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The Effect of Ownership Structure on the Going Concern Companies Listed in the Iraqi Stock Exchange

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Abstract:

The ability of the economic unit to continue is one of the basic assumptions for preparing financial statements. Therefore, users of these statements need to have a clear image of the unit's performance and financial situation and to ensure that there is no indicator warning of financial distress. For example, there is a conflict of interest between the unit's shareholders on the one hand and the management on the other hand. Therefore, this research seeks to study the effect of the difference in the nature of the ownership structure on the going concern of economic units. The research is based on the hypothesis that each type of ownership structure has a negative impact on the going concern unit. The research selected five economic units listed on the Iraqi Stock Exchange from the service sector as a sample for the research. Data is collected for the period extending from 2011-2021. The research used the survey method to measure the ownership structure and applied a Kida Model to measure going concern. The most significant results of the research are a negative effect of institutional ownership, concentrated ownership, and management ownership on the going concern of the unit, In contrast, the effect is positive for both government ownership and family ownership, and foreign ownership has no effect.

Paper type: Research paper

Keywords: Ownership structure, Managerial ownership, Institutional ownership, Family ownership, Government ownership, foreign ownership, Concentrated ownership, Going concern.

1.Introduction:

In light of the competitive business environment, economic units face many risks, so they always seek to measure the extent of their ability to continue and predict failure in order to take corrective procedures early. This increases investors' confidence in the management of those economic units that enhance their going concern by maximizing their profits and drawing clear strategies to achieve their goals, thus meeting the needs of shareholders in a way that serves their interests. Therefore, economic units need organizational practices, rules and laws to determine the relationships among the owners of the unit, its management, and all interested parties. The ownership structure may help in a broader understanding of the relationship in which those economic units are managed, and how to maintain a balance of interests within them in a manner ensuring them to continue.

1.1 Literature review:

There are several studies about the effect of ownership structure on other variables that have varied. Ali (2021) proved the effect of the ownership structure and the efficiency of investment decisions on the value of the economic unit. The most important result is that the direct relationship between the ownership structure and the value of the economic unit, as the ownership structure, reflects the orientations and inclinations of the shareholder entities. This in turn leads to achieving the goals of the economic unit and maximizing its value. The ownership structure distributes powers within the Board of Directors, which affects dominance and control over the decisions taken by management. This confirms the influence of the ownership structure on investment decisions. Al-Ghanimi (2022) showed the effect of the ownership structure, the size of the economic unit, and the quality of external auditing on producing high-quality financial statements. The most important result was that concentrated ownership and the size of the economic unit did not affect the quality of the financial statements. However, family, management, government, mutual, and foreign ownership have a negative effect. In contrast, institutional ownership has a positive effect on the financial statements. The study indicated that there was a direct relationship between the application of joint auditing and high-quality financial statements.

Hussein and Mohammed (2023) explained the effect of ownership structure in determining the efficiency of financial capabilities. The most important result is that there is an effect of ownership structure on the return on assets after applying governance principles. There is also a significant relationship between ownership structure and financial leverage before and after applying governance principles. In addition, there is an effect of the ownership structure on the return on equity and profit growth after applying governance principles in the banks of the research sample. Al-Ghosheh (2023) discussed the effect of ownership structure on risk disclosure. The results of the study are that managerial, institutional, and foreign ownership have positively affected risk disclosure, while concentrated ownership and ownership by members of the board of directors did not show any effect on risk disclosure. Finally, family ownership had a negative effect on risk disclosure.

The Literature shows several studies about going concern with other variables have varied. Hamidi (2021) presented the intellectual framework of the management comments list, the study of its information and elements, and the effect of reporting it in both the cost of financing and the going concern of the economic unit. The research's finding is that there is a direct relationship between reporting management comments with both the cost of financing by shares and the going concern of the economic unit. This confirms the effect and importance of reporting in financial markets and stakeholders. Al-Ghanimi (2021) pointed out the procedures for measuring, disclosure and preparing financial reports in line with the financial reporting standard for small and medium-sized units. The study stated the impact of these treatments on the auditor's procedures to verify the going concern of the economic unit. The result of the study refers to essential differences between the applications of the unified accounting system and the applications of Standard for small and medium-sized units.

