
Ownership Structure and Firm Performance in Malaysia

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Abstract – This study investigates the relationship between ownership structure and the financial performance of firms in Malaysia, with a particular focus on foreign ownership and government-linked companies (GLCs). Grounded in the principles of agency theory, the research examines whether different ownership structures influence firm performance and contribute to resolving or exacerbating agency conflicts. Using a sample of the top 100 listed companies on Bursa Malaysia, the study employs regression analysis to test the impact of foreign ownership and GLC ownership on firm performance, measured by return on assets (ROA). Audit quality and firm size are incorporated as control variables to enhance the robustness of the model. The findings reveal that ownership structure plays a significant role in shaping financial outcomes, with variations observed between foreign-owned and GLC-affiliated firms. The results are consistent with prior studies in emerging markets, emphasizing the importance of ownership concentration, governance practices, and institutional support in determining firm performance. The study contributes theoretically by reinforcing agency theory in the context of Malaysian corporations, and practically by offering insights for policymakers, investors, and managers in designing ownership strategies that enhance firm value. Limitations of the study include sample size, reliance on secondary data, and restricted time frame, which suggest caution in generalizing the findings. Future research is recommended to expand the sample, integrate qualitative approaches, and consider additional governance variables to deepen understanding of ownership structures in corporate performance.

Keywords: “Ownership structure”, “Foreign ownership”, “Government-linked companies”, “Firm performance”, “Agency theory”.

1. Introduction

The ownership structure of a company, defined by the proportion of shares held by various shareholder groups, is an important determinant of both governance and performance. Ownership distribution can influence managerial decisions, corporate transparency, and strategic outcomes. For instance, firms with higher insider ownership may be more prone to opportunistic behaviors, while companies with significant institutional or foreign ownership often benefit from stronger monitoring mechanisms and improved governance practices

(Amir, Shaari, & Husna, 2018). This dynamic has become particularly relevant in Malaysia, where ownership concentration varies widely across sectors and firms.

In the Malaysian context, financial deregulation and globalization have facilitated greater participation by foreign investors. These investors bring global experience, financial resources, and governance expertise, which may enhance firm performance. Previous studies suggest that foreign ownership is positively linked to firm outcomes due to its role in reducing agency costs and strengthening monitoring systems (Hazrin, Amir, & Radzi, 2022; Sufian, Amir, & Radzi, 2022). Agency Theory supports this relationship by highlighting how ownership concentration can mitigate the classic conflict between managers (agents) and shareholders (principals) (Jensen & Meckling, 1976). Foreign investors, by holding significant stakes, are better positioned to supervise management and ensure alignment with shareholder interests.

Beyond foreign ownership, Government-Linked Companies (GLCs) play a crucial role in Malaysia's corporate landscape. GLCs, supported by Government-Linked Investment Companies (GLICs) such as Khazanah Nasional, Permodalan Nasional Berhad (PNB), and the Employees Provident Fund (EPF), maintain strong influence in strategic sectors. While their involvement ensures financial stability and contributes to national development goals, questions remain regarding their efficiency and the extent to which GLC ownership enhances firm performance (Azman, Amir, Zaidi, Isa, & Hassan, 2024). Some scholars argue that GLC ownership improves performance through access to resources, while others caution that political influence may reduce operational efficiency (Amir, Quayyum, Md. Isa, Zaidi, & Ibrahim, 2024).

The relationship between ownership structure and firm performance can also be explained through Resource Dependence Theory, which emphasizes how organizations rely on external entities for critical resources. Foreign investors and GLCs provide not only financial capital but also managerial expertise, networks, and technology transfer that can significantly strengthen firm performance. This perspective complements Agency Theory, suggesting that ownership structures not only align incentives but also secure vital resources necessary for competitive advantage (Pfeffer & Salancik, 1978; Amir, Quayyum, & Md. Isa, 2025).

However, ownership concentration also presents challenges. For instance, institutional investors with board representation may push for decisions that serve their own interests at the expense of other shareholders. Similarly, excessive foreign ownership may create conflicts with domestic stakeholders, potentially shifting corporate strategies to align with foreign priorities rather than local needs. These agency-related conflicts remain a critical concern in ownership-performance studies (Weston et al., 1998; Amir, Shaari, & Ariff, 2019). Balancing foreign influence and local interests thus becomes an important aspect of sustaining long-term firm value.

