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Research Article

ANALYSING THE EFFECT OF LARGE SHAREHOLDERS' OWNERSHIP ON THE DECISIONS OF BLOCK DIVESTITURE OF SHARES (CASE STUDY: COMPANIESLISTED ON THE TEHRAN STOCK EXCHANGE)

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ABSTRACT
Companies, by divesting, create value for shareholders in addition to optimize a portfolio of their assets. Meanwhile, the presence of some large shareholders is to facilitate the creation of value for shareholders and on the contrary, a barrier to the largest shareholder's opportunistic measures due to extracting personal interest. In this research, the effect of large shareholders' ownership on divestiture is investigated through a new perspective. For this purpose, first, a sample consisting of 102 companies listed on the Tehran Stock Exchange from 2003 to 2012. In the research, propensity score matching method was used to investigate the issue in question. In this method, the possibility of divestiture in the future for companies, which did not do this activity, is calculated and then the selected sample is revised based on the obtained propensity score. In addition, the calculation method of hypotheses is based on Logit regression. The results show that the second large shareholder has not a significant effect o the increase of divestiture in the company only with owning minimum part of the company's shares, but the coalition between the second and the third large shareholders indicates a positive and significant on the increase of divestiture.

Keywords: *Divestiture, Ownership, Propensity Score Matching*

INTRODUCTION
Leadership structure of company is resulted from the presence and relative ability of other large shareholders (block of shareholders) that can have important consequences in the direction of management decisions in addition to the presence of the largest shareholder. According to the previous studies, the relative ability of these shareholders is evaluated by their ownership percentage and is a criterion for evaluating their effect on the companies' policies. The previous research show supposing the propensity of management to divestiture, the presence of several blocks of shareholders results in the increase of company's value, because it prevents for extracting personal benefits and limits any change in the company's decisions in favor with the largest shareholder. As a result, the company, in all probability, attempts to divest in spite of the largest shareholder's propensity. This attempt can be resulted from the ability of other large shareholders to prevent from the largest shareholder's personal attempts in favor of himself (Rahman *et al.*, 2013).
According to the conducted investigations and observations y theoreticians like Jensen and McLing (1976), the distribution of capital among some of the shareholders in the large companies allows managers to have greater freedom in company's resources. This fragment of ownership in companies results in the conflict of interests or conflict of representation between managers and shareholders on the distribution and assignment of company's resources. There is a main problem in the asymmetry of information hidden between managers and owners making the problem of moral risk and shareholders cannot investigate the goodness of performance. Thus, when managers have a major part of company's shares, have sufficient power and influence to follow their interests at the loss of shareholders' interests. On the other hand, when large shareholders block a major part, have great interest in supervising the performance of management (AceroFraile and AlcaldeFradejas, 2013).
Acquiring ownership right by manager and supervising by major shareholders is a way that potentially can decrease representative problems and increase institute's value. Basic ownership right by managers makes their interests with other shareholders' interests so that management is motivated for following

value-maximizing activities. In addition, the existence of major shareholders can improve or increase the rate of supervision and therefore, resulting in a better performance (Mashayekh and Mahavarpour, 2008). Thus, major shareholders, to solve this problem, can obtain great advantages for themselves and other shareholders through awareness and feasibility of influencing company's results, because they have a block of vote right in hand. In recent years, empirical studies have emphasized that entrance of large shareholders significantly increases the price of shares in companies (Lim *et al.*, 2014).

It should be noted that in companies that several major shareholders exit, these shareholders interact with each other and have mutual effect on each other. Therefore, there is not only one major shareholder that controls company and a control coalition is formed, while other shareholders have sufficient motivation for supervising the main shareholders that this issue reduces deviation in the company's profit and increases its value. In other words, if the main shareholder does not control the company, he needs coalition with other source shareholders or some minor shareholders that this kind of control mediates the major shareholder's authority and reduces the possibility of obtaining personal interests. Studies of Lopez *et al.*, (2007) show that the existence of another major shareholder (second major shareholder) also can act as an effective mediating in supervising the main shareholder. On the one hand, the existence of another source shareholder might cause a conflict of interests among major shareholders and consequently the decrease of company's performance. On the other hand, this major shareholder (second shareholder) can control the attraction of personal interests by the main shareholder owing to having high interests (Ravanmehr, 2011).