The value of the prediction function Z according to the Sherrod & Kida model indicates the going concern of the economic unit and not being exposed to financial failure, according to the results of the application of the unified accounting system and the standard for small and medium-sized units, with large differences in the result of Z after applying the standard. This led to prepare a set of procedures to ensure that management evaluation in measuring going concern of the unit when adopting the standards.

Hammond et al. (2022) showed the relationship between financial reports, the governance and going concern of economic units, and investors' confidence. The most prominent results were that financial reports, governance and going concern of the economic unit have a positive effect on investors' confidence. Management must disclose the governance mechanisms followed in the economic unit to increase its ability to continue its activity and increase investors' confidence in it. Fidianan et al. (2023) proved that the auditor's opinion presented in his report increases the value of the economic unit and ensures its going concern. Regulatory bodies must apply government mechanisms to help investors in making rational investment decisions. The results of this study showed that the quality of auditing, financial leverage, and the dividend distribution policy are important in ensuring going concern of the unit. Institutional ownership and audit committees, which are considered governance mechanisms, did not have any effect on the going concern of the unit.

The literature review included studies that linked the effect of ownership structure on going concern. Auja (2021) showed the effect of ownership structure and the suitability of the accounting information value on the going concern of economic units. The most important results were that the ownership structure inversely affects going concern, while the suitability of accounting information directly affects the going concern of the economic unit. This indicates that the structure ownership reduces the going concern of the economic unit, while the suitability of the accounting information value increases its going concern. Al-Ghamaz (2021) proved the effect of the ownership structure on the going concern of industrial companies. The most important findings refer to the effect of the ownership structure on the going concern of the economic unit, institutional ownership, family ownership, foreign ownership, and concentrated ownership had a positive effect on the going concern of the economic unit.

The problem of the research is that, in light of the rapid changes in economic events and the intense competition in the business environment, economic units need to measure their ability to continue, because this has a major role in setting their goals, drawing up their strategies, and avoiding any indicator that might lead them to financial failure. The most important factors that affect going concern may be the conflict of interests among its owners of different types and aspirations, so it was necessary to study the effect of the ownership structure on the going concern of economic units.

The research objectives focused on the following points:

- Explaining the origins of the concept of ownership structure, its definition, types, and the importance of disclosing it.
- Identifying the going concern assumption and the most important models for predicting financial failure.
- Measuring the effect of ownership structure on the going concern of the economic unit.

2. Material and Methods:

2.1 Research Hypotheses :

The research seeks to test the following main hypothesis:

There is an effect of the ownership structure on the going concern of the economic units in the research sample, and sub-hypotheses are the following:

1. There is a negative effect of institutional ownership on the going concern of the economic units in the research sample.
2. There is a negative effect of government ownership on the going concern of the economic units in the research sample.

3. There is a negative effect of family ownership on the going concern of the economic units in the research sample.
4. There is a negative effect of managerial ownership on the going concern of the economic units in the research sample.
5. There is a negative effect of foreign ownership on the going concern of the economic units in the research sample.
6. There is a negative effect of concentrated ownership on the going concern of the economic units in the research sample.

2.2 Research population and sample:

The research population consists of service sector economic units listed on the Iraqi Stock Exchange. The sample was five economic units, which represent 50% of the research population, which audited and published financial reports are available throughout the period (2011-2021), in addition to the diversity of ownership structures within these companies and ensuring the continuity of their share trading.

2.3 Data Collection:

Data and information were collected by reviewing some studies and reviewing literature, books, and periodicals related to the subject of the research, and through the financial reports published for those companies and the annual report published by the Iraqi Stock Exchange.

