study variance due to heterogeneity

Although results have suggested that family influence would not be a condition to CSR performance, this relationship may be controlled by other variables. Therefore, the moderator-based result analysis may have indicated certain relevant influences. Given the overall responses often observed in moderation analyses conducted in meta-analytical studies, strategies were adopted to confirm whether there was moderation in the relationship of family influence and CSR performance (Geyskens et al., 2009).

Sampling error and I-square were calculated to identify signs of moderation (Table 2). Sampling error values lower than 75% suggested likely moderation; thus, values recorded at this stage substantiated the search for likely moderators. The I-square intervals indicated greater heterogeneity in size effects and high likelihood of moderators when cut-off points higher than 25% were used; this outcome supported the investigation of moderators in the relationship of family firms and CSR (Higgins et al., 2003). Thus, conceptual and study moderators were tested to help better understanding factors involved in family influence on CSR.

5.3 Evidence deriving from conceptual moderators

The first moderator was based on different definitions of family firms found in the analyzed sample (ownership, management or multiple criteria). Results have indicated that these definitions had low effect sizes: the definition guided by management criteria recorded ES = -0.0600, whereas the definition based on ownership recorded ES = -0.0037 and, eventually, the definition based on multiple criteria recorded ES = 0.0002. Another factor to be analyzed lies on z-test results, which indicated that the classification based on management had significantly greater effect on the relationship of family business and CSR performance, however it did not show significant result in comparison to the definition based on both ownership ($z = 0.30$; $p = 0.77$) and multiple criteria ($z = 0.29$; $p = 0.77$).

The second moderator referred to the differentiation of strategies used to measure social performance; the following results were observed: CSR management has shown significant effect (ES = 0.3778) on social performance, whereas processes and audits have shown relevant effect on it (ES = -0.2027). The variation was statistically significant in effect size among CSR management and processes ($z = -3.62$; $p < 0.001$), reputation ratings ($z = -3.27$; $p = 0.001$) and disclosures ($z = -2.97$; $p < 0.01$).

According to **H1,** the effect of family involvement on CSR performance would be greater in private companies than in the public ones. Based on the variable used to differentiate company types, different results were observed for public companies (ES = -0.0858) and for studies including both public and private companies (ES = 0.2459). There was significant difference between company types ($z = -2.58$; $p < 0.01$) and this outcome supported the first hypothesis. These results comply with previous research that confirmed the greater private family firms' involvement in social actions than that observed for public companies. The aforementioned involvement is associated with greater concern with companies' commitment to internal stakeholders (Song et al., 2015; Zhou, 2014).

According to **H2**, the effect of family involvement on CSR performance was greater in large companies than in the small ones. Based on the comparison between studies conducted with large companies and SMEs, heterogeneous results were observed for SMEs (ES = 0.5230) in comparison to large companies (ES = -0.0915). The relationship between these variables was significant ($z = 4.37$ $p = 0.0000$) and did not support this hypothesis. This result can be associated with the presence of family SMEs in the analyzed community (Fitzgerald et al., 2010), with family firms' involvement with local communities, owner's resource destination and moral values (Dennis, 2004; Niehm et al., 2008). Firms with small structures can be more influenced by family because they do not have formal governance mechanisms.

According to **H3**, the effect of family involvement on CSR performance is moderated by countries' national culture. The national culture dimensions proposed by *Hofstede* had moderate effect on CSR performance when the six analyzed variables were taken into consideration, in separate, as shown in Table 2. The main results were observed for countries presenting high uncertainty avoidance level, where family firms' influence had negative effect on social performance (ES: -0.0851), as well as for countries presenting low uncertainty avoidance levels, where family firms' influence had positive effect on such a performance (ES = 0.1977). There was significant difference in effect sizes between counties presenting low and high uncertainty avoidance levels ($z = 2.19$; $p < 0.05$); this outcome has substantiated **H3**.

According to Aniszewska (2016), the uncertainty avoidance level can influence social activities performed by companies, since it has impact on communication processes and on the way decisions are made. High uncertainty avoidance levels help minimizing threats to the market, based on the use of safer structures, processes, and formal rules (Hofstede & Minkov, 2010). On the other hand, the scenario in countries presenting low uncertainty avoidance levels enables innovation, advertising and focus on external demands.

With respect to variables used to differentiate countries' legal systems, none of the systems has shown significant results: civil law (ES = 0.0141) and common law (ES = 0.1098). Based on the current analysis, the variation between the two systems was not significant ($z = 0.72$; $p = 0.4742$); thus, it was possible concluding that there are no relevant differences among countries' legal systems – this outcome does not support **H4a.**

Institutional systems recorded the following effects: CME (ES = -0.0861), LME (ES = 0.1749) and others (ES = 0.0751). These systems did not show significant effects - thus, results did not support **H4b**, according to which, the effect of family involvement on CSR performance is moderated by countries' institutional system. Results observed for national systems were not determining factors for family involvement in CSR, a fact that reinforces the need of conducting

further studies focused on investigating different formal (Campbell, 2005) and informal (Li & Abiad, 1990) rules capable of influencing social performance.

5.4 Effect size from study moderators' perspective

The current research has analyzed study moderators to investigate differences in publication years (2016-2019 and before 2016) and in journal quality level (high and low). The effect size observed for studies published between 2016 and 2019 was ES = -0.0563 and that observed for studies published before 2016 was ES = 0.0487. The difference between size effects was not significant (z = 0.94; p = 0.3482), and it enabled concluding that the relationship of family firms and CSR performance remained stable over the years.

The journals' relevance analysis was based on the h-index, which enabled finding the effect size of journals with higher (ES = 0.0435) and lower (ES = -0. 0633) impact levels. It was not possible finding any result capable of supporting family firms' influence on CSR performance at journals' quality scope (z = 0.96; p = 0.3367).

6. Discussion and conclusion

The objective of this research was to analyze the relationship of family firms and CSR performance. Studies available in the literature on this topic have shown both positive and negative results about this relationship. However, they did not present any conclusion about the circumstances capable of influencing the relationship of family firms and CSR performance.

The current research identified different criteria used to classify these companies as family firms, as well as different ways to measure CSR performance. Moreover, likely study and conceptual moderators, gathered during the herein conducted review were included in the analysis. These moderators were analyzed to investigate their impact on the relationship of family business and CSR performance.

Meta-analytical research comprising 56 primary studies conducted in different countries was performed to meet the desired goals. These studies were collected based on predefined criteria in order to create an academic database. After the data collection procedure was over, the random effects model was applied to identify the size effect of the analyzed studies and to tests the research hypotheses.

Results have shown that family involvement in companies was not a determining factor for CSR performance. Therefore, they contribute to studies focused on investigating the relationship between family management and CSR. With respect to company type, family involvement in CSR performance was higher in private companies. However, the analysis based on company size has shown that SMEs presented greater family involvement influence on CSR performance.

Differences observed between public and private companies meet the results presented before, since public companies are often subjected to a broader range of regulations and rules. On the other hand, private companies operate under the control of both their owners and outsiders. Therefore, the investigated influence depends on companies' governance structure.

The current study also took into consideration countries' features at the time to analyze three of the selected hypotheses. Based on this perspective, cultural features can moderate family involvement and CSR performance. The uncertainty avoidance dimension stood out in the current study, since it showed meaningful moderator effect between family and social performance. It was not possible confirming the expected moderation based on the perspective of different legal and institutional systems.

The current results make different contributions to studies about this topic. Firstly, they support investigations aimed at better understanding how family involvement can influence companies' decision-making, mainly concerning CSR practices.

In addition, the present research contributes to studies focused on investigating countries' national features and how they influence CSR performance. Accordingly, it is worth emphasizing the importance of conducting further studies based on variables associated with countries that may, or may not; support family companies' social, environmental and governance actions.

However, although the current study has reached its goals, it is worth addressing its main limitation, namely: the herein applied selection criteria, which gathered studies based on the investigated topic and on the period selected for analysis.

Studies focused on featuring family governance and culture, as well as on comparing two emerging countries in the sample, should be conducted to help improving the results, to better comprehend the relationship of companies and social performance, and to identify likely additional moderators.

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5.3 Do national institutions enhance or restrict the link between family businesses and their environmental, social and governance (ESG) performance?

Abstract: The aim of the current Chapter is to investigate the likely moderating role played by national institutions in the relationship between family businesses and their environmental, social and governance (ESG) performance. Different panel data regression models were estimated in order to test the working hypotheses based on a sample comprising 3,991 companies operating in 51 different countries and by taking into consideration the 2013-2017 period as data analysis timespan. The main results have shown that family businesses achieve higher ESG performance levels than non-family-controlled companies. More specifically, although both corporate social performance (CSP) and corporate environmental performance (CEP) are higher in family businesses, they perform poorly at the governance (CGP) dimension. The current study has contributed to the literature in the field by evidencing that the link between family businesses and CGP is less negative and weaker in companies operating in coordinated market economies (CMEs). On the other hand, national institutions do not moderate the link between family firms and their CSP and CEP. These results enabled better understanding how national institutional contexts affect the dynamics of family businesses and their ESG performance.

Keywords: family firms; national institutions; varieties of capitalism; environmental, social and governance performance.

1. Introduction

Family businesses are the oldest form of economic organizations operating in all countries (Zachary, 2011). Studies available in the literature (Antheaume et al., 2013; Navarro, 2014) have shown that family firms are more probable to develop socially responsible behaviors in order to preserve their reputation and to assure their survival in the long-term. Based on this perspective, family businesses promote and implement corporate social responsibility (CSR) actions; States, in their turn, provide the regulatory environment in which businesses operate. As governments establish different systems and policies for social affairs, different environmental, social and governance (ESG) performance levels are expected from family firms within different national institutional constraints. This process is consistent with Bernhagen & Kollman (2013), according to whom corporate engagement in ESG issues significantly changes depending on the sector and country in which they operate.

The CSR-related literature in the macro sense (Khanna et al., 2006) has shown that ESG initiatives depend on firms' institutional context and it has also provided models to investigate how national institutions influence firms' ESG practices (Ortas et al., 2019; Ringov & Zollo, 2007). Consequently, previous studies have largely addressed the divergence in firms' ESG initiatives and performance due to pressure coming from different stakeholders, institutional constraints and sociopolitical structures (Halkos & Skouloudis, 2016; Jamali & Neville, 2011). However, the moderation of national institutions on the family business/ESG performance relationship is yet to be analyzed. The current study has covered this gap and applied empirical tests to investigate whether national institutions enhance, or restrict, the links between family-oriented companies and their ESG performance.

The current Chapter has contributed to research conducted in this field in different ways. Firstly, it has analyzed a sample comprising 3,991 companies operating in 51 different countries by taking into consideration the period between 2013 and 2017, in order to provide an up-to-

date overview of the relationship between family firms and ESG performance. Secondly, the relationship between family businesses and each of the three firms' ESG performance dimensions – i.e., corporate social performance (CSP), corporate governance performance (CGP) and corporate environmental performance (CEP) – was herein addressed to avoid the emergence of compensation effects. Finally, this Chapter has tested whether national institutional constraints can influence the relationship between family firms and ESG performance. It was done to help better understanding how institutional systems can enhance, or limit, the relationship between family businesses and ESG performance.

The current Chapter was structured as follows. Sections 2 and 3 introduce the adopted theoretical framework and present previous research on this topic. Section 4 introduces and describes the working hypotheses. Section 5 describes the investigated sample and the adopted method. Results are shown and analyzed in Section 6. Lastly, Section 7 concludes the research.

2. National institutional systems and firms' commitment to CSR

Societies create institutions that conform to their different standards (Stephan & Uhlaner, 2010). The institutional configurations' perspective is based on the complementarity principle, according to which two, or more, variables mutually corroborate the effects or aim at bridging the gaps between them (Crouch, 2005). Countries' classification among different institutional profiles is mainly based on culture and institutions. Studies on corporate behaviors resulting from firms' exposure to different national cultures have been carried out worldwide (De Mooij & Hofstede, 2002). Similarly, firms' commitment to CSR issues and ESG performance has been addressed by previous research (Ortas et al., 2019). Varieties of Capitalism (VoC) is the most widespread model used to explain the engagement of different companies in CSR practices. This approach explains how the economic activity operating in different countries is organized in terms of capital, labor and administration (Campbell & Pedersen, 2007). The VoC

model (Hall & Soskice, 2001) it divides different economies into two groups: i) coordinated market economies (CMEs) and iI) liberal market economies (LMEs);

Managers of firms operating in CMEs are encouraged to meet other demands, such as those of non-financial stakeholders. These companies develop collaborative contracts by aggregating strategies and exchanging information (Hall & Gingerich, 2009). Consequently, they rely on networks, such as confederations and collective bargaining, as well as on the banking system. The labor market in CMEs has strict regulations supported by strong unions whose members have specific training in some fields - a fact that enables both the innovation and the development of high-quality products (Glassmann, 2012). Germany and Japan are examples of CMEs, whose labor market structure is based on unions (Haxhi et al., 2015). Governance structure in LMEs is completed by investment actions and by higher wage policy. Consequently, companies achieve higher competitiveness and better-quality products (Kiran, 2018).

Firms operating in CMEs target social welfare in response to several claims from stakeholders (La Porta et al., 1997), who need to work in a cooperative manner, as in the form of unions (Midttun et al., 2006). The pressure to implement partnership actions in these countries is significant (Young & Marais, 2012). Accordingly, several issues linked to social responsibility in CMEs are observed in regulatory standards, unlike the LMEs context, where actions often have voluntary nature (Kang & Moon, 2012). With respect to institutional exchanges among unions, society, employees and shareholders, companies operating in CMEs are more probable to engage in CSR issues, and it may lead to improved corporate ESG performance (Campbell, 2007). Thus, companies operating in CMEs are considered stakeholder-oriented businesses.

