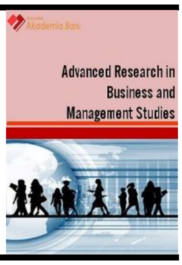
Penerbit Akademia Baru

Journal of Advanced Research in Business and Management Studies

Journal homepage: www.akademiabaru.com/arbms.html
ISSN: 2462-1935




Open Access

# Family Ownership and Earnings Management in Malaysia

Shaker Al-Duais[1,2,*], Mazrah Malek[1], Mohamad Ali Abdul Hamid[3]

[1] Tunku Puteri Intan Safinaz School of Accountancy (TISSA), Universiti Utara Malaysia, Kedah, Malaysia
[2] Accounting Department, Faculty of Administrative Sciences, IBB University, IBB, Yemen
[3] Putra Business School, University Putra Malaysia, 43400 Serdang, Selangor, Malaysia

**ARTICLE INFO**

***Article history:***
Received 24 March 2019
Received in revised form 25 April 2019
Accepted 10 May 2019
Available online 19 May 2019

***Keywords:***
Earnings Management; accrual earnings management; real earnings management; family ownership

**ABSTRACT**

This paper proposes a conceptual framework to investigate the role of family ownership for mitigating earnings management (accrual & real). Family ownership is among the corporate governance primary mechanisms that have been a focus of many researchers and scholars. The present study argues that firms with family ownership are less likely to allow earnings management because they have typically invested a lot of their private fortune in the firm and families are more concerned about the survival of the firm and its reputation; thus, they have a strong motivation to monitor management very well. Despite that, there is a lack of prior studies that examine these relationships in developing countries. So, the main objective of this study was to bridge this gap and try to enrich the existing literature.



## 1. Introduction

The issue of earnings quality has attracted the attention of researchers and regulators worldwide. In fact, following the 1997/1998 financial crisis in South East Asia and the subsequent financial scandals at Enron in 2001 and WorldCom in 2002 generated a public attention towards managers' opportunistic and raised concerns about the quality of financial reporting and effectiveness of corporate governance in protecting shareholders' interests [1]. However, Malaysia has not been insulated from firms' mischief and misconduct. Many high-profile cases involving big companies have been witnessed such as Transmile Group Bhd, Malaysian Airlines Systems, LFE Corporation Berhad, Promto Bhd and MEMS Technology Bhd [2,3].

However, the level of earnings management (EM) in Malaysia is still high as noted by Abdul Rahman *et al*., [4] and Kalgo *et al*., [5]. One reason may be due to high agency costs experienced by firms in Malaysia (see for example [6]. In a study by Enomoto *et al*., [7] compared two types of EM (accrual earnings management, AEM & real earnings management, REM) across 38 countries and found that two types of EM in Malaysia are more pervasive than other nations, particularly REM. Out

* *Corresponding author.*
*E-mail address: shakeralduais@gmail.com (Shaker Al-Duais)*

of the four South East Asian countries, EM in Malaysia is worse than Thailand, Taiwan, India, and Pakistan.

Due to the importance of EM and its wealth of research, little is known about earnings management in family ownership [8,9]. In fact, family ownership is most prevalent in Malaysia [10,11]. Malaysia is ranked second, after Indonesia, in terms of the percentage of family-owned listed firms in the Asian region [12]. Ibrahim *et al*., [13] stated that family ownership forms over 43% of the board of directors of corporations listed in Bursa Malaysia between 1999 to 2005, as well as increased control of family ownership in Malaysia from 57.7% to 67.2%. Furthermore, top 15 families in Malaysia were also found to control assets worth 76% of the country's gross domestic product (GDP) as reported by the Malaymail online on April 17, 2015, edition.

