We examine the effects of family firms on real earnings management (REM) and accrual-based earnings management (ABEM). Using socioemotional wealth as a theoretical framework and considering the different implications of REM and ABEM on family firms’ transgenerational sustainability, we hypothesise and find for a sample of 402 German listed family firms during 1998–2008 that family firms engage less in REM and exhibit more earnings-decreasing ABEM policies as compared to a sample of 436 non-family firms. We further provide evidence that family firms as compared to non-family firms treat REM and ABEM as substitute rather than complementary tools for earnings management. Overall, our findings suggest that family firms use earnings management activities strategically, avoiding those that inhibit the firm’s long-term value (i.e. REM) and engaging in those that help families retain transgenerational control (i.e. ABEM).
European Accounting Review

Journal gelistet in FT45 Ranking: nein

Jahr: 2014

Heft / Issue: ahead-of-print

Seiten: 1-31

Print-ISSN: 0963-8180

Urteilsanmerkung / Urteilsbesprechung: 0

Key publication: Ja

Peer reviewed: Ja

International: Ja

Book review: Nein

commissioned: not commissioned

Professional Journal: Nein

Interdisziplinarität: Nein

Occurences:
- Einrichtungen > Fakultäten > Fakultät für Wirtschaftswissenschaften > Kompetenzfelder > Finance & Accounting > Lehrstuhl für Entrepreneurial Finance (Prof. Achleitner) > Refereed Journal Articels
- Einrichtungen > Fakultäten > Fakultät für Wirtschaftswissenschaften > Kompetenzfelder > Finance & Accounting > Lehrstuhl für Entrepreneurial Finance (Prof. Achleitner) > Key publications

entries: