



# **Ownership Concentration, Firm Performance, and Enterprise Risk: An Empirical Examination of Family Ownership in Thai Stock Market**

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## **ABSTRACT**

Family business is the dominant business genre in Thailand. This paper aims to compare the performance and enterprise risk level of the family firms with different ownership concentration and non-family firms. Additionally, this paper aims to identify the ownership concentration level that yields the optimal level firm performance as well as enterprise risk. With the sample of 293 firms listed in Stock Exchange of Thailand from 2005 to 2012, this study finds that the concentrated owned family firms outperform the non-family firms in term of operating performance, while underperform in term of stock performance. Additionally, the concentrated owned family firms yield lower enterprise risk in term of return volatility comparing to the non-family firms. However, the relationship between enterprise risk measured by the earning volatility and the ownership concentration level remains inconclusive in this research. In accordance, the evidences from this research paper imply that the difference in ownership concentration level of family and non-family firms induces certain characteristics that enhance the performance and enterprise risk levels.

Key word: Ownership Concentration, Family Firm, Firm Performance, Enterprise Risk