Ownership Dynamics and Firms' Performance: Influence of Large and Managerial Ownership on Pakistan's Non-Financial PSX Firms

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Abstract

The aim of the study is to empirically identify the impact of shareholder pattern on firm performance in Pakistan. In this study the shareholder pattern is taken as independent variable and firm performance is taken as a dependent variable by considering the non-financial firms listed in Pakistan Stock Exchange for the period of 2015-2024. Simple random sampling technique is used by selecting the 73 firms. Secondary data were collected from the annual reports and regression analysis is used to analyze the data to test the hypotheses the statistical software SPSS 22. The results of this study show that shareholder pattern have significant relationship with performance considering the return on assets and Tobin's Q. It is concluded that the managerial ownership and large ownership is perceived to be one of the key determinants of firm performance in non-financial firms. The managers should work in the direction where owner-manager can catch the target of aligning their interests being major stakeholders of the firm. The Findings of another dependent variable that is Tobin's Q represents that whole model shows significant association among contribution of shareholder and firm performance (Tobin's Q). Study recommends that larger ownership is an important aspect of Pakistani firms because these shareholders efficiently monitor the resources to increase the firm performance so firms should have to motivate the large shareholders to increase the performance of non-financial firms.

Keywords: Shareholder Pattern, Managerial Ownership, Non-financial Firms.

Introduction

In present day's business scenarios, firm performance might be influenced by various variables. Different factors, for example, top level administration, innovative development, structure of a

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firm, new tasks and so have much effect on corporate performance as far as market and on stock returns. Capital structure is one factor among the different factors which have much effect on company financial performance. Studies in recent literature, mainly focuses on the share holding pattern due to competitive and changing businesses environments (Abdullah et al., 2011). Further, Abdullah et al. (2011) and Shahab et al. (2011) documented that researches have paid much attention to share holding pattern since around 60 percent organizations worldwide, which are either family possessed or public possessed. Control structure of organization originated form Adam Smith (1776), concept earlier proposed. Study conducted by Berle and Means (1932), Jensen and Meckling (1976), and Fama and Jensen (1983; 1985) observe that points of interest and expected issues which has single ownership structure may perform in financial conditions of firms.

Performance of firms depend on interests of proprietors and administrators, the available second is director who had works for his proprietors and get pay. If there should be an occurrence of possession design in a firm where proprietorship is kept up by same family financial specialists at that point enthusiasm of investors and directors will be the same and there will be no way to emerge struggle among them. It is a direct result of working for same reason for procuring an ever-increasing number of benefits as foremost and specialist has a place from single family (Gul et al., 2012; Tornyeva & Wereko, 2012; Boshnak 2024; Baltrunaite et al., 2024; Bhakar et al., 2024; Shah et al., 2025; Yue et al., 2025). Different styles of possession have likewise more prominent effect on firm execution, for example, huge concentrated proprietorship, administrative possession and shareholders and so on; concentrated or expansive investors additionally give a position to decrease strife among proprietors and directors. A company's ownership structure has a considerable influence on its decision-making capacity in strategic decision making, governance and performance overall. Concentrated (or large) ownership and managerial ownership are two ownership dimensions that are particularly prominent in the corporate finance literature. These ownership structures are critical to creating corporate value, addressing agency problems, and aligning the interests of managers and shareholders. The share of the firm owned by managers and executives is known as managerial ownership. Managerial ownership is often posited as a means to mitigate agency problems by aligning the interests of managers and shareholders (Jensen & Meckling, 1976).

However, there is a complicated relationship between managerial ownership and company performance. Too much ownership can cause entrenchment because managers may act in their own interests rather than in the interests of the shareholders, even as initial increases in management ownership may add to firm value due to greater interest alignment (Morck et al., 1988). For instance, according to a study of companies listed in the Nairobi Securities Exchange, it has been demonstrated that greater degrees of managerial ownership are correlated with improved stock performance. This indicates that having a higher stake in the company fosters greater stock performance and better decision-making by managers (Wabala, 2023; Boshnak 2024; Baltrunaite et al., 2024; Bhakar et al., 2024; Shah et al., 2025; Yue et al., 2025). The interaction of ownership structures with other governance processes adds another layer of complexity. For example, a study of manufacturing firms in Nigeria found that real earnings management is significantly influenced by management ownership. Irom et al., (2023) demonstrated that the influence of ownership structure over profits management is reduced when the audit committee's financial expertise is considered. This implies that effective governance structures can mitigate the potential adverse effects of ownership attentiveness. Nevertheless, the relationship is not always positive as Ojeyinka and Matemane (2024) point out. The entrenchment theory was supported by a study of commercial banks in South Africa which found that managerial ownership has a negative influence on ROE. This indicates that managerial ownership may result in self-serving behavior that negatively impacts firm performance after a certain level of ownership.

