

## OWNERSHIP STRUCTURE AND FIRM VALUE OF QUOTED CONSUMERS GOODS FIRMS IN NIGERIA

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### Abstract

*This study examined the ownership structure's effect on the firms' value of quoted manufacturing firms (consumer goods) in Nigeria for 2010-2018. The total numbers of quoted consumer goods firms in the Nigeria stock exchange as of 31st December 2018 were twenty-one (21). A judgmental sampling technique was used to sample nineteen (19) consumer goods firms for the study. The study sought to examine whether ownership structure proxy by managerial Ownership, Institutional Ownership, foreign Ownership, and ownership concentration affect firms' values of quoted consumer goods in Nigeria. Data were collected from secondary sources through the annual reports and accounts of sampled consumer goods firms in Nigeria. The study adopted a panel regression technique as a tool of analysis. The result showed a negative effect of managerial ownership on firm value. While institutional Ownership, foreign Ownership, and Ownership concentration all positively affect the firm value of consumer goods firms in Nigeria. Therefore, the study recommends that the numbers of shares held by management should be reduced to increase the firm value of the listed consumer goods companies in Nigeria.*

**Keywords:** Consumer Goods, Managerial Ownership, Institutional Ownership, Foreign Ownership, Ownership Concentration, Firm Value.

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## INTRODUCTION

The effect of ownership forms on firms' performance has been of research interest in corporate finance literature. Often, managers' and shareholders' interests are usually not aligned, which results in problems that reduce a firm's value and performance (Tatiana & Stela, 2013). Shareholders are always regarded as the corporate owners, while directors are agents or representatives of shareholders who are supposed to allocate business resources to increase their wealth (Benjamin, Love & Kabiru, 2014). There are three determinants of a firm's value. The first is associated with external factors that are beyond the control of the firms. The second refers to

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internal factors and under the direct purview of the firms. These constitute managerial efficiency, governance structure, and ownership structure, among others that affect the firms' ability to cope with external factors. Lastly, the other factors that affect firm performance are firm size, leverage, and industry type (Kechi, 2011). Hence, ownership concentration is related to firm value since traditional theories argued that when ownership of a firm is concentrated in the hand of large shareholders, they have the incentive to monitor the managers' action through direct intervention to reduce agency problem (Chen & Swan, 2010; Albart et al., 2020). Also, in the studies of a diversification strategy, it was found that ownership concentration enhances corporate diversification and performance of a firm because it constitutes the largest investment in a corporate firm (Genc & Angelo 2012). Based on previous literature, it is observed that various forms of ownership structure have impacted the firm's values. However, the study chooses to focus on whether ownership structures significantly affect a firm's value of quoted manufacturing firms and consider how desirable, such impacts are if they exist.

The ownership structures of companies are rapidly changing to match global challenges and demands. A firm's ability to make acceptable returns in this competitive environment determines its ability to survive in the future as the world's economies are becoming more and more globally integrated. However, this study will focus on the manufacturing sector, specifically consumer goods firms quoted on the Nigeria Stock Exchange, to get a better picture of the relationship between the dependent variable (Tobin's Q) and independent variables (institutional Ownership, managerial Ownership, foreign Ownership, and ownership concentration).

The ownership structure is seen as the classes or group of owners that exercise control over a firm's activities. Various scholars have a different definition of ownership structure. According to López-Iturriag & Rodríguez-Sanz (2012), the ownership structure is regarded as the fraction of shares owned by a firm's most significant shareholders, with much attention given to the fraction owned by the five largest shareholders. Anwar (2019) viewed the ownership structure as institutional and managerial ownership.