Despite the high proportion of family ownership, studies have found a positive relationship between family ownership and EM in Malaysia [8,14]. However, studies relating to family ownership in Malaysia and corporate governance are still few and new [15,13], and there is limited empirical evidence that links family-controlled ownership with EM [8,9]. Therefore, this study aims to offer a comprehensive description of the relevant literature related to the association between family ownership and earnings management (AEM & REM). This should shed some light on the problem of conflict of interests between majority shareholders and minority shareholders in the context of Malaysia. This paper is structured as follows; Section 2 describes the related literature review and presents the research hypotheses. Section 4 concludes the paper.

## 2. Literature Review and Hypothesis

### *2.1 Earnings Management*

The primary concern for the investor, organisers, and a source of keen interest both in the United States and the remnant of the world is earnings management [16,17]. Earnings Management (EM) has gained a lot of interest in financial reporting studies. A common definition of EM is found in Healy *et al*., [16], which states that: "*Earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers.*"

While EM is considered legal, it is viewed as unethical since it impacts the trustworthiness of the firm's financial statement. It is unethical because the management's intention is to deceive stakeholders and to influence contractual outcomes by changing the company's figures [18]. However, it is not necessary that the intentions opportunistic managers are the primary motivation that leads to reducing the credibility of financial reporting. The practice of EM could also provide investors with useful information for decision making.

From the above definition, it emerged that managers engage in EM through discretionary authority granted to them following accounting standards and by the real activities to achieve the target income. Therefore, the managers intentionally engage in EM activities to manipulate the earnings of the current period by increasing or decreasing it.

From the above definition, it emerged that managers engage in EM through discretionary authority granted to them following accounting standards and by the real activities to achieve the target income. Therefore, the managers intentionally engage in EM activities in order to manipulate the earnings of the current period by increasing or decreasing it.

### *2.1.1 Accruals earnings management*

Accrual earnings management (AEM) is technique based on exploiting accounting flexibility offered by the Generally Accepted Accounting Principles (GAAP), such as choice and changes in accounting principles or accruals estimates [19]. In the accounting literature, this is called "within-GAAP EM". In other word, AEM is simply method employed the use of accounting judgment about the timing of recognition of revenues and expenses. Therefore, the accrual method does not impact the cash flow element of earnings. It also does not affect the cash position of firms. Instead, it deals mostly with non-cash expenses meant to manipulate the declared earnings.

Most of the studies on EM have focused on the discretion over accruals and how managers manipulate earnings by using their authority in the process of financial reporting [7]. Managers may transfer surplus (loss) in earnings between periods relying on managements' expectation for the next period's profit by using income decreasing or increasing accounting methods. Thus, managers may defer the recognition of revenues in the current lucrative period to increase income in loss period, if they expect to incur losses in the next period or vice versa. The managers can practice judgment in financial reporting by using a variety of ways, including the manipulation of statements on decisions relating to discretionary expenditures, the estimation of bad debts, inventory valuations method (LIFO/FIFO adoptions or extensions), residual values of non-current assets, depreciation methods, employment and pension benefits, the treatment of deferred taxes and investment tax credits, reclassification of assets, revenue recognition method, structure a lease and financial year-end timing [16,20].

### *2.1.2 Real earnings management*

Recently, academics give more attention to REM. Graham *et al*., [21] confirm that the most EM today is in the form of 'real' earnings manipulation. Roychowdhury [22] defines REM as "*management actions that deviate from normal business practices, undertaken with the primary objective of meeting certain earnings thresholds*". Another definition for REM was given by Sellami [23]. It states that "*change on the timing or structuring of management decision (real business decisions related to the operating, investing or financing activities), that have a direct impact on cash flows and thus in earnings, motivated by managers' desire to mislead stakeholders about the real performance of the company*". REM is concerned with the manipulation through changing the timing or structure of investments, activities, and financing transaction of a firm to promote current-period earnings and manipulate the accounting statements [24].