2.4 Ownership Structure:

2.4.1 Origins of Ownership Structure and Definition:

The roots of the term ownership structure go back to 1932, as Berle & Mean's study was the first attempt to develop a theoretical framework for the agency by dealing with the issue of separating ownership from management and its impact on the performance of economic units (Mohammed, 2022). Agency theory emerged to solve the problem of conflict between actors related to the economic unit as a result of the growth in the size of economic units and the separation of ownership from management (Al-taie et al., 2017). In another study in 1979, Jensen & Meckling studied the factors affecting agency costs and suggested best organizational practices to eliminate them (Hamdan et al., 2016). Governance mechanisms were a solution to bridge the gap left by agency problems between management and owners due to differences in goals and incentives, asymmetry of information, as well as differences in risks between them (Al-Tamimi and Al-Saadi, 2021). Yousif and Mohammed (2022) defined governance as a way to allocate the unit's resources in a way that maximizes the value of stakeholders, investors, shareholders, employees, suppliers, customers, the environment, and society as a whole, and holds those in power accountable and evaluate their decisions regarding inclusiveness, transparency, responsibility, and fairness. The ownership structure may be one of the most important agreed-upon governance mechanisms that aim to define and control the tasks and interests of the board of directors and determine the owners' rights and shares (Nassar and Dyer, 2021). Therefore, the ownership structure is defined as "the form and distribution of ownership among the owners (shareholders), as ownership of shares is distributed among many groups and conglomerates, whether of large or small ownership and with the difference in the legal personality of shareholders, among natural and legal, which affects administrative decision-making and the follow-up of management's work (Dukhan, 2018).

2.4.2 The importance of disclosing Ownership Structure:

The ownership structure is a basic principle of corporate governance, so these companies are required to disclose the capital structure and arrangements that give shareholders control over the company's policies in a way that disproportionately to their contribution. International Accounting Standard 24 "Disclosure of Related Parties" implicitly emphasized the importance of the ownership structure by indicating the necessity of disclosing the operations that take place between the unit and the parties that have a share in them, which gives it the ability to influence them as one of the relevant parties (Yassen, 2016).

2.4.3 Types of Ownership Structure:

First: Ownership Concentration: ownership concentration affects transparency and the degree of disclosure. As the concentration of ownership increases, the smaller gap between management and owners is reduced as well as a decline in the asymmetry of the disclosed information. This type of ownership may raise the concern of the minority shareholders when management colludes with those with concentrated ownership to exploit the unit's resources which may harm their interests and rights (Ahmad and Ibrahim, 2020). Al-Hanawi (2019) considered that large shareholders have the motivation and power to monitor and influence management to protect their investments and adopt long-term strategies to help with credit and build a good commercial reputation. Otherwise, Ibrahim et al. (2022) showed that expanding the ownership base among a large number of shareholders, especially small investors, provides more liquidity. However, concentrated ownership is criticized for the ease of abandoning shares, as shareholders may want to sell and abandon their investments in exchange for achieving returns in competing units, which may threaten the going concern of the unit in the market (Nader, 2016).

Second: Institutional Ownership: It is a part of the economic unit's shares that are owned by institutional shareholders (Idan, 2020). Financial institutions usually purchase a large group of economic unit shares, which makes them control the decisions of that unit and influence its management. Since institutions such as pension funds, mutual investment funds, and hedge funds have significant liquidity at their disposal, their purchase of shares is often welcomed and in line with most shareholders (Al-Naami, 2021). The large volume of investment of these institutions makes them play a directly or indirectly effective supervisory role by activating the governance mechanisms that are represented by the Board of Directors and the Audit Committee (Obaid, 2010). However, when there is a concentration of institutional ownership, these institutions face difficulty in selling their shares in case the performance of the economic unit declines. This affects negatively the value of the shares as a result of expanding supply versus demand for those shares (Al-Samadouni, 2020).

Third: Family Ownership: Family-owned economic units are characterized by cohesion and interdependence, which develops the spirit of belonging and concern for the economic unit's funds. There is also mutual trust between the public body and the executive management, which is usually assigned to a family member or one of the persons belonging to it. (Al-Tamimi, 2018). Family-owned economic units are criticized for their complexity, as they are considered more complex than others due to the interference of family feelings and problems at the heart of the unit's work, which increases the complexity of the issues that should be dealt with. Since each family member has a role and different tasks in the unit, leads to different incentives among them. (Hamza and Issa, 2021).