Sahut and Gharbi (2010) viewed Ownership structure as the combination of ownership concentration, managerial Ownership, and institutional Ownership. Alipour and Anjadi (2011) also defined ownership structure as the composition of the most significant five shareholders, including institutional shareholders, individual and managerial shareholders. Shah, Safdar, and Mohammad (2011) saw Ownership structure as the percentage of shares held by Directors. López-Iturriag & Rodríguez-Sanz (2012) viewed Ownership structure as the composition of managerial ownership and concentrated ownership. Uwalomwa and Olamide (2012) regarded the ownership structure as decisions made by those who own or who would own shares. They measured ownership structure as the composition of Board ownership, Institutional Ownership, and foreign Ownership.

However, the elemental composition of the ownership structure of interest to this study is a combination of ownership concentration institutional, managerial, and foreign ownership. Ownership concentration composition also varies from author to author. According to Waseem and Naila (2011), ownership concentration is the sum of squares of the fraction of total equity held by each large shareholder. Kamran, Sehrish, Saleem, Yasir, and Shehzad (2012) defined ownership concentration as the portion of shares held by top shareholders of the firm. Genc and Angelo (2012) saw ownership concentration as the percentage of ownership shares of the largest shareholders. Lina, Mohammad, Nimer, and Alnimer (2013) saw ownership concentration as the percentage of

the largest and the second-largest managerial block holders. The latter own at least 10% of the total shares in a firm.

Institutional Ownership composition also varies from author to author. Surya, Suresh, and Albert (2009) and Imad (2012) measured institutional ownership by the five largest institutional investors. Jean and Hadiya (2010) described institutional ownership as the percentage of shares owned by the actors available at the time of publication of a complete and audited financial statement. Feng (2010) viewed institutional ownership as the percentage of equity owned by the governmental institutions, financial institutions, corporate institutions, mutual funds, foreign financial institutions, foreign institutions, foreign mutual funds, and other institutions. Demiralp, Ranjan, Frederik, and Venkat (2011) defined Institutional Ownership as shares held by registered institutions such as insurance firms, investment companies, pension funds, banks, and money managers.

The firm value represents the assets owned by the company. Firm value is considered a crucial thing since it describes the prosperity of the company's owner. Therefore, as the company's representative, the manager is responsible for optimally achieving the firm value (Feng, 2010). Good firm value can attract other parties' interests to join the company. The positive impact of asset earnings power shows that if the company has higher earning powers, then the asset turnover will be more efficient. The profit will be more significant. As a result, the firm value will also increase. Besides asset and profit, the company debt policy also influences the changes in firm value. The higher the debt, the higher the stock price. However, it will be the opposite in certain conditions when the benefit of debt utilization is less than the cost incurred. The debt policy can create the expected firm value, but it depends on the firm size. This explanation means firm size will influence the competition in the stock exchange.

Most of the study determines what factors can affect the firm value. It was stated that a firm's wealth, technology, organizational structure, human resources with discounted future cash flows, and environmental factors of industrial establishments (Mohammed, 2017) could affect firm value. Another study uses customer satisfaction, management understanding, technology usage, and product quality as factors that influence firm value (William, S. & Cambarihan1, J, M. 2016). A study has identified firms' competitiveness as a factor affecting firm value (Feng, L.L, 2010). Additionally, a study focused on sustainable growth and the firm's financing to determine the factors that affect firm value (Woochan et al., 2015).

Many studies have been conducted on ownership structure and firm performance in developed and developing countries, such as Charfeddine & Abdelaziz (2011). They examined government ownership and firm performance, a study of Vietnam. The research covered the period of 2004-2014 with the sample populations of 38,143 firms. The data was analyzed using panel regression, and the study found that state ownership has a negative and significant effect on firm performance. The study was carried out on a firm that is not listed on the stock exchange. There is a high chance that the information provided may not be accurate.

Nora and Anis (2015) examined the impact of different types of ownership structures on bank performance. They used secondary data to analyze this study of Malaysian commercial banks from 2000 to 2011. Multiple regression with fixed effects model was used to test the research model. Testing on five ownership structure categories such as insider, family, government, institutional and foreign ownership, the results suggested that bank performance varies with different ownership structure types. Alipour & Amjadi (2011) examined the impact of ownership

structure on firms' manufacturing companies' performance in Sri Lanka. The 295 listed companies represented 20 business sectors and focused on institutional and blocks ownership on firm performance. Using descriptive statistics, Correlation analysis, and Multi-variant analysis, the study found that Institutional Ownership has a positive and insignificant relationship with firm performance.