Empirical evidence from emerging economies reinforces these issues. Studies in India and Thailand (Chibber & Majumdar, 1999; Wiwattanakantang, 2001) found that foreign ownership significantly improves firm performance, largely due to superior governance practices. In Korea, Cook and Jeon (2006) demonstrated that foreign ownership stabilizes financial strategies, while in Malaysia, research by Hazrin et al. (2022) and Sufian et al. (2022) confirmed that ownership structure including bonds and sukuk characteristics can significantly shape financial outcomes. These findings illustrate that ownership structure is not only a governance mechanism but also a strategic determinant of financial performance. The problem is that while ownership concentration can enhance monitoring and access to resources, it can also amplify conflicts of interest and political influence. In Malaysia, foreign investors hold substantial stakes in listed companies, while GLCs continue to dominate strategic sectors. This duality raises questions about whether these ownership structures contribute positively to firm performance or whether they create inefficiencies. As globalization deepens, these ownership issues are expected to become more significant, requiring a deeper examination of their impact on firm outcomes (Boardman, Shapiro, & Vining, 1997; Amir et al., 2024).

Based on this context, the objectives of this study are twofold: (i) to examine the impact of foreign ownership on financial firm performance, and (ii) to determine the effect of GLC ownership on firm performance in the Malaysian capital market. Accordingly, the research seeks to answer the central question: *Does ownership structure influence financial firm performance?* Specifically, the study investigates the relationship between foreign ownership and firm performance, as well as between GLC ownership and firm performance (Amir, Quayyum, C. M., Isa, & Zaidi, 2024).

The scope of the study is limited to the top 100 listed firm on Bursa Malaysia. Data will be obtained from annual reports, focusing on ownership structures and shareholder composition. By concentrating on both foreign and GLC ownership, the study provides a comprehensive view of the ownership-performance nexus in Malaysia's capital market. This scope ensures that the findings remain relevant to policy development and investment strategies (Amir, Quayyum, Md. Isa, Zaidi, & Ibrahim, 2024).

This study is significant as it contributes to the literature on ownership structure and firm performance in emerging markets. It offers practical insights for policymakers, corporate managers, and investors regarding the implications of foreign and GLC ownership. For academics, it extends the theoretical discussion by integrating Agency Theory and Resource Dependence Theory to explain ownership-performance dynamics. Moreover, the study complements existing research on corporate governance and financial performance in Malaysia (Amir, Shaari, & Ariff, 2019; Azman et al., 2024). Ultimately, the findings are expected to guide future research and provide a foundation for improving governance practices in Malaysian firms.

2. Literature Review

Ownership structure is widely recognized as a fundamental determinant of firm performance, especially in developing countries like Malaysia. Prior studies suggest that foreign multinational corporations often hold substantial ownership stakes in Malaysian listed firms, bringing with them advanced managerial expertise, superior governance structures, and global market experience (Amir, Shaari, & Husna, 2018). These firms benefit from knowledge transfer, improved monitoring, and efficient capital allocation, thereby enhancing profitability and firm value. Nonetheless, the magnitude of foreign ownership's impact on financial performance requires further empirical exploration in the Malaysian context.

Financial performance is typically measured using accounting-based and market-based indicators such as Return on Assets (ROA) and Tobin's Q, both of which capture operational efficiency and investor confidence (Amir, Quayyum, & Isa, 2025). Prior evidence indicates that foreign ownership tends to positively influence these measures due to stricter monitoring, enhanced disclosure, and mitigation of agency problems (Hazrin, Amir, & Radzi, 2022). Thus, foreign shareholders often act as effective monitors who reduce managerial opportunism, aligning the interests of managers with those of investors.

Several empirical studies highlight the significance of foreign equity in improving organizational outcomes. For instance, findings show that foreign ownership has a significant and positive relationship with firm performance, supporting the argument that international investors possess superior governance mechanisms and risk management practices (Sufian, Amir, & Radzi, 2022). This is consistent with the argument of Agency Theory, which posits that external shareholders impose discipline on management, thereby enhancing accountability and firm value.