Shareholding patterns is an important factor in contributing a tremendous role in firm performance. The researchers in present days are giving more attention to study shareholding patterns and their contribution in firm performance. However, the available literature shows lack of studies from perspective of shareholding pattern role in firm performance in context of developing countries context as Pakistan. Hence the purpose of this study is to determine the role of managerial ownership and large ownership in the Performance of Non-Financial Firms that listed in Pakistan stock exchange from 2015-2024. Usually, the outcomes of present study will be profitable for the financial specialists who require heading and rules for picking the speculation targets, provide guideline to administrator’s structures and arrangements in companies, help speculators to know accurately about the acts of proprietorship techniques. Also, it contributes in state of offering answer for settle down clashes among chief and an operator and after that to take best choices for enhancing association's budgetary execution.

Literature Review

Shareholder Pattern

The organization hypothesis of Adam Smith (1776) started examination on proprietorship pattern that offered bases for clear working association's money related development maintaining a strategic distance from rule specialist strife. Berle and Means (1932) contended that high enthusiasm for company is corresponded with high proprietorship, which has positive association with firm execution. Fama and Jensen (1983) and Shelifer and Vishney (1986) chipped away at rule operator issue and their association with firm possession structure. Morck et al. (1988) examined responsibility for individuals in 371 U.S biggest organizations by isolating them in three classes, i.e. from 0-5 %, 5 to 25% and 25 to 100%. The market execution was estimated by Tobin's Q utilizing direct and OLS relapse. The board proprietorship extending between 0-5percent demonstrated more gainful when contrasted with board possession between 5-25% holding of offers. Amit and Villalonga (2006) and Shliefer and Vishny (1997) examined that extensive investor because of their capacity can misuse minority. They can bring their ineligible relatives on key administrative position, pay officials against company policies, burrowing of assets to aggregate firms (La Porta et al., 2000), study test the Minority investors' seizure theory. Shah et al. (2011) there was no significant effects of possession on association's execution, when speculation is impressively higher in extensive firms at that point aggregate firms perform ineffectively.

Agency Theory

The organization standard as for administrative possession, uncovered that the administrative proprietorship adjusts administrator and investor's advantage and final product into rebate of business responsibilities. Fama and Jensen (1983) and another researcher Sheliferand Vishney (1986) worked at rule specialist issue and their dating with firm ownership structure. Morck et al. (1988), considered responsibility for individuals in 371 joined conditions of America largest organizations by methods for isolating them in three classes i.e. from zero-5 %, 5 to twenty-five% and 25 to a hundred%. The market in general execution was estimated by method for Tobin's Q utilizing direct and OLS relapse. The board possession extending among 0-five% demonstrated more noteworthy beneficial contrasted with board proprietorship among five-25% saving of stocks.

Relationship among MO and Firm Performance

In the light of pattern shareholder, MO is one of the determinants of firm performance. For exploring connection among structured owner equity and companies' execution different researchers had diverse purpose of about the possession of ownership and performance of firm. Hanafi et al., (2010) take a sample of 54 business banks in Indonesia through the period (2002-2008) that the ownership concentration negatively affects performance of bank. Then again Wen (2010) demonstrated a positive association among concentrated ownership and performance of bank in China. Saidu and Gidado (2018), indicated that the top managerial staff in the Nigerian assembling firms ought to guarantee that shareholding of the insider administrators isn't excessively high and the extent of their shareholding ought to be limit in other to better the presentation of assembling firms recorded in Nigeria. In country like Pakistan, researcher Katper et al. (2018) analyze the effect of MO on firm execution in the firms of Pakistan and tested the performance of firm through two distinctive DV that is Q and ROA by relapsing by the help of OLS, fixed effect (FE) and random effect (RE) techniques. The powerful outcomes affirm that administrative proprietorship (MO) has a +ve and solid effect on firm execution (Q) and ROA. Salihu et al., (2024) said that managers with an ownership interest in the company will often put long-term value creation and resource use efficiency first, resulting in better overall financial performance. The alignment of management interests with those of shareholders, through the ownership of stock, for example, has been shown to result in enhanced business performance in financial firms in Nigeria.

