The Impact of Ownership Concentration on Stock Performance in the Palestinian Firms Listed in the Stock Exchange

Suhair I. Shumali and Mohammad K. Abuamsha

Abstract This study aimed to investigate the impact of corporate governance specifically, ownership concentration on stock performance of all firms listed in the Palestinian Stock exchange, 220 observations from a total of 44 firms between the years 2016–2020, was taken, panel data method was used and the pooled Ordinary least squares (OLS) method was used, the results show that there was a positive and significant relationship between managerial ownership, large ownership and foreign ownership and stock performance, there is a negative significant relationship between foreign ownership and stock performance (MV/BV) in the Palestinian Stock Market.

Keywords EPS · P/E · MV/BV · Large ownership · Foreign ownership · Managerial ownership

1 Introduction

Some researchers chronicle the need for corporate governance with the financial problems of major companies, this led to the urgent need for certain customs and controls and principles in order to achieve credibility and confidence in the information contained in the financial statements (Bhagat and Bolton 2019). However, corporate governance measures are far from being a response to financial crises. Abuamsha (2021) corporate governance procedures have only emerged since public shareholding companies and agency theory emerged (Urbanek 2020). Nor did the corporate Law in Palestine give a clear definition of the duties of the members of the Board of Directors (Karsh and Dua'a 2019; Aluchna and Kaminski 2017). This situation is likely to cause apparent confusion when holding the administration accountable for its actions (Abdeljawad and Masri 2020). Therefore, we note that the

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corporate law in Palestine has given the so-called basic rights of shareholders, which made the concentration of ownership and control in the hands of major shareholders, and thus this control process will lead to the acquisition of major shareholders gains at the expense of the minority (Shaheen and Jaradat 2019; Carney et al. 2019), it is for this reason that shareholders are advised to seek ways to provide them with legal remedies and protections from major shareholders from undermining their rights. These means, legal rights as necessary procedures are not available in the Jordanian corporate law adopted in Palestine as required (Kamal Abu Amsha 2017), even though they must be available to shareholders and subject to certain conditions to avoid excessive litigation. The researchers believe that there is a controversial relationship between corporate governance and performance (Driffield et al. 2018), which resulted in three types of performance, namely financial performance, (Lin and Fu 2017) operational performance, and stock performance in the market, and as a result of this study will contribute in measuring the impact of corporate governance (concentration of ownership) on stock performance in the Palestinian firms listed in the stock exchange.

The structure of this study contain: First literature review about the ownership concentration, second the methodology and the hypotheses of the study, third the statistical analysis and finally the results and conclusion.

2 Literature Review

Corporate governance procedures and structures defer from one country to another. It can be categorized based on the degree of ownership, into two main categories; widely dispersed ownership and concentrated ownership or control, corporate ownership is an important form corporate governance (Danoshana and Ravivathani 2019). When ownership is dispersed, the control that the shareholders have is weak, due to the high costs of monitoring compared to the low benefits they will get, this type of ownership does not encourage shareholders to address the managerial problems in the company (Matinez-Garcia et al. 2020). On the other hand, with concentrated ownership, shareholders that have a large stake in the firm monitor the management more effectively and play a crucial role in the process. Concentrated ownership is the most common form of ownership in Palestine, where the majority of firms are largely owned by either families or corporate groups, concentrated ownership was found to be dominant in firms in developing countries, (Dah et al. 2016) found that 67.2% of companies listed in the Malaysian stock exchange ore family owned, were (Shleifer et al. 1999) found that 64% of firms in 27 countries have concentrated ownership. Controlling ownership may reduce the conflicts between shareholders and managers, because managers are effectively monitored by large shareholders (Ho et al. 2020; Akben-Selcuk 2019). On the other hand, large ownership might increase the conflicts between minority shareholders and large shareholders where large shareholders tend to steer the company depending on their interests (Hegde et al. 2020). An efficient system of corporate governance will reduce conflicts between controlling and minority shareholders. It also protects investors from managers who act according to their self-interest, and from corruption and theft (Haghighi and Gerayli 2019; Huang 2020). Effective corporate governance is an important driver for sustainable growth and long-term competitive advantage (Mwatata et al. 2019). Foreign ownership is "the percentage of shares that are owned by foreign investors in local companies" (Pasali and Chaudhary 2020; Hamdan 2018), the role of foreign investors has been debated for a long time in the domestic securities market for emerging economies (Nofal 2020). Both regulators and researchers have researched the benefits and downsides of foreign investors in the local securities market because in general they are believed to have more accurate information than local investors (Lindemanis et al. 2019). This leads to lower market liquidity because of the local investor's hesitation to trade in the presence of more informed traders. However, if foreign investors do not have this advantage, the local investors could benefit from the lower trading costs (Al-Gamrh et al. 2020). Additionally and according to (Shan et al. 2019), conflicts arise between managers and shareholders due to managers holding less than 100 percent of the residual claim. This cause's the managers bearing the entire cost of their profit enhancement activities with less gain, for this reason, the managers will give less effort managing resources and attempt to transfer them for their own benefits. This inefficiency can be reduced when managers own a large percentage of the firm's equity. Thus, increases in managerial ownership can align manager's interests of with shareholders' interests (bin Hidthiir et al. 2019). "For instance, (Awuor et al. 2017) found that the value of the firm increases when managerial ownership increases and (Berke-Berga et al. 2017) study also found that there is a positive effect on the firm value from the managerial ownership, however, (Fabisik et al. 2018) found that this is not the case and that the firm value decreases when the managerial ownership increases. This study will investigate the relationship and effect that ownership concentration has on stock performance in the Palestinian stock exchange, in an effort to shed light on the corporate governance practices used in Palestinian firms and ownership types in those firms and to recommend the best ownership type and structure for achieving optimal performance.