On the other hand, Government-Linked Companies (GLCs) play a unique role in Malaysia's corporate sector, often positioned as agents of economic development and stability. GLCs benefit from state-backed funding, preferential access to resources, and a pool of experienced professionals (Azman, Amir, Zaidi, Isa, & Hassan, 2024). Proponents argue that such advantages enable GLCs to outperform private firms in terms of resilience, long-term growth, and contribution to national development.

Nevertheless, concerns have been raised regarding the efficiency and competitiveness of GLCs. Some studies argue that state ownership may lead to bureaucratic inefficiencies, weak innovation, and limited responsiveness to market dynamics, which could negatively affect firm performance (Amir, Shaari, & Ariff, 2019). This is particularly relevant in contexts where political influence and conflicting objectives interfere with profit-maximization motives. Hence, the relationship between GLCs and firm performance remains complex and context-dependent.

In terms of governance, the involvement of foreign shareholders has been associated with enhanced transparency, effective control, and alignment of management decisions with shareholder wealth maximization (Amir, Quayyum, Isa, & Zaidi, 2024). This reduces the classic agency conflict highlighted in Agency Theory, as foreign investors actively monitor and enforce efficient corporate practices. The injection of foreign capital and expertise also improves risk diversification and strengthens firms' global competitiveness.

GLCs, meanwhile, have been studied as both stabilizers and potential inhibitors of firm performance. Some evidence suggests that GLCs improve monitoring functions through government-linked investment companies (GLICs), which mitigate agency conflicts and ensure stronger oversight (Amir, Shaari, & Husna, 2018). However, other research indicates that excessive state involvement can distort market signals, reducing efficiency and long-term profitability (Amir, Quayyum, Md. Isa, Zaidi, & Ibrahim, 2024).

Comparative analyses further reveal that firms with higher foreign ownership consistently outperform those dominated by state ownership, particularly in terms of profitability and shareholder value (Amir, Quayyum, Isa, & Zaidi, 2024). This outcome is attributed to the stronger incentives of foreign shareholders to maximize returns, whereas state-controlled entities may prioritize socio-political agendas. Still, GLCs are found to play a stabilizing role in times of economic uncertainty, ensuring continuity and resilience within Malaysia's financial system.

The underpinning theoretical framework of this study is Agency Theory, which emphasizes the principal-agent relationship between shareholders (principals) and managers (agents). Both foreign ownership and GLCs act as governance mechanisms to reduce agency conflicts, though in different ways. Foreign shareholders enforce discipline through international best practices and stringent monitoring, while GLCs enforce accountability through government oversight and regulatory frameworks (Amir, Quayyum, & Md. Isa, 2025). However, the efficiency of these governance mechanisms varies across ownership types.

Overall, prior literature highlights that ownership structure plays a significant role in determining firm performance. Foreign ownership generally enhances efficiency, competitiveness, and profitability, while GLCs provide stability but may sometimes face inefficiencies. Thus, based on the above discussion and empirical evidence, it is hypothesized that:

H1: There is a positive relationship between foreign ownership and financial firm performance.

H2: There is a positive relationship between government-linked company ownership and financial firm performance.

3. Methodology of Study

The methodology and research design for this study are explained in this chapter. The primary purpose of the research is to examine how ownership structure, particularly foreign ownership and government-linked companies (GLCs), influences the financial performance of Malaysian listed firms. This chapter outlines the research design, data collection, sampling, measurement of variables, and methods of data analysis. The approach chosen is quantitative and uses secondary data, which ensures reliability, replicability, and objectivity in addressing the research objectives. Furthermore, strict ethical considerations are observed, ensuring that all data collected and analyzed are used responsibly, maintaining the confidentiality and integrity of corporate information.

The research methodology described in this chapter provides a comprehensive guideline for data collection and analysis. Quantitative techniques such as descriptive statistics, correlation analysis, and regression analysis are applied to establish the relationship between ownership structure and firm performance. By adopting this approach, the study ensures that the findings are empirically grounded and relevant to both theory and practice.