Similarly, it was originated that in an Egyptian context, a managerial ownership is positively related to return-on-equity. This means that managers are more likely to act in the best interests of shareholders when they have higher levels of managerial ownership (Elamir & Moharram, 2024; Baltrunaite et al., 2024; Bhakar et al., 2024; Shah et al., 2025; Yue et al., 2025). To demonstrate the effect of managerial and institutional ownership on financial performance, Putri & Fitriah (2024) examined managerial ownership through comparing the number of outstanding shares with the level of insider ownership. As a result of their study, it showed evidence that the financial performance of companies in the consumer products industrial sector listed on the IDX for the period 2020–2022 is driven by managerial ownership and institutional ownership characteristics. In the South African context, Nel et al., (2024) showed that short-term incentive compensation and return on assets (ROA) had a positive effect through the moderating relationship of managerial ownership, suggesting that more ownership interests encourage managers to focus on short-term performance indicators that benefit shareholders. Managerial ownership also fosters strategic effectiveness and creativity. By giving managers, the motivation to invest in creative ideas, research on Chinese manufacturing companies revealed that managerial ownership had beneficial effects on corporate innovation as indicated by obtaining a patent activity (Boshnak 2024; Bhakar et al., 2024; Pu & Zulkafli, 2024).

On the other hand, Safitri et al., (2023) witnessed of the inverse relationship and concluded that managerial ownership can lead to conflict of interest if managers engage in fabricated accounting to illustrate positive financial performance. Studies on firms in Indonesia reveal that, as expected, managerial ownership negatively influenced firm value. This could be due to manipulation of earnings and accounting conservatism. Wahid et al., (2023) posed a view that disproportionate managerial ownership can have a slanting influence on shareholder welfare through opportunistic behavior by managers-benefitting themselves at the expense of the company. Managerial ownership of firms can result in inefficient allocation of resources in the extreme case, as in a study of business in Bangladesh and Malaysia it was shown that highly concentrated insider ownership, especially managerial ownership, may contribute to inefficient resource allocation, which ultimately detracts from the company's performances.

The results may give a decent understanding and help in settling on a superior choice with respect to venture on the moral grounds. It demonstrates that progressively focused administrative proprietorship creates the higher firm benefits. It very well may be additionally deduced that the expanded extent of administrative proprietorship will in general line up with the interests of proprietors and along these lines help to diminish the agency conflict in Pakistan.

Ho: There is negative relationship among MO and firm performance.

H1: There is positive relationship among MO and firm performance.

Larger Ownership and Firm Performance

Abbas et al. (2013) centers around the connection between structure ownership and performance of firm have been a broadly examined issue among corporate fund researchers. In many corners of universe, companies have enormous ownership in elements as concentrated ownership has demonstrated a significant device to adjust the enthusiasm of the board and responsibility for and expel office issue. In the same way as other different pieces of the universe concentrated proprietorship is likewise standard in the creating Pakistan economy that practically 50% of corporate possession is considered in huge or concentrated proprietors. So, deciding the impact of these enormous proprietors on execution can be a significant commitment for effectiveness of firm's area and increase economy stability considering an example of 100 recorded non-money related firms of Pakistan. Consequences of OLS regression investigation uncover that enormous investors essentially and decidedly influence firm execution when execution is estimated by ROA and ROE that effective observing theory works in Pakistani viewpoint. Isik and Soykan (2013) directed an examination in Turkey on the effect of enormous investors on performance of firms estimated by ROA and Tobin's Q. Study utilizes 164 modern firms' information for the period 2003-2010 of recorded on Istanbul Stock Exchange.

