

Ownership Structure and Corporate Financial Performance in Bahrain Bourse

Abstract

The study aimed at investigating the relation between different types of ownership structures and corporate financial performance. The study sample was 42 companies from all sectors listed in Bahrain Bourse in the period of 2007-2011. Different dimensions of ownership structure were put under scope and two different measurements of financial performance were used (Tobin's Q and ROA) evaluate the different results from using each one of them, which will help in justifying the conflicting results found by previous studies. Another objective of this study was to explore the patterns of ownership structure found in Bahraini market. It was found that institutional ownership is the most common type of ownership in Bahrain Bourse. The study's results were conflicting regarding the effect of ownership structure on financial performance using both measurements of performance. It was also found that ROA represents financial performance more than T'Q.

Keywords: Ownership Structure, Tobin's Q, ROA, Bahrain Bourse, Financial Performance, Company Performance