Based on a different perspective, companies operating in LMEs are organized in market-oriented arrangements driven by the supply and demand rule. Firms operating in LMEs consider

the stock market as their main source of financial resources, and it induces them to pursuit greater financial returns and to prioritize shareholders' interests (Kang & Moon, 2012). LMEs countries achieve high-efficiency indicators by committing to short-term results, flexible working relationships (Glassmann, 2012), and almost zero labor coordination (Fainshmidt et al., 2018). Firms' governance in the USA - which is an example of LMEs - is almost focused on shareholders' demands and on stock exchange negotiations, since companies take higher risks, have better technology and provide more professional improvement possibilities based on employment contracts (Kiran, 2018). LMEs implement severe investors' protection mechanisms through market tools (Jackson & Apostolakou, 2010). Finally, firms operating in LMEs manage social and environmental concerns as legitimizing strategies to increase their shareholders' wealth (Kang & Moon, 2012).

This concept of configurations has been used in several studies to help better understanding business outcomes such as governance issues (Grosvold & Brammer, 2011), organizational financial performance (Judge et al., 2001) and non-financial success (Hartmann & Uhlenbruck 2015). More specifically, previous studies (Chen et al., 2014, Lebedev et al., 2015) have addressed the effects of national institutions on different firms' governance system decisions. Thus, there is growing interest in investigating the way institutional systems influence a relevant governance tool – family ownership – (Du et al., 2016) at the time to implement ESG policies and practices (Deng et al., 2013).

3. Family firms' commitment to CSR

Different theoretical perspectives have driven research on the relationship between family firms' ownership and CSR commitment. Among them, one finds: i) stakeholder theory (Block & Wagner, 2014; Cruz et al., 2014), ii) agency theory (Aoi et al., 2017; Delgado-García et al., 2010) and iii) socio-emotional wealth theory (Yu et al., 2015). Overall, these theories aim at

investigating the influencing scenarios and conditioning factors contributing to greater or lesser family firms' commitment to CSR issues.

According to the stakeholder theory, companies' pursuit of legitimacy makes them take actions that are valued by society (Deephouse, 1999). However, responding to requests from different interest groups (Phillips et al., 2003) is an arduous task for companies that, in their turn, can prioritize certain social dimensions (Block & Wagner, 2014; Lockett et al., 2006) or the most relevant stakeholders (Mitchell et al., 1997).

This behavior was identified in previous research focused on investigating the performance of family businesses expressing concerns about CSR (Mattingly & Bermann, 2006). Family businesses build legitimacy before society and try to preserve it for future generations (Marques et al., 2014) since they understand that internal and external stakeholders see these companies as continuity of family (Berrone et al., 2012). Thus, family businesses often behave in a more responsible manner than non-family organizations since they aim at their own protection from likely damages (Dyer & Whetten, 2006; Berrone et al., 2010). The social performance of family business works as link to internal and external stakeholders (Pearson et al., 2008). Such a link - if well managed - enables building a stable business scenario (Niehm et al., 2008) and relationship with relevant stakeholders (Sirmon & Hitt, 2003).

Managing business activities requires managing conflicts of interest among those involved in this process. According to the agency theory, companies controlled by families have fewer agency conflicts between shareholders and managers, since such a control modality results in increased managerial monitoring by family shareholders (Anderson & Reeb, 2003; Jensen & Meckling, 1976). Another positive factor pointed out by the literature lies on the fact that family businesses have less information asymmetry among shareholders (Martinez-Ferrero et al., 2017) and it reduces the likelihood of the opportunistic use of social actions by managers, due to greater control exercised by families (Ali et al., 2007). However, this very same control

can lead to agency issues associated with controllers and minority shareholders, since controllers tend to prioritize private interests to the detriment of minority shareholders (Faccio & Lang, 2002). An emerging approach aimed at explaining the behavior of family businesses suggest that they meet non-financial goals to satisfy families' emotional needs (Gomez-Mejia et al., 2007). This affective involvement in companies' goals is called socio-emotional wealth (SEW) (Berrone et al., 2012). The SEW theory advocates that family businesses try to achieve traditional goals, such as profitability and business expansion, and that they add the non-financial perspective to these goals (Chrisman et al., 2005). Thus, families, shareholders and CEOs can agree, or not, on their preferences concerning CSR activities (Gomez-Mejia et al., 2010; Hirigoyen & Poulain-Rehm, 2014). SEW is based on the prioritization of family owners' organizational goals such as image, reputation and family control, over traditional financial goals (Berrone et al., 2012; Block & Wagner, 2014). Thus, CSR actions can be used by family businesses as instrument to build a positive image designed to strengthen and guarantee the organization's continuity (Cennamo et al., 2012).

The pursuit of better CSR performance can be a valuable tool for family businesses (Siegel, 2009), since maintaining financial control requires establishing strong ties and maintaining relationships with market participants (McGuire et al., 2012). Thus, the current Chapter conducted an in-depth analysis of family businesses' institutional context; it was done by comparing the approaches proposed by the three herein presented theories. At theoretical level, we associated both the stakeholder theory and the agency theory with SEW to help better understanding the social responsibility of family firms.

4. Hypotheses' development

4.1. Family firms' commitment to ESG issues

The social performance of family businesses is widely addressed in the literature, with emphasis on business actions taken to build a positive business image. Perrini & Minoja (2008) have

emphasized the importance of analyzing two mediators of this relationship - i.e., owners' view and governance aspects - to help better understanding the need of deepening the discussion about CSR in family firms

Previous studies focused on investigating family businesses and ESG performance have found mixed, contradictory and frustrating results. According to several studies, there is positive correlation between family ownership and ESG performance (Singal, 2014), since investments in ESG actions generated by family businesses provide relevant returns because they aim at minimizing concerns with companies' longevity. Furthermore, Dyer & Whetten (2006) have shown that the positive correlation between family firms and ESG performance is associated with companies' concern about their image; thus, families try to avoid associating their companies with non-responsible reputations. In addition, Yu et al. (2015) have jointly analyzed the aspects enabling corporate ESG performance and observed positive results for family firms in comparison to the non-family ones.

However, other studies have shown the negative influence of family ownership on firms' ESG performance. According to Labelle et al. (2015), there is negative association between companies and social investments whenever family control over companies exceeds the limit of 36% of voting rights. El Ghoul et al. (2016) have also identified negative relationship between family firms and disclosure of business information due to agency issues presented by family businesses in countries with low press freedom, large number of political connections and weak protection to investors. The following hypothesis was established based on these theoretical assumptions:

H1: Family firms outperform their non-family peers in ESG performance.

4.1.1. Family ownership influence on CEP

Previous studies have substantiated the development of hypotheses about the influence of family businesses on CEP. Based on the stakeholder theory perspective, family businesses take

actions focused on relevant stakeholders in order to maintain their positive image and long-term sustainability. Thus, they may show attitudes that comply with stakeholders' expectations, such as environmental information practices and disclosures (Nurmala, 2018).

According to the agency theory perspective, family ownership power can impose families' planned goals on companies' structure, to the detriment of corporate governance, a fact that can trigger conflicts between minority and majority shareholders (Schulze et al., 2002; Singla et al., 2014; Young et al, 2008). Among these goals, one finds investments in actions and ecological programs in order to improve companies' environmental performance (Aragon-Correa & Sharma, 2003; Cordeiro & Tewari, 2015). However, these activities may not provide the financial returns expected by non-family shareholders, and it ends up reinforcing pre-existing conflicts (Berrone et al., 2010; Cordeiro et al., 2020). Thus, family firms need to perform better than other companies, so that benefits deriving from environmental investments can be justified, as well as ensure companies' reputation (Pucheta-Martínez & López-Zamora, 2018), return on investment made by other interested parties (Lyon & Shimshack, 2015) and obtainment of institutional investments (Alda, 2019).

According to Dyer & Whetten (2006), family businesses' concern with maintaining socio-emotional wealth makes them avoid practices that can have negative impact on the environment and, consequently, on companies' image and reputation. Based on the aforementioned, family businesses present motivations and justifications to invest in actions aimed at achieving CEP levels higher than those of non-family businesses. Thus:

H2: Family firms outperform their non-family peers in CEP.

4.1.2. Family ownership influence on CSP

Different studies have investigated the effect of family involvement on CSP (Gomez-Mejia et al., 2007; Zellweger & Nasson, 2008), by taking into consideration that actions representing

such a performance involve different agents such as employees, consumers, suppliers, shareholders and society, among others (Clarkson, 1995).

Socially responsible practices adopted by family businesses are motivated by their concern with their reputation and by the effects of non-responsible actions on families' image (Chrisman et al., 2007; Deephouse & Jaskiewicz, 2013). Thus, family businesses avoid setting goals capable of jeopardizing their operation and other stakeholders (Cruz et al., 2014; Mitchell et al., 1997). They also take actions to maintain the legitimacy of their business (Frooman, 1999) and actions to maintain the legitimacy of their business (Arregle et al., 2007)

According to Canavati, (2018), there is positive relationship between family businesses and CSP, since socially responsible practices developed by companies help filling the institutional voids caused by unsatisfactory workforce and by low protection to formal investors. Thus, it seems logical to think that family businesses show better CSP than other organizations, in order to maintain family control and legitimacy towards stakeholders.

H3: Family firms outperform their non-family peers in CSP.

4.1.3 Family ownership influence on CGP

Studies available in the literature have shown that corporate governance issues encourage companies to take strategic actions towards social responsibility (Siegel, 2009). However, different governance structures, such as ownership structure, can influence companies' social performance (Gedajlovic & Shapiro, 1998; Harjoto & Jo, 2011). According to Mackenzie et al. (2013), McGuire et al. (2012) and Rees & Rodionova (2015), family-concentrated ownership structures have negative influence on companies’ social and environmental performance.

Different studies have shown that family firms have negative correlation to CGP if one takes into consideration aspects such as audit mechanisms and shareholder structures (Hirigoyen & Poulain-Rehm, 2014), CEO duality (Delgado-García et al., 2010) and independence levels (Cui

et al., 2018). Family members, either in management positions or as business owners, tend to neglect better governance practices (Hillier & McColgan, 2009).

Thus, we herein suggest that family businesses show lower CGP levels than other organizations to maintain family control and to preserve emotional wealth, and that they fail to adopt the best governance practices:

H4: Family firms underperform their non-family peers in CGP.

4.2. The moderating role played by national institutions

Companies' commitment to ESG issues changes depending on countries' institutional structures (Rathert, 2016). Extant research has shown that if, on the one hand, ESG practices are observed in firms operating in CMEs (Matten & Moon, 2008), on the other hand, companies operating in LMEs can choose specific ESG practices due to lack of weak policies and institutions (Ioannou & Serafeim, 2012). Therefore, firms operating in CMEs/LMEs have been considered stakeholder/shareholder-orientated businesses.

This result can be described by the fact that market influence prevails in LMEs, since creditors and shareholders' rights are prioritized (Aguilera & Jackson, 2003), and often express their personal understanding about social responsibility (Matten & Moon, 2008). Underneath this system, market rules guide most businesses and the economy prioritizes ownership rights (Hall & Gingerich, 2009). Companies operating in CMEs are influenced by social control, as well as by the high performance of labor unions and organizations (Kang & Moon, 2012). They act according to societal expectations, with emphasis on stakeholders to preserve social harmony (Franks et al., 2012), since there is strong structural pressure on companies to adopt proper business behavior (Jackson & Rathert, 2015). Firms operating in CMEs are oriented towards, and focused on, serving a wide range of agents, such as shareholders, employees and suppliers (Dore, 2000).

Based on their very nature, family firms are featured by their focus on meeting stakeholders' expectations, as well as on maintaining their organizational reputation and image (Cruz et al., 2014), based on actions aimed at strengthening their ties with society and at promoting companies' longevity. Thus, family firms can increase their ESG performance level in CMEs, since they often find a favorable scenario to serve stakeholders in these countries. Therefore, the following hypothesis should be tested:

H5: Family ownership influence on ESG performance is more positive and greater in companies operating in CMEs.

The role played by the State in national economies significantly changes depending on the business system adopted by countries; in addition, the State can participate, either directly or indirectly, in the process to define market boundaries (Whitley, 1999). There are countries where the State is directly involved in the market and shares the risks inherent to the sector; they are called liberal market economies. However, when it comes to CMEs, the State has indirect influence on business operations, within certain limits, and it does not share business-related risks. The State is considered strong when it has broad environmental preservation policies and regulations companies operating in these countries comply with and go beyond requirements of the current legislation (Hartmann & Uhlenbruck, 2015). Studies have shown that strong government regulation leads to increased CEP levels (Ioannou & Serafeim, 2017), a fact that makes companies more transparent in the market and enable them to meet stakeholders' information expectations. Consequently, it helps improving reputation mechanisms and encourages companies to improve their CEP levels (Brammer et al., 2012).

The environmentally responsible behavior adopted by companies is no longer a purely voluntary action; it has been analyzed based on VoC (Matten & Moon, 2004). Thus, the State and its policies are essential elements to ensure companies' environmental commitment to establish the rules of the game (Park & Ghauri, 2015). Accordingly, we herein suggest that

family firms find a more favorable scenario for environmental actions in countries where the state plays the role of regulatory agent. Thus, the following hypothesis was proposed:

H6: Family firms' influence on CEP is more positive and greater in companies operating in CMEs.

Maintaining social cohesion, with emphasis on labor rights, is essential to companies and economic agents operating in CMEs (Kang & Moon, 2012), since they are compelled to engage in social practices (Aguilera et al., 2007; Campbell, 2007). The labor market in these economies is less flexible, since it comprises strong unions and high employment protection, as well as provides relevant training to develop specific skills, to enable the creation of job positions in companies and to guarantee employees' satisfaction.

Understanding countries' knowledge level is an important element that also affects the relationship between companies and employees (Matten & Moon, 2008). Highly informed economies can invest in specific skills, whereas economies counting on low resource levels are forced to invest in basic knowledge, regardless of the sector (Jackson & Deeg, 2008). Thus, we herein suggest that CME environments are more likely to enable family firms to further develop social policies and actions capable of significantly increasing their CSP. Accordingly, the following hypothesis was proposed:

H7: Family firms' influence on CSP is more positive and greater in companies operating in CMEs.

Corporate governance models differ between LMEs and CMEs in the relevance given to stakeholders (Aguilera & Jackson, 2003). Firms operating in LMEs adopt governance issues to meet shareholders' needs (Jain & Jamali, 2016). Features such as the largest number of members and professional managers in companies (Terjesen & Singh, 2008), as well as higher likelihood of implementing corporate governance committees due to the requirement to participate in the capital market, can be identified in countries such as the United Kingdom and

the United States. On the other hand, companies operating in CMEs prioritize the use of funds over the stock market, since they are less compelled to comply with rules such as the creation of governance and public exposure committees (Ioannou & Serafeim, 2012). The institutional features of CMEs should provide the perfect environment for family firms to operate in and to reduce their negative performance in corporate governance indicators. According to the previous reasoning, the following hypothesis must be tested:

H8: Family firms' influence on CGP is lesser negative and weaker in companies operating in CMEs.

5. Data, method and variables

5.1. Sample selection

The dataset was built based on the following process. Firstly, all companies available in the Thomson Reuters ASSET4® DataStream between 2013 and 2017 were taken into consideration. This initial process resulted in 4,583 companies. Then, firms that did not have information about ESG performance available for at least 4 years were removed from the sample. The resulting sample comprised 3,991 companies operating in 51 different countries. Finally, firms were classified as family/non-family companies, based on the Family Capital's ranking[1], which focus on the top 750 family businesses in the world (see Table 1).

[1] This ranking takes into consideration the largest 750 family firms operating worldwide, which account for global annual revenues of $9 trillion and employ nearly 30 million people.

Table 1: Sample's distribution per country.

Country	Freq. (total)	Freq. (family firms)	% (total)	% (family firms)	Country	Freq. (total)	Freq. (family firms)	% (total)	% (family firms)
Australia	311	3	7.79%	1.19%	Morocco	2	0	0.05%	-
Austria	16	1	0.40%	0.40%	Netherlands	33	4	0.83%	1.59%
Belgium	25	5	0.63%	1.98%	New Zealand	17	0	0.43%	-
Brazil	88	12	2.20%	4.76%	Nigeria	1	0	0.03%	-
Canada	276	23	6.92%	9.13%	Norway	21	1	0.53%	0.40%
Chile	23	4	0.58%	1.59%	Peru	3	0	0.08%	-
China	153	0	3.83%	-	Philippines	25	4	0.63%	1.59%
Colombia	15	1	0.38%	0.40%	Poland	27	2	0.68%	0.79%
Czech Republic	04	0	0.10%	-	Portugal	08	2	0.20%	0.79%
Denmark	29	4	0.73%	1.59%	Qatar	12	0	0.30%	-
Egypt	10	2	0.25%	0.79%	Russian	29	4	0.73%	1.59%
Finland	32	1	0.80%	0.40%	Saudi Arabia	5	0	0.13%	-
France	89	14	2.23%	5.56%	Singapore	48	1	1.20%	0.40%
Germany	96	8	2.41%	3.17%	South Africa	118	1	2.96%	0.40%
Hong Kong	164	18	4.11%	7.14%	South Korea	104	11	2.61%	4.37%
Hungary	4	0	0.10%	-	Spain	48	5	1.20%	1.98%
India	88	13	2.20%	5.16%	Sri Lanka	1	0	0.03%	-
Indonesia	36	3	0.90%	1.19%	Sweden	68	2	1.70%	0.79%
Ireland	10	0	0.25%	-	Switzerland	57	10	1.43%	3.97%
Israel	2	1	0.05%	0.40%	Taiwan	119	5	2.98%	1.98%
Italy	55	5	1.38%	1.98%	Thailand	33	5	0.83%	1.98%
Japan	399	8	10.00%	3.17%	Turkey	27	2	0.68%	0.79%
Jordan	01	0	0.03%	-	United Arab Emirates	10	0	0.25%	-
Kazakhstan	01	0	0.03%	-	United Kingdom	273	7	6.84%	2.78%
Malaysia	48	5	1.20%	1.98%	United States	885	44	22.17%	17.46%
Mexico	42	11	1.05%	4.37%					
TOTAL						**3991**	**252**	**100%**	**100%**

This table presents firms' detailed distribution per country.

According to this classification, 252 firms were added in the family businesses group and the remaining ones were added in their non-family peers' group. As shown in Table 1, the USA is the country presenting the largest number of companies in the sample; it accounts for 22.17% of the total sample and for 17.46% of family businesses - the country is followed by Japan (399 companies - 10.00%), and Australia (311 companies - 7.79%). On the other hand, Jordan, Kazakhstan, Nigeria and Sri Lanka are the least represented countries in the sample -

each country accounts for only one company. The USA is also the country with the largest representativeness of family businesses (17.46%); it is followed by Canada (9.13%) and Hong Kong (7.14%).

Companies in the sample are included in 10 economic sectors, as defined by the Thomson Reuters Business Classification (TRBC) (Table 2). Companies operating in finance, manufacturing and consumer services sectors accounted for almost 50% of the total sample, whereas utilities (5.46%), healthcare (5.36%) and telecommunications (2.73%) were the least represented sectors. Family businesses mostly operate in the cyclical consumer goods (24.21%), consumer services (20.24%) and industrial (17.06%) sectors, although few companies operate in the technology (2.38%), telecommunications (1.98%) and utilities (1.19%) sectors.

Table 2: Sample distribution per economic sector.

Economic Sector	Freq. (total)	Freq. (family firms)	% (total)	% (family firms)
Financials	881	31	22,07%	12,30%
Industrials	721	43	18,07%	17,06%
Consumer Services	517	51	12,95%	20,24%
Consumer Goods	444	61	11,13%	24,21%
Basic Materials	426	27	10,67%	10,71%
Technology	235	6	5,89%	2,38%
Oil & Gas	226	9	5,66%	3,57%
Utilities	218	3	5,46%	1,19%
Healthcare	214	16	5,36%	6,35%
Telecommunications	109	5	2,73%	1,98%
TOTAL	**3991**	**252**	**100%**	**100%**

5.2. Variables' description

Firms' ESG performance has been measured based on information provided by the ASSET4® database. This variable refers to how companies' non-financial and financial health can be same weighed according to CEP, CSP, and CGP. It reflects balanced perspectives of companies' performance in these three fields. Elements of each ESG dimension are presented below, based on Thomson Reuters (2013).

CEP measures the impact of business activities on living/non-living systems, as well as on ecosystems, since it takes into consideration air, land and water in the analysis. Thus, CEP analyzes companies' concern with the best actions to minimize environmental risks and to develop new courses of action. Consequently, CEP highlights businesses' strengths and weaknesses in reducing gas emissions and resource consumption, as well as in developing new products.

CSP analyzes companies' conditions to build trust and loyalty to customers, employees and society based on the adoption of good business practices. It is a mirror of corporate reputation and a essential element to generate long-term value. CSP includes weaknesses and strengths regarding factors such as employees' training, human rights and qualification, job quality and product responsibility, among others. CGP, in its turn, takes into consideration procedures and techniques used by companies to ensure that both executive and board members work towards meeting long-term shareholders' needs, as well as to show companies' ability to apply the best practices to ensure preservation rights and to fulfill their responsibilities. This dimension evaluates boards' functions and structure, compensation policy, strategic vision and shareholders' rights.

As previously mentioned, the herein assessed family businesses were identified based on the Family Capital list, which presents the 750 largest family firms in the world. Companies included in the analyzed sample were codified as stakeholder-oriented (operating in CMEs) and shareholder-oriented (operating in LMEs) businesses, based on the VoC classification.

Some financial and non-financial control variables were introduced in the analysis to enable non-biased results. Financial controls comprised i) firms' size, which was computed as the natural logarithm of their total assets; ii) firms' market to book ratio (MKTBK), which was calculated based on the ratio between the market and book values of shareholders' equity; iii) companies' return on assets (ROA), which was measured based on the firms' operating revenue:

total assets ratio; iv) firms' leverage (LEV), which took into consideration corporate risk based on the total-debt-to-total-assets ratio; and v) firms' return on equity (ROE), which was calculated based on the ratio between net income and shareholders' equity. Finally, the non-financial control comprised the different economic sectors companies operate in, according to the TRBC (see Table 2).

5.3 Method

Given the longitudinal nature of the analyzed dataset, were estimated different panel data regression models to test the working hypotheses. Equations (1) to (4) enabled testing the first four hypotheses (i.e., to test whether family firms achieved higher ESG performance, CEP, CSP and CGP levels, respectively).

$$ESG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \mu_i + \varepsilon_{i,t} \quad (1)$$

$$CEP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \mu_i + \varepsilon_{i,t} \quad (2)$$

$$CCG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \mu_i + \varepsilon_{i,t} \quad (3)$$

$$CSP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \mu_i + \varepsilon_{i,t} \quad (4)$$

where FAMILY is a dummy variable that has value 1 (one) for family businesses, otherwise its value is zero (0); industry sector dummy variables (Sector) are non-financial control variables

associated with companies' ESG performance, CSP, CEP and CGP; the other variables (i.e., Size, ROA, MKTBK, LEV and ROE) had been previously defined.

Equations (5) to (8) enabled testing the likely emergence of moderating effects. They were defined as follows:

$$ESG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} CME_i + \beta_{17} FAMILY_{i,t} x CME_i + \mu_i + \varepsilon_{i,t} \quad (5)$$

$$CEP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} CME_i + \beta_{17} FAMILY_{i,t} x CME_i + \mu_i + \varepsilon_{i,t} \quad (6)$$

$$CCG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} CME_i + \beta_{17} FAMILY_{i,t} x CME_i + \mu_i + \varepsilon_{i,t} \quad (7)$$

$$CSP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} CME_i + \beta_{17} FAMILY_{i,t} x CME_i + \mu_i + \varepsilon_{i,t} \quad (8)$$

6. Results and discussion

Descriptive statistics of models' variables are present in Table 3. Firms included in the sample have shown the best performance in the CSP dimension (59.20) and the worst performance in the CGP dimension (53.51). Two hundred and fifty-two (252) companies in the sample were classified as family businesses, whereas 919 firms operated in CMEs. MKTBK and LEV were the financial control variables that have mostly fluctuated between mean and median values.

Table 4 shows the pairwise correlations between continuous variables, correlations between continuous and binary variables, and tetrachoric correlations between binary variables. The analyzed data have shown correlation among all four dependent variables (i.e., ESG, CEP, CGP and CSP). Likewise, financial variables "Size" and "ROA" were statistically significant

for the analyzed dimensions. This finding enabled concluding that companies' size and return on assets were associated with social performance. Companies' return on equity (ROE) was only significant for one dimension (ESG); the other financial control variables were not statistically significant.

Table 3: Descriptive statistics of model's variables.

Variable	Mean	Median	Max	Min	Std. Dev.	Skewness	Kurtosis
Dependent variables							
ESG	59.6782	67.96	97.05	2.71	29.2128	-0.4861	1.8435
CEP	57.8297	64.54	95.52	8.48	31.042	-0.2774	1.5072
CSP	59.2041	65.66	97.21	3.62	29.5622	-0.3919	1.7340
CGP	53.5108	59.35	98.21	1.13	30.6834	-0.3024	1.6831
Independent variables	0 (%)	1(%)					
Family	3739 (93.69%)	252 (6.31%)					
CME	3072 (76.97%)	919 (23.03%)					
Financial controls							
Size	3.14e+09	2.11e+07	1.12e+12	0	3.02e+10	21.54663	592.8509
ROA	4.81596	4.68	1283.83	-978.62	17.47385	10.75872	2104.901
MKTBK	9.740213	1.68	115798.3	-20489.64	872.3104	123.6243	16402.57
LEV	139.3551	59.335	222305.8	-77921.74	2760.694	60.86769	4645.543
ROE	10.76455	10.665	10400	-24850	226.3591	-63.79707	8162.243
Sector controls	0 (%)	1(%)					
Basic materials	3565 (89.33%)	426 (10.67%)					
Consumer goods	3547 (88.87%)	444 (11.13%)					
Consumer services	3474 (87.05%)	517 (12.95%)					
Financials	3110 (77.93%)	881 (22.07%)					
Healthcare	3777 (94.64%)	214 (5.36%)					
Industrials	3270 (81.93%)	721 (18.07%)					
Oil & gas	3765 (94.34%)	226 (5.66%)					
Technology	3756 (94.11%)	235 (5.89%)					
Telecommunications	3882 (97.27%)	109 (2.73%)					

Table 4: Variables' correlations.

	ESG	CEP	CGP	CSP	FAMILY	CME	Size	ROA	MKTBK	LEV	ROE	Basic materials	Consumer goods	Consumer services	Financials	Healthcare	Industrials	Oil & gas	Technology	Telecommunications
ESG	10000																			
CEP	0.8329*	10000																		
CGP	0.5578*	0.1926*	10000																	
CSP	0.9041*	0.8152*	0.3124*	10000																
Family Firms	0.0442	0.0544	-0.0347	0.0591	10000															
CME	0.0826	0.2559	-0.3169	0.1758	0.0048	10000														
Size	0.0227*	0.0367*	-0.0739*	0.0505*	0.0197	-0.0209	10000													
ROA	0.0624*	0.0323*	0.0153*	0.0434*	0.0334	-0.0177	-0.0091	10000												
MKTBK	-0.0054	-0.0070	-0.0106	-0.0017	-0.0028	-0.0072	0.0002	0.0226*	10000											
LEV	-0.0024	0.0056	-0.0014	-0.0005	0.0153	0.0058	0.0008	-0.0094	0.0122	10000										
ROE	0.0171*	0.0089	0.0070	0.0095	0.0021	-0.0040	0.0007	0.1817*	0.0180*	0.0028	10000									
Basic materials	-0.0030	0.0180	0.0262	0.0250	0.0011	-0.0556*	-0.0214	-0.0902	-0.0032	-0.0082	-0.0121	10000								
Consumer goods	0.0402	0.1139	-0.0775	0.0657	0.2769*	0.1537*	-0.0013	0.0576	-0.0029	-0.0099	0.0178	-1.0000*	10000							
Consumer services	-0.0580	-0.1286	0.0304	-0.0634	0.1548*	-0.0480*	-0.0327	0.0660	0.0214	0.0030	0.0175	-1.0000*	-1.0000*	10000						
Financials	-0.0970	-0.1247	-0.0299	-0.1486	-0.1897*	-0.0909*	0.1061	-0.0170	-0.0044	0.0123	0.0034	-1.0000*	-1.0000*	-1.0000*	10000					
Healthcare	-0.0183	-0.0495	0.0127	0.0001	0.0437	0.0845*	-0.0227	0.0188	-0.0018	-0.0096	0.0036	-1.0000*	-1.0000*	-1.0000*	-1.0000*	10000				
Industrials	0.0744	0.1220	-0.0230	0.0785	-0.0197	0.1088*	-0.0302	0.0164	-0.0035	0.0119	0.0036	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	10000			
Oil & gas	0.0017	-0.0459	0.1023	-0.0188	-0.1452*	-0.1877*	-0.0174	-0.0809	-0.0025	-0.0057	-0.0235	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	1000		
Technology	0.0092	0.0337	-0.0130	0.0148	-0.1954*	0.0062	-0.0190	0.0212	-0.0019	-0.0078	-0.0209	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	1000	
Telecommunications	0.0510	0.0402	-0.0031	0.0674	-0.0668	-0.0146	0.0037	0.0059	-0.0011	-0.0002	0.0013	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	-1.0000*	1000

* Significant at 10% level.

