"The Impact of Ownership Structure and Corporate Governance on Capital Structure of Jordanian Companies Listed in Amman Stock Exchange"

"تأثير هيكل الملكية وحوكمة الشركات على هيكل رأس المال للمشاريع الأردنية المدرجة في بورصة عمان"

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Abstract


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This study aims to investigate the impact of ownership structure and corporate governance on capital structure of listed companies in Amman Stock Exchange during the period (2009-2013). Sixty-five industrial companies have been selected to make the sample of the study based on certain criteria. Panel data analysis is used to examine the relationship between the dependent variables leverage (LEV) and the set of independent variables which include corporate governance items includes (board size, CEO/chairman duality, board composition, committee of nominations and remuneration, meetings number, and ownership mix which is measured by institutional and largest shareholder). Empirical results show that there is a significant positive relationship between leverage and size of firm. There is a significant negative relationship between leverage and return on assets and board size. All other relationships have been found to be either positively or negatively insignificant. Based on the findings and discussion, the study recommends that industrial firms focus more on governance codes and regulations and recommends conducting research on other types of companies in Jordan to test the impact of CG on capital structure.

Keywords: Corporate Governance, CEO Duality, Capital Structure, Ownership Structure, Industrial firms, Amman Stock Exchange.