ABSTRACT

Research on family companies has emerged as a prominent area of interest among scholars and researchers due to their pivotal role in the global business landscape. Notably, family companies have been found to exhibit higher levels of corporate social responsibility (CSR) compared to nonfamily companies in previous studies. This research endeavors to explore the impact of CSR on financial performance, specifically examining the role of family control as a moderating variable.

CSR is measured using Bloomberg's ESG Disclosure Score, while financial performance is assessed through the return on assets (ROA) metric. Control variables such as leverage, firm size, and firm age are included in the analysis. The sample consists of 279 family-owned manufacturing companies listed on IDX, Bursa Malaysia, SGX, and SET from 2017 to 2021. The study employs a purposive sampling approach to select the companies before conducting multiple regression analysis and moderated regression analysis (MRA).

The results reveal a significant and positive relationship between CSR and financial performance. Additionally, family control is identified as a positive moderator, suggesting that family companies prioritize socially responsible actions to enhance and maintain their socioemotional wealth.

Keywords: CSR, financial performance, family control, Southeast Asia