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# **Executive Characteristics Considering Heterogeneity and Corporate Social Responsibility Information Revealed Relationship Research**

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**Abstract:** This article analyzes the relationship between the characteristics of executive team and corporate social responsibility information disclosure. In the analysis of executive characteristics, three adjustment variables of age heterogeneity, tenure heterogeneity and academic heterogeneity are introduced. Moderating effect on corporate social responsibility information disclosure. The research results show that the average tenure of the senior management team in the sample company has a significant positive effect on corporate social responsibility; after introducing heterogeneity variable adjustment, age heterogeneity significantly negatively regulates the relationship between the proportion of women in the executive team and corporate social responsibility. The term heterogeneity significantly negatively regulates the relationship between education level and corporate social responsibility.

**Keywords:** High-Level Echelon Theory; TMT; Heterogeneous Variables; Corporate Social Responsibility

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## **1. Introduction**

In the process of economic development, enterprises must actively fulfill their social responsibilities and disclose social responsibility information, which is an inescapable responsibility of enterprises. What is the status of my country's manufacturing social responsibility information disclosure? What factors affect the disclosure of CSR information in manufacturing companies? This article will use listed manufacturing companies that disclosed social responsibility information in 2016 as a research sample, based on the characteristics of executives, consider TMT heterogeneity, and empirically analyze the relationship between the characteristics of senior management teams and corporate social responsibility information disclosure. Also consider the nature of property rights, Industry attributes and company characteristics, etc., with a view to providing a reference for managers to promote the fulfillment of corporate social responsibility.

## **2. Theoretical analysis and research hypotheses**

### **2.1. Characteristics of senior management team and corporate social responsibility**

Hambrick and Mason put forward a higher-order theory in 1984, which believes that the executive team adopts decision-making behavior based on their preferences, historical experience, and values, and uses demographic background statistics as a proxy variable for the executives' cognition and values. The background characteristics of executives are different, and their impact on the fulfillment of corporate social responsibility is also different<sup>[1]</sup>.

Higher-order theory believes that the age of entrepreneurs will affect the strategic choice of enterprises<sup>[2]</sup>. Age has a significant influence on a person's cognitive basis and behavioral pattern<sup>[3]</sup>. Based on this, Hypothesis 1: The average age of the senior management team is positively related to the disclosure of corporate social responsibility information.

The average tenure of the senior management team is one of the most concerned features in the research<sup>[4]</sup>. Hypothesis 2: The average tenure of senior management team is positively related to the disclosure of corporate social responsibility information.

Female executives can change the values of the management team, so as to have a more rational management concept. Female executives are more courageous to assume corporate social responsibility. Men are more inclined to take risks and

excitement, while women are more delicate and thoughtful<sup>[5]</sup>. Hypothesis 3: The proportion of women in the executive team is positively related to corporate social responsibility disclosure.

To a certain extent, education can reflect the values and cognitive preferences of the educated. High education means stronger information processing ability and ability to distinguish many influencing factors<sup>[6]</sup>. Hypothesis 4: Senior management team qualifications are positively related to corporate social responsibility disclosure.

State-owned enterprises are huge, and executives are keen to fulfill their social responsibilities to improve their social status and create a good development prospect for themselves<sup>[7]</sup>. The following hypothesis 5 is proposed: the senior management team of state-owned enterprises has a significant positive correlation with the disclosure of corporate social responsibility.

### 3. Research design

#### 3.1. Variable design

This article selects the manufacturing companies in the same year as the research sample. In 2016, the Shanghai and Shenzhen A-share manufacturing listed companies that disclosed the social responsibility information disclosed by Runling Global Responsibility Rating Agency were selected as the research object.

