

### Summary of empirical research results of block ownership

Author	Research method	Results	Country of analysis
Demsetz, Lehn (1985)	Ordinary least squares (OLS) regression	No significant relation between ownership concentration (percentage of Top5 shareholdings) and firm performance (return of equity).	US
Holderness, Sheehan (1988)	Regression analysis	Insignificant differences between majority-owned and widely held firms in terms of investment, accounting returns, Tobin's Q, leverage, and the frequency of corporate control transactions. Differences emerge depending on identity of majority shareholder - firm with individual blockholder tend to underperform relatively to corporate blockholder firms.	US
Demsetz, Villalonga (2001)	OLS, two-stage least squares (2SLS) regression	No significant relationship between corporate ownership structure (Top 5 shareholdings) and firm performance (Tobin's Q)	US
Maury, Pajuste (2005)	OLS	More equal distribution of voting right between blockholders increase the firm value (Tobin's Q). It's particularly resilient in family-controlled firms, who are more prone to private benefit extraction. Firm value is also strongly affected by identity of the blockholder. Contestability of the leading shareholder's power can limit the expropriation of minority shareholders.	Finland
Konijn et al. (2011)	Herfindahl index, correlation	Firm value evaluated with Tobin's Q is negatively correlated with blockholding dispersion. Thus it is in line with theories that blockholdings have to be large enough to challenge diversion decisions of the largest blockholder. Also firm value is negatively correlated with total block ownership.	US
Boone et al. (2011)	Multiple regression, 2SLS	Concentrated ownership has a positive impact of firm performance. The identity of largest shareholder matters as firms with controlling shareholder being financial institution have outperformed their peers.	New Zealand
Gugler, Weigand (2003)	OLS	In German firms, large shareholding effect firm performance (return on assets) exogenously and separately.	Germany
Kaserer et al. (2007)	OLS, 2SLS, piece-wise linear (OLS) regression	Controlling for endogeneity, outside block ownership as well as more concentrated insider ownership has a positive effect on corporate performance (market-to-book value, market stock return and return on assets).	Germany

Sources: compiled by author according to Demsetz and Lehn, 1985; Demsetz and Villalonga, 2001; Gugler and Weigand, 2003; Kaserer and Moldenhauer, 2007; Konijn et al., 2011; Maury and Pajuste, 2005