Fourth: Foreign Ownership: The concentration of foreign ownership leads to the foreign shareholder controlling one of the economic sectors and thus monopolizing a particular product or activity. Some foreign shareholders seek to achieve quick profits to recover their money and focus on short-term decisions to achieve their benefits at the expense of the rest of the shareholders (Al-Sawy, 2016). This represents one of the types of agency problems, which is a conflict of interest among shareholders, which prompts analyst shareholders to pay greater costs in order to monitor management behavior directed by foreign shareholders to preserve their interests. (Al-Naami, 2021).

Fifth: Government Ownership: In many countries, the government owns a percentage of the shareholding units by purchasing or by establishing shareholding units that retain the majority of their shares and offer the remainder in public subscription (Dukhan, 2018). Others believe that the economic units that are subject to the control of the government are suffering from the agency problem because the managers are appointed by a government that exploits its resources to achieve short-term political goals which are often far from maximizing profits (Al-Shahed and Al-Anati, 2017).

Sixth: Managerial Ownership: it is represented by the percentage owned by the executive management and members of the board of directors of the total shares of the economic unit (Mohammed, 2022). It is one of the governance mechanisms that helps reduce conflicts of interest between owners and management. It also reduces agency costs and helps to improve the company's performance (Dakhlallh et al., 2021). Khaira et al. (2021) noted that the low percentage of management ownership does not cause a convergence in the interests of management and shareholders, but it limits their ability to overcome governance mechanisms and other control mechanisms.

2.5 Going Concern:

2.5.1 The Concept of Going Concern :

The going concern assumption means that the economic unit has a long life and is expected to continue its activity until achieving its goals and fulfilling its obligations (Yahya et al., 2012). Going concern is one of the accounting assumptions upon which the financial statements are built, and accounting procedures are applied—This assumption is based on considering that the unit is established to continue performing its activity and there is no intention to liquidate it at present. The construction of accounting theory assumes either a state of going concern of the unit or its liquidation and it is not possible to combine these two assumptions. The logical basis of the accounting model is built on the assumption of continuing to operate in the foreseeable future, as long as there is no indication to the contrary (Al-Ani and Abdel-Hussein, 2020).

2.5.2 The Importance of Going Concern in Accounting and Auditing

According to the going concern assumption, assets and liabilities are classified based on the priority of disposal. The economic unit's assets are classified into current and non-current, and its liabilities are classified into short- and long-term. Without going concern, all assets and liabilities will be current, as assets are expected to be liquidated and liabilities to be paid in the near future. It provides the rationale for the concept of asset depreciation, the expenses paid in advance and the benefits expected to be obtained later. Going concern justifies the process of evaluation and depreciation of assets for several years instead of depreciation within one fiscal year. (Lasoud and Kateb, 2020). Al-Taweel (2013) stated that going concern in accounting means that the life of the unit continues for an indefinite period, while in auditing it means that the auditor expresses his impartial technical opinion about the extent of the economic unit's ability to carry out its activity or not. It should be noted that the auditor is not responsible for ensuring the going concern of the unit, but his responsibility is limited to reporting if any indicators or evidence raises doubts related to the going concern of the unit and its exposure to the risks of financial failure or liquidation. The auditor's report helps in increasing confidence in the financial reports and establishing its credibility, but it is not a guarantee of its going concern in the future. The majority of decision-makers rely on the accounting information contained in financial reports to support their decisions (Hameed et al., 2019).

2.5.3 Going Concern in Accounting Standards :

First: Going Concern in International Accounting Standards:

International reporting standards indicate the necessity of preparing financial statements on the assumption that the unit continues to operate and has no intention or need to liquidate or materially reduce the size of its operations. If there is such an intention, the financial statements are prepared according to another basis. International Accounting Standard IAS 1 stipulates when preparing financial statements, the management conducts an assessment of the economic unit's ability to remain as a continuous unit for a period of not less than 12 months after the date of publication of the financial statements. When the unit has sufficient liquidity and easy access to financial resources, the assessment of the going concern assumption is simple and without any detail. Otherwise, management needs to consider a wide range of indicators related to current and potential profitability, debt coverage plans, and how to obtain alternative financial resources (Brunelli, 2018).

