
**The relationship of structural ownership and firm
corporate financial performance: Evidence from
Pakistan Stock Exchange**



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ABSTRACT

This study is focused towards investigation of relationship prevailing between Foreign ownership, managerial ownership and firm corporate financial performance in Pakistan as one of emerging economies. To investigate this relationship, evidence has been collected from Pakistan stock exchange. For this purpose, sample of 90 Companies were included in the study. The study collected data for each company from 2010 to 2016 on annual basis. The variables used for study are Foreign Ownership (FO), Managerial Ownership (MO), Return on Assets (ROA), Return on Equity (ROE), Market Share (MS) and Firm Size. Hausman test is applied to select appropriate model from random model or fixed model to investigate the formulated objectives and hypothesis. The results of fixed effect model suggest that Managerial Ownership (MO) and Firm Size (FS) are significantly influencing Return on Assets (ROA), except Foreign Ownership (FO) is not responsible for significantly influencing ROA, while Foreign Ownership (FO) and Firm Size (FS) are also significantly influencing Return on Equity (ROE), except Managerial Ownership (MO) is not responsible for influencing ROE. The results of fixed effect model further suggest that Managerial Ownership (MO), Foreign Ownership (FO) and Firm Size (FS) are significantly influencing Market Share (MS).

Keywords: *Ownership Structure, Financial Performance, Market share, PSX.*