

Founder effectiveness in sustaining financial performance: influence of family ownership

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ABSTRACT

This paper examines the effects of asset-light strategy on the corporate performance of listed Asian telecommunications corporations and the moderating effect of managerial ability on the association between asset-light strategy and corporate performance. The study applies the dynamic slacks-based measure (DSBM) model and Tobit regression to measure managerial ability. The empirical results show that asset-light strategy positively affects corporate performance and that managerial ability has a significant moderating effect on the relationship between the degree of asset-lightness (DAL) and corporate performance. The findings further show that the greater the managerial ability, the stronger the relationship between DAL and corporate performance.

KEYWORDS: financial sustainability; founder-CEO; family ownership; founder effectiveness; construction firms.

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