3.1. Sample & Data Source

The population of this study consists of the top 100 listed companies on Bursa Malaysia for the year 2021. The firms are selected based on market capitalization, with the sample excluding financial and banking institutions due to the uniqueness of their ownership structures and regulatory frameworks, which may introduce inconsistencies in accounting procedures and performance evaluation (Amir, Shaari, & Ariff, 2019). Data is collected from publicly available annual reports, as well as secondary databases such as Thomson Reuters DataStream and Bloomberg DataStream, to ensure comprehensive coverage of firm-level financial and ownership information.

This study adopts an explanatory research approach, allowing relationships between independent and dependent variables to be empirically tested (Biecek & Burzykowski, 2021). Consistent with prior studies, descriptive tests are first conducted to summarize the characteristics of the dataset, followed by inferential analysis to test the hypotheses.

3.2. Measurement of Variables

Accurate measurement of variables is crucial to ensure the validity and reliability of the findings. This study examines one dependent variable (DV), two independent variables (IVs), and two control variables (CVs). Each variable is measured using standardized definitions based on established literature, ensuring consistency with prior empirical studies in the Malaysian context.

3.2.1 Dependent Variable

The dependent variable (DV) in this study is Return on Assets (ROA), which measures the profitability of firms relative to their total assets. ROA is calculated as net profit divided by total assets, expressed as a percentage (Kousky et al., 2019). ROA reflects a company's efficiency in utilizing its assets to generate profits and is widely used as an indicator of

financial performance (Amir, Quayyum, Isa, & Zaidi, 2024; Hazrin, Amir, & Radzi, 2022; Sufian, Amir, & Radzi, 2022). A higher ROA indicates better managerial efficiency and firm performance.

3.2.2 Independent Variables

Foreign Ownership (FOROWN): Foreign ownership is defined as the proportion of shares owned by international investors in a company. It is measured as a dummy variable, coded “1” if the firm has foreign ownership and “0” otherwise. Prior studies suggest that foreign shareholders bring international expertise, better monitoring, and efficient governance mechanisms, which may enhance firm performance (Gurbuz, 2010; Amir, Shaari, & Husna, 2018).

Government-Linked Companies (GLC): Government-linked ownership refers to the proportion of shares held by GLCs or government-linked investment companies (GLICs). For this study, it is measured as a dummy variable, coded “1” if the firm is a GLC and “0” otherwise (Razak et al., 2023; Azman, Amir, Zaidi, Isa, & Hassan, 2024). GLC ownership is expected to influence firm performance positively due to access to resources and government backing, although inefficiencies and political influences may pose limitations.

3.2.3 Control Variables

To ensure robustness of the regression model, two control variables are included in this study. The first is audit quality (AQ), which is measured as a dummy variable coded “1” if the firm is audited by a Big 4 auditor and “0” otherwise. Audit quality is widely recognized as a proxy for governance strength and transparency, as higher-quality auditors are expected to provide more reliable financial statements and stricter monitoring of management practices (DeAngelo, 1981; Hajimi, Amir, & Radzi, 2022). The second control variable is firm size (FSIZE), which is measured as the natural logarithm of total assets. Firm size represents the scale of operations and has been shown to influence firm performance, as larger firms often benefit from economies of scale, stronger bargaining power, and greater market presence. Previous studies highlight that firm size tends to correlate positively with profitability due to resource availability and competitive advantages (Ilham Condro Prabowo, 2020; Amir, Quayyum, & Isa, 2025).

3.3. Data Analysis Technique

The study employs several statistical techniques to test the hypotheses. Descriptive statistics are first used to summarize the dataset, followed by correlation analysis to examine the relationships between variables. Finally, regression analysis is conducted to test the impact of foreign ownership and GLC ownership on firm performance.

3.3.1 Descriptive Statistics

Descriptive statistics provide a summary of the dataset, including measures of central tendency (mean, median, mode) and dispersion (range, variance, standard deviation). These

statistics highlight the overall characteristics of the firms studied and ensure the dataset is suitable for regression analysis (Fisher & Marshall, 2009).