Table 5 shows the models' estimates used to test the working hypotheses.

Table 5: Models' estimates (direct and moderating effects).

	ESG	CEP	CSP	CGP
Family firm	4.5571	7.6060***	6.1907**	-6.8091***
CME	5.2922***	18.5121***	11.6562***	-23.7138***
Family firm x CME	4.1718	-4.0905	2.9804	14.9240***
Financial controls				
Size	6.74e-11***	9.80e-11***	8.12e-11***	-2.76e-11**
ROA	0.04796***	-0.02477	-0.2235	0.0087
MKTBK	-0.0004	-0.0002	-0.0006	-0.0002
LEV	-0.0000	-0.0000	-0.0000	-0.0000
ROE	0.0000	0.0002	0.0000	-0.0003
Non-financial controls				
Basic materials	-8.9393***	-8.8686***	-8.1067***	0.5913
Consumer goods	-6.7093*	-3.0319	-6.6128*	-4.8589
Consumer services	-13.1768***	-2.0570***	-14.7918***	1.4671
Financials	-14.0980***	-17.8482***	-18.6491***	-2.7465
Healthcare	-12.3092***	-18.7093***	-11.6600***	1.6219
Industrials	-4.1339	-3.3881	-5.6478	-0.9660
Oil & gas	-8.4552***	-15.0645***	-11.8481***	8.2573**
Technology	-7.7234**	-6.2917	-8.0713**	-3.0158
Telecommunications	1.0691	-2.5957	2.6987	-0.8124

* Significant at 10% level, ** Significant at 5% level, *** Significant at 1% level.

H1 predicted that family businesses would outperform their non-family peers in ESG performance. The coefficient related with variable "Family firm" was non-significant. This outcome has indicated that companies controlled by families presented ESG performance levels similar to other companies. This finding is not in line with previous studies conducted by Singal (2014) and Rodriguez-Ariza et al. (2016), who observed positive results for family involvement in ESG due to socio-emotional involvement, since they prioritized external stakeholders' interests and the strategical use of social practices, respectively. However, this outcome can be associated with a compensation effect; i.e., with positive influence on CEP, but negative effect on CGP. Accordingly, **H1** could not be rejected.

H2 predicted that family companies would perform better than non-family businesses in CEP. The coefficient observed for variable "Family firm" was positive and significant at 1% level. This outcome supports the view that family businesses are more concerned than non-family businesses with actions focused on environmental preservation, as pointed out by

Berrone et al. (2010) and Sharma & Sharma (2011). Results have confirmed what Nurmala (2018) suggested, according to whom, family businesses tend to practice and disclose more environmental information than non-family businesses in order to meet interested parties' interests. **H2** could not be rejected, based on these results.

H3 has predicted that family businesses' CSP outperforms non-family businesses. Variable "Family firm" presented positive and significant estimate at 5% level. This result supports **H3** by suggesting that family-controlled companies engage in social well-being practices and that, consequently, they achieve higher CSP levels. This outcome can be explained by families' concern with keeping their company away from non-responsible events in order to protect families' assets and business control (Berrone et al., 2010; Labelle et al., 2015).

H4 has predicted that CGP would be lower in family businesses than in the non-family ones. The current results support this view since variable "family firm" presented negative results and was significant at 1%. This outcome is in line with research focused on investigating the association between family control and CGP, since several studies have pointed out negative results for such an association (Cabeza-García et al., 2017; Rees & Rodionova, 2015; Singal & Gerde, 2015).

H5 has predicted that the association between family businesses and ESG performance was greater in companies operating in CME countries, due to their well-established stakeholder-orientated approach. Results confirmed that companies operating in CMEs perform better than the ones operating in LMEs. However, the cross product of family firms and CME was non-significant, and it did not allow confirming **H5**. This outcome has suggested that family businesses presented the best ESG performance regardless of the institutional context they were embraced.

H6 has suggested that the positive influence of family businesses on CEP would be higher and greater in CME countries. Results have confirmed the superior performance of companies operating CME countries. This outcome is in line with studies conducted by Kolk & Perego (2010) and Gallego-Álvarez & Quina-Custodio (2017), according to whom, companies operating in CME countries tend to achieve higher CEP levels. However, according to these studies, this performance is associated with the encouragement to publish environmental reports, as well as with the pressure imposed on companies by both the society and the institutional context. Based on the analysis of family influence on environmental performance, it was not possible confirming those countries' institutional system acts as moderator; thus, **H6** could not be confirmed.

H7 has predicted a more positive and greater influence of family businesses on CSP in companies operating in CMEs. Results have shown that firms operating in CMEs presented the best CSP. This finding can be justified by the fact that companies operating in CME countries are compelled to adopt social practices, since they are more open to dialogue with unions, employees and the community (Campbell, 2007). However, the moderating effect of CMEs on the relationship of family businesses and CSP was not supported by the current results; thus, **H7** could not be accepted. Thus, it was possible concluding that family control intensity may be more relevant to the analysis of ESG performance than the institutional context.

The last hypothesis has predicted that the influence of family businesses on CGP would be lesser negative and weaker in companies operating in CMEs. The CME coefficient was negative and significant at 1% level. This outcome has shown that companies operating in CME economies have CGP lower than that of companies operating in other economies. According to Chizema & Shinozawa (2012) and Pucheta-Martínez et al. (2019), companies showing the best structure in terms of corporate governance elements operate in LME countries, since they focus on creating value for shareholders (Yoshikawa et al., 2007). Interestingly, the current results

have emphasized the moderating effect of CME countries on the family businesses-CGP association. More specifically, they evidenced positive and significant cross product, as well as indicated that the negative influence of family ownership on CGP presented significantly lower magnitude in family firms operating in CMEs.

7. Conclusions

The current Chapter addressed the ways national institutional systems influence the relationship of corporate family ownership and firms' ESG performance. In order to do so, a dataset comprising 3,991 companies operating in 51 different countries from 2013 to 2017 was investigated. The study has shown that family firms overall presented higher ESG performance levels than non-family firms. Furthermore, companies operating in CMEs have shown greater commitment to non-financial goals and achieved higher ESG performance. Moderation analysis has evidenced that family businesses showed higher ESG, CEP and CSP levels, regardless of the national institutional environments. Moreover, the current study has confirmed that the relationship between family firms and CGP was less negative and weaker in companies operating in CMEs, which are overall featured as stakeholder-orientated businesses. Accordingly, the social and regulatory mechanisms observed in CMEs force family businesses to get highly committed to good governance practices.

The current findings have some interesting implications. Firstly, analyzing the relationship between family businesses and ESG performance dimensions (i.e., CSP, CEP and CGP), in separate, can help scholars and policymakers to better understand the CSR practices carried out by family firms operating under different regulatory and social regimes. It happens because different national institutional scenarios can act as drivers of family businesses' specific ESG performance dimensions or even weakens certain CSR activities and policies. Accordingly, policymakers will be able to detect companies' non-socially responsible

behaviors and to establish mechanisms focused on encouraging family businesses' commitment to CSR practices and actions.

Secondly, addressing the ways national institutions affect family businesses' CSR policies can help managers and owners to coordinate actions based on stakeholders, policymakers and market participants' expectations. It happens because societies living in each institutional environment prioritize different firms' CSR-related activities, and it leads companies to balance their financial and non-financial goals in order to survive in the long-term and, at the same time, to make social contributions

Thirdly, contributions deriving from the present study also extend to society and stakeholders. The pressure put on companies to act in a responsible manner, and to be aware of the impact generated by their activities on both the environment and the society, is a trend. The concern with economic, social and environmental performance - whether by society or by stakeholders - has changed the way companies act. Thus, studies focused on investigating how companies operate, and the circumstances capable of conditioning their social performance, can be used as instruments to interpret these organizations. Likewise, the current study helped better understanding how family businesses respond to pressures deriving from different CSR dimensions and enabled identifying the relevant stakeholders for each business.

The current study also presented some limitations. The first limitation lies on the metrics used to assess ESG performance and its dimensions. The second limitation refers to the sampling method since, although several companies were taken into consideration, the analyzed time interval only comprised five years (2012-2017). Thus, the current results must be interpreted by taking into consideration the economic, political and social scenarios in place at that period-of-time. Finally, the third limitation refers to the way family firms were defined.

Results in the present study have opened room for some opportunities to interesting future research. Future studies on this topic should take into consideration broader time intervals

in order to minimize the influence of specific social and economic events capable of directly affecting companies' ESG performance. Besides, further research must be carried out to explore other institutional classifications of the relationship between CSR and family businesses, such as Varieties of Institutional Systems and National Business Systems. Finally, the current conclusions have also encouraged deepening and developing new hypotheses, by investigating specific behaviors shown by groups of countries (such as emerging economies) and by segregating the elements forming the CSR, CEP, CCG and CSP dimensions.

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5.4 The influence of family firms' ownership on corporate ESG performance within emerging and growth-leading economies

Abstract

The aim of the current study is to analyze the influencing effect of corporate family ownership on the relationship of management practices of firms within emerging and growth-leading economies (EAGLEs) and their environmental, social and governance (ESG) performance. Panel data regression models were estimated to a sample comprising 418 companies within EAGLEs and their peers in non-EAGLEs countries - these companies were selected based on the propensity matching scoring approach. Preliminary results have shown that companies located in EAGLEs countries often-record lower ESG performance levels than their peers, with emphasis on corporate governance performance (CGP). Further analyses have shown that family ownership does not mitigate the negative association between corporate management practices adopted by EAGLEs' firms and their ESG performance levels.

Keywords: Family firms; ESG performance; EAGLEs.

1. Introduction

Emerging and growth-leading economies (EAGLEs) comprise several countries (i.e., Egypt, Brazil, China, South Korea, India, Mexico, Indonesia, Russia, Turkey and Taiwan) classified as emerging economies presenting the greatest potential to grow in the next years (e.g., EAGLEs accounted for 64% of the total world's economic growth in 2016) (García-Herrero et al., 2011; Umer et al., 2018). These emerging economies have been under spotlights because their economic growth model comprises natural resources depletion, increased greenhouse gas emissions (Ortiz, 2016; Pieterse, 2019). Consequently, companies within EAGLEs have been traditionally associated with low corporate environmental, social and governance (ESG) performance levels (Arif & Rawat, 2018; Fatema et al., 2017). Previous studies have shown that family ownership is a corporate management model more capable of adapting procedures and strategies adopted by firms located in developed or emerging markets than non-family firms (Gupta et al., 2008). In fact, in accordance to Jamali et al. (2009) and González-Rodríguez et al. (2019), family firms are more likely to adapt their ESG activities to different national institutional organizations.

It is essential understanding how companies located in countries with high growth potential integrate, and act on, ESG practices to broaden the debate on sustainable development. According to Arya & Zhang (2009) and Child & Tsai (2005), companies face different pressures from institutional environments, regions, and business segments capable of influencing ESG activities (McWilliams et al., 2006). In light of the foregoing, the focus of the current study was to investigate how family ownership influences the ESG performance of firms located in EAGLEs countries. Most specifically, this research has contributed to the literature in the following ways: firstly, the article has shown an updated view of differences observed in ESG performance between firms operating in EAGLEs and in developed countries. In order to do so, a sample comprising 3.991 companies from 51 different countries was

analyzed by taking into consideration a five-year period-of-time (2013-2017). Secondly, this study investigated how family ownership influences the relationship between corporate management practices adopted by firms located in EAGLEs and their ESG performance levels. The propensity score matching (PSM) approach was applied to reduce sample bias and to assure consistent and reliable results (Rosenbaum & Rubin, 1983). Thus, a sample comprising 836 companies was analyzed by taking into consideration the same period (i.e., the sample comprised 418 family firms operating in EAGLEs countries and their 418 peers from developed countries, which were selected based on the PSM model). Thirdly, this research has investigated the specific influencing effect of corporate family ownership on the association of management practices adopted by companies operating in EAGLEs and three ESG performance dimensions (i.e., environmental, social and governance); it was done to reduce the likelihood of offsetting effects. Thus, the current study provided a detailed perspective on how corporate family ownership orientation act as instrument capable of driving or limiting firms' ESG performance in EAGLEs countries.

The study was structured as follows. Besides the current introduction, sections 2 and 3 introduce the theoretical framework. Section 4 comprises a comprehensive literature review on the topic and shows the research hypotheses. Sample features and methods are described in Section 5. Section 6 presents and discusses the study results. Finally, the last section (6) draws the conclusions and limitations of the current study, and points out opportunities for further research.

2. National development and ESG

Economy strengthening has already been described as determining factor for countries' development worldwide. However, other factors were integrated to the term "developed" in countries' classification processes (Michael, 2003). Human capital index, national institutions'

structure and organization, as well as corporate governance, were included in countries' categorization analysis over the year (Dobers & Halme, 2009).

The contemporary literature has a wide variety of definitions to analyze and classify countries' development level (Cooper, 2010; Gabas & Losh, 2009). Although there are different economy grouping forms such as BRIC, Next11 or CIVETS, the current study has focused on investigating EAGLEs, due to its dynamic nature and to the variables included in this classification (García-Herrero, 2011), which take into consideration the current indicators of different economies, as well as their growth projections. Thus, EAGLEs countries are considered future world-development engines, whose actions can influence global economy in the upcoming years (Thach, 2021).