Din & Javid (2011) examined the Impact of managerial Ownership on enterprise performance in the Baltic state. The study measured the enterprise performance based on return on assets, return on equity, and profit before tax margin. The study employed a sample of 51 776 private companies from Lithuania, Latvia, and Estonia in 2014. The data was analyzed in ordinary least squares regressions. The study found that the regression analysis results showed that having more directors and board members in a company reduced private Baltic businesses' performance, which most likely was associated with the loss of efficiency in governing. Laiho (2011) examined the effect of the ownership structure characteristics on firm performance in Oman. The study was to determine the impact of ownership concentration, managerial ownership, and government ownership on firm performance among non-financial Omani companies during 2012-2014. Eighty-one (81) firms were taken as a sample to test the above relations. The data were obtained from the companies' annual reports for three years, with a sample size of 243 firms. Multiple regression analysis was employed to analyze the data collected. The study found a positive and significant association between ownership concentration and government ownership on firm performance. The study only used one accounting measurement of firm performance.

Laiho (2011) examined the effect of ownership structure on the Financial Performance of Companies Listed at the Nairobi securities exchange In Kenya and was guided by the following specific objectives: to determine the effect of state ownership, local Ownership, foreign Ownership, and managerial shareholding on firm's financial performance. The study adopted a cross-sectional survey design, and a sample of 39 firms was drawn using stratified random sampling. The targeted population of the study was 61 companies listed in Nairobi Securities' Exchange. Multiple regression analysis models were used to analyzed data. The study found that all ownership structures had a significant positive influence on the firm's financial performance. After all independent variables were analyzed together, the study also found that foreign Ownership and Managerial shareholding had the highest positive significant contribution to the firm's performance. The study focused only on firms' financial performance and ignored the non-financial goals, which can be of critical importance to ownership structures.

Institutional shareholding has continued to dominate the capital market. Empirical evidence on the effect of institutional shareholding and accounting issues is minimal. The presence of institutional investors should lead to higher firm financial performance. Institutional investors have more expertise, resource, and ability to control monitor management should enhance firm value. Institutional owners try to prevent management from hiding corporate resources and restrict them from opportunistically manipulating earnings as corporate performance is related to institutional Ownership (Alipour & Amjadi, 2011).

Jean and Hadiya (2010) examined the relationship between institutional ownership and firm financial performance. They proposed a new typology of institutional investors based on their behaviors (active or passive) and the principal factors that may influence them. Their sample consisted of 121 French firms for the period 2006-2008 and using panel data. Their results showed a positive impact of institutional owners' activities on firm performance. The work also confirmed that institutional owners' effects on firm financial performance depend on their behaviors. Active

institutional behavior is more apparent with the grouping of its influential factors. They also found out that the relationship between institutional ownership and firm financial performance was bilateral. Charfeddine and Abdelaziz (2011) examined the relationship between institutional ownership and firm financial performance for 35 companies listed on the French Financial Market from 2002 to 2005. The result of their findings showed that there was a significant negative relationship between institutional ownership and firm financial performance measured by a proxy Tobin's Q.

Shohreh, Seyedeh, Mir, and Armin (2015) investigated the relationship between Institutional Ownership with financial policies and listed companies' Financial Performance on the Tehran Stock Exchange. The study selected a total of 90 companies for the period 2006 to 2010. Pearson correlation and multiple regression analyzes were used to achieve the research objectives. The results showed that institutional ownership has a positive and significant relationship with dividend policy and a meaningful negative relationship with financial leverage. The result showed a positive and significant relationship between institutional ownership and financial performance using a return on equity (ROE). Although, literature appears inconsistent based on the type of connection existing between institutional ownership and firm value. This study expects institutional ownership to negatively impact quoted manufacturing firms' value because institutional owners are assumed to be conservative and not risk-takers. Therefore, the first hypothesis:

**H1: Institutional Ownership affects firms' value**

Din & Javid (2011) examined the Impact of managerial Ownership on enterprise performance in the Baltic state. The study measured the enterprise performance based on return on assets, return on equity, and profit before tax margin. The study employed a sample of 51 of 776 private companies from Lithuania, Latvia, and Estonia who were active in 2014. the data was analyzed in ordinary least squares regressions. The study found that the regression analysis results showed that having more directors and board members in a company reduced private Baltic businesses' performance, which most likely was associated with the loss of efficiency in governing. Although evidence from the literature shows divergent views, this study expects that managerial ownership will positively impact the firm value of quoted manufacturing companies in Nigeria because managers are generally profit seekers.

Laiho (2011) viewed managerial ownership as the board of directors' insider holdings and the management team. Foreigners appoint qualified managers who may have a positive impact on performance. However, foreign shareholders may only have a moderate effect on firm performance despite being endowed with good monitoring capabilities. Since their financial focus and emphasis on liquidity make them unwilling to commit to a long-term relationship with the firm that engages in restructuring in case of poor performance. Most of them prefer strategies of exit rather than voice to monitor management. Foreign ownership goes beyond financial contribution and extends to managerial expertise and technical collaboration, increasing the operational processes' efficiency and effectiveness, leading to improved performance (Greenaway et al., 2014). The second hypothesis:

**H2: Managerial Ownership affects firms' value**

Chege (2013) examined the relationship between ownership structures and financial performance among commercial banks listed in Kenya's NSE. He found out that there is a positive relationship between profitability and foreign shares ownership. He observed that foreign shares were significant in explaining results as unit changes in foreign shares were significant in explaining profitability. However, local ownership, both retail and corporate, has a negative relationship with profitability. Chege's findings were consistent with Avulamusi's (2013) study on the relationship between ownership structure and commercial banks' financial performance in Kenya, which established a significant relationship between foreign ownership and different financial performance parameters. He attributed the significant relationship to the high monitoring capabilities of foreign owners.

Udin, Khan & Javid (2017) examined ownership structure's effect on listed conglomerate firms' financial performance in Nigeria, specifically focusing on managerial and foreign ownership on performance. Employing regression analysis, the study found that both managerial and foreign ownership have negatively impacted listed conglomerate firms' performance in Nigeria. The study ignored ROA, which has been widely used as a more reliable measure of performance. William & Cambarihan1 (2016) examined Capital Structure and Firm Value in Nigerian Listed Manufacturing Companies. The study population consists of the thirty-eight (38) listed manufacturing companies in Nigeria as of 31st December 2012-2016. The study adopted conditional probability model analyses, and it was estimated using probit. The study employed eight explanatory variables of capital structure to measure their effect on firm value (measured by Tobin's Q) were utilized. The study found that profitability, size of the firm, liquidity, and leverage are negatively significantly related to firm value. In contrast, the firm's potential for growth, age of the firm, and tangibility are positively significantly related to the firm value. The third hypothesis:

### **H3: Foreign Ownership affects firms' value**

Several theories explain the relationship between ownership structures and a firm's value in the literature of accounting. But only three theories are related to the study, namely Stakeholders Theory, Stewardship Theory, and Agency Theory. However. This study is underpinned by Agency theory. The Agency theory believes that managers as the shareholders' agent, and therefore there is a need for them to act in the shareholders' best interest. In this situation, the agent may not work in the shareholders' best interest, resulting in an agency cost situation. The agency theory stresses the separation of ownership, control, and management (agent) in an organization. It is believed that managers may sometimes pursue opportunistic behavior that may conflict with the owners' goal (principals) and, therefore, destroy the shareholders' wealth. Advocates of the agency theory viewed that management (directors) as an agent to the shareholders. They will mitigate conflicts and serve as the guardian to shareholders since they are involved in the firm's day-to-day activities and are also mandated to own a specific unit of shares (Fama & Jessen 1988).