As for International Accounting Standard No. 10, it indicates that it is not permissible to prepare financial statements according to the going concern basis if management has determined after the reporting period that it has an intention to liquidate or to cease its business, or has no realistic alternative but to do so. The deterioration of the financial results and operational processes after the reporting period may require reconsidering whether the going concern assumption is still appropriate. However, if it is not, the impact of this will be comprehensive, as this standard requires a radical change in the accounting basis, and not modifying the amounts recognized according to the original basis (IAS 10, 2016).

Second: Going Concern in General Accepted Accounting Principles:

There was no professional guidance before 1962 for evaluating the going concern status of the economic unit, as the Securities Commission was the first to address the main issues and guidance related to going concern. In 2014 the Financial Accounting Standards Board required the management to conduct an assessment to determine whether there are essential doubts about the going concern of the unit for one year as of the date of issuance of the financial statements. If there is a fundamental doubt, the economic unit must disclose the events or circumstances that raised this doubt within the margins of its financial statements, and state the impact of this event or condition on the unit's ability to pay its obligations, and necessarily refer to management's plans to mitigate those events or conditions. However, American standards did not guide management about the evaluation process and disclosure of doubts related to the unit's ability to continue as a going concern unit. Otherwise, the audit regulations provided such guidance. After 2017, the American standards provided guidance to management regarding how to conduct an evaluation to ensure the going concern of the unit or not and to report that. The evaluation period under generally accepted accounting principles becomes one year as of the date of issuance of the financial statements. Detailed guidance based on was provided (Hamidi, 2021).

2.5.4 Measuring of Going Concern:

The changes that occurred in the economic environment led to increased competition among economic units (Bediwi et al., 2022), so the need arose to measure the going concern of these units according to many models. Al-Mashhadani and Jawad (2013) indicated the methods that are relied upon in building models. The first method builds the model on a single financial ratio, such as the Beaver method. The second method is built by relying on many financial ratios and is represented in many models, including the Altman model. The third method considers qualitative analysis as a basis for building the model, and this is what the Argenti model represents.

Altman model:

Qader (2020) indicated that this model is a method that uses multivariate linear discriminant analysis to find the best financial ratios capable of predicting financial failure. He tested a sample of 66 industrial units, 33 of which are failed and 33 of which are stable, and they are similar in terms of the size of assets and type of industry, the model appears as follows:

$$Z=0.012X_1+0.014X_2+0.033X_3+0.006X_4+0.999X_5$$

It represents

X1= Working Capital / Total Assets

X2 = Retained Earnings / Total Assets

X3 = Earnings before interest and taxes EBIT / Total Assets.

X4 = Market value of equity / Book value of debt.

X5= Sales / Total Assets.

According to this model, economic units are classified as going concern if the value of Z is greater than 2.99, the economic unit is within the gray zone if the value of Z is between 2.99 and 1.81, and the unit is at risk if the value of Z is less than 1.81.

In 1995, Altman developed the model to suit all economic units, and it was as follows

$$Z=6.5X_1+3.26X_2+6.72X_3+1.05X_4$$

It represents:

X1 = Net Working Capital / Total Assets.

X2 = Accumulated Retained Earnings / Total Assets.

X3 = Earnings before interest and taxes EBIT/Total Assets.

X4 = Book value of equity / total liabilities.

According to this model, economic units are classified as going concern if the value of Z is greater than 2.99, the economic unit is within the gray zone if the value of Z is between 2.99 and 1.23, and the unit is at risk if the value of Z is less than 1.23.

Kida Model:

The Kida study aimed to determine the extent to which it is possible to predict going concern of the economic unit by building a model based on the discriminant analysis method and relying on 20 financial ratios and 40 economic units as a sample for the study, half of which are distressed and the other half are not, within a period extending from 1974 to 1975. The study concluded by formulating a model whose probability of success reaches 90% (Medjdoub and Abderrezzak, 2020), as this model consists of five financial ratios, which are as follows:

$$Z=1.42X_1+0.42X_2-0.461X_3-0.463X_4+0.271X_5$$

It represents:

X1 = Net profits before taxes / total assets.

X2 = Total shareholders' equity / Total liabilities.

X3 = Liquid Assets / Current Liabilities.

X4 = Revenues / total assets

X5 = Cash / Total Assets.