Emerging countries have shown high economic growth, a fact that raised questions about the elements contributing to such an outcome (O'Neill, 2012). Economies can enable certain business activities capable of strengthening their internal markets in order to achieve national development goals (Rodrik, 2006). Studies available in literature have shown that countries often change business and governance policies to boost economic development indicators (Kim & Prescott, 2002; Peng & Jiang, 2010).

On the other hand, the development of the world's economy has also raised concern about the use of natural resources and the impact of business activities on both the environment and the society (Awate et al., 2012; Khan & Ulucak, 2020). Accordingly, studies have focused on analyzing the association between sustainability and economic development to help better understanding how companies act in each country (Dalf, 2010).

Institutional environment can determine how each company develops its ESG practices (Adnan et al., 2018; Miras & Escobar, 2016). Formal and informal institutional features can determine how ESG is implemented (Jain & Jamali, 2016); thus, it is necessary investigating

how the institutional environment companies operate in can moderate strategies associated with ESG (Ferri, 2017; Luoma & Goodstein, 1999).

ESG theories and concepts have mainly derived from developed countries that have strong institutional systems and regulatory structure (Hooghiemstra, 2000; Kuznetsov et al., 2009). On the other hand, emerging economies experience an opposite scenario, since their institutions are weak, ownership is concentrated in specific groups and, consequently, ESG may experience distortions (Jamali, 2007). Therefore, the way companies develop ESG is influenced by national features (Alon et al., 2010; Li et al., 2010). Although discussions about ESG practices adopted in developed countries have been expanded, few studies focus on investigating ESG's reality in developing countries (Baughn et al., 2007; Dobers & Halme, 2009). They mainly focus on investigating local business actions, as well as essential and philanthropic contributions (Raynard & Forstater, 2002; Willi et al., 2011).

ESG adoption by emerging countries, such as Brazil, can be observed in the implementation of sustainability indices (Orsato et al., 2015). Developed countries try to maintain the development level they have already achieved, whereas developing countries focus on the long-term process to assure that future generations will be able to enjoy improved internal indicators (Gupte, 2015); however, income inequality and unemployment persist, despite the current progress. Governments in emerging economies have a hard time making progress in fields such as health, infrastructure and education due to institutional weaknesses (Dobers & Halme, 2009). Therefore, EAGLEs countries need to overcome different obstacles to enable ESG development (Garcia, 2017; Halme et al., 2009).

3. Family firms' engagement with ESG

Family firms are the oldest business model (Miglietta et al., 2009); according to which family members have significant influence on decision-making processes, either due to ownership or

due to management relationship (Sharma, 2004; Zellweger & Nason, 2008). These companies operate in all countries and play substantial role in the major economies worldwide (Gomez-Mejia et al., 2001). In addition, they help both developed and emerging economies to grow (Faccio & Lang, 2002).

Different theoretical approaches have been used to analyze whether family firms are organizations capable of filling the institutional gaps observed in different countries or whether family control puts pressure on minority shareholders (Banalieva et al., 2015; Peng & Jiang, 2010). Thus, the current study adopted three different perspectives in order to investigate family organizations' behavior towards ESG practices, namely: i) stakeholder theory (Block & Wagner, 2014a; Mitchell et al., 2011); ii) agency theory (Aoi et al., 2017; Delgado-García et al., 2010); and iii) socioemotional wealth theory (Yu et al., 2015). These theories aim at helping to better understand influencing scenarios and conditioning factors capable of contributing to family firms' higher or lower commitment to ESG issues.

Based on the stakeholder theory perspective, family firms seek legitimacy before stakeholders (Verbeke & Kano, 2012); in order to form long-lasting ties and build their organizational image (Kano & Verbeke, 2018). However, Internal and external stakeholders seek the security, stability and reputation associated with the idea of family in family firms (Arregle et al., 2007; Granovetter, 2005). However, the need of meeting the requirements of different groups can lead companies to prioritize certain actions over others (Lockett et al., 2006; Phillips et al., 2003). Developing actions associated with ESG would lead family firms to implement certain activities to maintain their relationship with the most relevant stakeholders (Berrone et al., 2012; Dyer & Whetten, 2006).

The implementation of ESG-related actions is associated with the management of other decisions that can lead to conflicts of interest in different companies. According to the agency theory, families' presence in companies enables better monitoring the operations of such

companies, as well as reducing conflicts and information asymmetry between shareholders and managers (Martinez-Ferrero et al., 2017; Peng & Jiang, 2010). Despite these advantages, family control has also shown to be detrimental since it favors families’ interests at the expense of minority shareholders (Faccio & Lang, 2002; Khanna et al., 2006).

Families' emotional involvement with their companies has also been investigated according to the socioemotional wealth (SEW) theory (Gomez-Mejia et al., 2007). According to this theory, family firms aim at achieving affective goals, such as image and corporate longevity, in addition to financial outcomes (Hirigoyen & Poulain-Rehm, 2014). Thus, family firms use ESG in a strategic manner, given the important role played by it in fulfilling these goals (Berrone et al., 2012). Therefore, decision-making about how ESG must be implemented can be directly influenced by owner families, shareholders and managers, depending on whether the interests of families, shareholders and managers are aligned, or not (Cennamo et al., 2012; Gomez-Mejia et al., 2011).

In light of the foregoing, the focus of the current Chapter was to analyze how the family management model can be analyzed based on the different herein evidenced theories. In order to do so, the association among stakeholder theory, agency theory and SEW theory was investigated to help better understanding the social responsibility of family businesses**.**

4. Literature review and hypotheses’ development

4.1 Do EAGLEs companies present ESG underperformance?

The ESG has been addressed in developed countries for some time, and it is not new to countries with potential to develop in the upcoming years (Ali et al., 2018; Preuss & Barkemeyer, 2011). The first studies about ESG performance in developed and developing countries focused on measuring ESG volume and extent (Belal & Monin, 2009). Although studies on this topic have been conducted since the 1970s, a small number of ESG investigations aimed at differentiating the reality of companies operating in developed economies (Cuadrado-Bullesteros et al., 2014;

Alves-Dios & Cosenza, 2019) from that of companies operating in countries experiencing transition processes (Orsato et al., 2015).

Variables such as capital market, business risk profile and environmental regulations make it relevant taking into consideration the institutional differences and features of companies operating in developed and emerging economies (Cheng et al., 2014; Ioannou & Serafeim, 2014; Khanna & Palepu, 1997), based on ESG practices. ESG shows features such as formalization and implementation by large corporations and multinational companies operating in developed countries. However, ESG is associated with voluntary practices by companies operating in emerging countries (Visser, 2008). Previous studies focused on comparing emerging and developing countries have shown negative or low ESG performance results in developing countries (Welford, 2004).

Xiao et al. (2005) have compared an emerging economy (Hong Kong) to a developed one (United Kingdom) and observed ESG level underperformance in developing markets. Studies like the one carried out by Pinto (2019) have investigated ESG actions developed by emerging markets, which evidenced the low level and quality of social information spread by developing economies. Other studies have shown that emerging countries do not follow all social practices established worldwide (Ali et al., 2015), and that whenever they show voluntary practices, national systems do not guarantee the disclosure of companies' ESG performance (Arrive & Feng, 2018).

According to Miras-Rodríguez (2018), the ESG performance level in emerging countries is associated with their institutional corporate governance structure. In addition, Elaut et al. (2015) and Lewis & Mackenzie (2000) have stated that companies' investments in ESG were not effective in emerging economies. Bhimani et al. (2016) and Kaur & Sharma (2017) have identified social, cultural, economic, and technological challenges faced by emerging countries, a fact that can influence sustainability practices adopted by them. Fetscherin et al.

(2010) have suggested that emerging countries should develop and change internal aspects such as governance, transparency and public order in order to achieve better ESG performance indicators.

According to Baskin (2006), the mandatory ESG development in emerging markets is a decisive element for ESG adoption. Belyaeva (2011) has emphasized that weak compliance with the legislation is one of the limitations for ESG implementation in developing countries. Accordingly, Arrive & Feng (2018) have emphasized the important role played by the legislation in compelling companies to adopt social practices focused on the social and economic improvement of emerging countries.

According to this perspective, the effects of countries' context on companies' social behavior must be investigated, based on the assumption that emerging countries have significant needs (Prahalad & Hammond, 2002) that lead companies to have lower ESG performance than those operating in developed countries.

H1: Companies operating in EAGLEs countries will underperform the ones operating in non-EAGLEs countries.

4.1.1 The moderating role played by family ownership in ESG

According to Young et al. (2002), family and non-family firms face the challenge of developing themselves in transitional scenarios, such as the one observed in emerging countries, where companies face a hostile scenario at the time to implement economic and social activities (Du et al., 2016). The inclusion of family firms in the analysis applied to emerging economies' social performance was herein proposed based on the assumption that EAGLEs countries have lower ESG performance. It was done to investigate how the family management model can moderate the performance of different social dimensions in developing countries.

A relevant factor in ESG performance analysis refers to the institutional weaknesses of emerging countries, which put pressure on companies to show their best abilities to stakeholders (Montiel et al., 2012). This pressure, in addition to the concern with corporate image and reputation, can lead family firms to improve their ESG performance by communicating with interested parties (Huang et al., 2009; McGuire et al., 2012).

According to Ireland et al. (2003) and Le Breton-Miller & Miller (2009), families can easily communicate in emerging markets, as well as account for the main source of resources in different companies. Thus, informal institutions and family groups are capable of acting where the market or the State have limitations to do so (Hlavinka & Sullivan, 2011).

Therefore, it is suggested that family firms operating in EAGLEs countries present ESG performance higher than that of firms located in other countries due to their influence on the market, to their communication space and to the role played by them as source of resources:

H2: The influence of family firms' ESG performance is lesser negative in EAGLEs countries.

4.1.2 The moderating role played by family ownership in CEP

As explained by Block &Wagner (2014a), family get better results than non-family firms in certain dimensions, whereas their performance in other dimensions is worse than that of non-family firms. The next topics analyze ESG performance in environmental practices, and how family influence can moderate results achieved by companies operating in EAGLEs countries.

Analyzing organizations' environmental practices means assessing both their and internal behaviors. The analysis of external activities takes into consideration aspects such as water and land preservation, whereas the observation of internal practices focuses on the use of renewable energy, recycling processes and reuse of different materials (Pomarici et al., 2015; Symbola & Coldiretti, 2016).

Analyzing environmental information deriving from emerging markets is justified by the essential role played by them in the volume and consumption of global environmental resources. According to Tian et al. (2020), the so-called emerging countries consumed 28% of material, energy, land and water, in 1995, on average; this rate increased to 31.5% in 2015. With respect to CO_2 and SO_2 emission levels, mean values reached 22.8% in 1995 and 36.4%, in 2015.

Although these countries do not pay close attention to environmental aspects (Ali et al., 2018), they end up developing environmental actions for two main reasons: state regulation and consumer pressure. According to Brunk (2010) and Contini et al. (2020), the concern with environmental protection is deeply valued in countries such as China, whose consumers are willing to boycott companies that get involved in any environmental issue. On the other hand, countries such as Brazil and India determine the State's duty to comply with environmental protection standards (Rodrigo, 2014).

Implementing environmental practices has become a crucial form of business communication with stakeholders (Nielsen & Thomsen, 2007), since society expects companies to show responsible behavior (Callado-Munoz & Utrero-Gonzalez, 2011). Recent research has shown that emerging countries have been promoting more environmental actions than developed countries, although they still need to be improved (Damasceno et al., 2016; Dasgupta et al., 2000). The same factor can be observed in the family firms' concept, since family influence has shown positive and significant association with environmental disclosure level (Nurmala, 2018). Thus, it is suggested that in EAGLEs countries the positive effect of family influence on CEP performance is greater:

H3: The influence of family firms' CEP performance is lesser negative in EAGLEs countries.

4.1.3 The moderating role played by family ownership in CSP

Emerging countries perform lesser formal ESG activities focused on philanthropy and local-community oriented activities (Dabija & Băbu¸ 2014; Jamali & Zanhour, 2009). Family firms act in a similar way, since families' involvement in local communities strengthens families' control over their business (Zellweger & Nason, 2008).

Emerging economies face a series of adversities such as poor access to education and health, and poverty itself (Crisan-Mitra et al., 2020). These issues raise companies' concern with social actions focused on a wider list of interested parties such as employees, society and philanthropic organizations (Crisan-Mitra et al., 2016). This social concern of companies operating in emerging countries has already been investigated in studies available in the literature. Bashtovaya (2014) has investigated aspects associated with employees and customers, whereas Ting et al. (2020) focused on workforce and human rights.

Similarly, studies such as the ones conducted by Nurmala (2018) and Sahasranamam et al. (2019) have shown that family involvement in companies had positive effect on CSP performance, based on both their information disclosure level and relationship with the community. This behavior can be justified by pressures experienced by these companies and by the long-term perspective of family businesses (Cordeiro et al., 2018). Thus, assumingly, the positive CSP performance of family companies will be influenced by emerging countries' context; therefore, they will get better results than family companies operating in other countries:

H4: The influence of family firms' CSP performance is less negative in EAGLEs countries.

4.1.4 The moderating role played by family ownership in CGP

The ownership structure in emerging countries is either based on families', business groups' or on the State's control over companies that can present agency problems between minority and majority shareholders (Morck et al., 2005; Young et al., 2008). These conflicts emerge from the weak protection-structure available for minority shareholders (Chen & Hsu, 2009; Dharwadkar et al., 2000; Klapper & Love, 2004).

Emerging economies have adopted governance practices to reach levels similar to those of developed countries over the years (Aggarwal et al., 2009; Claessens & Yurtoglu, 2013). However, the governance level in emerging countries remains lower than that of developed countries (Diallo, 2017), since it is featured by low transparency (Rafiee & Sarabdeen, 2012) and less protection to shareholders (Doidge et al., 2007). Therefore, governance level must be taken into consideration at the time to analyze the ESG performance of family firms, since governance extent and structure are directly linked to their performance (Amran et al., 2014; Haniffa & Cooke, 2005; Li et al., 2013).

Studies have shown that ownership concentration is beneficial to companies operating in emerging economies (Carney & Gedajlovic, 2003; Martínez et al., 2007). However, this scenario can intensify conflicts between the minority shareholders and the controlling family, as reported by Young et al. (2002) and Young et al. (2008). It happens due to weak and ineffective corporate governance structure (Morck, et al., 2000; Peng & Jiang, 2010).

