

Summary of empirical research results of institutional ownership

Author	Research method	Results	Country of analysis
Agrawal, Knoeber (1996)	OLS, simultaneous equation model (2SLS)	There is no significant relation between institutional ownership and firm performance	US
McConnell, Servaes (1990)	OLS, Piece-wise linear (OLS) regression	Positive relation to firm performance. Institutional investors are considered as efficient separate monitoring agents.	US
Wright et al. (1996)	Piece-wise linear (OLS) regression	Institutional investors effect positively corporate risk taking oriented to growth (evaluated by Tobin's Q). The risk taking is considered as prerequisite for firm value creation. The institutional investors effect on firm performance is insignificant in firm without growth opportunities.	US
Elyasiani, Jia (2010)	Simultaneous equation model (2SLS)	Research shows that not only the institutional ownership stake itself but the stability of the ownership is positively affecting firm performance. Stable ownership holds true for both pressure-insensitive and sensitive institutional investors but with bigger effect on the first group	US
Ferreira, Matos (2008)	OLS	Companies with higher stake of foreign and independent institutional investors have better firm valuation (Tobin's Q), operating performance and lower capital expenditure. These foreign institutional investors have less business relations with the investees thus are more involved in monitoring worldwide	27 countries
Charfeddine, Elmarzougu (2010)	OLS, 2SLS	Institutional investors do not involve in active governance role thus do not contribute to better firm performance. Threatening institutional ownership endogenously, it negatively affects firm value.	France

Sources: compiled by author according to Agrawal, Knoeber, 1996; Charfeddine, Elmarzougui, 2010; Elyasiani, Jia, 2010; Ferreira, Matos, 2008; McConnell, Servaes, 1990; Wright et al, 1996.