According to this model, the economic unit is in the safety zone when the Z index is positive, and the probability of the unit being at risk of financial failure increases when the Z index moves toward the negative (Talib and Fahd, 2023):

2.6 The Practical Side :

2.6.1 Measurement of Ownership Structure method in the research sample:

The ownership structure was measured through a survey conducted on the published financial reports of the economic units in the research sample. Table (1) shows the results of the institutional ownership survey during the period extending from 2011 to 2021.

Table 1: Measuring institutional ownership for the research sample

Year	Alnukhba	Al-Karkh games	Al-Amin	Baghdad Public Transport	Al-Mamoura
2011	No	Yes	Yes	No	Yes
2012	No	Yes	Yes	No	Yes
2013	No	Yes	Yes	No	Yes
2014	Yes	Yes	Yes	No	Yes
2015	Yes	Yes	Yes	No	Yes
2016	Yes	Yes	Yes	No	Yes
2017	Yes	Yes	Yes	No	Yes
2018	Yes	Yes	Yes	No	No
2019	Yes	Yes	Yes	No	No
2020	Yes	Yes	Yes	No	No
2021	Yes	Yes	Yes	No	No

The table above shows the presence of institutional ownership in Al-Karkh Tourist Games City Company and Al-Amin Real Estate Investments Company during the study period. There is no institutional ownership within the ownership structure of the Baghdad Public Transport and Real Estate Investments Company. The study notices the presence of institutional ownership in Al-Mamoura Real Estate Investments Company for the period extending from 2011 until 2017 only, and the emergence of institutional ownership in Alnukhba Company for General Contracting and Real Estate Investments starting from 2014 until 2021. The remaining types of ownership structure can be measured for the same economic units in the research sample in the same way applied in the institutional ownership table.

2.6.2 Measuring of Going Concern method in the research sample:

Going concern is measured through the Kida multivariate model to evaluate the ability of the economic unit to continue. The table below shows the results of measuring the going concern of Al- Karkh Tourist Games City Company during the research period .

Table 2: Measuring the going concern of Al-Karkh Games Tourist City

Year	1.42X ₁	0.42X ₂	0.461X ₃	0.463X ₄	0.271X ₅	Z	Result
2011	0.394868063	0.391116445	1.226288197	0.638524467	0.14567847	- 0.933149685	Distress
2012	0.495212974	0.387778229	0.276723894	0.534660383	0.20815004	0.279756964	Non-distress
2013	0.411953681	0.387391761	2.537282558	0.436021983	0.12439332	- 2.049565782	Distress
2014	0.206868763	0.392930352	0.187368059	0.373523733	0.03922187	0.078129193	Non-distress
2015	- 0.243161653	0.40204715	0.099414888	0.288035697	0.01826556	-0.21029953	Distress
2016	0.003085914	0.380235244	0.108359319	0.269092651	0.01018882	0.016058012	Non-distress
2017	0.081809752	0.37840202	0.175236846	0.337023523	0.0029357	- 0.049112902	Distress
2018	- 0.006176509	0.370487653	0.370279999	0.388115597	0.00221413	- 0.391870325	Distress
2019	0.036886246	0.370452401	0.606962924	0.297452727	0.00214661	- 0.494930396	Distress
2020	- 0.047132219	0.367527326	0.628403975	0.07834877	0.0022118	- 0.384145844	Distress
2021	- 0.036518607	0.406353351	0.63386546	0.117980496	0.08489562	- 0.297115591	Distress

The table above shows that Al-Karkh Tourist Games City was suffering from financial failure for the majority of the study period, interspersed with years in which the financial situation of the unit improved. The going concern of the remaining economic units that represent the research sample was tested in the same way applied in Al-Karkh Tourist Games City. Table No. (3) Shows the results of measuring the going concern of the research sample.