Consistent with this prediction, researchers have documented many of the operational activities that the firm uses to manipulate the earnings, including the manipulation of discounts on prices and friendly credit terms to improve sales, decreasing research and development (R&D) expenditure, overproduction to lower the cost of goods sold (COGS) per unit, reducing advertising expenditure, decreasing maintenance expenditure, shifts of shipment schedules or delaying, postpone or eliminate hiring, cutting the travel budget, delaying or cancelling software spending, defer a new project, stock options, asset sales, hedges, stock repurchases, capital investments and debt-equity swaps and securitization [21-28].

On the other hand, the management decision to choose REM rather than engaging in AEM depend on various reasons. Firstly, REM may not attract the attention of auditors or regulatory scrutiny than AEM [27]. Consistent with the evidence of Chi *et al*., [29] which found that firms audited by high-quality auditing firms participate intensively in REM to avoid the monitoring of AEM, AEM usually occur at the financial year end, and directors are uncertain on the types of accounting treatments the auditors may not permit accruals to be managed at that time. Managers possess more control over operations; whereas accruals are more scrutinised by auditors [24]. Secondly, EM depending on accrual alone is risky [27]. For instance, at the financial year end, if management is unable to meet an earnings target and accrual-based strategies to meet it has been exhausted, in this case, the managers may be incapable of modifying the real activities. Thirdly, Graham *et al*., [21] recognize that the aftermath of accounting scandals at Enron and WorldCom makes managers place greater emphasis on REM rather than AEM. Finally, managers perceive real activities to be more ethical than accruals [30]. From the viewpoint of executives, REM looked more ethical because it reflects what happened and is, therefore, closer to the truth [30].

### *2.2 Family Ownership*

Based on the agency theory, Jensen *et al*., [31] presumed a significant role of family ownership in reducing agency problems. According to the alignment hypothesis, family businesses have a strong economic motivation to align the interests of controlling families with other shareholders and lower monitoring costs, thus associated with decrease EM. The benefits of families are closely aligned with the interests of the firm, given the significant share of a family member, which discourages them from managing earnings to avoid possible damage to the survival of the company and its reputation as well as improving the long-term performance of the firm [32,33].

In line with the incentive alignment effect, Wang [33] and Ali *et al*., [34], reported that family ownership is linked to higher earnings quality. Similarly, findings by Martin *et al*., [35] suggested that family firms in the U.S are less likely to manage earnings than non-family firms. Using a Spain sample, Sánchez *et al*., [36] provided evidence that family firms have less discretionary accruals. In Mexico, [37] documented that family ownership decreases the EM. Hashmi *et al*., [38] confirmed that family firms have superior EQ than non-family–controlled firm in Pakistan. Achleitner *et al*., [39] in Germany and Chen *et al*., [40] in Japan, documented evidence that negative relationship between family companies and both types of earnings management (REM and AEM). Masri [41] in Indonesia and Tian *et al*., [51], in Chine, found that family firms engage in lower levels of REM relative to nonfamily firms. A recent study in Thai by Boonlert-U-Thai *et al*., [42] provide evidence that accrual quality and the earnings stability of the founding family firms are higher compared to the non-family firms.

On the other hand, family businesses could be affected by more (type II) agency problems, Shleifer *et al*., [43] posit that conflict of interests between majority and minority shareholders might create incentives for the majority to expropriate minority shareholders wealth. Based on the entrenchment hypothesis, family ownership might make private gain from the company at the expense of other shareholders and have strong incentives to channel wealth from the publicly traded companies they control to firms they own privately by using related-party transactions and engaging in opportunistic EM [14,33]. Tai [44] provided evidence that family firms are involved in both AEM and REM, but they engage more in REM activities.

Evidence of the family entrenchment effect is stated in Fan *et al*., [45] who showed that concentrated ownership is linked to low earnings quality mainly to prevent detection of their expropriation practices. Similar findings provided evidence that family ownership is associated with higher discretionary accruals [8,46,47,48]. Furthermore, Razzaque *et al*., [49] provided evidence that family firms in Bangladesh engage in REM.