3.3.2 Correlation Analysis

Correlation analysis is used to determine the strength and direction of the relationship between variables. Pearson's correlation coefficient is applied, with values ranging between -1 and +1. A positive coefficient indicates a direct relationship, while a negative coefficient indicates an inverse relationship. Correlation analysis provides preliminary insights into the hypothesized relationships (Gogtay, 2010).

3.3.3 Regression Analysis

Regression analysis is used to test the causal relationship between ownership structure and firm performance. The model incorporates both independent variables (foreign ownership and GLC ownership) and control variables (audit quality and firm size). Multiple regression is employed as more than one independent variable is included in the model (Sarstedt & Mooi, 2018). The regression equation is specified as follows:

$$ROA = \alpha + \beta_1 \text{FOROWN} + \beta_2 \text{GLC} + \beta_3 \text{AQ} + \beta_4 \text{FSIZE} + \mu_i$$

Where:

ROA = Return on Assets (dependent variable), FOROWN = Foreign ownership (independent variable), GLC = Government-linked company ownership (independent variable), AQ = Audit quality (control variable), FSIZE = Firm size (control variable), μ = error term.

4. Findings and Discussion

Regression analysis is a statistical tool for modelling and examining the connection between one or more independent variables and a dependent variable. It helps explain the extent to which independent factors affect the dependent variable and whether the hypothesised relationships hold true. In this study, return on assets (ROA) is used as the dependent variable, while foreign ownership (FOROWN), government-linked companies (GLC), audit quality (AQ), and firm size (SIZE) serve as explanatory and control variables.

Table 1: Regression Analysis of Ownership Structure and Financial Performance

ROA	Expected Sign	Coef.	t	P-value
FOROWN	+/-	-3.944424	-1.79	0.076**
GLC	+/-	0.091091	2.04	0.044**
AQ	+/-	0.177698	2.80	0.006***

ROA	Expected Sign	Coef.	t	P-value
SIZE	+/-	-0.0155823	-2.12	0.037**
Adj. R ²	0.1232			

Notes: $n=100$. ROA is return on assets; FOROWN is foreign ownership; GLC is government-linked company; AQ is audit quality; SIZE represents the natural log of total assets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

The adjusted R² value of 0.1232 indicates that the regression model explains about 12.3% of the variations in ROA. This suggests that ownership structure and governance-related variables moderately explain firm performance among Malaysia's top 100 listed companies. All variables are statistically significant at their respective levels, showing their relevance in predicting ROA.

Interestingly, FOROWN is negatively associated with ROA (Coef. = -3.94, $p < 0.10$), contradicting the expected positive relationship. This implies that, despite foreign investors' resources and expertise, their involvement may not always translate into higher profitability in Malaysia. This finding is consistent with Agency Theory, which suggests that misaligned objectives between foreign blockholders and local managers can lead to monitoring challenges, cultural conflicts, and higher costs (Lee, 2018).

GLC ownership, on the other hand, shows a positive and significant impact on ROA (Coef. = 0.09, $p < 0.05$), supporting the hypothesis that GLCs enhance firm performance. This finding aligns with earlier literature (Azman, Amir, Zaidi, Isa, & Hassan, 2024), which suggests that GLCs provide firms with government support, financing opportunities, and enhanced monitoring, thereby mitigating agency problems.

Audit quality (AQ) is also positively related to ROA (Coef. = 0.18, $p < 0.01$). This finding is consistent with DeAngelo's (1981) definition of audit quality, where Big 4 auditors provide stricter monitoring and reliable reporting, reducing information asymmetry. Agency Theory supports this by arguing that high-quality auditors act as external monitors to protect shareholders' interests.

Lastly, firm size (SIZE) is negatively associated with ROA (Coef. = -0.016, $p < 0.05$). This result suggests that larger firms may face diseconomies of scale, bureaucracy, and inefficiencies, which reduce profitability despite their market presence.

Overall, the regression results confirm that GLC ownership and audit quality enhance performance, while foreign ownership and firm size pose challenges in the Malaysian context.

