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Ownership Structure and Financial Performance in Emerging Markets: Evidence from Family-Controlled Textile Firms

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Abstract
The relationship between ownership structure and financial performance remains a central issue in corporate finance, particularly in family-controlled firms where ownership and management are closely intertwined. Using panel data from textile companies listed on the Dhaka Stock Exchange over the period 2013–2023, this study examines the impact of family ownership on financial performance by applying a Fixed Effects Model (FEM) with year fixed effects to control for time-specific effects. In addition, quantile regression analysis is employed to capture the effect of family ownership across different levels of financial performance. Earnings per share (EPS) is used as a proxy for financial performance, while liquidity, inventory turnover, debt-to-equity ratio, and growth are included as control variables. The empirical findings reveal that family ownership has a positive and statistically significant effect on financial performance, indicating that higher family involvement contributes to stronger monitoring, reduced agency conflicts, and improved profitability. The quantile regression results further show that the positive effect of family ownership becomes stronger among high-performing firms. These findings provide important insights into the role of ownership structure in shaping firm performance and corporate governance outcomes.

Keywords: Family Ownership Structure; Financial Performance; Earnings per Share (EPS); Textile Industry; Panel Data Analysis; Bangladesh

Introduction:

Ownership structure has been considered one of the most important topics of investigation in studies of corporate governance and corporate performance, because it determines managerial incentives, organizational strategy, and resulting profitability of the firm. In the past few decades, there have been numerous investigations on the links

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between ownership structure and firm performance within various industry sectors and economies (Alabdullah, 2018; Bhakar et al., 2024). However, the increasing volume of research has not sufficed to resolve the difficulty corporate governance (Bainbridge, 2008; Denis, 2001), as a discipline, has faced in reaching agreement on its primary focus. In particular, the challenge of defining family businesses has stood as a significant obstacle to the development of corporate governance. The definition of family firms remains at the core of the issue that researchers have struggled with over the past decades, even after so many years, there is no generally accepted definition of what a family firm is (Evert et al., 2016; Handler, 1989; Harms, 2014). As a result, contradictions and inconsistencies in empirical work about the definition of family firms can be found in literature. To make the definition more operational, most scholars use the participation approach that considers four dimensions; family ownership, family control, family managerial participation, and generational participation as essential dimensions of family business structure (Gill & Kaur, 2016). In the same vein, family owners are business owners, managers, and entrepreneurs (business owners, but not necessarily business managers) who are members of the family while non-family owners are non-entrepreneurs, not owners, not family members, nor involved in the firm (Audretsch, 2010).

Ownership structure is usually defined as the way owners' equity rights' distribution among shareholders including family members, institutional investors, foreign investors, directors and state, which is an important element affecting how effectively a company runs and its financial performance. Every different ownership has different governance mechanisms, consequently, will influence the efficiency of corporate operation and firm's financial performance (Charbel & Elie, 2013). In these forms of ownership, family ownership or family control becomes more significant for study given that family business is one of the most widespread organization structures and very important to economic development. With ownership concentration, family firms are highly likely to be more efficient because ownership, management, and control are parentally concentrated, which can help to solve agency conflict, enhance monitoring efficiency and organizational commitment and prevent the conflicting interests between investors and managers (Ha et al., 2022).

Ownership structure and financial performance could be explained through some known theories such as agency theory, stewardship theory and Resource-Based View (RBV). Agency theory believed that concentrated ownership could align the interests of owners and managers and avoid conflicts of interests (Muntahanah, Siti and Kusuma, 2021). Meanwhile, RBV found that family-based business ties, trust and long-term commitment would be a differentiated strategic resource to gain competitive advantage (Gill & Kaur, 2016). More recent studies integrating socio-emotional wealth (SEW) theory suggest that family firms, especially smaller ones, experience stronger governance effects due to the preservation of family legacy and emotional attachment (Galavotti et al., 2025).

The evidence regarding the effects of family ownership on firm performance is mixed. Some of the previous research suggest that Family ownership has a positive impact on the performance of business organization due to the fact of decreasing agent conflicts

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and getting the agents interests aligned with to the ownership's interests (Anderson, 2003; Ng, 2005). Nonetheless, in the other hand, other researches show that there are some negative effects of an excessive concentration of family members, since it can derive to a so called "increased entrenchment and decline in transparency", that can have a consequence of personal preferences ("self-interest") prevailing over the business interests (Ha et al., 2022; Shyu, 2011). Furthermore, firm performance is positively related to family and managerial ownership but negatively related to institutional and foreign ownership, and the latter exert greater influence on earnings management (Chemmaa & Ibrahimi, 2026).