Accordingly, the impact of (type II) agency problems in family companies may be more widespread in Malaysia. However, family firms prefer AEM to REM because REM is associated with lower future performance [39,49]. Therefore, the following hypotheses are developed:

H1: There is a significant relationship between family ownership and AEM.
H2: There is a significant relationship between family ownership and REM.

## 3. Conclusions

The financial crisis and the subsequent financial scandals have generated public attention towards managers' opportunistic and raised concerns about the quality of financial reporting and the effectiveness of corporate governance. The central issue involves manipulation of earnings which mislay investor and trust in the financial reports. Therefore, corporate governance as controlling mechanisms play an essential role in improving the quality of the financial reporting process. Previous studies suggested that family ownership is effective in their monitoring role. This paper intends to investigate the role of family ownership by proposing a conceptual framework in line with previous research to overcome the earnings management issues.

**Table 1**
Summary of Empirical Studies that examined the relationship between family Ownership and Earnings Management

| Author(s) | Sample | Findings | Theories |
|---|---|---|---|
| [45] | 977 firms from East Asian countries (66 Taiwanese, 282 Hong Kong, 177 Malaysian, 133 Singaporean, 95 South Korean, 91 Indonesian, and 133 Thai firms) for the period 1991-1995. | 1) Associated with low earnings informativeness and earnings quality.<br>2) Creates agency conflicts between controlling owners and outside investors. | Agency theory |
| [47] | 378 firms with a total of 2492 firm-year observation from Taiwan for the period 2006 - 2012. | Family firms are positively related to AEM. Family firms are likely to get involved in AEM activities more than nonfamily firms in high-tech firms. | Agency theory |
| [48] | 372 firms listed on the Karachi Stock Exchange over the period 2003–2010. | Companies' directors, their spouses, children, and other family members increase AEM. The dominant family play the role to expropriating external minority shareholders in Pakistan. | Agency theory |
| [49] | 691 firms for the period 2006 - 2011 (Bangladesh listed firms). | Family firms engage in REM more when compared to non-family companies between 2006-2011. REM is associated to lower future performance. | Agency theory |
| [46] | 43 Jordanian industrial firms yield (258) observations for the period 2011-2016. | Found a significant positive association between family ownership and AEM. | Agency Theory and Socio-Emotional Wealth Theory |
| [33] | 207 firms listed on the S&P 500 index either in 1994 or 2002. | Founding family ownership is associated with higher earnings quality consistent with the alignment effect hypothesis. Founding family ownership is associated with lower abnormal accruals and greater earnings informativeness. | Agency theory |
| [34] | 1602 firm-year observations from S&P 500 firms for the period 1998–2002. | Earnings quality in a family firms is better than non-family firms but make fewer | Agency theory |

| Author(s) | Sample | Findings | Theories |
|---|---|---|---|
| | | disclosures about their corporate governance practices. | |
| [35] | 1,149 observations; from the highly cited and influential study by Anderson *et al.*, [32], utilized S&P 500 firms in the US over the period 1992-1999. | Family principals engage in less of AEM practice relative to non-family firms, and that founder family firms are less likely than non-founder family firms to use earnings management. | Socioemotional wealth theory (SEW) |
| [39] | 402 families and 436 non-families' firms listed in Germany during 1998–2008. | Family firms are less likely to engage in REM. Instead, they may engage in AEM practices that assist families keep transgenerational control. | Socioemotional wealth theory (SEW) |
| [40] | 4857 families and 7826 non-family's firm-year observations listed in Tokyo Stock Exchange during 2004–2011. | The level of AEM and REM is lower for family firms when compared with non-family firms. Family firms in Japan utilize AEM more often than REM. | Socioemotional wealth theory (SEW) |
| [8] | 236 firms listed on the Main Market of Bursa Malaysia in 2009. | Larger presence of family people on boards is positively related to discretionary accruals. | Agency theory |
| [50] | 204 listed firms on Malaysian Stock Exchange in 2004. | Positive relationship between family ownership and earnings quality. | Agency theory |
| [41] | 61 manufacturing Indonesian firms' data from 2010 to 2013, the total sample being 244 observations. | Family ownership tend to negatively affect REM. | Stewardship theory |