Researches of Khodadadi and Taker (2012), Ravanmehr (2011), Gedajlovic and Shapiro (2002), Pindado and Torre (2008) as well as AceroFraile and AlcaldeFradejas(2013) indicate the effect of the presence of large shareholders in company.

Respecting the effective presence of large shareholders and their role in company's decisions, theoretical views are suggested regarding their effect in divestiture that believe ownership of shares divested by company's managers would affect shareholders' profit in several ways. First, higher ownership levels force managers to undertake relevant costs with negative co-increase. Therefore, they present incentives for selling assets that decrease company's value and improve the operation after it. Second, lower ownership levels for managers to deviate from value-maximizing strategy, might are less expensive for by obtaining irrelevant assets or assets, which have a higher value managers than shareholders. Finally, ownership motivates mangers to have a better bargain when they negotiate for price. Thus, it is expected that there would be a positive relation between co-increase of the divested company and ownership of shares by managers.

Regarding theories and conducted studies, divestiture is conducted in two forms; the first form is when seller (divested company) conducts a reorganization in which the main company transfers part of its assets to a newly-founded stock company and instead, receives all the shares of this newly-founded company and distributes it as kind dividend among its shareholders that is so called "share spin-off".

In the second form, divestiture means that company sells its assets to another company and the assets are remained in the purchasing company.

In this kind of divestiture, the seller, in fact, disregards the cash flow relevant with assets against the cash flow that receives from the purchase. If the current net value of this barter for the seller is positive, increases shareholders' wealth and if it is negative, shareholders'' decreases. On the other hand, if the value of received cash flow is equal to the value of asset, no change is made in shareholders' wealth. It is mentioned in the case that divestiture for the seller has no economic value and if divestiture has economic value, therefore, its declaration declares noticeable information to the financial market. As a result, a noticeable move in the share price of the selling company at the time of divestiture should be observed (Hanson and Song, 1997).

To put it simple, according to the role of divestiture as a way for increasing company's liquidity and ability for paying debts as well as increasing company's share price and raising the volume of transactions, this issue that what is the effect of large shareholders' ability on this decision in the enterprises.

Literature Review

Respecting the suggested issue and its importance and presenting its theoretical principles, in this part, conducted researches in this regard are investigated. Sicherman and Pettway (1992) in their research investigated the effect of wealth for purchasers and sellers in the similar divested assets. This investigation was conducted during 1981-1987. The results indicated that both purchaser and seller obtain an abnormal positive productivity from declaring divestiture and this investiture is affected owing to the changes in the seller's financial conditions and disclosing the price of transaction. Hanson and Song (1997) in one research related with managerial ownership, structure of board of directors and profit division in divestiture found that averagely companies, which are divested receive a positive significant output from divestiture. Stronger results of this research show the effect of the managerial ownership of divested company and the structure of board of directors on the profit of company agree with this belief that higher levels of ownership motivate managers to divest assets, which create negative co-increase. Furthermore, managers are motivated to haggle to receive profit from selling their company's assets from possible purchasers and members of the outer board.

Thompson *et al.,* (2000) in one study examined the cause of divesting companies in England. This study was conducted in a four-year period n 141 large companies. The results of this study show that the value and the largeness of divestiture activities are related with company size and variety in communication. In addition, the results indicate that divestiture activities are not a reflection of managers' personal inclinations to undertake the divestiture, but a purposeful response to external changes and market conditions and this issue is compatible with representation theory and strategic view. Hillier *et al.,* (2009) conducted one research concerning selling assets and company's strategy by investigating divested companies in England. Their investigation was conducted in 1993-2000 and their investigating companies were nonfinancial. They reported that selling assets is due to a period of decrease in the companies' operational output and their tendency to have high financial leverage. Declaring the divestiture and selling assets, share price shows a positive response to this declaration and the cause of this response is the improvement of output and decrease of financial leverage in companies. Moreover, findings suggest that selling assets shows an effective operational response to company's weak financial conditions.

Shi *et al.,* (2010) conducted a study regarding divestiture, the effect of wealth and corporate governance. In fact, they were to investigate the market reaction to divestiture decisions and determine the effect of corporate governance on them. This study was carried out in 1997-2005. Their results indicate that companies with strong corporate governance are more likely to divest, particularly strong shareholders' rights, large board of directors and managerial ownership increase the possibility of divestiture. In addition, a strong competitive increases the possibility of divestiture and this factor shows that external and internal governance mechanism to maximize shareholders' interests are complementary for each other.