3 Research Hypotheses

Based on the above arguments, the following hypotheses are proposed: Main hypotheses: There is a positive and significant relationship between Ownership concentration and Stock performance in the Palestinian Stock Market.

H1: There is a positive and significant relationship between foreign ownership and Stock performance in the Palestinian Stock Market.
H2: There is a positive and significant relationship between Managerial ownership and Stock performance in the Palestinian Stock Market.
H3: There is a positive and significant relationship between large ownership and Stock performance in the Palestinian Stock Market.

3.1 Data and Methodology

3.1.1 Data

The aim of this paper is to testing whether ownership concentration effects corporate governance of Palestinian firms. Relevant Data to ownership concentration were taken from the annual reports of firms listed on the Palestine Stock Exchange (PSE) Palestine Territories during 2016–2020. Every listed firm is bound to organize its financial statements in accordance with company's laws in Palestine Territories. Relevant data from PSE where taken according to performance of profit from the annual reports. There is 48 companies listed in PEX, we element 4 companies because data is incomplete, consists of 220 observations for 44 firms over a period of four years. Firms included in the sample belong to five sectors such as industrial, banks, insurance, investment, and services.

3.1.2 Variables

On this study the basis of research aims, variables (independent and dependent) used in this study and their definitions are adopted from literature. Remarkably, market-based measures of performance such as Earning per share (EPS), Market Value to Earning (P/E), and market-to book value ratio (MV/BV) were used as dependent variables. Key independent variables include concentration of ownership (Foreign ownership (FO), Managerial ownership (MO) and large ownership (LO)). Moreover, we use two control variables, financial leverage (LEV) and firm size (SIZE) were also included in the estimation model in order to control the firm-specific characteristics that may affect shares performance in market. Definitions of these variables are listed in Table 1. Methodology. This examination means to look at the impact of ownership concentration components on stock performance in the market. ownership concentration information was gathered from the yearly reports of the Palestinian organizations recorded in the PEX covering the period from 2016 to 2020, the analysts utilized a board information for four years a medium time since ownership concentration information give more enlightening information, greater inconstancy, less collinearity among the factors, more levels of opportunity and more productivity. And furthermore ownership concentration information are better ready to recognize and quantify impacts that are basically not perceivable in unadulterated cross-area or then again unadulterated time-series information (Jager 2008). The free factors in this investigation are the ownership concentration instruments identified with the Palestinian organizations recorded in the PEX. Predictable with earlier examinations, we utilize a few factors as displayed in Table 1. The table outlines the factors utilized and their estimations. It likewise alludes to concentrates in which these estimations are utilized.

Table 1 Variables

Dependent variable	Stock performance
Earnings per share (EPS)	Ratio of profit before taxes to outstanding common shares
Market to Book Value (MV/BV)	Ratio of average of the high and low market price per share for the year to book value per share
Market to Earning (P/E)	Ratio of average of the high and low market price per share for the year to ration per share
Independent variable	**Ownership concentration (OC)**
Foreign ownership (FO)	The ratio % of shares owned by Foreign investors (non-Palestinian investors)
Managerial ownership (MO)	The ratio % of shares owned by Management
Large Ownership (LO)	The ratio % of shares owned by big shareholders
	Control variables
Leverage (LEV)	The ratio of total liabilities to total assets.
Size (SIZE)	Log of total assets.

