

***THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY
PERFORMANCE ON EARNINGS MANAGEMENT: FAMILY VERSUS NON-
FAMILY FIRMS***

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ABSTRACT

This study investigates how the three dimensions of the Corporate Social Responsibility (CSR) performance (environmental, social and corporate governance) individually affect earnings management practices in family versus non-family firms. We analysed 243 listed companies in France and Spain, two countries with code-law and concentrated ownership, from 2009 to 2018. The results show that CSR performance helps reduce levels of earnings management only in the family firms' context. This higher impact of CSR performance in the earnings management of family firms seems to be associated with the families concern for maintaining the socio-emotional wealth, which is related to the family firms' concerns with maintain a good image and reputation versus the main stakeholders of CSR actions. Our study closes the gap in the literature on the relationship between CSR and the quality of financial information in family versus non-family firms.

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