Semadeni and Cannella (2011) in one research examined the effects of performance in share spin-off in mother companies. This examination was conducted on 142 companies from 1896 to 1987. They found that while dependent companies are extremely benefitted from having relation with mother companies, but this excessive relation has a negative relation with their performance. Finally, in a more comprehensive examination, Rahman *et al.*, (2013) investigated the effect of ownership structure on the decisions of divestiture. This investigation was conducted on 5255 nonfinancial companies listed on the Australian Stock Exchange in a ten-year period. They found that divestiture activities decrease with the largest shareholder's ownership and the presence of a block of shareholders seems to prevent from a negative prejudice towards divestiture. Finally, their results show that companies with balanced ownership structure have greater performance and there exists a significant relation between ownership and divestiture.

Concerning the issue and literature review, objectives and hypotheses are prepared as follows:

Objective:

1- Analysis of the effect of the second large shareholder's ownership percentage on the increase of divestiture in the companies listed on the Tehran Stock Exchange

2- Analysis of the effect of other large shareholders' ownership percentage on the increase of divestiture in the companies listed on the Tehran Stock Exchange

Hypotheses:

1- The of second large shareholder's ownership percentage is affected on the increase of divestiture in the companies listed on the Tehran Stock Exchange.

2-The of other large shareholder's ownership percentage is affected on the increase of divestiture in the companies listed on the Tehran Stock Exchange.

MATERIALS AND METHODS

Population and Statistical Sample

The statistical population of the present research is companies listed on the Tehran Stock Exchange. In this research, research data were collected for a 2003-2012 period from stock exchange information websites including the website of the company of technology management of the Tehran Stock Exchange, Tehran Stock Exchange and Codal. Furthermore, RahAvardNovin Software was used. In respect to access to the whole population, there is no need to sample, therefore, in this research, systematic elimination method was used to select the sample and to elect the statistical sample, those companies that have the following characteristics were selected as the statistical sample and the rest were eliminated that the number of study companies was 102 ones.

A) Financial period of the sample companies ends in Esfand month.

B) In the study period, they have not changed their activity or fiscal year.

C) They are not among financial companies (insurance, bank and investment companies).

D) Their financial information is accessible.

Model and Research Variables

Following the previous studies including Thompson *et al.*, (2000, 2002, 2003), Sing *et al.*, (2000), Hillier *et al.*, (2009) as well as Rahman *et al.*, (2013), the variables of size, financial leverage, market share and return rate of assets are considered as the effective factors on divestiture. According to the variables, this effect is evaluated by the followingLogit regression:

$$Divest= \beta_0 + \beta_1 Size + \beta_2 Lev + \beta_3 ROA + \beta_4 MS + \varepsilon \quad (1)$$

Before starting the process of testing hypotheses, the study samples should be selected. The used method for this purpose is Propensity Score Matching (PSM) so that industries are considered separately and then in each industry, propensity score is calculated for all divested and non-divested. Finally, non-divested companies are selected as research samples with the closet propensity score to the divested companies in the similar industry.

Calculated propensity score considers the possibility of the achievement of divestiture in the future for the companies. The following equation is based on the calculation of propensity for companies.

$$Pscore= \psi(\hat{\beta}_1 Size + \hat{\beta}_2 Lev + \hat{\beta}_3 ROA + \hat{\beta}_4 MS + \varepsilon) \quad (2)$$

It should be noted that companies might be different in the connection with their ownership structure. For this reason, the second phase is the clear investigation whether these differences contribute to the understanding of divestiture decisions. In this phase, according to the specified samples in Equation 2, to test hypotheses, Equations 3 and 4 are examined and presented considering the main model. In Equation 3, it is expected that the second large shareholder has had a positive effect on the promotion of company's value. Thus, an auxiliary variable (Lo-contest) is used so that he can influence the largest shareholder. The mentioned auxiliary variable means the second large shareholder's ability to challenge the largest shareholder that a minimum ownership of the second shareholder level (first quarter after specifying matched samples) is used.