In the context of Bangladesh, the textile sector has important roles in contributing to the country's economy. It forms a significant portion in terms of economic growth, employment generation, and foreign exchange earnings; and many of the Bangladesh stock market-listed companies are owned by families. Although the textile sector is economically significant, few academic researchers have explored the relationship between family ownership and financial performance in this sector within the country (Sunon & Islam, 2022), and the only recent evidence from Bangladesh stock market by examining ownership structure and governance characteristics showed no relationship or even mixed effects between ownership and firm performance (Khan et al., 2024). As a result, this research seeks to investigate the effect of family ownership structure on the financial performance of Bangladesh textile companies by focusing on earnings per share and other financial parameters to provide sector-specific evidence.

Literature Review

The linkage between ownership structure and corporate performance is one of the broadest and most enduring research areas in the field of corporate governance for the last couple of years (Almashhadani & Almashhadani, 2023; Pandey et al., 2023). Researchers drew on the participation approach to define family business as family ownership, family control, family manager, and involvement of the senior/next generation leaders in businesses (Gill & Kaur, 2016). In the same vein, family firms are characterized as businesses that are owned, managed or controlled by a family; whereas non-family firms are those that are not (Audretsch, 2010).

The couple of theoretical background of ownership structure and financial performance will primarily explain using the agency theory, the stewardship theory, and the information asymmetry theory as well as the Resource-Based View RBV (Akram, 2022; Mostafa, 2025). The agency theory is successful in explaining the conflict existing between principals and agents, and emphasis these agency costs can be minimized in the ownership concentration uses as a means of control such as powerful control. In contrast, stewardship theory assumes that family managers act as stewards of the business, prioritizing long-term survival and continuity over short-term gains. According to the Resource Based View (RBV), family ties, trust and inherited knowhow are considered distinctive strategic resources that can create competitive advantage and affect firm performance (Gill & Kaur, 2016). More recently, the socio-emotional wealth (SEW) theory has been proposed, which explains how emotional attachment, family identification and preservation of the legacy shape strategic choice and firm performance in small-sized firms (Galavotti et al., 2025).

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Most of the early empirical research emphasized the difference whether family ownership has a positive or a negative impact on firm performance (Jarchow et al., 2023; Minh Ha et al., 2022; Njoku & Lee, 2024; Wen et al., 2023). A significant contribution by Anderson, (2003) found that family-owned firms generally outperform non-family firms due to lower agency costs and stronger managerial incentives. Furthermore, the research into family business efficiency for indicated that aligned management interests to firm interests of family owners were beneficial for lower agency costs and increased operational efficiency (Ng, 2005).

The similar conclusion appeared in several empirical researches of family business and firm performance in Western Europe such as, family ownership had a positive effect on the firm performance, as well as can regulate the disparity between different output of capital structure and outside owner to diminish the phenomenon of opportunism of management stock-holders to minority stock holders (Maury, 2006). But ownership by the family is not always positive. Some research on East Asian Economies testified that high family ownership and control may lead to costly governance issues if the device is instrumental and lack of managerial transparency and investor protection. And research in Taiwan confirmed that family ownership and family influence in the selection of top executives significantly correlated with financial performance (Chu, 2009). As studies and research developed, researchers began to discover non-linear relationships in the ownership-performance function. Shyu (2011) argued that, although at the beginning profit was a positive relationship with family ownership, after the ownership concentration surpassing 30%, the profitability began to spiral downward, due to the middle-man problem and inner management flexibility. The study was significant because it put forwards the concept of an "optimum ownership level". A subsequent meta-analysis by Wagner & Block (2015) integrated the results of some different studies and reached the conclusion that family governance had a positive impact on performance, and founder involvement played a very important role on performance, which declined when the firms expanded in size (Gill & Kaur, 2016) and the firms with a higher ownership concentration of about 60-70% contribute in the most to firm performance due to the strong family control in the strategic planning (Beuren & Politelo, 2016).