According to Cui et al. (2016), Delgado-García et al. (2010) and Hirigoyen & Poulain-Rehm (2014), family firms show lower CGP performance when variables such as board independence level, CEO duality, and audit structures and mechanisms are taken into consideration. Therefore, it is essential analyzing the association between corporate governance and family influence to better understand their ESG performance. Studies available in the

literature have pointed out that family firms' social practices are affected by corporate governance mechanisms (Hillier & McColgan, 2009; Miras-Rodríguez, 2018).

It is worth emphasizing differences between emerging countries such as Russia and China, which have strong state presence in the market (Lyubashits et al., 2016), as well as Brazil and India, whose market is influenced by family firms and business groups (Gaur & Delios, 2015). In accordance to La Porta et al. (1999) and La Porta et al. (1997), financial institutions operating in developing countries are weak, since they expand the relevance of family ownership, which is their main source of capital (Ireland et al., 2003).

Thus, assumingly, family firms operating in emerging countries will get lower and negative CGP performance results due to the fragile context of such markets.

H5: The influence of family firms' CGP performance is more negative in EAGLEs countries**.**

5. Data, method and variables

5.1 Sample selection and data source

The sample analyzed in the present research comprised data about companies available at Thomson Reuters' ASSET4® DataStream. This database holds thousands of business data about companies operating worldwide (i.e., it comprises forms from the MSCI Europe, MSCI World, NASDAQ 100, STOXX 600, MSCI Emerging Markets and ASX 300). Inclusion criterion comprised companies presenting ESG performance for at least four years between 2013 and 2017. After this process was over, the sample comprised 3,991 companies. Companies operating in EAGLEs countries (i.e., Turkey, Russia, Mexico, Indonesia, India, China and Brazil) were identified based on criteria adopted by *Bilbao Vizcaya Argentaria* bank (BBVA,

2016) In total, 418 companies operating in EAGLEs countries were selected (see Table 1 for further information) and allocated into the treatment group.

Table 1: Sample distribution per EAGLEs.

Country	Freq. (total)	% (total)
Brazil	72	17.22%
China	139	33.25%
India	78	18.66%
Indonesia	29	6.94%
Mexico	39	9.33%
Russian	36	8.61%
Turkey	25	5.98%
Total	**418**	**100%**

China accounts for the largest number of companies: 33.25% of the total. India recorded the highest rate of family-owned companies (18.66%); it was followed by Brazil (17.22%) and Mexico (24.44%). The lowest rate of family-owned companies was observed for Indonesia (6.93%), Turkey (5.98%) and China, which does not have family business.

A control group was created based on the PSM approach by Rosenbaum and Rubin (1983); it was done to test the working hypotheses. This procedure enabled both the treatment and control groups to have similar features; it adjusted the observable differences between the treatment and control groups. PSM is a statistical methodology used to calculate the effect of a given association by identifying the covariates showing the sample's features. Consequently, this approach enables identifying the likelihood of a business belonging to the treatment group (i.e., operating in an EAGLEs) to be associated with a company belonging to the control group (i.e., not operating in EAGLEs), based on certain features.

Logit regression was implemented to assess the likelihood of a given company to be a treatment firm; it was done by using the pre-mandate period sample. The following variables were introduced in the logit regression to control companies' financial status: i) companies' size; ii) firms' return on assets; iii) firms' market-to-book ratio; iv) companies' leverage; and v) firms' return on equity (see further definitions in Section 4.2). Tables A.1 and A.2, in the

appendix section, show the logit estimates and the matching approach effectiveness. These results have shown that the matching approach has lessened the differences between the treatment and control groups in comparison to the matched and unmatched samples. The results of PSM should be analyzed with caution because the observed differences in companies' size and return on assets were significant. After this process was over, the final sample comprised 836 firms, 418 in the control group and 418 in the treatment group.

5.2 Method and variables

Five panel data regression models were estimated to test the working hypotheses. The following models were proposed to test **H1:**

$$ESG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} EAGLE + \mu_i + \varepsilon_{i,t} \quad (1)$$

where ESG refers to companies' ESG performance measured through the information provided by the ASSET4® database. Thus, firms' ESG performance refers to how a company's non-financial and financial health can be same weighted according to CEP, CSP, and CGP. It reflects a balanced view of a company's performance according to these three dimensions. Subsequently, the elements in each ESG dimension are presented according to Thomson Reuters (2013).

The CEP dimension analyzes the impacts of business activities on the ecosystem (water, land and air), as well as on non-living and living systems. Its aim is to measure companies' focus on improving activities to reduce environmental risks and likely damages to the adopted actions. This dimension highlights actions aimed at reducing gas emissions, developing new products and using resources.

CSP, on the other hand, investigates companies' ability to develop security and credibility links to other market members (customers, employees and society) based on good management actions. This dimension reflects the corporate reputation; moreover, it is a determining factor for companies’ long-term value. Therefore, CSP analyzes points such as human rights, training and development, and quality of work, among others.

The third dimension – CGP – analyzes the guarantees provided by companies to executive members and directors in the exercise of activities with long-term shareholders. These guarantees are provided by the adopted procedures and techniques, which aim at preserving rights and the observance of corporate responsibilities. This dimension not only analyzes board's attributions, but also its structure, compensation policy, strategic vision and shareholders’ rights.

A dummy variable was created to differentiate the treatment from the control group; it scored 1 if the company operated in EAGLEs country and 0 otherwise. According to what was previously stated, the list comprising the 750 largest family firms in the world – based on Family Capital's - was used to identify family firms. Thus, the dummy variable FAMILY scored 1 for family businesses; otherwise, its score would be 0. Financial and non-financial control variables were listed to balance research results. The following aspects were taken into consideration based on the financial perspective: i) companies’ size, which was calculated as the natural logarithm of their total assets; ii) the return on companies 'assets (ROA), which was measured by the ratio between companies' operating income and total of assets; iii) companies’ market-to-book ratio (MKTBK), which was calculated as the ratio between shareholders' equity market value and its book value; iv) corporate leverage (LEV), which took into consideration corporate risks based on total debt for total assets; and, v) companies’ return on equity (ROE), which was calculated as the ratio between net income and net equity. Information from the

economic sectors companies operate in was used for non-financial control, based on Thomson Reuters Business Classification (TRBC).

Based on Equations (2) to (5), one can assess the likely moderation family firms can apply to ESG performance in EAGLEs countries. Thus, the dummy variable FAMILY x EAGLEs was included in the analysis, which scored 1 for family-owned companies operating in EAGLEs countries, otherwise the score would be 0. The models were established as follows:

$$ESG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} EAGLE_i + \beta_{17} FAMILY_{i,t} x EAGLE_i + \mu_i + \varepsilon_{i,t} \quad (2)$$

$$CEP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} EAGLE_i + \beta_{17} FAMILY_{i,t} x EAGLE_i + \mu_i + \varepsilon_{i,t} \quad (3)$$

$$CCG_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} EAGLE_i + \beta_{17} FAMILY_{i,t} x EAGLE_i + \mu_i + \varepsilon_{i,t} \quad (4)$$

$$CSP_{i,t} = \beta_0 + \beta_1 Size_{i,t} + \beta_2 ROA_{i,t} + \beta_3 MKTBK_{i,t} + \beta_4 LEV_{i,t} + \beta_5 ROE_{i,t} + \beta_6 FAMILY_{i,t} + \sum_{i=7}^{15} \beta_i Sector + \beta_{16} EAGLE_i + \beta_{17} FAMILY_{i,t} x EAGLE_i + \mu_i + \varepsilon_{i,t} \quad (5)$$

6. Results and discussion

Table 2 presents the descriptive statistics of models' variables applied to matched samples. Some interesting issues deserve to be highlighted. Firstly, the average ESG performance of firms operating in/outside EAGLEs countries was 50.1751 and 51.7369, respectively; this outcome has evidenced slight overall outperformance of non-EAGLEs companies.

Based on the analysis applied to the other ESG dimensions, EAGLEs countries' results were higher than those recorded for other countries' CGP (59.4530), and lower in the CEP (46.9307) and CSP (50.2181) dimensions. As for variables associated with financial control,

ROA, LEV and ROE recorded the highest fluctuations in the comparison between EAGLEs and non-EAGLEs countries.

The significance of industry sectors' participation in EAGLEs countries was observed as follows: Financial (24.05%), Industrial (19.01%), Basic Materials (13.06%) and Consumer Goods (13.01%). On the other hand, the order of significance observed in non-EAGLEs countries was Technology (27.15%), Consumer Services (19.04%), Financial (10.69%) and Industrial (10.35%).

Table 2: Descriptive statistics of firm-level variables (matched sample).

Variable	Mean	Median	Max	Min	Std. Dev.	Skewness	Kurtosis
Dependent variables	EAGLEs (0)*						
ESG	51.7369	51.53	95.45	4.49	29.4623	-0.0083	1.5890
CEP	56.1794	38.375	94.99	9.21	30.9942	0.3342	1.5311
CSP	58.1989	49.2	96.01	5.16	29.4317	0.0562	1.5828
CGP	32.2170	66.1	96.27	1.92	27.3890	-0.5718	2.1501
Dependent variables	EAGLEs (1)*						
ESG	50.1751	56.835	93.41	3.71	28.7807	-0.2661	1.6230
CEP	46.9307	62.455	94.52	10.01	28.0994	-0.2979	1.6500
CSP	50.2181	63.57	96.09	5.12	28.8121	-0.3272	1.7356
CGP	59.4530	29.005	85.33	2.01	21.7727	0.6008	2.5104
Independent variables	0 (%)	1(%)					
EAGLE*	418 (50.00%)	418 (50.00%)					
Financial controls	EAGLEs (0)*						
Size	5.62e+08	1637609	1.41e+10	44659	4.91e+09	24.7647	823.1844
ROA	0.4370277	3.725	24.32	-51.18	14.13852	-1.615078	7.482811
MKTBK	3.217526	2.06	28.95	-0.14	8.504829	-0.4266613	120.7523
LEV	88.87968	37.075	1059.27	0	482.953	17.11789	452.693
ROE	5.235329	7.195	109.59	-158.02	244.0266	36.86927	1577.099
Financial controls	EAGLEs (1)*						
Size	1.13e+10	1.74e+08	2.91e+11	2212297	7.68e+10	10.44381	121.3557
ROA	6.020648	4.75	29.24	-11.26	7.257081	-1.019886	24.69812
MKTBK	2.960901	1.5	26.76	0.18	7.761994	11.71596	176.9707
LEV	150.7875	87.35	1035.84	0	339.7948	16.3494	577.2408
ROE	15.56478	12.21	84.41	-52.1	202.1394	40.36185	1802.238

Table 2: Continuation.

	EAGLEs (0)*		EAGLEs (1)*	
Sector controls**	0 (%)	1 (%)	0 (%)	1 (%)
Basic materials	375 (89.84%)	43 (10.16%)	363 (86.94%)	55 (13.06%)
Consumer goods	395 (94.42%)	23 (5.58%)	364 (86.99%)	54 (13.01%)
Consumer services	338 (80.96%)	80 (19.04%)	385 (92.03%)	33 (7.97%)
Financials	373 (89.31%)	45 (10.69%)	317 (75.95%)	101 (24.05%)
Healthcare	391 (93.65%)	27 (6.35%)	402 (96.30%)	16 (3.70%)
Industrials	375 (89.65%)	43 (10.35%)	339 (80.99%)	79 (19.01%)
Oil & gas	385 (92.18%)	33 (7.82%)	392 (93.86%)	26 (6.14%)
Technology	304 (72.85%)	114 (27.15%)	410 (98.13%)	8 (1.87%)
Telecommunications	413 (98.71%)	5 (1.29%)	398 (95.34%)	20 (4.66%)

* Variable EAGLEs scored 1 when companies operated in EAGLEs countries and 0 when they operated in other countries.

** Companies were separated based on their industrial sector; companies operating in this sector scored 1, whereas the ones operating in other sectors scored 0.

Table 3 presents the correlations between models' variables for the matched sample. The analyzed data show that variables "Family Firms" and "EAGLEs" were significantly correlated to one another and to at least three of the four analyzed dependent variables (i.e., ESG, CEP, CGP and CSP).

Table 3: Correlations of models' variables (matched sample).

	ESG	CEP	CSP	CGP	EAGLEs	FAMILY	SIZE	ROA	MKTBK	LEV	ROE
ESG	10000										
CEP	0.8458*	10000									
CSP	0.9085*	0.8182*	10000								
CGP	0.5113*	0.1921*	0.2693*	10000							
EAGLEs	0.0075	0.1788*	0.1364*	-0.4758*	10000						
Family Firms	0.0592*	0.0907*	0.0965*	-0.0836*	0.1484*	10000					
Size	0.2112*	0.3688*	0.2981*	-0.3606*	-0.6413*	0.1562*	10000				
ROA	0.1331*	0.1368*	0.1332*	-0.1423*	0.2426*	0.0774*	0.2341*	10000			
MKTBK	-0.0063	-0.0251	0.0009	-0.0042	-0.0150	-0.0126	-0.0334	0.0995	10000		
LEV	-0.0043	0.0200	0.0177	-0.0291	0.0735*	0.0214	0.0895*	-0.0531*	0.4635*	10000	
ROE	0.0371	0.0429	0.0354	0.0022	0.0230	0.0026	0.0334	0.1737*	0.1251*	0.0668*	10000

* Significant at the 1% level.

Variables Size and ROA recorded statistically significant values in the analyzed dimensions; this outcome enabled concluding that company size and return on assets were associated with social performance. Furthermore, these two variables were significantly correlated to both EAGLEs and family businesses

Table 4 presents estimates of Equation 1, which were used to test H1. The coefficient associated with variable "EAGLEs" was negative and significant at 1%. This outcome has indicated that companies operating in EAGLEs developed lesser ESG practices; consequently, they recorded lower ESG performance levels.