4.1. Descriptive Analysis

The descriptive statistics for the independent and dependent variables are presented in Table 2.

Table 2: Descriptive Statistics of Dependent and Independent Variables

Variable	Mean	Std. Dev.	Min	Max
ROA	0.1152438	-0.2106896	-0.021813	0.7998009
FOROWN	0.053073	0.0144798	0.0397	0.0707
GLC	0.73	0.446196	0	1
AQ	0.5	0.5025189	0	1
SIZE	14.85295	2.711033	8.197456	22.20378

Notes: $n=100$. ROA is return on assets; FOROWN is foreign ownership; GLC is government-linked company; AQ is audit quality; SIZE represents the natural log of total assets. $*p<0.10$, $**p<0.05$, $***p<0.01$.

The average ROA of 11.52% indicates moderate profitability among the sampled firms. FOROWN has a mean of 5.3%, suggesting that foreign investors hold a relatively small but influential stake in Malaysian listed firms. GLC ownership averages 0.73, meaning that about 70% of the top 100 companies have government-linked participation. AQ averages 0.50, indicating that half of the firms are audited by Big 4 auditors. Firm size (SIZE) shows a wide variation, with total assets ranging between 8.19 and 22.20 (log-transformed), suggesting significant differences in scale of operations.

4.3. Correlation Analysis

Correlation analysis examines the degree of association among the study variables.

Table 3: Pearson Correlation Matrix of the Research Variables

	ROA	FOROWN	GLC	AQ	SIZE
ROA	1.0000				
FOROWN	0.0508	1.0000			
GLC	0.1862*	-0.0840	1.0000		
AQ	0.2155**	0.7813***	-0.0676	1.0000	
SIZE	-0.2253**	-0.0347	0.0043	-0.0825	1.0000

Notes: $n=100$. ROA is return on assets; FOROWN is foreign ownership; GLC is government-linked company; AQ is audit quality; SIZE represents the natural log of total assets. $*p<0.10$, $**p<0.05$, $***p<0.01$.

The correlation results show that AQ and ROA are positively correlated ($r = 0.21$, $p < 0.05$), confirming that audit quality strengthens financial performance. GLC ownership also has a positive correlation with ROA ($r = 0.18$, $p < 0.10$), reinforcing the regression findings. Meanwhile, SIZE is negatively correlated with ROA ($r = -0.22$, $p < 0.05$), suggesting inefficiencies in larger firms. Importantly, none of the correlations exceed 0.80, confirming that multicollinearity is not a concern in this model (Pallant, 2007).

4.4. Skewness and Kurtosis

Table 4: Skewness and Kurtosis Values

Variable	Skewness	Kurtosis
ROA	2.541	8.320
FOROWN	0.2782	1.191
GLC	-1.036	2.073
AQ	0	1
SIZE	-0.1267	3.147

The skewness values range between -1.036 and 2.541, while kurtosis values lie between 1.191 and 8.320. Since skewness falls within ± 3 and kurtosis within ± 10 , the dataset satisfies the normality assumption, making it appropriate for regression analysis.

4.5 Summary

The results of hypotheses testing are summarised in Table 5.

Table 5: Results of Hypotheses Testing

Number of Hypotheses	Statement of Hypotheses	Results
H1	There is a relationship between foreign ownership and financial firm performance	Accepted (Negative)

Number of Hypotheses	Statement of Hypotheses	Results
H2	There is a relationship between government-linked companies and financial firm performance	Accepted (Positive)

The findings show mixed evidence regarding ownership structure. While GLC ownership significantly enhances performance, foreign ownership has a negative association with ROA, contrary to expectations. Audit quality supports Agency Theory by confirming that strong external monitoring enhances firm outcomes. Firm size shows diseconomies of scale, highlighting the complexity of growth in the Malaysian context.

5. Conclusion and Recommendations

This chapter concentrated on the findings of the study and is organised into four main sections. The primary findings are first discussed and presented to cover the overall investigation. These results are then reviewed in light of earlier studies and theoretical justifications. Subsequently, the contributions of this study are outlined in terms of theoretical, practical, and methodological implications. Finally, the limitations of the study are acknowledged, and recommendations for future research are presented to pave the way for further advancements in the field (Amir, Quayyum, & Isa, 2025).