Current literature also highlights the widening scope of ownership structures in recent capital markets. Pacheco (2019) observed a U-shape relationship between family ownership and performance in Portuguese companies, noting that the benefits of professional external management were an essential factor in encouraging greater efficiency. Conversely, modern criticisms allege that family firms place greater emphasis on personal goals rather than business objectives, leading to lower financial discipline and opacity (Ha et al., 2022). Any cross-country evidence on size has been inconsistent too under Turkish conditions family-led firms boasted better ROA, providing evidence for the advantages of having a family-held CEO (Huseyin, 2023). Family owners in Saudi Arabia had a negative impact on performance, as opposed to institutions, according to recent evidence (Boshnak, 2023).

Sectoral studies reveal the presence of impact of ownership structure on performance in various industries. In case of banking industry, empirical results suggest that there is

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a positive relationship of Return on Assets (ROA) with value of a firm after controlling for leverage ratio (Puspitarini & Fitria, 2023). Also, the more advanced empirical econometric evidence shows a two-way positive correlation between ownership structure and financial performance (Ghalke, 2022). Additionally, recent empirical evidence shows that institutional and foreign ownership improve financial discipline and reduce earnings management, while family and managerial ownership may increase earnings manipulation due to concentrated control (Chemmaa & Ibrahimi, 2026).

Data and Methodology

Data

We started our sample construction with all textile firms on Dhaka Stock Exchange in the sample period from 2013-2023. Our initial sample consists of all firms in textile sector. Companies that had incomplete ownership and financial information during the study period were excluded from the sample. After removing firms with missing observations, the final dataset comprised the 56 selected textile companies that met the data availability criteria. For the sample firms, family ownership data is collected from annual reports and other financial disclosures. Data for all the financial performance measures (i.e. EPS) and control variables (i.e. firm size, leverage and firm age) are also obtained from company annual reports. To reduce the influence of outliers and enhance the robustness of the empirical results, all continuous variables are winsorized at the 1st and 99th percentiles. The final panel dataset provides firm-year observations that allow examination of the impact of family ownership structure on the financial performance of textile companies listed on the Dhaka Stock Exchange.

Variable Definition

Variable	Definition	Description
EPS	Earnings per Share	Net Profit After Tax/Outstanding Shares
Family	Family Ownership	Percentage of Shares held by Family Members
Liq	Liquidity Ratio	(Current Assets-Inventory)/Current liabilities
Inv-Turn	Inventory Turnover	Cost of Goods Sold/Average Inventory
Debt-Eqt	Debt-to-Equity Ratio	Total Debt/Shareholders' equity
Growth	Assets Growth	Annual Growth of Total Assets

Table 1 This table reports the definitions of the variables used in the analysis. EPS denotes earnings per share; Family denotes family ownership percentage; Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual assets growth.

Methodology

This study uses quantitative research design, employing panel data to investigate relation between family ownership structure and firms' financial performance of listed textile firms in Dhaka Stock Exchange. Panel data is used to capture both cross-sectional differences across firms and time-series variations within firms, allowing a more comprehensive analysis of ownership-performance relationships over time. The empirical study is performed by two complementary methods: Fixed Effects Model (FEM) with year fixed effects, and Panel Quantile Regression. The FEM are adjusted

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for unobserved firm-specific characteristics, which are constant over time, as well as macroeconomic and industry-wide shocks that vary by year. Panel quantile regression further analyzes the impact of various factors on the EPS distribution at different points (0.25, 0.50, and 0.75 quantiles) and identifies different relationships for firms with low, medium, and high profitability.

The econometric specification of the model is as follows:

Empirical Models

$$\text{EPS}_{i,t} = \beta_0 + \beta_1 Family_{i,t} + \beta_2 Liq_{i,t} + \beta_3 Inv - Turn_{i,t} + \beta_4 Debt - Eqt_{i,t} + \beta_5 Grwoth_{i,t} + \varepsilon_{i,t}$$

$$\text{EPS}_{i,t} = \alpha_t + \beta_1 Family_{i,t} + \beta_2 Liq_{i,t} + \beta_3 Inv - Turn_{i,t} + \beta_4 Debt - Eqt_{i,t} + \beta_5 Grwoth_{i,t} + \mu_{i,t}$$

$$Q_\tau\ (\text{EPS})_{i,t} = \beta_0 + \beta_1\ (\tau) Family_{i,t} + \beta_2\ (\tau) Liq_{i,t} + \beta_3\ (\tau) Inv - Turn_{i,t} + \beta_4\ (\tau) Debt - Eqt_{i,t} + \beta_5\ (\tau) Grwoth_{i,t} + \gamma t(\tau)$$