Moreover, another variable (Hi-pscore) is used to evaluate company's tendency to divest. The first hypothesis is tested by the following Logit regression equation:

$$Divest = \beta_0 + \beta_1 Size + \beta_2 Lev + \beta_3 ROA + \beta_4 MS + \beta_5 Lsh1 + \beta_6 Lo\text{-}contest + \beta_7 \quad (3)$$
$$Lo\text{-}contest * hi\text{-}pscore * Lsh1 + \beta_8 Lo\text{-}contest * hi\text{-}pscore + \varepsilon$$

In the second hypothesis, the effect of other large shareholders' ownership percentage (second and third shareholders) on the increase of divestiture and decrease of largest shareholder's tendencies is evaluated by employing another auxiliary variable (Hi-contest) through the following Logit regression equation:

$$Divest = \beta_0 + \beta_1 Size + \beta_2 Lev + \beta_3 ROA + \beta_4 MS + \beta_5 Lsh1 + \beta_6 Hi\text{-}contest*Lsh1 + \beta_7 Lo\text{-}contest*Lsh1 + \beta_8 Lo\text{-}contest + \varepsilon \quad (4)$$

In Equation 4, to test the effect of the percentage sum of the two large shareholders' ownership, another auxiliary variable (Hi-contest) is also used (first quarter is the percentage sum of the two large shareholders' ownership after specifying matched samples). Mentioned variables are defined in the next part.

Research Variables

Dependent Variable

Divesting: it indicates dependent variable that means selling assets in order to have higher liquidity and if is conducted by company, has value 1 and if not so has value 0.

Independent Variable

Size: based on natural logarithm, the grand total of assets of each company is calculated (Rahman *et al.*, 2013).

Leverage (Lev): to measure financial leverage, the ratio of total debt to total assets is used. This case is obtained for each company according to the existing information at the end of each fiscal year (AminianDaryaseri and Biabani, 2012).

Return of Assets (ROA): it is calculated based on the profit before deducting interest and tax divided by the book value of assets (Rahman *et al.*, 2013).

Market Share (MS): it is obtained in form of company sale to total sale of industry (Thompson *et al.*, 2007).

Largest Shareholder (Lsh 1): it is presented based on the largest shareholder's ownership percentage.

Largest Shareholders (Lsh 23): it is calculated based on the sum of the second and third shareholders' ownership percentage.

Data Analysis Techniques and Tools

Propensity Score Matching

Common methods that are employed for control confounding variables include matching, classifying and regression models. All have the limitation that can control a limited number of auxiliary variables. Although finding the idea of matched samples seems simple, often finding samples, which are similar on the all important con founding variables, is a difficult work. As a result, propensity score matching method is used. Propensity score for each factor is received in the form of conditional probability and the intended measure (divestiture) is defined on the condition of specifying necessary factors for that factor. In other words, it can be written as $[e(x_i)= pr (Z_i=1| X_i=x_i)]$ that for factor (enterprise) i, if it is belonged to the interference group, $z_i=1$ and if is in the witness group, it would be $z_i=0$. Propensity score is passive in practice, that the most common method for its estimation is Logit regression model. In this model, dependent variable is the very membership in the observation group (1= divested, 0= non-divested) and independent variables are the very factors that we want their distribution would be similar in the two study groups. Matching is an attempt that by creating one sample of units, which have accepted divestiture in the all observed variables is comparable with one sample of units that receives no divestiture. The mentioned method is calculable from the following equation (Janani *et al.*, 2010).

LR Test

This statistic measures the total validity of the regression and in fact, acts like F-statistic in the linear regression. In order to use this statistic, it is acted that if the calculable statistic is larger than critical statistic (significance level 10%) H_0 suggesting zero being of all coefficients is rejected and regression model is significant totally (AvladHussien, 2010).

Log Likelihood Test

In Logit regression model, R^2 has not necessary reliability and validity, for this reason, this criterion is not presented and instead, the statistic of Log Likelihood is used as the goodness of fitness of the model. The

real value of this statistic is negative and as much as its absolute value is larger, indicates the suitability of the model (AvladHussien, 2010).
In the above research, Matlab and Stata12 software are used to estimate propensity score matching and model's parameters and testing hypotheses using multivariable regression.