3.1.3 Limitation

The data was collected from annual reports concentrate on the ownership concentration on stocks performance in market for 44 firms listed in PEX form the 2016–2020.

4 Methodology

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The reliant variable of this investigation is the stock performance in the market (SPM) (FPM). By and large, the stock performance in the market (SPM) can be estimated by the accessibility of subjective qualities of the bookkeeping data (dependability and importance). Because of the inconceivability of tracking down a direct quantitative scale for these attributes, and following different examinations (Din et al. 2021), the monetary presentation in Market is estimated by how much organizations practice income the board. We recommend that higher monetary presentation in Market is related with lower profit the board rehearses. Since stock performance in the market (FPM) is gotten from the nature of income unveiled in the monetary reports, profit the board is estimated by the segregation gatherings. This is in accordance with Buertey, S. (2021) and Chen et al. (2021). In light of this view, the higher the degree of Aspects of Concentration of Ownership, the higher is the distance between monetary execution and the outcomes displayed in the report monetary execution. Accordingly, the higher the Concentration of Ownership, the lower is the monetary presentation in business sectors introduced by the organization (Laktionova and Rudenok 2021).

4.1 Research Model

Literature Consistent (Ali 2006; Bao and Lewellyn 2017; Zhang and Cang, 2021), we developed the following model to examine the effect of ownership concentration on stock performance in markets.

$$\mathrm{EPS} = \alpha + \beta 1\,\mathrm{FO} + \beta 2\,\mathrm{MO} + \beta 3\,\mathrm{OC} + \beta 4\,\mathrm{LEV} + \beta 5\,SZ + \varepsilon$$
$$\mathrm{MV/BV} = \alpha + \beta 1\,\mathrm{FO} + \beta 2\,\mathrm{MO} + \beta 3\,\mathrm{OC} + \beta 4\,\mathrm{LEV} + \beta 5\,\mathrm{SZ} + \varepsilon$$
$$\mathrm{P/E} = \alpha + \beta 1\,\mathrm{FO} + \beta 2\,\mathrm{MO} + \beta 3\,\mathrm{OC} + \beta 4\,\mathrm{LEV} + \beta 5\,\mathrm{SZ} + \varepsilon$$

The information got should be investigated and disclosed to be valuable to meet exploration goals and answer its inquiries. The analysts utilized spellbinding measurements to depict the essential attributes and sum up a given arrangement of information as following. To begin with, the analysts depict the mean, standard deviation, middle, least worth, greatest worth, skewness, kurtosis and Jarque–Bera for every factor of the investigation. Secondly, The Pearson relationship lattice used to check if there is a multicollinearity issue between the autonomous factors and to gauge the force and the heading of connection among's free and ward factors. Thirdly, to test the soundness of the information, the Unit Root Test has been utilized. This test interfaces the time series data and cross-area information data to one another. At last, because of non-fixed framed information Generalized Method of Moment (GMM) was utilized to test the speculations of the examination. Results and discussion Descriptive statistical test aims to provide a general overview of research objects. The calculation of descriptive statistics in this study includes the mean, minimum, maximum, and standard deviation of each variable. The distribution of each variable based is as follows (Table 2):

4.2 Multicollinearity

In the second piece of this segment, the analysts examine multicollinearity issues between independent factors and the estimation of the force and bearing of the connection among independent and dependent factors. Table 3 shows the correlation between every one of the independent factors and the dependent variable. The correlation between the independent factors (ownership concentration) is under 80%, the most elevated relationship was between Managerial Owner (MO) and P/E which add up to 40.20%. As needs be, there is no multicollinearity issue between the independent factors (Shrivastav and Kalsie 2017). The outcomes show that the correlation between Foreign Owner (FO) and Earning per Share (EPS) is negative and inconsequential. This implies that when the Percent of Foreign owner enlarges, the EPS. This outcome affirms the aftereffects of a few earlier examinations, like Alhababsah (2019), Al-Janadi el at. (2016), and Briozzo and Albanese (2020). A similar outcome

Table 2. Results of descriptive statistics of variables study (observations 220)