Eisenhardt (1989) advocated that most businesses operate under incomplete information and uncertainty, which exposes them to two agency problems: adverse selection and moral hazard. Adverse selection occurs when owners cannot ascertain whether an agent accurately represents his ability to do the work he is paid to do. At the same time, moral hazard is a condition under which a principal cannot be sure if an agent has maximized effort. The conflicting demands justify actions that may be criticized as immoral or unethical, depending on the stakeholder group. This study focuses on how such conflict affects the firm's financial performance. These professionals may be

more interested in their welfare than in the firm's shareholders (Berle & Means, 1967). The fact that superior information is available to them, they take advantage of owners of firms.

The agency theory is then adopted for this study because, according to Eisenhardt (1989), agency theory is concerned with analyzing and resolving problems in the relationship between shareholders and their professional agents. Further, it tries to understand how to organize the best relationships between the principal (owners) and the agents (Professionals) and determines the work which the agent should undertake and the measures the owners should put in place to maximize their returns (Eisenhardt, 1989).

The problem is worsened because the citizens perceive their voice as insignificant in initiating change and are usually unwilling to monitor. It may involve seeking costly information and therefore disincline and opt to internalize part of the government failures. According to Eisenhardt (1989), agency theory is concerned with analyzing and resolving problems in the relationship between shareholders and their professional agents. This study will adopt agency theory because of its relevance in resolving a conflict between managers (agent) and shareholders (principal). The conflict of interest can be resolved when managers (agents) are encouraged through performance-based incentive plans, direct intervention by shareholders, the fired threat by owners, and the takeover threat. More importantly, the fear of losing their investment in terms of shares owned by them. The fourth hypothesis:

**H4: Ownership Concentration affects firms' value**

**RESEARCH METHOD**

The study employed a descriptive research design. This study enquires the possible influence of one variable on another using secondary data, particularly time-series panel data, to ascertain the effect of the independent variable on the dependent variable. The dependent variable is the firm value. Tobin's Q is measured by the ratio of market capitalization to its assets' book value. The independent variable is Institutional Ownership, Managerial Ownership, Foreign Ownership, and ownership concentration. The control variable is the firm size, measured in terms of the natural log of sales. It is challenging to select, control, and operate all independent variables, or when laboratory control will be impartible, costly, or ethically questionable. This design examines the data collection sources, population, sampling plan, method of analyses, and data collection instruments.

The population for this study will be the nineteen (19) consumer good firms quoted on the Nigerian Stock Exchange (NSE) as of 2018. However, only firms with up-to-date data regarding ownership structure and firm value were selected to constitute the study's sample size.

This study was collected from secondary sources, specifically from the Nigerian Stock Exchange (NSE) Factbook and the listed firm's published financial statements for 2010-2018. Panel data on the firms' market capitalization was collected, extracted, and analyzed for the study.

*Model Specification*

The following regression model is estimated for the study.

$$\text{Tobin } Q = f(\text{INSTO}, \text{MGRLO}, \text{FORNO}, \text{OWC} \ \& \ \text{FSIZE}) \dots\dots\dots (1)$$

$$\text{Tobin } Q_{it} = \beta_0 + \beta_1\text{INSTO}_{it} + \beta_2\text{MGRLO}_{it} + \beta_3\text{FORNO}_{it} + \beta_4\text{OWC}_{it} + \beta_5\text{FSIZE}_{it} + \mu_{it} \dots\dots\dots (2)$$

Where:

Tobin Q =Market capitalisation, INSTO = Institutional Ownership, MGRLO = Managerial Ownership, FORNO = Foreign Ownership, OWC = Ownership Concentration, FSIZE = Firm Size (Control Variable),  $\beta_0$  = Constant/Intercepts,  $\beta_1$ ,  $\beta_2$   $\beta_3$  and  $\beta_4$ , = Parameters of determination,  $\mu_t$  = Stochastic Variable (Error term)

### *Measurement of Variables*

Tobin Q =Market capitalization (dependent variable) is measured using its shares divided by the current market price.