RESULTS AND DISCUSSION

Results

Descriptive Statistic of Research Variables

In this section, the description of the study case will be dealt with and the objective is the statistical calculation of the sample. Using this statistic, the description of research data and information can be dealt with and a general model to use data rapidly can be achieved. In the above research, mean, standard deviation and quarters of variables are used to describe research variables. Tables 1 and 2 indicate descriptive statistic of the research variables. Table 1 includes 300 observations of divested companies and Table 1 720 observation of non-divested companies. The data are used to estimate propensity score in Equation 3. In a general and comparative glance between Tables 1 and 2, we realize the small difference of the size of companies (13.45 against 13.5), but on the contrary, the return rate of assets shows a significant difference between divested companies and non-divested ones and this can mean greater profitability in the non-divested companies (13.82 against 11.83). There is no marked difference between financial leverage and market share. In the part of the variables of the ownership structure, the observable difference can be in the largest shareholder's ownership percentage (46.98 against 45.6) and the second shareholder's ownership percentage (13.75 against 15.07), but the greatest difference can be mentioned in the sum of the second and third shareholders' ownership percentage (21.977 against 19.4022).

Table 1: Descriptive statistic of divested companies

Variables	Mean	Stddev	Q1	Q2	Q3
Size	13.453	1.064	12.752	13.39	14.12
Lev	0.653	0.163	0.57	0.68	0.76
ROA(%)	11.836	12.499	3.732	10.075	17.66
MS	0.038	0.049	0.01	0.02	0.05
Lsh1(%)	46.985	24.613	31.05	51	62.98
Lsh2(%)	15.079	11.175	6	13.87	22.882
Lsh23(%)	21.97	15.023	10.055	20.54	35.575

Table 2: Descriptive statistic of non-divested companies

Variables	Mean	Stddev	Q1	Q2	Q3
Size	13.501	1.833	12.47	13.15	14.225
Lev	0.634	0.193	0.52	0.65	0.77
ROA(%)	13.827	13.678	5.245	11.525	21.132
MS	0.048	0.076	0	0.02	0.06
Lsh1(%)	45.607	25.087	32.43	49.43	59.49
Lsh2(%)	13.751	11.157	4.16	12.57	20.437
Lsh23(%)	19.402	14.584	6.33	19.37	30.36

Presentation of Matched Samples

In this section, research data are evaluated in order to present matched samples according to Equation 2. Table 3 indicates the general layout of these data. According to the made calculations of 1020 selected samples, 600 samples are selected and are the basis of testing hypotheses. This table presents mean, difference in the mean of divested and matched companies. Table 3 shows the results of matching method of companies that are not divested in relation to the total companies. The closest propensity score is in the variables of financial (size, financial leverage, ROA and market share) with divested companies. There is

no significant difference in the financial variables between two groups of companies and thus it can be concluded that there exists divesting tendency in the matched companies. In comparing variables of ownership structure, the significant difference (p-value) in the variable of ownership percentage of the second and third shareholders indicates that these two shareholders have great part of share in the divested companies and as a result, can affect the largest shareholder's policies.

Table 3: Comparison of divesting and non-divesting matched firms

Variables	Divesting	Matched	Difference	p-value
Size	13.453	13.340	0.11	0.2271
Lev	0.653	0.646	0.006	0.6377
ROA(%)	11.836	11.623	0.21	0.8441
MS	0.038	0.038	0	0.8785
Lsh1(%)	46.985	44.655	2.330	0.2521
Lsh2(%)	15.079	13.786	1.292	0.1603
Lsh23(%)	21.977	19.907	2.069	0.0897*
Propensity score	0/0390	0.3888	0.0018	0.8958

****, **, * indicate significance at the 1%, 5% and 10% levels.*

Results of Testing the First Hypothesis

In the first hypothesis, the effect of the second shareholder's ownership percentage on divesting in conditions, which is possible that this activity occurs, is investigated. To test this hypothesis, an auxiliary variable was used that the above variable id equal to the second large shareholder's ownership percentage. According to the carried out studies, this ownership percentage can provide sufficient ability to collect suffrage and affect company's policies and increase of divestiture for him. As results show, the study variable coefficient (Lo-con*hi-ps*Lsh1) is positive, but it is not significant and the second large shareholder's ownership percentage has a weak effect on company's policies and increase of divestiture. Probable statistic LR (0.008) indicates the significance of the regression model at the level 10%. The absolute value of Log Likelihood (45.072898) is a layout of the goodness of fitness of the model.