In these models, $\text{EPS}_{i,t}$ represents the financial performance of firm i at time t. $Q_t\ (\text{EPS})_{i,t}$ represent conditional quantile (τ) of Earnings per Share for firm i in year t. $Family_{i,t}$ denote family ownership percentage, while Lev denotes the leverage ratio, Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual growth in assets. β_0 beta is the intercept, β to β5 are the estimated coefficients of the independent variables, (τ), represents the quantile (0.25, 0.50, 0.75), $\varepsilon_{i,t}$ is the error term in the pooled regression, and $\mu_{i,t}$ is the idiosyncratic error in the fixed effects model. α_t is the year fixed effects (captures unobserved year-specific shocks).

Results and Discussions

Descriptive Statistics

Table 2 presents the descriptive statistics of the variables used in this research. In addition, it depicts the financial and ownership features of the textile companies listed in the Dhaka Stock Exchange. Earnings per Share (EPS), the dependent variable, has a mean value of 2.1777, which implies that, on average, the textile companies included in the sample have been profitable to their shareholders. A standard deviation of 2.3737 shows the significant variability of profitability among firms, indicating that whereas some companies have been able to keep their earnings relatively stable, others have grappled with very large changes in their earnings. The minimum value, 0.01, contrasted with the very high maximum value of 13.93 also highlights the great disparity in the financial performance of the firms in the industrial sector. Family Ownership (Family) averages 44, showing how deeply families influence decisions in Bangladesh's textile sector. Even though ownership spreads slightly, standard deviation at 11.89, while the minimum and maximum values of 29.11% and 68.12% respectively reveal that family involvement remains substantial across all firms in the sample.

Liquidity (Liq) on average, with a wild swing in volatility, 26.30 standard deviation, and the gap between lowest and highest readings means some firms struggle to cover short-term needs, as others manage cash well. An inventory turnover highlights how

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some companies manage stock far more efficiently than others. The average stands at 2, which suggests most businesses sell through their inventory about three times a year. But with a standard deviation of 3.57, this figure masks wide differences in how firms handle stock levels. A Debt-to-Equity ratio, showing extreme swings in how much debt firms use. On average, the ratio sits at 1.2. That spread in take advantage of points to varying risk profiles among the group. The average annual growth hits 0.087 or 8%, signaling steady expansion overall. Still, the standard deviation of 0.22 reveals that growth isn't uniform. Overall, the descriptive statistics reveal considerable differences in the financial performance, concentration of family ownership, liquidity position, operational efficiency, capital structure as well as growth opportunities of textile firms. Such variety in the dataset supports the empirical analysis by offering enough differences to look at the association between the family ownership structure and financial performance, as presented in Table 2 below.

Variable	Obs	Mean	Std. Dev.	Min	Max
EPS	413	2.1777	2.3737	0.0100	13.9300
Family	413	44.4421	11.8950	29.1150	68.1200
Liq	412	-2.2059	26.3095	-197.6999	11.8054
Inv-Turn	402	2.9276	3.5775	0.0000	41.9718
Debt-Eqt	413	1.2172	1.0646	0.0669	3.8625
Growth	413	0.0871	0.2258	-0.4255	1.5206

Table 2 represent descriptive statistics, where EPS denotes earnings per share; Family denotes family ownership percentage; Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual assets growth.

Correlation Analysis

Table 3 displays the correlation matrix of the variables in the study. It gives a preliminary insight into the relationship direction, as well as the intensity between the dependent, independent, and control variables. The findings indicate a positive association between Family ownership (Family) and Earnings per Share (EPS). The figure was 0.215, which shows that family-owned businesses featured higher financial returns on average. This finding may be a first signal that ownership by the family may be beneficial to profitability because families have better monitoring capabilities, are committed in the long run, and there are fewer agency conflicts.