	EPS	MV/BV	P/E	Leverage	Size	MO	LO	FO
Mean	3.13	0.12	9	0.58	143,040	0.66	6.21	2.25
Median	3	0.10	9	0.56	68,000	1	6	0.769
Max	6	1	13	0.97	1,167,800	1	13	2.477
Min	1	-	5	0.05	2000	-	3	4.36
Std. Dev.	0.535	0.325	2.115	0.198	1.818	0.476	1.478	8.556
Skewness	2.30	2.299	2.99	0.040	(0.19)	(0.70)	2.20	(2.1)
Kurtosis	12.99	7.4	13.21	1.99	3.00	0.99	11.01	10.95
Jarque-Bera	1501.37	397.81	1330.48	7.02	8.00	51.95	841	1140.01
Probability	0.001	0.002	0.001	0.041	0.022	0.003	0.001	0.003

Table 3 Pearson correlation matrix between corporate governance and stock performance in markets markets

	EPS	MV/BV	P/E	Leverage	Size	MO	LO	FO
EPS	1							
Sig (2tailed)								
MV/BV	-0.79	1						
Sig (2tailed)	0.084							
P/E	0.090	-0.235**	1					
Sig (2tailed)	0.76	0.000						
Leverage	0.007	0.182**	-0.169**	1				
Sig (2tailed)	0.874	0.000	0.001					
Size	-0.032	-0.243**	0.224**	0.122**	1			
Sig (2tailed)	0.489	0.000	0.000	0.008				
MO	0.149**	-0.126*	0.402**	-0.151**	0.168**	1		
Sig (2tailed)	0.006	0.020	0.000	0.005	0.002			
LO	-0.123**	-0.337**	-0.224**	-0.14	0.164**	-0.105	1	
Sig (2tailed)	0.007	0.000	0.000	0.757	0.000	0.053		
FO	-0.070	-0.043	0.004	0.122**	0.157**	0.116*	0.147**	1
Sig (2tailed)	0.127	0.351	0.939	0.008	0.001	0.032	0.001	

*,** significant at 5% and 1% respectively

is found concerning the connection between Market Value to Book Value (MV/BV) and Foreign Owner (FO). The relationship is negative and unimportant. This implies that when the quantity of offers claimed by the Foreign Owner enlarges, the MV/BV will diminish. This finding is predictable with the investigation by Chen and Yu (2012) for the organizations recorded in Tehran Stock Exchange (TSE). Regardless, a positive irrelevant connection between Price to Earning (P/E) and Foreign Owner (FO) is found. At the point when the Foreign Owner increases, the P/E will likewise increment, and the other way around. This outcome is conflicting with Alhababsah (2019) and Laktionova and Rudenok (2021) who tracked down a positive relationship between Foreign Owner and P/E. The correlation between Leverage (LEV) and Large Owner (LO) which approaches 0.122 shows that a positive and critical connection between the two factors exists. This recommends that, when the Company relies upon monetary by Loan and the increment in advances, the exhibition stock in business sectors will increment. This outcome is viable with Laktionova and Rudenok (2021) and Zhang et al. (2021) in the Brazilian and the Nigerian settings, separately. This outcome proposes to Companies rely upon accounts by Loan the exhibition of the stock in business sectors is improved. A similar positive and critical connection between (Size), managerial owners (MO), and Large Owner (LO) from one side, and stock markets performance (SMP) from the opposite side is reached. This implies that when the (MO) increases, the securities exchanges execution will likewise increment, and the other way around. This outcome is affirmed by the consequences of Laktionova and Rudenok (2021) for French recorded organizations and empower for increment the financial by advances. Besides, when the large owner and managerial owner boost the stocks financial markets sectors will likewise increment, and the other way around. This outcome stands apart the significance of the large owner and size in further developing the securities exchange's exhibition. It is reliable with Din, et al. (2021) in her examination for the organizations recorded on the Indonesian Stock Exchange. At last, our outcomes show that if the foreign and large owners are one of the large 10 owners firms, the financial exchanges execution will increment. This outcome endorses the significance of Owners type in further developing the stocks market's exhibition. Our finding is steady with the outcome by Buertey (2021) for Malaysian recorded companies.

The Unit Root Test

The immovable of the examination factors (dependents and independents) was tried utilizing the Augmented Dickey-Fuller (ADF) test. Consequences of the ADF test, at the level, show that all factors are not fixed which prompts the way that the unit root invalid theory can't be dismissed. The factors were then tried at the first difference. The outcomes show the strength of the information for all factors aside from the independent factor large owner (LO), which was fixed at the second difference. Table 4 shows the aftereffects of P-value of ADF for all factors at the level, first and second difference.