Institutional ownership: is measured as the percentage of shares held by institutional investors divided by the total numbers of ordinary shares issued

Managerial ownership: measured using the total numbers of shares owned by the managers and the executive divide by the total numbers of ordinary shares issued

Foreign ownership is measured using the total number of shares owned by foreign bodies divided by its total number of shares.

Ownership Concentration: is the percentage of shares held by controlling shareholder divide by the total numbers of ordinary shares issued

Firm Size: is the Natural log of the total assets

The study adopted empirical analysis tools, including descriptive statistics and the ordinary least squares (OLS) panel regression technique, to determine the relationships between the research variables. This tool is because regression analysis is concerned with studying the dependence of one variable on other variables. The panel regression was carried out using the STATA for windows statistical package software to link the study variables and determine the relationships between them. Using regression for this study is due to its strength in determining the variability of the study variables.

## **RESULTS AND DISCUSSION**

### **Results**

#### *Descriptive Statistics*

Table 1 revealed that the independent variable's mean value, Institutional Ownership for the firms, was 39%, and the median was 31%. The maximum and minimum values of Institutional Ownership of the sampled firms were 1.29 and 0.02, respectively. The standard deviation was 0.31. This percentage means that institutional ownership shares are just 2%, as shown in the result. The average value is 39.5, which is greater than the standard deviation value, removing an outlier's worries in the variable.

The independent variable's mean value, Managerial Ownership for the firms, was 21%, and the median was 11%. The maximum and minimum values of Managerial Ownership of the sampled firms were 1.09 and 0.0003, respectively. The standard deviation was 0.24. This percentage means that shares held by management are lower than that of institutional ownership.

Concerning the independent variable's mean value, foreign ownership for the firms was 0.237, and the median was 0.09. The maximum and minimum values of foreign ownership of the

sampled firms were 1.414 and 0.0008, respectively. This value implied that shears held by foreign bodies are 0.008% of the sampled firms.

The independent variable's mean, Ownership concentration for the firms was 24%, and the median is 16%. The maximum and minimum values of the sampled firms were 1.5% and 0.03%, respectively. The standard deviation was 25%. This percentage implied that ownership concentration has 25% of the shares of the sample firms.

**Table 1. Descriptive Statistics of the variables**

	FV_LOG	INST-OWN	MAG_OWN	FOR_OWN	OWN-CON
Mean	9.329803	0.395251	0.215308	0.237182	0.245382
Median	9.778151	0.312724	0.110000	0.096785	0.163802
Maximum	11.21540	1.291187	1.096724	1.414675	1.598545
Minimum	5.152771	0.023978	0.000396	0.000829	0.000315
Std. Dev.	1.226771	0.312613	0.244941	0.268896	0.256136
Skewness	-0.951822	0.436213	1.502165	1.582694	
Kurtosis	3.413418	1.958409	4.941191	5.872814	
Jarque-Bera	27.03780	13.15304	91.15883	130.1933	
Probability	0.000001	0.001393	0.000000	0.000000	
Sum	1595.396	67.58792	36.81759	40.55809	
Sum Sq. Dev.	255.8443	16.61356	10.19931	12.29186	
Observations	171	171	171	171	

Source; EViews 8 Output, (2019)

#### *Correlation Matrix*

Table 2 shows the correlations between the variables of the study. The result shows that the relationship between firm value and ownership concentration is positive. The value of the correlation is 0.15, which represents only 15%. This result implies that as ownership concentration increases, the firm value increases by 15% as well.