Goswami et al. (2022) identified following results i.e. First, the market performance of the company and the ownership concentration of the largest owner are corelated (cubic). Second, each firm has generalizable patterns stating that the performance of the firm is influenced by who the controlling owner is[4]. Firms with a person as the controlling owner report lower performance than firms with other types of ownership identities. Thirdly, the results state that when persons hold a greater amount of ownership concentration, the performance of the firm is affected negatively compared to non-person owners. Burkhonovich et al. (2023) noted that institutional factors such as the legal framework and established cultural norms that affect the effectiveness of ownership structures and may potentially lessen or enhance value adding advantages of ownership concentrations. A study conducted by Tran et al. (2025) that analyzed 527 listed firms in Vietnam investigated whether ownership concentration among firms impacts firm performance from 2010 to 2021. Their findings showed that firms with concentrated ownership exhibited better performance. However, they argued that foreign and state ownership positively contributed to firm profitability because of access to cash as well as reduced capital costs. Ali and Masood (2024) analyzed firms across 16 developed economies and identified that concentrated ownership increases firm oversight, mitigates agency problems, and enhances firm performance. There are

larger and medium-sized firms had a more pronounced positive effect, signifying the importance of large shareholders in governance and strategic decision-making at these firm sizes.
Nazir and Asad's (2023) study of Pakistani non-financial firms exerted that large single shareholders are more likely to discourage risk taking and favor conservative investment decisions that serve to protect personal wealth. Although this conservative strategy can protect wealth, it may limit innovation and future organizational growth. In accordance with Ahmed et al. (2024), government ownership has a significant and favorable effect on both return on equity (ROE) and return on assets. Additionally, return on equity was also positively and significantly affected by institutional ownership. Similarly, foreign ownership had one of the largest and most consistent relationships with both the market-to-book ratio and Tobin's Q, and was found to have a very significant positive relationship with both ratios, highlighting its effects on growth potential and market valuation. Finally, our study indicated that family ownership was not significantly related to any market-based or accounting-based measure. In the opinion of Habtoor et al., (2024) ownership has a positive effect on bank performance while independent board members have a negative effect. Also, the authors found that there was a negative relationship between market and bank financial performance and that ownership by independent board members significantly and positively moderated this relationship. Alshdaifat et al., (2025) proved that A key factor in enhancing business performance during the COVID-19 pandemic was block ownership. The stabilizing effect of concentrated ownership during stormy times was highlighted by the increased demand from large shareholders on managers to maximize resource allocation and operational efficiency throughout the crisis.
Hence, on the basis of above literature it can hypothesize that:
Ho: There is negative relationship among LO and firm performance.
H1: There is positive relationship among LO and firm performance.

Conceptual Model of the Study

Figure 1: Conceptual Model

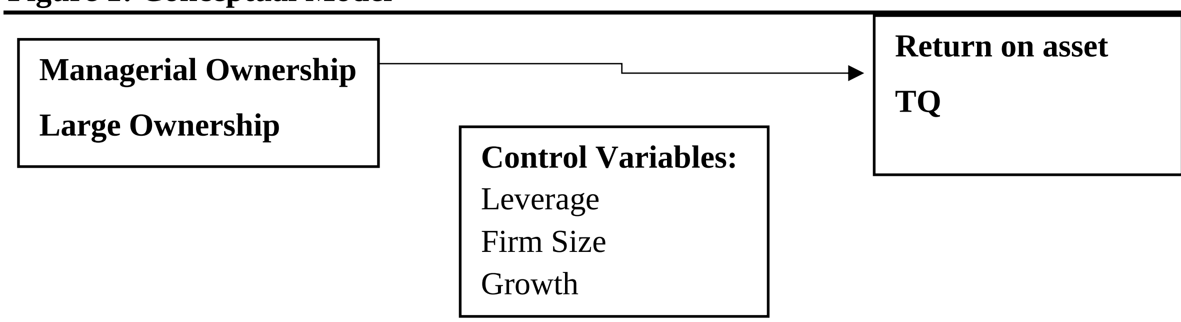

Table 1: Summary of Variables

S. No	Variables	Details	Reference
1	**ROA**	Net income/Total Asset	(Abbas et al., 2013; Katper, Shaikh, Anand, & Ali, 2018; Saidu & Gidado, 2018).
2	**Tobin's Q**	Ratio of MV of equity plus total debt to the book value of assets.	
3	**MO**	The fraction of MO in total equity	
4	**LO**	Percentage of shares held by large shareholders	
5	**LEV**	Total debt/total asset	
6	**FS**	Natural log of total asset	
7	**GRT**	Yearly percentage change in sales	

Research Methodology

Research depicts the methodology that utilized decipher impact of contribution of shareholders on performance of firm considering non-financial firms listed at the (PSX) and the purpose behind choosing specific procedure. Methodology of any study includes structure of research, theoretical system, population, study sample, definition and measurement of variables, information accumulation procedures and how the information was dissected. It likewise discusses the information investigative models and trial of hugeness utilized in landing at the ends. Research design is an important factor of any research it includes population of study, sampling, data type, data collection procedure analysis of data and measurements of variables to extract the desire objectives. This study use approach that is quantitative to examine the impact of dependent and independent variables considering secondary data, i.e., companies annual reports to gain the results in order to explore the results. Study results also generalized to whole population of non-financial firms.

