AGENCY THEORY, CAPITAL STRUCTURE AND FIRM PERFORMANCE: A COMPARATIVE STUDY ON SOME SELECTED FAMILY OWNED COMPANIES IN MALAYSIA

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ABSTRACT

The purpose of this study is to identify the factor affecting agency theory. The study is based on the sample of five (5) selected family owned companies listed in Bursa Malaysia. Panel data techniques were employed using 75 observations of each of the variables of study; firm size (log natural of total assets, growth (sales of company), leverage (total debt ratio and total debt equity ratio) and profitability (return on equity and return assets). Observations are collected for fifteen years (2001-2015). This study was used SPSS Software. It is including T Test, Pearson's Correlation and Regression Model. It is found that total asset and sales statistically significant with agency theory of capital structure and firm performing. Meanwhile, leverage was found not influence with agency theory. This study is employing two different models from return on equity and return on asset.