

ABSTRACT

This research sought to examine the impact of ownership structure on corporate performance of public listed companies in Sri Lanka. The ownership structure was divided into ownership concentration and ownership mix. The empirical study emphasized that the previous study failed to identify a static relationship between ownership structure and corporate performance. The research used the financial statements of top 20 listed companies at Colombo Stock Exchange for the period from 2010 to 2016 as sample and used descriptive statistics to analyze the level nature of ownership concentration and ownership mix. Further the study used correlation and regression analysis to examine the relationship between ownership structure and corporate performance. Hypotheses were formed and tested to generalize the findings. The main finding indicated that the ownership structure of Sri Lankan companies was highly concentrated and the concentrated ownership had strong positive impact on corporate performance. In relation to ownership mix, institutional ownership was considerably high than individual ownership and it had moderately positive effect on corporate financial and market performance. Moreover in ownership mix, insider ownership was higher than outsider ownership and it had moderately positive effect on corporate financial and market performance. And in ownership mix, foreign ownership was comparatively lower than local ownership but it had very strong positive impact on corporate financial and market performance. Regression analysis ensured that Herfindahl-Hirschman Index in ownership concentration and foreign ownership in ownership mix were significant variables of ownership structure and they have significant effect on corporate financial and market performances.

Keywords: ownership concentration, ownership mix, corporate financial performance, corporate market performance