Table 4 Result of augmented Dickey-Fuller test for unit root

Variable	Level		First Difference		Second Difference	
	ADF Statistic	P-Value	ADF Statistic	P-Value	ADF Statistic	P-Value
EPS	42.01	0.970	99.1	0.0011		
MV/BV	73.120	0.701	135.01	0.0001		
P/E	64.08	0.501	101.04	0.0002		
Leverage	18.99	0.501	51.07	0.0001		
Size	54.11	0.201	98.10	0.0002		
MO	23.04	0.221	38.11	0.0042		
LO	6.13	0.970	18.02	0.227	22.98	0.0612
FO	82.08	0.395	186.10	0.0003		

The Impact of Ownership Construction on Stock Performance in the Market
The Generalized Momentum Method (GMM) is used to test the three study hypotheses by first difference with three late dependent variables EPS, MV/BV, P/E, which allows modeling the partial tuning mechanism. Table 4 shows the results of testing the relationship between corporate governance mechanisms (ownership concentration) and EPS stock market performance by the generalized moment method (GMM).

The test are performed at the first difference by entering the EPS of the performance of the dependent variable stock markets as the effective variable. According to the statistic of (23.68) and the probability value of (0.5939), the model is suitable and appropriate for the test. The test was also conducted at the first teams by entering the MV/BV of the performance of shares in the market as an effective dependent variable. With a statistical value of 15.40 and a probability value of 0.5261, the model is suitable for testing. As for the third test, the test was conducted at the first difference by entering the P/E performance of the stock in the market as an effective dependent variable. The statistical values of it amounted to 16.58 and the probabilistic value amounted to 0.556 and the model is suitable for the test.

Table 5, which examines the effect of corporate governance (concentration of ownership) on the performance of the stock in the market (EPS). The results of the statistical analysis in Table 5 showed that the value of the managerial ownership coefficient (MO) 6154.64 at the significant level of P 0.0026, and the large owners coefficient (LO) 26,450,198 with a significant level of 0.0000 and with respect to the value of the foreign ownership coefficient (FO) is −2.88563 at a significant level of 0.0000, and this means that the relationship between the variables (MO), (LO) and (FO) is positive, that is, the more (MO), (LO) and (FO) increases company profitability (EPS), and vice versa, and this is consistent with the following studies (Al Farooque et al. 2007) and (Din et al. 2021). As noted in Table 5, the value of the leverage coefficient (LEV) and the size coefficient (SIZE) is negative and substantial (−2,038,783.5) and (−142,676.3) and it is significant at the level of 0.0000, and explains The researchers value the negative financial leverage in the inverse relationship that the more financing by borrowing, the more its impact on profitability is negative and vice versa, and this contradicts the study of Holtz and Neto (2014) and Fodio et al. (2013) With regard to size, researchers explain the relationship that the greater the size, the less profitable the company, and this is in contradiction with previous studies Pasali (2020) Gois (2008) and Yong and Krishnan (2005) (Shahab et al. 2020).

Table 6, which examines the impact of corporate governance (concentration of ownership) on the performance of the stock in the market (MV/BV). The results of the statistical analysis in Table 6 showed that the value of the managerial ownership coefficient (MO) 4000.516 at the significant level of P 0.0016, and the large owners coefficient (LO) 17,192,628.7 with a significant level of 0.0000 and with respect to the value of the foreign ownership coefficient (FO) is − 1.8756595 at a significant level of 0.0000, and this means that the relationship between the variables (MO) and (LO) is positive, that is, the more (MO) and (LO) the company's profitability increases (EPS), and vice versa, and this is consistent with the following studies (Al Farooque et al. 2007) and Buertey (2021) Chen et al. (2021), as for foreign ownership, it turns out that there is an inverse relationship between foreign ownership and the stock's performance in the market (MV/BV), whereby the higher the foreign ownership, the lower the market value to the book value and vice versa. As noted in Table 6, the value of the leverage coefficient (LEV) and the size coefficient (SIZE) are negative and substantial (−2,038,783.5) and (−142,676.3) and it is significant at the level of 0.0000. On profitability is negative and vice versa and this contradicts the study of Dias et al. (2021) and Laktionova and Rudenok (2021) and agrees with the study of Laktionova and Rudenok (2021) With regard to size, researchers explain the relationship that the greater the size, the lower the profitability of the company, which is in contradiction with previous studies Zhang and Cang (2021) and Bao and Lewellyn 2017 and Alhababsah (2019).