## References


[1] Rezaee, Zabihollah, Kingsley O. Olibe, and George Minmier. "Improving corporate governance: the role of audit committee disclosures." *Managerial Auditing Journal* 18, no. 6/7 (2003): 530-537.

[2] Hasnan, Suhaily, Rashidah Abdul Rahman, and Sakthi Mahenthiran. "Management motive, weak governance, earnings management, and fraudulent financial reporting: Malaysian evidence." *Journal of International Accounting Research* 12, no. 1 (2012): 1-27.

[3] Omar, Noorain, and Mohd 'Atef Md. Yusof. "Accounting Body Membership of Audit Committee Member and Fraudulent Financial Reporting." *International Journal of Academic Research in Business and Social Sciences* 8 (6) (2018): 1265–1273.

[4] Abdul Rahman, Rashidah, and Fairuzana Haneem Mohamed Ali. "Board, audit committee, culture and earnings management: Malaysian evidence." *Managerial Auditing Journal* 21, no. 7 (2006): 783-804.

[5] Kalgo, Sani Hussaini, A. N. Bany-Ariffin, Hairul Suhaimi Bin Nahar, and Bolaji Tunde Matemilola. "Does Leverage Constrain Real and AEM Around IPO Corporate Event? Evidence from the Emerging Market." *Global Business Review*(2019): 0972150918825196.

[6] Haniffa, Roszaini, and Mohammad Hudaib. "Corporate governance structure and performance of Malaysian listed companies." *Journal of Business Finance & Accounting* 33, no. 7-8 (2006): 1034-1062.

[7] Enomoto, Masahiro, Fumihiko Kimura, and Tomoyasu Yamaguchi. "Accrual-based and real earnings management: An international comparison for investor protection." *Journal of Contemporary Accounting & Economics* 11, no. 3 (2015): 183-198.

[8] Ishak, Iszmi, Mohamad Nor Haron, N. M. Nik-Salleh, and A. Abdul Rashid. "Family control and earnings management: Malaysia evidence." *International Proceedings of Economics Development and Research* 22 (2011): 82-86.

[9] Prencipe, Annalisa, Garen Markarian, and Lorenzo Pozza. "Earnings management in family firms: Evidence from R&D cost capitalization in Italy." *Family Business Review* 21, no. 1 (2008): 71-88.

[10] Amran, Noor Afza, and Ayoib Che Ahmad. "Effects of ownership structure on Malaysian companies performance." *Asian Journal of Accounting and Governance* 4 (2013): 51-60.

[11] Saleh, Mousa Sharaf Adin Hezam, Yusnidah Ibrahim, and Hanita Kadir Shahar. "The Moderating Effect of Growth Opportunity on the Relationship between Corporate Ownership and Dividend Policy." *Asian Journal of Multidisciplinary Studies* 6 (2018): 9.