#### 3.2. Model building

Build model 1:

$$CSR_{i,t} = \alpha_0 + \alpha_1 Age_{i,t} + \alpha_2 Dur_{i,t} + \alpha_3 Female_{i,t} + \alpha_4 Edu_{i,t} + \alpha_5 Soe_{i,t} + \varepsilon \quad (1)$$

In order to test whether each adjustment variable has an impact on corporate social responsibility, construct model 2,  $j=1,2,3$ :

$$CSR_{i,t} = \alpha_0 + \alpha_1 H_j + \alpha_2 Size_{i,t} + \alpha_3 Roe_{i,t} + \alpha_4 Lev_{i,t} + \alpha_5 First_{i,t} + \alpha_6 Balance_{i,t} + \alpha_7 Growth_{i,t} + \alpha_8 Industr_{i,t} + \varepsilon \quad (2)$$

The crossover term will be introduced in the regression model. Build model 3:

$$CSR_{i,t} = \alpha_0 + \alpha_1 Age_{i,t} + \alpha_2 Dur_{i,t} + \alpha_3 Female_{i,t} + \alpha_4 Edu_{i,t} + \alpha_5 Soe_{i,t} + \alpha_6 H_j * Age_{i,t} + \alpha_7 H_j * Dur_{i,t} + \alpha_8 H_j * Female_{i,t} + \alpha_9 H_j * Edu_{i,t} + \alpha_{10} H_j * Soe_{i,t} + Control + \varepsilon \quad (3)$$

### 4. Statistical analysis

#### 4.1. Descriptive statistics and analysis

Variable descriptive statistics found that there are still some sample companies whose CSR score is lower than the average of the total sample. The sample companies vary greatly in fulfilling their social responsibilities. The team is mainly middle-aged, and most senior executives have only served for more than 4 years. The members of the team have undergraduate degrees and above, and the academic differences between members are still very large. The proportion of female executives is lower in the team, the minimum value is zero. This shows that many people do not have a high level of recognition for female executives.

In this paper, there are a total of 103 machinery, equipment, and instrument manufacturing industries, accounting for 30.21%. This is followed by metal, non-metal manufacturing, and petroleum, chemical, plastic, and plastic industries, with 63 and 57 respectively, accounting for 18.46% and 16.72%. Food There are 30 beverage industries, accounting for 8.80%, and 34 pharmaceutical and biological products industries, accounting for 9.97%. There are 13 paper manufacturing, printing, and textile, apparel, and fur manufacturing industries, accounting for 3.81% and 4.69%, respectively. 23 in the electronics industry, accounting for 6.75%. No matter which sub-industry in the manufacturing industry, they actively disclose social responsibility information. They are aware of the importance of social responsibility to corporate development. In this paper, 313 belong to the heavy pollution industry, accounting for 62.46%, and 128 belong to the non-heavy pollution industry, accounting for 37.54%.

##### 4.1.1 Analysis of multiple regression results without heterogeneous variables

There is a significant positive correlation between the tenure of members of the executive team and corporate social responsibility, and the statistical results are significant. Hypothesis 2 is verified. The proportion of women in the executive team has a positive correlation with corporate social responsibility, but the results are not significant. Hypothesis 3 has not been verified. The academic qualifications of senior management team members are positively correlated with corporate social responsibility, but the statistical results are not significant. Hypothesis 4 has not been verified. It can be seen from Model 3 and Model 4: The nature of ownership has a positive correlation with corporate social responsibility, but the statistical results are not significant. Hypothesis 5 has not been verified.

#### **4.1.2 Analysis of regression results introducing heterogeneous variables**

Model 5 examines the moderating effect of age heterogeneity variable H1, and hypothesis 6a is verified. Model 6 examines the regulatory role of the term heterogeneity variable H2, and hypothesis 6b is verified. Model 7 examines the adjustment effect of the educational heterogeneity variable H3, and the regression results are not significant, assuming that 6C has not been verified.

### **5. Research conclusion and enlightenment**

The research shows that the average tenure of the executive team has a significant positive effect on the disclosure of social responsibility information of the sample companies. After introducing the TMT heterogeneity variable, age heterogeneity significantly negatively regulates the proportion of women in senior management teams and corporate social responsibility relationship, while the term heterogeneity significantly negatively regulates the relationship between education level and corporate social responsibility. When fulfilling social responsibilities and disclosing social responsibility information, companies should first consider the tenure of senior management team members to avoid unreasonable tenure and negative impact on corporate social responsibility. Secondly, appropriately increase the proportion of female executives to give full play to the unique role of women in decision-making. It is also necessary to consider the heterogeneity of executive team [8], including age heterogeneity, education heterogeneity, tenure heterogeneity, etc. Only by fully considering the heterogeneity of the team can the role of different characteristics be fulfilled in fulfilling social responsibility of the enterprise To optimize the decision-making effect on fulfilling social responsibilities.

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