

**LISTED INDONESIAN FAMILY BUSINESSES:  
DO THEY PERFORM BETTER THAN NON-FAMILY BUSINESSES?**

By

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in

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**STATEMENT BY THE AUTHOR**

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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## ABSTRACT

### INDONESIAN FAMILY BUSINESS: DO THEY PERFORM BETTER THAN NON-FAMILY BUSINESS?

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This study aims to examine the differences in financial performance between family businesses and non-family businesses in terms of profitability, operating activity, and dividend payout. The variables consist of independent variables; family business and non-family business; and dependent variables; return on asset, return on equity, total asset turnover, and dividend payout ratio. The population of this research is all companies involved in manufacturing sector listed in Indonesia Stock Exchange from year 2012-2015. The companies chosen are the top 25 family business and 25 non-family business based on the net income provided complete financial report needed for the analysis. Financial data were obtained from the Indonesia Stock Exchange website. The data analysis methods are using the Mann-Whitney U Test processing with SPSS Statistic Software Application. The result of the study shows that return on asset (ROA) and return on equity (ROE) of family businesses and non-family businesses have significant differences (reject  $H_0$ ). Meanwhile, for the total asset turnover (TATO) and dividend payout ratio (DPR) the results shows that there are no significant differences (accept  $H_0$ ) between family and non-family businesses.

*Keywords: Family Business, Non-Family Business, Financial Performance, Mann-Whitney U Test.*



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## **DEDICATION**

I dedicate this works to my Mom and Dad and all of people who support me during the process of these works.



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