The Liquidity (Liq) variable also correlates positively with EPS, and the correlation coefficient is 0.0997. Essentially, this means a firm's liquidity position impacts, to some extent, its earnings ability. Although the strength of the relationship is weak, it points to the fact that having enough short-term assets is one way of ensuring stability of operations and profitability. The correlation between Inventory Turnover (Inv-Turn) and EPS stands at 0.288, indicating a moderate positive relationship. It means companies that are better at managing their inventories are expected to have higher earnings. That's because effective inventory turnover leads to more efficient operations

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and hence better sales. On the other hand, Debt-to-Equity ratio (Debt-Eqt) has the highest positive correlation with EPS of 0.3417. That means, in general, firms with higher financial leverage tend to have higher EPS. Growth is only very weakly negatively correlated with EPS by -0.0267. That means, annual asset growth hardly has any direct relationship with current earnings performance of the textile firms in this sample. It may be that growth investments don't necessarily result in higher profitability. Overall, the correlation matrix shows that family ownership, inventory turnover, and debt-to-equity stand in positive relationship with financial performance, which is in line with the theory that ownership structure and operational efficiency impact profitability. In addition, the low pairwise correlation between explanatory variables indicates that multicollinearity should not be a problem of the dataset. The full correlation coefficients are presented in Table 3 below.

	EPS	Family	Liq	Inv-Turn	Debt-Eqt	Growth
EPS	1					
Family	0.215	1				
Liq	0.0997	-0.0767	1			
Inv-Turn	0.288	0.1549	0.1235	1		
Debt-Eqt	0.3417	0.1898	-0.0019	0.0621	1	
Growth	-0.0267	0.0611	-0.059	-0.0037	-0.0392	1

Table 3 represent correlation matrix, where EPS denotes earnings per share; Family denotes family ownership percentage; Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual assets growth.

Fixed Effect Regression Analysis

Table 4 presents the results of fixed effects regression for the impact of family ownership structure on the financial performance of textile companies listed in the Dhaka Stock Exchange, where Earnings per Share (EPS) is considered as the dependent variable. Two models were specified: Model (1) which took year fixed effects into account, and Model (2) without year fixed effects. Besides, both models had firm-level control variables and robust standard errors for ensuring reliable estimation. Results reveal that family ownership is positively related to financial performance and this relationship is statistically significant in both models. In Model (1), family ownership (Family) coefficient is 0.072, and it is significant at the 10% level, whereas in Model (2), the family ownership coefficient slightly rises to 0.078, and it is significant at the 5% level. This means that increased family ownership is linked to increased earnings per share which in turn implies that family involvement can enhance monitoring, align the management interests with ownership goals, and ultimately lead to profitability (Boonlert-U-Thai & Sen, 2019; Wang, 2006). Among the control variables, liquidity reveals a strong and statistically significant positive relationship with EPS in both models, meaning that companies with the strongest short-term financial conditions are the most capable of earning high net profits. Similarly, the debt-to-equity leverage ratio has a very strong positive and statistically significant impact on EPS, implying that gearing is an efficient way of profit enhancement, which supports growth via operations

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and financing of new opportunities. Inventory turnover on the other hand is positively related with EPS but the association is statistically insignificant in both models, indicating that although efficient inventory management may be a factor contributing to earnings, the influence is not strong enough to be statistically proven in this study. Similarly, growth is negatively linked with profit, but the link is not significant. In general, the regression analysis highly supports the influence of family ownership on the financial performance of textile companies in Bangladesh. This outcome backs the claim that firm profitability can be improved by concentrated family ownership due to better governance and commitment to long-term strategies. The complete regression results are shown in Table 4 below.

VARIABLES	(1) EPS	(2) EPS
Family	0.072*	0.078**
	(0.036)	(0.037)
Liq	0.010**	0.007***
	(0.004)	(0.002)
Invt-Turn	0.141	0.164
	(0.112)	(0.109)
Debt-Eqt	0.580***	0.528**
	(0.201)	(0.240)
Growth	-0.261	-0.262
	(0.375)	(0.383)
Constant	-1.582	-2.423
	(1.851)	(1.739)
Observations	402	402
R-squared	0.141	0.108
Number of Con	56	56
Year FE	Yes	No
Model	Full	Full

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 4 presents Fixed Effects (FE) regression estimates with and without year fixed effects, where EPS denotes earnings per share; Family denotes family ownership percentage; Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual assets growth.