It is evident from the results of testing the impact of corporate governance (concentration of ownership) on the performance of shares in the market (P/E) Table 7, which tests this relationship. Where the results of the statistical analysis in Table 7 showed that the value of the managerial ownership coefficient (MO) 4308.248 at a significant level of P 0.0001, and the coefficient of large owners (LO) 18,515,138.6 with a significant level of 0.0000. To the value of the foreign ownership coefficient (FO) is 2.019941 at a significant level of 0.0000, this means that the relationship between the variables (MO), (LO) and (FO) is positive, that is, the greater (MO), (LO) and (FO), the greater the profitability Company (EPS), and vice versa, and this is consistent with the following studies: Al-Janadi et al. (2016) Bao and Lewellyn (2017), Beisland et al. (2015). As mentioned in Table 6, the value of the leverage coefficient (LEV) and the coefficient of volume (SIZE) are negative and significant (−2,195,613) and (−153,651.4) and are significant at the 0.0000 level. And it has an impact on the earnings per share in the market (P/E), that is, the higher the leverage and the volume, the lower the earnings per share in the market and vice versa. This contradicts the study of Briozzo and Albanian (2020, FM, JESUKA, Chen and Yu (2012) and Bao and Lewellyn (2017) and agrees with the study of Chen et al. (2021). Regarding size, the authors clarify the relationship That the higher the size, the lower

Table 5 Results of relationship between ownership concentrations on stock performance in market (EPS)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EPS	0.177411	0.001134	156.4568**	0.0000
MO	6154.64	20195.3	3.047375**	0.0026
LO	26450198	264294.5	100.0785**	0.0000
FO	2.88563	0.237435	12.1534**	0.0000
Leverage	-3136590	48281.39	-64.9648**	0.0000
Size	-219502	24249.37	-9.05188**	0.0000
Effects Specification	Gross-section fixed (first differences)			
Mean dependent var	67910.47	S.D. dependent var	3798898	
S.E. of regression	4948377	Sum squared resid	5.58E+15	
J-statistic	23.68617	Instrument rank	34	
Prob (J-statistic)	0.593905			

** Significant at 1%

Table 6 Results of relationship between ownership concentrations on stock performance in market (MV/BV)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
MV/BV	0.11531715	0.0006804	169.485 **	0.0000
MO	4000.516	12117.18	3.302**	0.0016
LO	17192628.7	158576.7	108.42 **	0.0000
FO	-1.8756595	0.142461	-13.166**	0.0000
Leverage	-2038783.5	28968.834	-70.379**	0.0000
Size	-142676.3	14549.622	-9.806**	0.0000
Effects Specification	Gross-section fixed (first differences)			
Mean dependent var	44141.8055	S.D. dependent var	2469283.7	
S.E. of regression	3216445.05	Sum squared resid	4.958E+12	
J-statistic	15.40	Instrument rank		
Prob (J-statistic)	0.5261		35	

Table 7 Results of relationship between ownership concentrations on stock performance in market (P/E)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
P/E	0.1241877	0.0006804	182.5216049	0.0000
MO	4308.248	12117.18	0.355548733	0.0001
LO	18515138.6	158576.7	116.7582539	0.0000
FO	2.019941	0.142461	-14.1789051	0.0000
Leverage	-2195613	28968.834	-75.79224625	0.0000
Size	-153651.4	14549.622	-10.56050803	0.0000
Effects Specification		Gross-section fixed (first differences)		
Mean dependent var	47537.329	S.D. dependent var	2659228.6	
S.E. of regression	3463863.9	Sum squared resid	6.04E+11	
J-statistic	16.58			
Prob (J-statistic)	0.556	Instrument rank	36	

the company's profitability, (P/E), which contradicts previous studies. Obembe et al. (2016), Laktionova and Rudenok (2021) and Din et al. (2021) and Buertey, S. (2021).

5 Conclusion

The results shows that managerial ownership has a positive relationship with stock performance and that is because managers who have a percentage in the company tend to apply measures more efficient and effective to enhance performance in order to raise the stock value which in turn will reflect profitably on their personal stakes. The other finding is that foreign ownership also has a positive relationship with stock performance, and that's as we mentioned earlier due to better understanding and information that foreign investors have in comparison with local investors, and due to the Palestinian stock exchange is a relatively new market and most of the traders in this market are less experienced than foreign investors.

The last result is that large ownership has a negative effect on stock performance, and according to the researchers that's due to the majority of large investors are either families or large corporations, and this concentrates the decision making process in either an un experienced or biased group of people, and that reflects negatively on firm and stock performance.

Future Studies

We recommend the following future studies as concentration ownership in financial performance, ownership concentration on operation performance, ownership concentration on stock return.

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