The aforementioned result corroborated previous studies (Xiao et al., 2005; Ehrgott et al., 2010; Elaut et al., 2015), according to which, the pressure to adopt ESG practices in emerging economies is lower than that observed in developed countries due to factors such as market complexity and communication with stakeholders. According to Barbieri & Cajazeira,

(2009), different international organizations - such as the World Trade Organization (WTO) and the United Nations (UN) - have promoted the adoption of rules and codes of conduct by business activities that are focused on the environment, work relationships and on respect for human rights. However, the process of implementing ESG practices took place in different ways in different countries, mainly if one compares developed to emerging economies According to Xiao et al. (2005), public awareness and regulations on ESG in developed countries lead to higher social performance level in such markets.

Table 4: ESG performance of EAGLEs and non-EAGLEs companies.

Variable	ESG	CEP	CSP	CGP
EAGLEs	-14.9565***	-10.5797***	-8.9802***	-19.0033***
Financial controls				
Size	3.7568***	5.0346***	4.3393***	-1.2300***
ROA	0.0747	0.0159	-0.0048	-0.0518
MKTBK	-0.0201	-0.0667	-0.0201	-0.0182
LEV	5.86e-0	0.0003	0.0002	0.0000
ROE	0.0013	0.0033*	0.0016	0.0002
Non-financial controls				
Basic materials	-12.9378**	-10.1115	-11.5526*	-3.2064
Consumer goods	- 8.7406	-3.0640	-9.3591	-3.3540
Consumer services	-15.4986***	-18.5480***	-14.7379***	-3.9430
Financials	-19.0929***	-22.1692***	-24.0486***	-1.4388
Healthcare	-14.9035**	-16.2734***	-11.5262	-5.5141
Industrials	-5.1491	-2.4546	-5.2690	-2.3365
Oil & gas	-7.8125	-11.0311	-11.3911	8.2745
Technology	-7.8125	-3.6857	-5.7706	5.7405
Telecommunications	0.2657	-8.4981	-1.7442	8.5872

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Market and financial crises, as well as political, social and economic factors, affect developing countries, since they significantly influence their business context and have impact on their ESG levels (Hossain & Hammami, 2009; Elsayed & Hoque, 2010; Belal et al., 2013). Thus, emerging countries cannot be compared to developed countries based on the same parameters (Tenório, 2006). Developing markets' specificities must be taken into consideration at the time to analyze ESG actions practiced by emerging countries.

Both dimensions (CEP and CSP) play significant role in the analyzed sample, and it suggests that countries' context may have negative influence on results recorded for both dimensions when features of companies operating in emerging economies are equalized to the ones of other companies. According to Bhattacharyya & Cummings (2014), Pucheta-Martínez et al., (2019) and Wang & Wei (2016), companies operating in developed countries are under greater pressure from stakeholders when it comes to CEP, since these information's users are more sensitive to corporate practices associated with the environment. Despite the reduced performance observed for emerging economies, other factors such as the presence of multinational companies (Tsang, 1998), meeting stakeholder expectations (Dögl & Behnam, 2015), economic growth (Husted, 2005) and legal obligations (Aldrugi & Abdo, 2014) are listed as elements capable of increasing their CEP performance levels.

CSP can be analyzed in a similar way. According to Klein & Tokman (2000), countries' development process has led to privatization, deregulation and instability in the employment-income relationship. However, the discussion about, and concerns over, these effects are centered in developed economies (Alves-Dios & Cosenza, 2019).

Companies operating in emerging countries tend to adopt the same social actions carried out in developed economies to help improving their social performance (Husted et al., 2016), even without analyzing aspects associated with cultural differences and stakeholders' normative expectations (Kale et al., 2009). This performance can lead companies operating in emerging markets to adopt and reinforce rules that do not fit their environment, a fact that can lead to lower performance levels, as previously observed in the literature (Chau & Gray, 2010; Hashim, 2011; Siagian et al., 2013).

Similar to the two aforementioned dimensions, CGP recorded negative results. Results observed for this dimension are in line with studies conducted by Aboagye-Otchere et al. (2012), Akhtaruddin et al. (2009), Loukil & Yousfi (2012) and Siagian et al. (2013), who

highlighted in emerging economies the low corporate governance-related performance of companies. The negative performance observed for this dimension in emerging economies can be explained by different variables, such as little protection for minority shareholders and ownership concentration (Cueto, 2012; Doidge et al., 2007), low information transparency (Rafiee & Sarabdeen, 2012) and governance structure vulnerability (Peng & Jiang, 2010).

Moreover, variable "size" played significant and positive role in the sample. This outcome was in compliance with previous studies, which have shown firms' size influence on ESG performance (Block & Wagner, 2014a; Lepoutre & Heene, 2006). Thus, according to Biswas et al. (2019), Muttakin & Khan (2014) and Surroca et al. (2010), the larger the company, the higher its social involvement level.

Table 5 shows the estimates of models 2 to 5, which were used to test the other working hypotheses (from **H2** to **H5**). **H2** predicted that the association between EAGLEs countries and ESG performance is lesser negative in family firms due to their influence on the market, to their communication space and to their role as source of resources. Variable EAGLEs recorded negative coefficient, which was significant at 1%; this outcome has indicated that companies operating in EAGLEs countries recorded ESG performance lower than that of other companies. In addition, it corroborated researches led by Choi et al. (2013) and Sahasranamam et al. (2019), who observed that ESG practices were lower, and still under development, in emerging economies. On the other hand, the cross product between family firms and EAGLEs was not significant, and it did not allow confirming **H2**. This outcome suggested that family firms do not moderate this relationship and it reinforced institutional context's influence on companies' ESG performance (Campbell, 2007; Matten & Moon, 2008; Abreu et al., 2015; Lawrence & White, 2013).

Table 5: Moderating effects.

Variable	ESG	CEP	CSP	CGP
EAGLEs	-15.2929***	-10.5159***	-9.6003***	-19.3371***
FAMILY	2.4295	5.8462	0.4018	-1.4033
EAGLEs x FAMILY	2.5605	-3.2323	6.5097	4.1704
Size	3.7319***	4.9957***	4.3210***	-1.2273***
ROA	0.0741	0.0148	-0.0051	-0.0517
MKTBK	-0.0193	-0.0663	-0.0190	-0.0175
LEV	-8.32e-06	0.0002	0.0002	0.0000
ROE	0.0013	0.0033*	0.0016	0.0002
Sector				
Basic materials	-13.3614**	-10.4490	-12.0646	-3.3661
Consumer goods	-9.2997	-3.6459	-9.9450	-3.3482
Consumer services	-15.8424***	-18.5647***	-15.1311***	-4.0506
Financials	-19.2981***	-22.2586***	-24.3441***	-1.5620
Healthcare	-15.37292**	-16.51355***	-12.1811	-5.7713
Industrials	-5.4259***	-2.6551	-5.6167	-2.4533
Oil & gas	-8.1167	-11.29514*	-11.7449*	8.1723
Technology	-4.0853	-3.9461	-6.1375	5.6308
Telecommunications	-0.0156	-8.7063	-2.0943	8.4699

*Significant at 10% level, **Significant at 5% level. ***Significant at 1% level. PSM sample obtained through the propensity score matching procedure.

H3 has suggested that the influence of family firms' CEP performance would be less negative in EAGLEs countries. Company's variable "EAGLEs" recorded negative estimate, which was significant at 1% level; this outcome has shown that companies operating in EAGLEs countries achieve lower CEP performance than those in other companies. This result enabled identifying the lower environmental performance of companies operating in EAGLEs countries. It was not possible confirming the influence of family moderation on companies' environmental performance; therefore, it was not possible confirming **H3**. These results corroborated studies conducted by Damasceno et al. (2016), Dasgupta et al. (2000) and Dögl & Behnam (2015), who showed that emerging countries promoted a larger number of environmental actions, although insufficient. According to Colwell & Joshi (2013), the adoption of CEP practices is linked to regulatory, market and social requirements that can be exercised by governments, the society, regulatory bodies, social actors, suppliers and customers (Amran & Haniffa, 2011; Chung et al., 2005). In other words, family firms alone cannot fill the gaps in EAGLEs countries about CEP's size.

H4 predicted less negative influence of family firms' CSP in EAGLEs countries. The result observed for variable “EAGLEs” was significant at 1%; besides, it has shown negative value, which supported the assumption that companies operating in EAGLEs countries have lower CSP. Family firms’ moderating effect on the association between EAGLEs countries and CSP was not confirmed by the observed results; thus, **H4** was rejected. This outcome can be justified by the fact that emerging economies show fluctuations in their development level (Das et al., 2015) and institutional uncertainties (Wang & Qian, 2011). Therefore, one can conclude that the positive CSP performance of family firms cannot contribute to the best performance of EAGLEs countries.

The last hypothesis predicted that family firms' CGP performance was more negative in EAGLEs countries. EAGLEs coefficient was negative and significant at 1%; this outcome has indicated that companies operating in EAGLEs countries have CGP lower than the others. These results did not show family firms’ moderating effect on the association between EAGLEs countries and CGP; thus, **H5** was rejected. According to Damoah et al. (2019) and Kikwiye (2019), certain standards set in developed markets may not have the same effect on emerging countries. This adverse effect takes place due to different corporate governance features between developed and emerging countries (Bebchuk & Hamdani, 2009). Family firms’ factors such as lack of board qualifications and family ties have led companies to perform poorly in developing economies (Muttakin et al., 2015). Thus, one can conclude that family influence on companies operating in emerging economies does not contribute to improve their lower governance level.

7. Concluding remarks, caveats, and future research directions

This chapter addressed how family firms’ influence moderates the association between EAGLEs countries and companies’ ESG performance. A data set comprising 3.991 companies

operating in 51 different countries was analyzed by taking into consideration the 2013 to 2017 period-of-time. A sample with 836 companies selected through the PSM approach was analyzed; it comprised 418 family firms operating in EAGLEs countries and their 418 pairs operating in developed countries. The current study has shown that companies operating in EAGLEs countries often have ESG performance levels lower than those operating in non-EAGLEs countries. In addition, the CEP, CSP and CGP dimensions also recorded lower results, in separate, with emphasis on corporate governance level. The moderation analysis did not enable confirming family businesses' influence on the association between EAGLEs countries and ESG performance. Thus, the presence of families in companies operating in EAGLEs countries does not moderate social performance, in separate.

Results in the current research provided some contributions to the literature. First, the analysis applied to the association between companies operating in EAGLEs countries and different ESG dimensions can help both the academia and managers to better understand how these companies adopt ESG in contexts presenting different features, needs and development levels. Thus, managers will be able to identify weaknesses in social performance and, consequently, to implement strategies capable of contributing to these companies' commitment to achieve higher and better performance.

The second contribution of the current study lies on the fact that understanding how the national context affects companies' ESG practices enables business managers to take actions in compliance with national realities and with stakeholders' expectations. Issues faced by emerging countries are different from those observed in developed countries; such a difference influences their activities and the way they promote ESG practices. Therefore, the current study provided an opportunity to build, implement and analyze metrics associated with ESG performance, since they tend to level all countries without taking into consideration aspects

linked to their institutional environment - mainly in countries undergoing fast development process.

The third contribution refers to stakeholders and society. Given the different ways of interpreting ESG, its practice is now guided by one's understanding about each country. Thus, studies focused on identifying how countries assimilate and implement social actions are a relevant tool to analyze national environments. Accordingly, it is essential carrying out this investigation since ESG implementation is influenced by the way it is understood by both companies and stakeholders.

Moreover, the current study has evidenced limitations faced by the family management model with regards to its influence on ESG performance. Thus, family firms alone are not capable of filling the gaps in EAGLEs countries, a fact that should encourage further studies aimed at understanding this limitation type.

Despite the herein observed results, the present study has shown limitations linked to ESG, CEP, CSP and CGP metrics. The second limitation of it refers to the five-year interval (2013-2017) of the analyzed data, which only covered social, economic, political and environmental events, and events that took place within this time interval. The classification adopted for family firms was the third limitation of the current study, since it used the list of the 750 largest family firms operating in the world as reference.

The current results provide some opportunities for further relevant studies focused on evaluating longer time intervals to help reducing the effects of economic, social and environmental events taking place in the investigated countries. In addition, new research should take into consideration other classifications associated with the development of different economies, as well as investigate how to track new emerging economies and their relationships with ESG. Finally, results in the current research have also provide the basis for new

hypotheses, based on the comparative investigation of EAGLEs countries and on the individualization of units integrating the ESG, CEP, CGP and CSP dimensions.

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PART III

6. Conclusions

This PhD dissertation presents four studies aimed at analyzing how family ownership can influence companies' corporate social responsibility (CSR) practices and environmental, social and governance (ESG) performance. The first chapter address the spread and development of scientific research about the relationship between family firms and CSR in the last 17 years. It covers terms associated with both governance and the application of theories to help better understand how family firms influence their CSR actions and practices. The second chapter tests corporate family ownership on CSR performance, based on empirical studies aimed at synthesizing its conclusions and at highlighting variables that moderate such relationship. The third chapter investigates the moderating role played by national institutions in the relationship between family firms and corporate ESG performance. Finally, the fourth chapter addresses the moderating effect of corporate family ownership on firms' ESG performance in/out emerging and growth-leading economies (EAGLEs).

Different contributions aimed at investigating this topic have been highlighted throughout the current dissertation. The first chapter addresses the high development of studies about family businesses and the significant attention given to the association between these business and CSR practices. Moreover, it was possible to identify different theoretical approaches applied in these studies, such as the stakeholder, agency, and socio-emotional well-being theories. Results presented in chapter two show a negative, although a low, association between family involvement in companies and CSR performance. Companies' size, type, and country culture are significant moderators of the herein assessed association. In addition, there association between family ownership and CSR performance is less negative in small and medium-sized enterprises (SMEs), as well as in public companies operating in countries with high uncertainty avoidance. The third chapter reveals that family firms outperforms their non-family peers in terms of corporate environmental performance (CEP) and corporate social

performance (CSP), and underperform in terms of corporate governance performance (CGP). Furthermore, family firms operating in stakeholder-oriented countries (CMEs) carry out lesser negative CGP performance. This outcome indicates the moderation of national institutions in the link between family businesses and ESG performance.

Chapter four gives evidence about family business implementation of CSR practices in EAGLEs. The results show that firms within EAGLEs present lower levels of ESG performance than those companies operating in other countries. The highest negative difference was found when analyzing the governance dimension. This can be explained by low levels of transparency and by the weak governance structure available in these countries. Based on the analysis of corporate family ownership influence on ESG performance, it was possible to address that corporate family ownership do not act as a management model that enhances CGP in firms within EAGLEs.