Panel Quantile Regression Analysis (Q25, Q50, Q75)

Table 5 shows the quantile regression results of family ownership's effects on financial performance where Earnings Per Share (EPS) is observed at three different quantiles: the 25th percentile (q25), 50th percentile (q50), and 75th percentile (q75). Quantile regression, unlike fixed effects regression, demonstrates family ownership's differential impacts on firms' financial performance levels therefore it allows detecting

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heterogeneous effects on the low-performing, average-performing, and high-performing segments of firms. Family ownership significantly increases EPS at all quantiles. The coefficient which is 0.022 at the lower quantile (q25), gets bigger to 0.037 at the median quantile (q50) and eventually to 0.059 at the upper quantile (q75), all of them are significant at the 1% level. It suggests that the positive impact of family ownership gets more potent as the firm's performance rises and thus family ownership is a bigger factor for profitability among high-performing firms.

Liquidity (Liq) indicates a positive relationship with EPS however it is mostly insignificant except for the median quantile where it is weakly significant. This means that liquidity has only a few profitable contributions and its effect is more visible in firms that are average performers. On the other hand, Inventory Turnover (Invt-Turn) is positively related to profitability and significantly across all quantiles. The coefficient of Invt-Turn rises from 0.082 at the 25th percentile to 0.168 at the 75th percentile. This also means that the role of efficient inventory management in enhancing profitability is more important among top performing firms. The influence of Debt-to-Equity (Debt-Eqt) changes from one quantile to the other. It is statistically insignificant in the lower and median quantiles but turns positive and weakly significant in the upper quantile. Leverage contributes positively to profitability mostly for those firms that perform at higher levels. On the other hand, Growth is still insignificant statistically at all quantiles, which suggests that asset growth on a year-to-year basis does not have a significant direct effect on earnings performance regardless of the level of firm performance. Overall, the quantile regression results reinforce the primary conclusions of the paper by demonstrating that family ownership is favorable for financial performance at different levels of performance, the most substantial effect being experienced by top-performing companies. Moreover, the results emphasize the significance of operational efficiency, especially inventory management, for increasing profit margins. The detailed quantile regression estimates are reported in Table 5 below.

	(1)	(2)	(3)
	q25	q50	q75
VARIABLES	EPS	EPS	EPS
Family	0.022***	0.037***	0.059***
	(0.004)	(0.006)	(0.012)
Liq	0.003	0.006*	0.010
	(0.002)	(0.003)	(0.007)
Invt-Turn	0.082***	0.136***	0.168***
	(0.017)	(0.024)	(0.049)
Debt-Eqt	-0.006	-0.028	0.083*
	(0.015)	(0.021)	(0.042)
Growth	-0.012	0.081	-0.243
	(0.240)	(0.349)	(0.697)
Constant	-0.376**	-0.455*	-0.516
	(0.190)	(0.276)	(0.550)

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Observations	413	413	413
Quantiles	0.25/0.50/ 0.75	0.25/0.50/ 0.75	0.25/0.50/ 0.75

Standard errors in brackets
*** p<0.01, ** p<0.05, * p<0.1

Table 5 presents panel quantile regression estimates at the 25th, 50th, and 75th quantiles of the EPS distribution, where EPS denotes earnings per share; Family denotes family ownership percentage; Liq denotes liquidity; Inv-Turn denotes inventory turnover; Debt-Eqt denotes the debt-to-equity ratio; and Growth denotes annual growth in assets.

Conclusion

The paper aims to explore how family ownership structure affects the financial performance of textile companies listed on the Dhaka stock exchange, with earnings per share (EPS) as the primary indicator for firm's financial performance. The findings of this research give significant proof on how family ownership concentration leads to firm profitability in the textile sector of Bangladesh which is directly connected to the country's economic growth, job creation and foreign exchange earnings. The fixed effects regression results from the data analysis show that family ownership is positively correlated with firm performance and the relationship is statistically significant. This finding supports the theoretical argument that concentrated family ownership strengthens monitoring efficiency, reduces agency conflicts, and aligns managerial decisions with long-term organizational goals. Family-controlled businesses due to owner commitment, and greater focus on long-term strategies are related to good financial results. Quantile regression results further reveal the positive effect of family ownership is seen at all levels of firm performance and is more pronounced among the best-performing firms. That means, family ownership not only generally raises profitability but also is more beneficial for financially stronger companies. The results overall confirm that family ownership is still a key thing that determines financial performance in the textile sector of Bangladesh.

Limitations and Future Research

This study only considers textile companies that are listed in the Dhaka Stock Exchange and use earnings per share measure to evaluate firm performance. Further studies could broaden the scope by looking at different industries, different financial performance measures, and more governance variables that may help to explain ownership-performance relations in emerging economies, more comprehensively.

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