In PSX there are 557 companies that are placed in multiple sectors of Pakistan listed in stock exchange. Financial data extracted from annual reports, so entire non-financial firms listed in PSX are the study population. In the field of research two types of sampling that is probability and non-probability. Present study considered on the probability sampling technique and in probability sampling simple random sampling is used. On the availability of firm's annual reports and data, study selects a sample of 73 firms. The sample period of the study is 10 years for the period of 2015 to 2024.

Before conducting statistical test, researcher use to normalize the data by the help of regression. Other test used to analyze data are: Multicollinearity, to check correlation of independent variables with each other. In this exploration VIF test is used to analyze multicollinearity problem in the independent variables; Heteroscedasticity, to check the problem which is caused by non-consist changes in independent variable; Autocorrelation, Serial correlation is also called autocorrelation. The results of observation follow same pattern which may not accurate for present and future time period in the presence of autocorrelation.

To analyze the aim of study following are the different statistical tools used in the present study and evaluate through statistical software that is SPSS 20: Descriptive statistics, explain characteristics of data used for the study that is max and min figures range, their means and Std deviation. skewness and kurtosis are also measured in descriptive statistics (Grant & Ries, 2013); Panel Data Regression Analysis, In field of business and social sciences, researcher uses broad examination procedure. It quantifies the relationship of various independent variable with dependent variable. To inspect a definitive effect of variable on the other variable, regression analysis ascertains measurable importance of relationship among the variables that the evaluated connection is near evident relationship upon some confident interval. Linear regression equation coefficient is associated with evaluating the estimation of dependent variable by one or a few autonomous factors assessed by linear regression. Time series and cross-sectional study led in panel regression analysis over some period of time (Park, 2015). Researcher designs the regression model for contribution of shareholders and firm performance by taking 73 nonfinancial firms for the period of 2015-2024.

$ROA = \beta 0+\beta 1MO_{it} + \beta 2\ LO_{it} + \beta 3\ LEV_{it} + \beta 4\ GRT_{it}+ \beta 5\ FS_{it} + e_{it}$

$TQ = \beta 0+\beta 1MO_{it} + \beta 2\ LO_{it} + \beta 3LEV_{it} + \beta 4\ GRT_{it}+ \beta 5\ FS_{it} + e_{it}$

ROA: Return on Asset

TQ: Tobin's Q

MO: Managerial Ownership

LO: Large Ownership
LEV: Leverage
GRT: Growth
FS: Firm Size
$\beta 0$: Constant
$\beta 1$: Coefficient of Managerial ownership
$\beta 2$: Coefficient of Large ownership
$\beta 3$: Coefficient of Leverage
$\beta 4$: Coefficient of Growth
$\beta 5$: Coefficient of Firm Size
i= number of firms (1-73)
t = time period
e: Error

Data Analysis and Discussion

This section explains results and discussion focusing non-financial related firms listed at Pakistan Stock Exchange. Study chose 73 non-financial related firms which have their annual reports or monetary information for as far back as 10 years from 2015 to 2024. The straightforward irregular examining strategy is utilized to choose the optional information of the previously mentioned firms. Distinctive measurable techniques are utilized to discover the aftereffects of the reliant and free factors, i.e., multicollinearity, autocorrelation, enlightening measurements, relationship and regression analysis. Results are talked about by unmistakable, statistical inferential which fuses illuminating, relationship and backslide. The gathering of information is inspected by the application programming known as (SPSS 20).

Descriptive Statistics

Descriptive statistics represent the description of variables that is number of observations, min and max value, mean, std deviation, skewness and Kurtosis.