Based on the results presented in this dissertation, it is possible to point out how family influence in firms management influence their ESG performance. Furthermore, it is possible to notice some progress made towards explaining the moderators in the relationship between family businesses and ESG performance (and in each dimension of this construct). In fact, this PhD dissertation contributes to existing research in the following ways. Firstly, it provides empirical evidence of how intrinsic company variables, such as company type and size, can influence CSR performance. Secondly, the dissertation highlight the identification of in which circumstances the family influence can present a positive or negative performance in different dimensions of CSR. Regarding the dimensions of CSR, it was analyzed, individually and deeply, the understanding about the prioritization of actions of family businesses in response to the national market in which they operate. Integration of CSR issues in family businesses takes place to preserve socio-emotional wealth and legitimacy towards stakeholders, as well as to safeguard significant elements such as their image and reputation. Thirdly, the understanding

of the reality of family businesses for managers, members of the board of directors, and owners makes it possible to adopt management practices that aim to specifically analyze performance in the CSR dimensions. As a result, there is the development of assertive actions that are appropriate to the context of family businesses and the reality of the country in which they operate.

Despite these contributions, the present study is not free from caveats and limitations. The first limitation refers to the classification model used to identify family, since this definition can be a determinant factor of firms' CSR and ESG performance. Existing research show three different definitions: the first one establishes an ownership rate for family control purposes, which enables classifying companies as family businesses. This definition has advantages, such as the analysis of family ownership percentage in comparison to that of other owners and how it influences decision-making processes. However, this classification also has some limitations. The main one is that it uses criteria that are defined arbitrarily that may not take into account the power of decision-making of family over companies. The second definition is based on identifying family members in companies' management processes. The advantage of this method lies in acknowledging the business positions held by families and their respective management boards. However, the limitation of this classification lies in the fact that it does not assess how the business position held by families can influence decision-making processes about the adoption of ESG practices, in comparison to other managers and owners. The third definition aims at overcoming the limitations of two previous classifications by combining different criteria to define companies as family businesses. In these cases, adopting ownership percentages, in association with the presence of family members in specific management positions, could help ensure families' influence over companies' choices. The complexity of companies' definition is a limitation of this classification method since companies can have different organizational structures that make it hard to meet multiple criteria and, subsequently,

to compare them to other companies. This thesis used as a criterion a list of the 750 largest family-owned companies in the world, which applies a combination of multiple criteria. The list considers companies where the family or group of families own at least 50% of the shares with voting rights in private companies or at least 32% of the voting rights in public companies. Additionally, to be on this list, the company must have been founded over 20 years, a period in which, on average, there is already a certain level of transition from the first to the second generation in the business' management.

The second limitation refers to the strategy adopted to measure firms' ESG performance. This thesis used social audits to measure ESG performance, which refers to the process carried out by third parties to assess business behavior based on aspects such as the environment and society. Thus, the Thomson Reuters ASSET4® DataStream database was used for presenting the performance of companies in different dimensions in a balanced way. However, the level of information requested in audit processes can change depending on the business segment and the country, also it can influence on company performance measurements. Other methods can still be adopted to measure ESG, with advantages and limitations, namely: disclosures, reputation ratings, and management (principles and values). Disclosures consider annual reports and other information disclosed by companies about ESG. The downside lies in the selection, extent and objectives of what is disclosed. Business reputation ratings are designed to show the responsible attitudes of companies. A limitation of this method is its use to improve perceptions about the reputation of business to facilitate access to financial resources. Finally, there is a method that considers the values and principles of the companies. This category assesses corporate culture and how it can influence ESG decision making. However, this method requires the investigation of the economic, legal, ethical and discretionary dimensions for the comparison between companies.

The third limitation refers to the period (2013-2017) used to perform the research activities proposed in chapters 3 and 4, since companies' results were based on facts that took place within the analyzed time-interval and have been highlighted the reality within this period.

Future studies should focus on exploring other institutional classifications (such as Varieties of Institutional Systems and National Business Systems) to compare their results to the herein observed influence of national institutions on the relationship between family firms and ESG performance. It is also necessary to conduct studies to investigate new classifications used to determine countries' development levels. It must be done by analyzing the adopted new parameters, how they influence CSR practices, and the effects of family businesses on ESG performance. Moreover, studies should be expanded towards investigating the units forming each ESG dimension (CEP, CSP, and CGP) to help to deepen debates about family business performance in comparison to that of their non-family peers.

7. Conclusiones

Esta tesis doctoral se estructura en cuatro estudios que pretenden analizar cómo la propiedad familiar puede influir en las prácticas de responsabilidad social corporativa (RSC) de las empresas, así como en el desempeño ambiental, social y de gobernanza (ESG). El primer capítulo, que se corresponde con el primer estudio, se centra en la difusión y desarrollo en los últimos 17 años de la investigación científica y la conexión entre la empresa familiar y la RSC. Se recogen términos relacionados, tanto con la gobernanza, como con la aplicación de teorías, que ayudan a comprender mejor de qué manera las empresas familiares influyen en las acciones y prácticas de la RSC. El segundo estudio aborda la propiedad familiar corporativa en el desempeño de la RSC mediante análisis empíricos, con el objetivo de destacar las variables capaces de moderar tal relación. El tercer capítulo indaga sobre el papel moderador desarrollado por instituciones nacionales en la relación entre empresas familiares y el desempeño de los factores ambientales, sociales y de gobernanza (ASG). Finalmente, el cuarto capítulo examina el papel moderador de la propiedad familiar corporativa en el desempeño de los ASG en las Economías Emergentes y Líderes del Crecimiento (EAGLEs).

Distintas contribuciones para la investigación sobre la empresa familiar y RSC se destacan a lo largo de la presente tesis. En el primer capítulo se identifica el desarrollo de los estudios relacionados a las empresas familiares y la mayor atención a las actividades empresariales y la RSC. Así mismo, es posible identificar los distintos enfoques teóricos aplicados en estos estudios, como la teoría de los *stakeholders*, teoría de la agencia y de la riqueza socioemocional. Los resultados presentados en el segundo capítulo muestran un efecto negativo, aunque bajo, entre la participación familiar y el desempeño de la RSC. El tamaño, el tipo de empresa y la cultura del país son moderadores significativos destacados. Además, la asociación entre la propiedad familiar y el desempeño de la RSC es menos negativa en las pequeñas y medianas empresas (PYME), así como en las compañías que operan en países con

un alto nivel de evitación de la incertidumbre. El tercer capítulo revela que las empresas familiares superan a sus pares no familiares en términos de desempeño ambiental corporativo (DAC) y desempeño social corporativo (DSC) y, por el contrario, tienen un desempeño inferior en términos de desempeño de gobierno corporativo (DGC). Se identifica además que las empresas familiares ubicadas en países con orientación hacia los *stakeholders* (CMEs), presentan un desempeño en la dimensión de gobernanza menos negativo. Este resultado indica la relevancia como moderadora de las instituciones nacionales en el vínculo entre las empresas familiares y el desempeño ASG.

El capítulo cuatro proporciona evidencia sobre la implementación de prácticas de RSC en empresas familiares en países EAGLEs. Los resultados muestran que las empresas de EAGLEs presentan niveles más bajos de desempeño ESG que las empresas que operan en otros países. La mayor diferencia negativa se encontró al analizar la dimensión de gobernanza. Esto puede explicarse por el bajo nivel de transparencia y la fragilidad de la estructura de gobernanza existente en estos países. Con base en el análisis de la influencia de la propiedad familiar corporativa en el desempeño de ESG, pudo observarse que la propiedad familiar corporativa no actúa como un modelo de gestión que mejore el CGP en las empresas dentro de EAGLEs.

Teniendo en cuenta los resultados presentados en esta tesis doctoral, es posible señalar cómo la influencia familiar en la gestión de las empresas influye en su desempeño ASG. Además, es posible notar algunos avances en la explicación de los factores moderadores en la relación entre la empresa familiar y el desempeño ESG (y en cada dimensión de este constructo).

De hecho, esta tesis contribuye a la investigación actual de las diversas maneras. En primer lugar, proporciona evidencia empírica de cómo las variables intrínsecas de la empresa, como el tipo y el tamaño de la empresa, pueden influir en el desempeño de la RSC.

Como segunda contribución, se puede destacar la identificación de en qué circunstancias la influencia familiar puede presentar un desempeño positivo o negativo en las diferentes dimensiones de la RSC. En cuanto a las dimensiones de la RSC, se analizó, de manera individual y detallada, la priorización de acciones de las empresas familiares en respuesta al mercado nacional en el que operan. La integración de la RSC en las empresas familiares tiene lugar, fundamentalmente, para preservar la riqueza socioemocional y la legitimidad ante los grupos de interés, así como para salvaguardar valores significativos para estas organizaciones, como su imagen y reputación.

En este sentido, la tercera contribución es la comprensión de la realidad de las empresas familiares por parte de los directivos, miembros del consejo de administración y propietarios, que permite adoptar prácticas de gestión que tengan el objetivo de analizar específicamente el desempeño en las dimensiones que componen la RSC. Como resultado, tenemos el desarrollo de acciones asertivas y adecuadas al contexto de las empresas familiares y la realidad del país en el que ejercen.

A pesar de las contribuciones presentadas, el presente estudio no está libre de limitaciones. La primera se refiere al modelo de clasificación utilizado para identificar las empresas familiares, ya que su definición puede ser un factor determinante del desempeño RSC y ESG de las empresas. Las investigaciones existentes muestran tres definiciones diferentes: la primera establece una tasa de propiedad a efectos de control familiar, que permite clasificar a las empresas como empresas familiares. Como ventajas de esa definición, se puede citar el análisis de la proporción de la propiedad familiar ante a los demás propietarios y de qué forma eso influye en los procesos de toma de decisiones. Sin embargo, esta clasificación también tiene algunas limitaciones. La principal es que utiliza criterios definidos arbitrariamente que pueden no tener en cuenta el poder de decisión de la familia sobre las empresas. La segunda definición se basa en identificar a los miembros de la familia en los procesos de gestión de las empresas.

La ventaja de este método radica en el reconocimiento de las responsabilidades que tienen las familias en sus respectivos consejos de administración. Sin embargo, la limitación de esta clasificación radica en que no evalúa cómo la posición empresarial que ocupan las familias puede influir en los procesos de toma de decisiones sobre la adopción de prácticas ASG, en comparación con otros administradores y propietarios.

La tercera clasificación pretende satisfacer las limitaciones existentes al proponer la combinación de diferentes criterios para definir una organización como empresa familiar. En estos casos, puede emplearse el uso de tasas de propiedad junto a la presencia de miembros de la familia en puestos de gestión específicos como forma de asegurar que la familia tenga influencia en las decisiones de la empresa. Como desventaja de esta última clasificación, se puede destacar la complejidad de su definición, ya que las empresas pueden presentar distintas estructuras organizacionales que dificultan la atención a múltiples criterios y, posteriormente, compararlos con otras.

En esta tesis se utilizó como criterio la lista de las 750 empresas familiares más grandes del mundo, que está basada en una combinación de múltiples criterios. La lista considera empresas donde la familia o grupo de familias posee al menos el 50% de las acciones con derecho a voto en empresas privadas o, al menos, el 32% de los derechos a voto en empresas que cotizan en bolsa. Además, para estar incluida en esa lista, la empresa debe tener más de 20 años desde su fundación, período en el que, en promedio, puede existir cierto grado de transición de control en la gestión de la primera a la segunda generación.

La segunda limitación se refiere a la estrategia empleada para medir el desempeño de RSC. En esta tesis se utilizaron auditorías sociales para medir el desempeño ESG, que se refieren al proceso llevado a cabo por terceros para evaluar el comportamiento empresarial basado en aspectos como el medio ambiente y la sociedad. Así, se dispuso de la base de datos Thomson Reuters ASSET4® DataStream, que refleja el desempeño de las empresas en

diferentes dimensiones de manera equilibrada. El uso de las auditorías sociales como criterio de medición permite comparar empresas con base en aspectos, tales como el nivel de contaminación generada por sus actividades. Sin embargo, el nivel de información solicitado en los procesos de auditoría puede cambiar dependiendo del segmento de negocios y el país, así como puede influir en las mediciones de desempeño de las empresas.

Se pueden adoptar otros métodos para medir ESG, con ventajas y limitaciones, como el nivel de divulgación, los *rankings* de reputación empresarial o la gestión (principios y valores). El nivel de divulgación considera los informes anuales y otra información suministrada por las empresas acerca de ESG. La desventaja radica en la selección, extensión y objetivos de lo que se divulga. Los *rankings* de reputación empresarial están diseñados para mostrar las empresas más responsables a través de diversas variables. Una limitación de este método es su uso para mejorar las percepciones sobre la reputación de la empresa para facilitar el acceso a los recursos financieros. Finalmente, existe un método que considera los valores y principios de las empresas. Esta categoría evalúa la cultura corporativa y cómo puede influir en la toma de decisiones ESG. Sin embargo, este método requiere la investigación de las dimensiones económicas, legales, éticas y discrecionales para la comparación entre empresas.

La tercera limitación del presente estudio se refiere al intervalo de tiempo (2013-2017) utilizado para la realización de las actividades propuestas en los capítulos tres y cuatro, ya que los resultados consideran los hechos producidos exclusivamente dentro de este intervalo analizado, por lo que únicamente ofrecen evidencias sobre ese período.

En futuros estudios se sugiere centrarse en otras clasificaciones institucionales (por ejemplo, Varieties of Institutional Systems ó National Business Systems) donde se equipare la influencia de las instituciones nacionales en la conexión entre las empresas familiares y los ASG. Se recomienda enriquecer investigaciones que acompañen las nuevas clasificaciones utilizadas para determinar el nivel de desarrollo de los países, analizando los nuevos parámetros

utilizados, de qué forma estos influyen en las prácticas de RSC y los efectos en el desempeño ASG de las empresas familiares. Además, se sugiere ampliar los estudios con relación a las unidades que componen cada dimensión de los ASG (DAE, DSC y dimensión de gobernanza), con el fin de profundizar los debates acerca del desempeño de las empresas familiares en comparación con las empresas no familiares.