

**CORPORATE SOCIAL RESPONSIBILITY AND FIRMS CREDIBILITY:  
A COMPARATIVE STUDY OF FAMILY AND NON-FAMILY FIRMS;  
EVIDENCE FROM PAKISTAN STOCK EXCHANGE**

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**Abstract**

Corporate violations have drawn the attention of scholars and business analysts in the last decade. Although regulations regarding CSR practices prevail, yet organizations are reluctant in their implementation as it is perceived costly, thereby neglecting its long-term institutional benefits. The current study bridges the gap between application of CSR practices in a firm and its impact on market credibility. Further, the study also addresses seven dimensions of CSR in measuring its magnitude to retain the market credibility, reducing information asymmetry and enhancing a firm's loan accessibility. The study focuses on the non-financial firms listed at Pakistan Stock Exchange from 2009 till 2018. The results confirm that CSR practices enhance firms' credibility. Further, the comparative analysis demonstrates that family firms that are older, bigger in size, maintain low cash holdings and financial leverage, are risk averse, having high asset tangibility due to their involvement in CSR practices than non-family firms. Managers and shareholders may use these results to publicize CSR in order to create more opportunities for financial accessibility which is further beneficial for making informed investment decisions yielding higher profits.

**Keywords:** Corporate Social Responsibility Practices, Market credibility, Information Asymmetry and Family firms

**JEL Codes:** G32,I31,L25.

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