Table 2: Descriptive Statistics

	N	Min	Max	Mean	Std. D	Skewness		Kurtosis	
MO	657	.00	98.95	25.33	28.90	1.061	.095	-.108	.190
LO	657	-.1249	1.9954	1.139	.5695	-.255	.095	-1.158	.190
LEV	657	.0230	1.5152	.58694	.2245	-.203	.095	-.267	.190
GRT	657	-2.0218	.65669	.10005	.1888	-2.758	.095	27.760	.190
FS	657	1.9632	5.6170	3.652	.6270	-.115	.095	-.197	.190
ROA	657	-.74781	.73902	.0660	.0994	-.184	.095	10.745	.190
TQ	657	.22236	12.299	1.399	1.084	4.099	.095	24.625	.190
Valid N (listwise)	657								

The mean estimation of administrative proprietorship is 25.33 with the standard deviation of 28.90 which implies that administrative possession is 28.90 scattered from the mean. The base and most extreme worth administrative proprietorship are .00 and 98.95 consciously. Presently considering huge proprietorship which has the mean of 1.139 with std. dev of 0.5695 expounds that

information scattered 0.5695 times from the mean. Influence proportion has the mean of .58694and having .2245 as std. dev, which exhibits that the information is scattered from the mean of around .2245. Development proportion which demonstrates the mean of .10005 with the standard deviation of .1888means that information is .1888times scattered from the mean worth. Firm size which demonstrates the mean of 3.652with the standard deviation of .6270 implies that information is. multiple times scattered from the mean worth.
There are two ward variable that is return on resource which has mean estimation of .0660 and standard deviation estimation of .0994 implies that information is. multiple times scattered from the mean worth. Another needy variable is TQ has mean estimation is 1.399 and std. dev estimation of 1.084 implies that information is 1.084 occasions scattered from the mean worth.

Pearson Correlation Analysis
To find the association among independent and dependent variables correlation analysis is used to analyze data. Some variable has positive and some have negative relationship and there has no issue of multicollinearity because all value is lay in the threshold level. Following table 4.3 shows Pearson Correlation among variables used in the regression model.

Table 3: Correlation

		MO	LO	LEV	GRT	FS	ROA	TQ
MO	Pearson C	1						
	Sig. (2-tailed)							
LO	Pearson C	.642**	1					
	Sig. (2-tailed)	.000						
LEV	Pearson C	.242**	.299**	1				
	Sig. (2-tailed)	.000	.000					
GRT	Pearson C	.005	-.010	.090*	1			
	Sig. (2-tailed)	.903	.789	.072				
FS	Pearson C	-.442**	-.357**	-.158**	.101**	1		
	Sig. (2-tailed)	.000	.000	.080	.077			
ROA	Pearson C	.207**	.282**	.524**	.272**	.249**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
TQ	Pearson C	-.265**	-.331**	-.218**	.074	.086*	.318**	1
	Sig. (2-tailed)	.000	.000	.000	.057	.027	.000	

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

In the above table all the variables are significant with each other but growth represent insignificant relation with other variables, some variables have negative and some have positive relationship in the above-mentioned table.

Regression Test
Regression Analysis of Shareholder Pattern and ROA
The first regression model is design for ROA to find the impact of contribution of shareholders on the performance of firms.

Table 4a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.639[a]	.408	.403	.076861632	.408	74.756	6	650	.000	1.260

a. Predictors: (Constant), FS, GRT, LEV, LO, MO

b. Dependent Variable: ROA

Table 4b: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	2.650	6	.442	74.756	.000[b]
	Residual	3.840	650	.006		
	Total	6.490	656			

a. Dependent Variable: ROA

b. Predictors: (Constant), FS, GRT, LEV, LO, MO

Table 4c: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
3	(Constant)	.148	.025		5.929	.000		
	MO	0.205	0.014	.084	14.729	.000	.209	3.781
	LO	.032	.010	.182	3.162	.002	.275	3.642
	LEV	-.229	.015	-.518	-15.789	.000	.846	1.182
	GRT	.159	.016	.301	9.862	.000	.975	1.026
	FS	.020	.005	.128	3.757	.000	.788	1.270

a. Dependent Variable: ROA

From the above regression tables, the R value 0.639 represents the correlation among the independent and dependent variable. Adjusted R^2 is 0.408 explains that 40.8% changes in ROA is explained by the independent variables while remaining variation 59.2% are explained by other variables. The F value is 74.756 which mean that whole model is fit with the significant value is 0.000 and the value of D-W is 1.260 which means there is no case of autocorrelation and no multicollinearity problem in data.

In coefficient table managerial ownership shows a significant and positive association with return on asset t-statistics is 14.729 and significant value is 0.000 less than the 0.05. Large ownership represents the significant positive association with the dependent variable with a t value is3.162 and significant value 0.002<.05. Leverage is large but negatively correlated with ROA, whereas company size and growth are positively correlated with ROA (Hanafi et al., 2010; Isik & Soykan, 2013;; Katper et al., 2018).