Table 3: Results of measuring the going concern of economic units in the research sample

Year	Alnukhba	Karkh games	Al-Amin	Baghdad Public Transport	Al-Mamoura
2011	Distress	Non-distress	Distress	Distress	Distress
2012	Distress	Distress	Non-distress	Distress	Distress
2013	Distress	Non-distress	Distress	Distress	Non-distress
2014	Distress	Non-distress	Non-distress	Distress	Distress
2015	Distress	Non-distress	Distress	Non-distress	Distress
2016	Distress	Non-distress	Non-distress	Non-distress	Distress
2017	Distress	Non-distress	Distress	Non-distress	Distress
2018	Distress	Non-distress	Distress	Non-distress	Distress
2019	Distress	Non-distress	Distress	Non-distress	Distress
2020	Distress	Non-distress	Distress	Non-distress	Distress
2021	Distress	Non-distress	Distress	Non-distress	Distress

3. Discussion of Results:

This research focused on testing the effect of ownership structure on the going concern of economic units listed on the Al-Aqq Stock Exchange. To achieve this, a survey was conducted on the presence of types of ownership structures in the units of the research sample. The going concern of those units was measured and the results are shown in table (4) which explains the relationship between the two variables as follows:

Table 4: Results of measuring the research variables

Ownership Type	Ownership status	Views	Unit status	Views	Total Views
Institutional ownership	Yes	37	Non-distress	11	55
			Distress	26	
	No	18	Non-distress	10	
			Distress	8	
Government ownership	Yes	11	Non-distress	10	
			Distress	1	
	No	44	Non-distress	15	
			Distress	29	
Family ownership	Yes	23	Non-distress	12	
			Distress	11	
	No	32	Non-distress	9	
			Distress	23	
Managerial ownership	Yes	55	Non-distress	21	
			Distress	34	
Foreign ownership	Yes	20	Non-distress	8	
			Distress	12	
	No	35	Non-distress	14	
			Distress	21	

Concentrated ownership	Yes	44	Non-distress	18
			Distress	26
	No	11	Non-distress	3
			Distress	8

The table above shows that the number of views of failing economic units with institutional ownership was 26 views out of 37 views of the presence of institutional ownership, which is 70%, while the number of views of going concern economic units with institutional ownership reached 11 views, which is 30%. In addition to the presence of 8 views of failing economic units, that do not have institutional owners within their ownership structure, out of 18 views that do not contain institutional ownership, which is 44%. The number of views of going concern economic units that do not have institutional owners within their ownership structure was 10 views, which is 56%. This means that there is a negative effect of institutional ownership on the going concern of the units in the research sample, due to the increased percentage of failing units with institutional ownership and the decreased percentage of failing economic units that do not have institutional ownership. Therefore, the first hypothesis is accepted, which states that there is a negative effect of institutional ownership on the going concern of the economic unit .

As for the second hypothesis, table (4) indicates that the number of views of going concern economic units with government ownership was 10 out of 11 views of the presence of government ownership, which is 91%. The number of views of failing economic units with government ownership was one view, which represents 9%. In addition to the presence of 15 views of going concern economic units, in which the government does not have a share in their ownership structure, out of 44 observations that do not contain government ownership. These views represent 34%. The number of views of failing economic units that their ownership structure does not include government ownership was 29 views. This number represents 66%. This means that there is a positive effect of government ownership on the going concern of the research sample due to the low percentage of failing units with government ownership and the high percentage of failing economic units that do not have government ownership. Thus, the second hypothesis is rejected, which states that there is a negative effect of government ownership on the going concern of the economic unit .

Table (4) shows that the number of views of going concern economic units with family ownership reached 12 out of 23 views of the presence of family ownership, which is 52%. The number of views of failing economic units with family ownership was 11 views, which is 48%. In addition to the presence of 9 views of going concern economic units, in which there are no owners from a single family in their ownership structure, out of 32 views that do not contain family ownership, which is 28%. While the number of views of failing economic units, whose ownership structure does not include family ownership, reached 23 views, which is 72%. This means that there is a positive effect of family ownership on the going concern of the units in the research sample, due to the low percentage of failing units with family ownership and the high percentage of failing economic units that lack family ownership. Thus, the third hypothesis is rejected, which states that there is a negative effect of family ownership on the going concern of the economic unit.

As for the fourth hypothesis, table (4) indicates that the number of views of going concern economic units with managerial ownership was 21 views out of 55 views, which is 38%. The number of views of failing economic units with managerial ownership was 34 views, which is 62%. This indicates the negative effect of managerial ownership on the going concern of economic units. Therefore, the fourth hypothesis is accepted, which states that there is a negative effect of managerial ownership on the going concern of the units of the research sample.

