

ABSTRACT

New Economic Policy (NEP) 1970-1990, in general had changed the outlook of Malaysian economy. Resulted from the policy, Bumiputera companies have been awoken to compete more aggressively with the Non-bumiputera companies in exploiting the country's wealth. This paper attempts to see the performance of bumiputera companies as compared to the non-bumiputera companies after the NEP era. The objective is to analyze whether ownership structure has influence over the performance of Malaysian public listed companies. Ownership structure is viewed from two perspectives, ethnic ownership and concentration of ownership. Performance of companies is mainly viewed from the aspect of accounting profit performance, like ROE, ROA, and NPM. The results show that ethnic ownership would not have influence over the companies in Malaysia. In other words, the performance of bumiputera and non-bumiputera were equally competitive. This could be due to the distinguished strong motivating factors that each ethnic had. The bumiputera companies managed to remain competitive, as they had been receiving various kinds of privileges and support from the government. The non-bumiputera, especially the Chinese communities, on the other hand, were known for their productivity and excellent entrepreneurial skills. Therefore, there was no indication that ethnic ownership would determine the performance of companies, as each ethnic had their distinguished motivating factors to boost up the performance. In addition, the study also found the level of concentration ownership would not influence the performance of companies. Regardless of the level of concentration of ownership, bumiputera controlled companies would have equal opportunity for the government support. As for the non-bumiputera companies they could fully utilize their entrepreneurial skills if they have high level of ownership in the companies. There was also a claim that some non-bumiputera companies were less concentrated, because they were willing to dilute the ownership to bumiputera in order to have access to bumiputera privileges and continue being competitive in the market. Hence, ownership structure would not have impact on the performance of companies' accounting profits.