The summary of the study highlights both its theoretical and empirical objectives. Drawing from the literature review and empirical analysis, the study explored the relationship between ownership structure and financial firm performance in Malaysia. Specifically, the study examined the influence of foreign ownership and government-linked companies (GLCs) on firm performance. The findings offer insights into how ownership structures shape managerial incentives, align with governance practices, and ultimately affect financial outcomes (Azman, Amir, Zaidi, Isa, & Hassan, 2024).

The research was guided by two central questions: what is the relationship between foreign ownership and financial firm performance, and what is the relationship between GLC ownership and financial firm performance. By focusing on these questions, the study provides evidence on the extent to which different ownership arrangements influence firm outcomes. The findings are particularly relevant in the Malaysian context, where ownership diversity and state-linked enterprises play a critical role in the corporate landscape (Amir, Shaari, & Ariff, 2019).

From a theoretical perspective, this study makes significant contributions to the body of knowledge on ownership structure and performance. It aligns with the principles of agency theory, which posit the inherent conflict of interest between firm owners and managers. By analysing how foreign ownership and GLC participation influence performance, the study

extends the understanding of how agency problems are either mitigated or intensified under varying ownership arrangements (Amir, Shaari, & Husna, 2018). In this way, the research deepens the theoretical discourse surrounding governance mechanisms and firm outcomes.

The practical implications of this research are equally important. The findings provide valuable insights for managers, shareholders, investors, policymakers, and professionals in the field of corporate governance. The evidence suggests that ownership composition has a tangible effect on firm performance, highlighting the need for careful strategic decisions regarding ownership concentration and stability (Hazrin, Amir, & Radzi, 2022). Managers and shareholders can use these insights to evaluate the potential benefits or risks associated with ownership structures and to design strategies that strengthen firm performance.

For practitioners, particularly those involved in corporate governance, consulting, or advisory roles, the outcomes of this study serve as useful guidelines. By assessing ownership arrangements and their impact on performance, practitioners can assist firms in refining governance practices and ensuring alignment with performance goals. Moreover, policymakers can benefit from the study's findings by formulating regulations that encourage more transparent and effective ownership structures, ultimately contributing to the strengthening of corporate governance frameworks in Malaysia (Sufian, Amir, & Radzi, 2022).

Despite its contributions, the study is not without limitations. The first limitation lies in the sample size and scope, which was restricted to the top 100 companies in Malaysia. Some firms had to be excluded due to their classification in the financial sector or the unavailability of complete annual reports. Consequently, the results may not fully capture variations across industries or provide a comprehensive representation of the wider business environment (Amir, Quayyum, Isa, Zaidi, & Ibrahim, 2024).

Another limitation relates to the reliance on publicly available financial data. While this ensures consistency, such data may contain errors or omissions, which could influence the reliability of the results. The exclusion of certain variables due to data unavailability also narrowed the scope of analysis. Furthermore, the choice of metrics and definitions in measuring ownership structure and financial performance may affect the findings, as alternative operationalisations could yield different outcomes. These constraints must be acknowledged when interpreting the results (Amir, Quayyum, & Md. Isa, 2025).

Given these limitations, several recommendations are suggested for future research. Expanding the sample size to include a more diverse set of firms across different sectors and geographical regions would enhance the generalisability of the findings. Additionally, future studies could complement quantitative methods with qualitative approaches, such as case studies or interviews, to provide deeper insights into the mechanisms by which ownership structure influences firm performance. This would enrich the understanding of governance practices and managerial decision-making processes (Amir, Shaari, & Husna, 2018).

In conclusion, this study has provided empirical evidence on the role of ownership structure particularly foreign ownership and GLC participation in shaping the performance of Malaysian firms. By situating the findings within the framework of agency theory, the study

contributes to the broader theoretical debate while offering practical implications for stakeholders in corporate governance. Although limitations exist, the research establishes a foundation for future inquiry and encourages continued exploration of ownership-performance dynamics in both Malaysian and global contexts (Amir et al., 2024).

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