**Table 2. Correlation Matrix**

	FV_LOG	OWN_CON	INST_OWN	MAG_OWN	FORE_OWN
FV_LOG	1				
OWN_CON	0.14677979752044	1			
INST_OWN	0.29394608200673	-0.13895422833857	1		
MAG_OWN	-0.24596628781012	0.00677952270514	-0.2148590486402	1	
FORE_OWN	0.16464334153489	0.11839546282718	-0.34386880389339	-0.03645372576305	1

Source; EViews 8 Output (2019)

The correlation between institutional ownership and firm value is positive. The value of the correlation is 0.29. This correlation represents 29%. This result implies that the higher the number of institutional ownership, the firm value has increased by 29%.

Managerial Ownership and Firm Value have a negative correlation. The correlation value is 0.24, which represents 24%. This result implies that as management executives are holding more shares, the firm value will be decreased.

Foreign Ownership and Firm value have a positive relationship. The correlation value is 0.16, which represents 16%. Therefore, it implies that, as more foreign bodies hold shares of the firm, the firm's value increases by 16% in the annual report.

*Institutional Ownership and firm value*

The first hypothesis states that Institutional Ownership has no significant effect on the firm value of quoted Consumer goods firm in Nigeria.

**Table 3. The First Hypothesis Test**

Variable	Coefficient	Std. error	t-Statistic	Prob.
C	8.427365	0.231024	4.961852	0.0000
Insti-own	1.475337	0.297336	2.421101	0.0000

Source; EViews 8 Output (2019)

Table 3 regression results show that Institutional Ownership revealed a positive effect on firm value and is statically significant. The coefficient is 1.475337 and the p-value is 0.000, which is less than 0.05. A positive impact indicates that when institutions hold more shares, their firm value will increase. The null hypothesis will be rejected, and accept the alternate hypothesis. This p-value means a significant effect of institutional ownership on the market capitalization of listed consumer goods in Nigeria.

*Managerial Ownership and Firm value*

The second hypothesis states that managerial ownership has no significant effect on firm value of quoted Consumer goods firm in Nigeria.

**Table 4. The Second Hypothesis Test**

Variable	Coefficient	Std. error	t-Statistic	Prob.
C	8.427365	0.231024	4.961852	0.0000
Mag-Own	-0.784073	0.354617	-2.211044	0.0284

Source; EViews 8 Output (2019)

The analysis in table 4 shows that the effect of managerial ownership on firm value is negative and significant. The coefficient of managerial ownership is -0.784073, and the respective P-value is 0.0284. The P-value is less than 0.05. the study accepts the alternate hypothesis and rejects the null hypothesis, which states that there is no significant effect of managerial ownership on the firm value of listed consumer goods in Nigeria.

*Foreign ownership and firm value*

The third hypothesis states that foreign ownership has no significant effect on the firm value of quoted Consumer goods firm in Nigeria. Table 5 shows that the impact of foreign ownership on firm value is positive and statistically significant. The coefficient is 1.223994, and the respective p-value is 0.0000. Therefore, reject the null hypothesis and accept the alternate hypothesis. A

positive relationship indicates that because of more concentrated share own by foreign bodies, there will be an increase in the value of firm consumer goods companies in Nigeria.

**Table 5. The Third Hypothesis Test**

Variable	Coefficient	Std. error	t-Statistic	Prob.
C	8.427365	0.231024	4.961852	0.0000
Fore-Own	1.223994	0.336845	3.633697	0.0004

Source; EViews 8 Output (2019)

*Ownership concentration and firm value*

The fourth hypothesis states that ownership concentration has no significant effect on quoted consumer goods firms' firm value in Nigeria.

**Table 6. The Fourth Hypothesis Test**

Variable	Coefficient	Std. error	t-Statistic	Prob.
C	8.427365	0.231024	36.47825	0.0000
Own-con	0.806162	0.332973	2.421101	0.0166

Source; EViews 8 Output (2019)

Table 6 showed that ownership structure/concentration positively affects firm value, and the relationship is statistically significant. The coefficient is 0.806162, and the p-value is 0.016, which is less than 0.05. A positive effect indicates that with higher ownership concentration, the firm value will increase. Therefore, the study rejects the null hypothesis, which states that there is no significant effect of ownership concentration on firm value, and the alternate hypothesis is accepted.