[12] Yeung, Samuel. “Family Ownership Presents Hurdle?” *South China Morning Post*, (2002).
[13] Ibrahim, Haslindar, and Fazilah Abdul Samad. "Corporate governance mechanisms and performance of public-listed family-ownership in Malaysia." *International Journal of Economics and Finance* 3, no. 1 (2011): 105-115.
[14] Saleh, Norman Mohd, Romlah Jaffar, and Puan Yatim. "Family ownership, related-party transactions and earnings quality." *Asian Academy of Management Journal of Accounting and Finance (AAMJAF)* 9, no. 1 (2013): 129-153.
[15] Afza Amran, Noor, and Ayoib Che Ahmad. "Family business, board dynamics and firm value: Evidence from Malaysia." *Journal of Financial Reporting and Accounting* 7, no. 1 (2009): 53-74.
[16] Healy, Paul M., and James M. Wahlen. "A review of the earnings management literature and its implications for standard setting." *Accounting horizons* 13, no. 4 (1999): 365-383.
[17] Leuz, Christian, Dhananjay Nanda, and Peter D. Wysocki. "Earnings management and investor protection: an international comparison." *Journal of financial economics* 69, no. 3 (2003): 505-527.
[18] Johari, Nor Hashimah, Norman Mohd Saleh, Romlah Jaffar, and Mohamat Sabri Hassan. "The influence of board independence, competency and ownership on earnings management in Malaysia." *International Journal of Economics and Management* 2, no. 2 (2009): 281-306.
[19] Vander Bauwhede, Heidi, and Marleen Willekens. "Earnings management in Belgium: a review of the empirical evidence." *Tijdschrift voor economie en management* 68 (2003): 199-218.
[20] Fields, Thomas D., Thomas Z. Lys, and Linda Vincent. "Empirical research on accounting choice." *Journal of accounting and economics* 31, no. 1-3 (2001): 255-307.
[21] Graham, John R., Campbell R. Harvey, and Shiva Rajgopal. "The economic implications of corporate financial reporting." *Journal of accounting and economics* 40, no. 1-3 (2005): 3-73
[22] Roychowdhury, Sugata. "Earnings management through real activities manipulation." *Journal of accounting and economics*42, no. 3 (2006): 335-370.
[23] Sellami, M. "Incentives and constraints of real earnings management: The literature review." *International Journal of Finance and Accounting* 4, no. 4 (2015): 206-213.
[24] Gunny, Katherine A. "The relation between earnings management using real activities manipulation and future performance: Evidence from meeting earnings benchmarks." *Contemporary Accounting Research* 27, no. 3 (2010): 855-888.
[25] Alquhaif, Abdulsalam Saad, Rohaida Abdul Latif, and Sitraselvi Chandren. "Employee stock options and real earnings management through accretive share buyback in Malaysia." *Journal of Advanced Research in Business and Management Studies* 1, no. 1 (2017): 76-84.
[26] Ali, Belal, and Hasnah Kamardin. “Audit Committee Characteristics and Real Earnings Management: A Review of Existing Literature and the New Avenue of Research.” *Asian Journal of Multidisciplinary Studies* 6 no. 12 (2018): 128–135.
[27] Cohen, Daniel A., and Paul Zarowin. "Accrual-based and real earnings management activities around seasoned equity offerings." *Journal of accounting and Economics* 50, no. 1 (2010): 2-19.
[28] Zang, Amy Y. "Evidence on the trade-off between real activities manipulation and accrual-based earnings management." *The Accounting Review* 87, no. 2 (2011): 675-703.
[29] Chi, Wuchun, Ling Lei Lisic, and Mikhail Pevzner. "Is enhanced audit quality associated with greater real earnings management?." *Accounting Horizons* 25, no. 2 (2011): 315-335.
[30] Bruns, William J., and K. Merchant. "The dangerous morality of managing earnings." *Management Accounting* 72, no. 2 (1990): 22-25.
[31] Jensen, Michael C., and William H. Meckling. "Theory of the firm: Managerial behavior, agency costs and ownership structure." *Journal of financial economics* 3, no. 4 (1976): 305-360.
[32] Anderson, Ronald C., Sattar A. Mansi, and David M. Reeb. "Founding family ownership and the agency cost of debt." *Journal of Financial economics* 68, no. 2 (2003): 263-285.
[33] Wang, Dechun. "Founding family ownership and earnings quality." *Journal of accounting research* 44, no. 3 (2006): 619-656.
[34] Ali, Ashiq, Tai-Yuan Chen, and Suresh Radhakrishnan. "Corporate disclosures by family firms." *Journal of accounting and economics* 44, no. 1-2 (2007): 238-286.
[35] Martin, Geoffrey, Joanna Tochman Campbell, and Luis Gomez-Mejia. "Family control, socioemotional wealth and earnings management in publicly traded firms." *Journal of Business Ethics* 133, no. 3 (2016): 453-469.
[36] Sánchez, Carolina Bona, Jeronimo Perez Aleman, and Domingo Javier Santana Martin. "Family control and earnings quality." *Revista de contabilidad: Spanish accounting review*10, no. 1 (2007): 11-34.
[37] San Martín Reyna, Juan Manuel. "The effect of ownership composition on earnings management: evidence for the Mexican stock exchange." *Journal of Economics, Finance and Administrative Science* 23, no. 46 (2018): 289-305.
[38] Hashmi, Muhammad Arsalan, Rayenda Khresna Brahmana, and Evan Lau. "Political connections, family firms and earnings quality." *Management Research Review* 41, no. 4 (2018): 414-432.