Table (4) shows that the number of views of failing economic units with foreign ownership was 12 views out of 20 views, which is 60%. The number of views of going concern economic units with foreign ownership was 8 views, which is 40%. In addition to the presence of 21 views of failing economic units, that do not have foreign owners in their ownership structure, out of 35 views, which is 60%. The number of views for going concern economic units with foreign ownership was 14 views, which is 40%. Thus, the ratios between units with foreign ownership and units that lack foreign ownership match. This indicates that there is no effect of foreign ownership on the going concern of those units. Thus, the fifth hypothesis is rejected, which states that there is a negative effect of foreign ownership on the going concern of the economic unit.

Returning to Table (4), the number of views of failing economic units with concentrated ownership was 26 views out of 44 views of the presence of concentrated ownership, which is 59%. The number of views of going concern economic units with concentrated ownership reached 18 views, which is 41%. In addition to the presence of 8 views of failing economic units with no concentration of ownership out of 11 observations of dispersed ownership, which is 72%. While the number of views of going concern economic units with dispersed ownership reached 3 views, which is 28%. This means that there is a slight negative effect of concentrated ownership on the going concern of the units in the research sample, due to the similar failure rates in units with concentrated ownership and units with dispersed ownership. Thus, the sixth hypothesis is accepted, which states that there is a negative effect of concentrated ownership on the going concern of the economic unit.

4. Conclusions:

The investigation reached a conclusion, are:

- a. There is a negative effect of both institutional ownership and managerial ownership on the going concern of the units in the research sample.
- b. There is a slight negative effect of concentrated ownership on the going concern of the units in the research sample.
- c. There is a positive effect of both government ownership and family ownership on the going concern of the units in the research sample.
- d. There is no effect of foreign ownership on the going concern of the units in the research sample.

Authors Declaration:

Conflicts of Interest: None

- We Hereby Confirm That All The Figures and Tables In The Manuscript Are Mine and Ours.

Besides, The Figures and Images, Which are Not Mine, Have Been Permitted Republication and Attached to The Manuscript.

- Ethical Clearance: The Research Was Approved By The Local Ethical Committee in The University.

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تأثير هيكل الملكية في استمرارية الشركات المدرجة في سوق العراق للأوراق المالية.

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مستخلص البحث:

تعد قدرة الوحدة الاقتصادية على الاستمرار من الفروض الأساسية التي يتم من خلالها إعداد القوائم المالية، لذا فإن مستخدمي تلك القوائم بحاجة لأن يكون لديهم صورة واضحة حول أداء الوحدة ووضعها المالي والتأكد من عدم وجود أي مؤشر ينذر بتعثّر مالي كأن يكون هناك تعارض بالمصالح بين مساهمي الوحدة فيما بينهم من جهة والإدارة من جهة أخرى، لذا انطلق هذا البحث لدراسة تأثير الاختلاف في طبيعة هيكل الملكية وانعكاس ذلك على استمرارية الوحدة الاقتصادية، وقد قام البحث على فرضية أن لكل نوع من أنواع هيكل الملكية تأثير سلبي في استمرارية الوحدة، واخذ البحث 5 وحدات اقتصادية مدرجة في سوق العراق للأوراق المالية من القطاع الخدمي كعينة للبحث للفترة الممتدة 2011-2021، واستخدم البحث أسلوب الاستقصاء في قياس هيكل الملكية وطبق نموذج kida لقياس الاستمرارية في عينة البحث، وقد تمثلت أهم نتائج البحث إلى وجود تأثير سلبي للملكية المؤسساتية والملكية المركزة والملكية الإدارية في استمرارية الوحدة، بينما كان التأثير ايجابى لكل من الملكية الحكومية والملكية العائلية ولم يكن للملكية الأجنبية أي تأثير .

نوع الورقة: ورقة أبحاث

المصطلحات الرئيسية للبحث: هيكل الملكية، الملكية الإدارية، الملكية المؤسساتية، الملكية العائلية، الملكية الحكومية، الملكية الأجنبية، الملكية المركزة، الاستمرارية