Regression Analysis of Shareholder Pattern and Tobin's Q

Table 5a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.391[a]	.153	.145	1.002996868	.153	20.566	6	650	.000	.712

a. Predictors: (Constant), FS, GRT, LEV, LO, MO
b. Dependent Variable: TQ

Table 5b: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	118.099	6	19.683	19.566	.000[b]
	Residual	653.902	650	1.006		
	Total	772.001	656			

a. Dependent Variable: TQ
b. Predictors: (Constant), FS, GRT, LEV, LO, MO

Table 5c: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
3	(Constant)	2.354	.325		7.239	.000		
	MO	.006	.003	.152	1.921	.055	.209	3.781
	LO	-.677	.131	-.355	-5.159	.000	.275	3.642
	LEV	-.523	.190	-.108	-2.756	.006	.846	1.182
	GRT	.514	.210	.089	2.447	.015	.975	1.026
	FS	-.084	.070	-.049	-1.195	.233	.788	1.270

a. Dependent Variable: TQ

Another variable is TQ so from the above regression tables, R value 39.1% represent the correlation among the independent and dependent variable. Adjusted R^2 is 0.153 which means that 15.3% change in TQ is explained by independent variables while remaining variation 84.7% are explained by other variables. The F value is 19.566 which mean that whole model is fit with the significant value is 0.000 and the value of Durbin-Watson is 0.712. In coefficient table managerial ownership shows a positive and insignificant association with Tobin's Q and value of t-statistics is 1.921 and significant value is 0.055 greater than the 0.05. Large ownership represents the significant negative association with the dependent variable with a t value is -5.159 and significant value 0.000<.05.

Summary of Hypotheses

Table 6: Summary of Hypotheses

Hypotheses		Result
H1	There is significant impact of MO on firm's performance (ROA).	Supported
H2	There is significant impact of LO on firm's performance (Tobin's Q).	Supported

Conclusion

The aim of research is, to identify the impact of contribution of shareholders on firm performance considering nonfinancial firms listed at the (PSX). Quantitative approach is used and explanatory method is implemented to examine the contribution of shareholders and its impact on performance of firm. For this purpose, researcher considered the data types (secondary)i.e. financial reports of firms. Simple random sampling is used. On the availability of firm's annual reports and data, study selects a sample of 73 firms. The sample period of the study is 10 years for the period of 2015 to 2024. Descriptive statistics, correlation and regression analysis is implemented on data to find the results among variables. The findings of the study have been supported by the theory that is agency theory.

In corporation agency problem is difficult issue for the organizations since it expands the expenses of firms. Likewise, there is an issue of conflict in light of a legitimate concern for various gatherings in this manner the arrangement of interests among all partners is a difficult assignment. Fact about study is noteworthy research that is led on the issue, in any case, still the issue appears to be uncertain. From the regression analysis overall model represent significant between pattern of shareholder and firm performance (ROA). Managerial ownership shows a positive and insignificant association with return on asset. Large ownership represents the significant negative association with the dependent variable. Leverage represents significant but negative with return on asset while growth and firm size represent positively significant with ROA. These outcomes are similar with the previous studies. Hence, the MO and LO considered an important determinants of shareholders pattern of firm performance in non-financial firms. The managers should work in the direction where owner-manager can catch the target of aligning their interests being major stakeholders of the firm.

Findings of another dependent variables that is Tobin's Q represents that whole model shows significant association among contribution of shareholder and firm performance (Tobin's Q). In coefficient table MO shows insignificant association but with Tobin's. Large ownership represents the significant negative association with the dependent variable. Following are some suggestions;

- First, is to increase the investment by large shareholders to improve the firm performance as compared to small shareholders. If larger shareholders do not take part properly then firm performance will be decrease.
- Larger ownership is an important aspect of Pakistani firms because these shareholders efficiently monitor the organization resources to increase the firm performance so firms should have to motivate the large shareholders to enhance the performance.
- Related with the agency theory recommends for the firms to enhance the effective managerial ownership to increase the firm performance. By effective means that firm should focus on the intermediate managerial ownership as compared to small managerial.
- In the light of finding, it is recommended that board of directors in non-financial firms certify that shareholders which are present inside the firms is not too much high in proportion of shareholders should not exceed according to percentage of total shareholders.

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