[39] Achleitner, Ann-Kristin, Nina Günther, Christoph Kaserer, and Gianfranco Siciliano. "Real earnings management and accrual-based earnings management in family firms." *European Accounting Review* 23, no. 3 (2014): 431-461.
[40] Chen, Tai-Yuan, Zhaoyang Gu, Keiichi Kubota, and Hitoshi Takehara. "Accrual-based and real activities based earnings management behavior of family firms in Japan." *The Japanese Accounting Review* 5, no. 2015 (2015): 21-47.
[41] Masri, Indah. "The role of corporate governance in the relationships of family company with real earnings management." *Jurnal Akuntansi* 22, no. 1 (2018): 51-67.
[42] Boonlert-U-Thai, Kriengkrai, and Pradyot K. Sen. "Family ownership and earnings quality of Thai firms." *Asian Review of Accounting* 27, no. 1 (2019): 112-136.
[43] Shleifer, Andrei, and Robert W. Vishny. "A survey of corporate governance." *The journal of finance* 52, no. 2 (1997): 737-783.
[44] Tai, Yi-Hui. "Earnings management in family firms: the role of inside directors." Corporate Management Review 37, no. 1 (2017): 77-114.
[45] Fan, Joseph PH, and Tak Jun Wong. "Corporate ownership structure and the informativeness of accounting earnings in East Asia." *Journal of accounting and economics* 33, no. 3 (2002): 401-425.
[46] Bataineh, Hanady, Murad Abuaddous, and Enas Alabood. "The Effect of Family Ownership and Board Characteristics on Earnings Management: Evidence from Jordan." *Academy of Accounting and Financial Studies Journal* (2018).
[47] Chi, Ching Wen, Ken Hung, Hui Wen Cheng, and Pang Tien Lieu. "Family firms and earnings management in Taiwan: Influence of corporate governance." *International Review of Economics & Finance* 36 (2015): 88-98.
[48] Kamran, Kamran, and Attaullah Shah. "The impact of corporate governance and ownership structure on earnings management practices: Evidence from listed companies in Pakistan." *The Lahore Journal of Economics* 19, no. 2 (2014): 27-70.
[49] Razzaque, Rushdi Md Rezaur, Muhammad Jahangir Ali, and Paul R. Mather. "Real earnings management in family firms: Evidence from an emerging economy." *Pacific-Basin Finance Journal* 40 (2016): 237-250.
[50] Hashim, Hafiza Aishah, and Susela Devi. "Board characteristics, ownership structure and earnings quality: Malaysian evidence." *Research in Accounting in Emerging Economies* 8, no. 97 (2008): 97-123.
[51] Tian, Xi, Tao Yang, and T. Robert Yu. "Real earnings management in family firms: evidence from Chinese listed firms." *International Journal of Revenue Management* 10, no. 2 (2018): 77-106.