

*Relationship between the Ownership Structure of the Jordanian Listed Companies and
Voluntary Disclosure*

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Abstract:

This study investigates the impact of ownership structure and family domination of the board on voluntary disclosure provided by Jordanian listed companies. We examine the 2004 annual reports of 57 non-financial Jordanian companies listed at the Amman Stock Exchange (ASE). The ownership structure is characterized by government ownership, outside ownership, managerial ownership, and number of shareholders. The results of multiple regression show that the extent of voluntary disclosure is positively associated with government ownership and negatively associated with the proportion of shares held by management. Further, we show that family domination has a significant influence on explaining the variation of voluntary disclosure. We conclude that government ownership can help to promote transparency, but it has not yet eliminated the influence of management and family control of board on disclosure. However, outside ownership and number of shareholders are not associated with voluntary disclosure.

Keywords: Voluntary disclosure; financial reporting; ownership structure; Arab financial markets; Jordan.