*Hausman Specification Test*

The Hausman Specification test result is to decide which of the two models, fixed effect model or random effect model, is appropriate. The p-value of the Hausman Test in table 7 is 0.0189. This p-value is statistically significant; hence we reject the null hypothesis that random effect is appropriate. Thus, a fixed-effect model is adopted. Table 7 below shows the panel regression result based on the fixed effect model suggested by the Hausman test.

**Table 7. Hausman Specification**

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	13.53301	5	0.0189

Source; EViews 8 Output (2019)

## Discussion

In this section, significant outcomes from the results of the study are presented and discussed. For clarity of presentation and ease of empathy, the discussions of the findings have been separated into paragraphs. Each paragraph focused on an independent variable and the dependent variable.

This study's findings indicated a positive relationship between institutional ownership and firms' value significantly and positively increases. This finding implies that the more shares held by institutional bodies, the higher its value of listed consumer goods in Nigeria.

This study shows that there exists a negative relationship between managerial ownership and firms' value and significance. A negative and significant relationship means that more shares held by management decrease the firm's value of the listed consumer goods companies in Nigeria. This finding is in line with Rohim et al. (2019), and Dakhlalh et al. (2019) found that managerial ownership negatively affects the firm value. This relationship means that the more significant the proportion of Managerial Ownership can reduce firm value. This relationship shows that management as an agent trusted by shareholders or principals to manage the company to achieve these goals is the principal's welfare.

This study indicates that the relationship between foreign ownership and a firm's value is positive and statistically significant. A significantly positive relationship implies that as more of the firm's shares are concentrated with foreign stakeholders, higher firms' value is observed. This finding negates Zemplerová's (2010) results in the study, which showed a negative relationship between foreign ownership and firm performance. On the contrary, this study's findings agree with Uwuigbe and Olusanmi (2012) findings that foreign ownership had a positive relationship with listed firms in the financial sector.

This study's results indicate that this study's ownership concentration variables statistically influence firms' value of listed consumer goods in Nigeria. Specifically, the study found that the relationship between ownership concentration used in the research and firms' value is positive and significant at a 5% level of significance.

This study indicates that the relationship between ownership concentration and a firm's value is positive and statistically significant. A positive relationship implies that as ownership concentration increases, a firm's value increases. This finding agrees with that of Anwar & Tabassum (2011). It contradicts Lina, Soud, Nimer, and Alnimer (2013) that their result showed that ownership concentration has no significant effect on a firm's performance. Jensen and Meckling (1976) assumed that organizations' role is to maximize the shareholders' wealth. Further, the Agency theory explains a fundamental problem for absent or distant owners who employ professional executives to act on their behalf.

## CONCLUSION

Based on the previous section's findings, the study concludes that Institutional Ownership positively affects firm value. The study contends that having more shares owned by corporate institutions will increase the value of the firm as measured by Tobin's Q. Managerial ownership has a significant but negative effect on firm value. It is similar to the thought that managers own shares in the firm they work for, the likelihood of a decline in firm value will increase. Foreign ownership has a significant and positive effect on firm value, and as such, having foreign firms own shares in a company could lead to an increase in the firm's value in question. Ownership

concentration has a positive and significant effect on firm value proxied by Tobin's Q, which therefore implies that as more shares are being held by the highest shareholder(s), the firm value will increase as though there could be stability in terms of available capital for investments

Drawing an inference from the conclusion above, the study recommends a need for an increase in the share of the largest shareholders of Consumer goods firms through bonus issues or stock split. More corporate institutions should also be attracted to subscribe and acquire shares in the consumer goods firms under study. Consumer goods firms should be discouraging managers from owning shares in the firm to avert the possibility of a decline in firm value. Consumer goods firms should encourage more foreign participation in the firm's ownership by reserving a proportion of shareholdings for foreign institutions or investors.

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