Table 4: Largest shareholder's effect on divesting decisions

Lo-contest (Lsh2< 5) Variables							
Size	**Lev**	**ROA**	**MS**	**Lsh1**	**Lo-con**	**Lo-con*hi-ps* lsh1**	**Lo-con*hi-ps**
-0.4311 (0.04)*	-3.1028 (0.153)	-0.0227 (0.278)	10.3627 (0.303)	-0.0031 (0.813)	1.0858 (0.367)	0.0329 (0.208)	-5.327 (0.233)
LR		0.008					
Log Likelihood		-45/072898					

*Hi-pscore indicates that the propensity to divest is above the median. ***, **, * indicate significance at the 1%, 5% and 10% levels.*

Results of Testing the Second Hypothesis

In the third hypothesis, it was mentioned that when other shareholders have sufficient power to influence the largest shareholder's decisions, they could neutralize the largest shareholder's effects. In other words, competition between shareholders and largest shareholder forms on the divestiture decisions. To evaluate this hypothesis, an auxiliary variable called Hi-contest is used. In this hypothesis, this belief exists that when other shareholders form a coalition with the second large shareholder and protect shareholders' interests against the largest shareholder's preferences, the result of this attempt is focusing on the creation of value for all shareholders by increasing their suffrage more and more. Thus, we added the third

shareholder to the model in order to emphasize on the creation of power balance among shareholders greater. To evaluate this hypothesis, the rate of the second and third shareholders' owned share is measured at minimum 7% in order to challenge the largest shareholder. As it was mentioned previously, the level of the minimum ownership creates the sufficient power to affect the largest shareholder. As the results in Table 5 show, the positive and significant coefficient of the auxiliary variable and the largest shareholder (Hi-contest*Lsh1) is a layout of low power of the largest shareholder and company's tendency to divesting. LR statistic (0.0092) is a layout of the significance of the regression model and Log Likelihood (308.6271) also the goodness of the fitness of the model.

Table 5: Largest shareholder's effect on divesting decisions

			Hi-contest(Lsh23>7) Variables			
Size	**Lev**	**ROA**	**MS**	**Hi-con*lsh1**	**Lo-con*lsh1**	**Lo-con**
0.2296	0.4712	0.0062	-1.4958	0.0447	0.0459	-0.0869
(0.011)**	(0.425)	(0.409)	(0.406)	(0.002)***	(0.002)***	(0.005)***
LR						0.0092
Log Likelihood						-308.6271

*Lo-contest is 1 minus hi-pscore . *** ** * indicate significance at the 1%, 5% and 10% levels.*

Conclusion

Based on the obtained results in the first hypothesis, the second large shareholder's ownership percentage has no effect on the increase of divesting activities of companies listed on the Tehran Stock Exchange. Respecting the presence of the second shareholder increases company's value owing to tendency to dives for all shareholders and the result of this issue is the decrease of representation issues among the minority of shareholders and major shareholders, but in the above researches, the minimum considered ownership percentage (5%) does not provide his power. Thus, H_1 is not accepted. The obtained results are consistent with ones of Rahman *et al.,* (2013), Thompson *et al.,* (2000, 2003) and are inconsistent with ones of Hanson and Sang (1997). In the second hypothesis, we intended to test the effect of other large shareholders' ownership percentage on the increase of divesting activities of companies listed on the Tehran Stock Exchange. It should be considered that power balance among all shareholders is a factor to neutralize and prevent from implementing any divesting decisions. Therefore, joining other shareholders to the second shareholder is a factor for greater tendency to divestiture. According to the obtained results, the total of ownership of the second and third shareholders on the increase of divestiture is effective according to the minimum ownership percentage and H_1 is confirmed. These results are inconsistent with ones of Rahman *et al.,* (2013), Thompson *et al.,* (2000, 2003), because in their results, the largest shareholder has the greatest effect to prevent from divestiture in companies.

Suggestions

Research Hypotheses-based Suggestions

Based on the results of the research hypotheses, power can decrease representation issues and as a result better company's efficiency. Company's higher performance with the presence of the second shareholder has greater market value and his presence and the presence of other shareholders in all probability is a factor for neutralizing any activity against divesting decisions. Thus, according to the results of the suggested hypotheses suggesting criteria of ownership structure and divestiture affect companies' value, investors, analysts and financial counselors can use this effect for investing and analyzing companies' financial status.

Suggestions for Future Researches

It is suggested to compare the research results with the results of stock organization of other countries and analyze the existence of difference in results.

It is suggested to choose other criteria and variables that can be used as effective factors in the decisions of divesting companies.

It is suggested to other researchers to analyze the effect of ownership structure and divestiture by adding time period.

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