

Influence of Ownership Structure on the Capital structure of manufacturing

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ABSTRACT

Aim: The main aim of the current research is to examine the impact of ownership structure on the capital structure of manufacturing firms in the United Kingdom.

Method: The study adopted a secondary quantitative methodology in which data for total assets (indicating firm size), debt-to-equity ratio (indicating capital structure), family ownership, ownership concentration, and institutional ownership of ten manufacturing organizations were selected for the period of 2018-2020 from publicly available sources. The data was statistically analyzed through descriptive tests, correlation analysis, and fixed effect GLS test.

Findings: The study found that there is a significant influence of firm size on the capital structure of the companies. Similarly, family ownership and ownership concentration were also found to be positively and significantly impactful on capital structure. In contrast, no significant impact of institutional ownership on the capital structure was found.

Future implications: The study provides a basis for further research in changing macroenvironmental dimensions of the businesses, which are also impacting their capital structure.

Keywords: *Ownership structure, capital structure, Manufacturing firms, UK*