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elfarouk105@gmail.com

+2348069393824

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## OWNERSHIP CONCENTRATION'S MODERATING EFFECT ON DIVIDEND PAYOUT AND TOBIN'S Q OF LISTED CONSUMER GOODS FIRMS IN NIGERIA

**Ovbe Simon Akpadaka**

Anan University Kwall,  
Plateau State

+2348034029041, [Simon.akpadaka@gmail.com](mailto:Simon.akpadaka@gmail.com)

ORCID: <https://orcid.org/0009-0009-6699-307X>

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### Abstract

This paper examines the direct effect of ownership concentration (OWNC), dividend policy as proxied by dividend payout (DPAY) and firm size proxied by log of total assets (FS) on firm value which is proxied by Tobin's Q. Also, the moderating effect of OWNC on the relationship between DPAY and Tobin's Q was examined. 16 out of the 18 listed consumer goods sector of the Nigerian Exchange Group (NGX) were purposively selected for this study and the study period 2013 to 2022 and 160 statistical observations per variable were employed for the study. Utilizing an ex-post facto research design, and fixed effects regression for the statistical model to control for unobserved heterogeneity within firms over time, ensuring a robust examination of the relationships under study. Also, an interaction term (OWNC\*DPAY) was introduced to capture the joint effects of ownership concentration and dividend policy on firm value. At the end of the analysis, DPAY was found to have a statistically insignificant impact on firm value. Secondly, OWNC exhibited a significant negative relationship with firm value, suggesting that higher levels of OWNC could adversely affect firm value. Thirdly, the moderating effect of OWNC on DPAY-firm value relationship yielded a negative and insignificant effect, suggesting that the influence of dividend policy on firm value is not significantly enhanced by variation in ownership concentration. These findings contribute, in a nuanced manner, to literature on dividend policy and ownership concentration in corporate governance in the context of emerging markets like Nigeria. It is recommended that managers of firms in the sector should look beyond dividend policy for value enhancement strategies and managers should ensure a balancing act between ownership concentration and dispersed ownership because of possible negative impact that concentrated ownership portend.

**Keywords:** Dividend payout, Ownership Concentration, Firm value, Fixed Effect Regression, Nigerian Exchange Group

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### 1. Introduction

Ownership concentration (OWNC) is the level to which a firm's shares are held by a small number of people that a substantial portion of a firm's shareholding are held by a few persons. When a large portion of the shares are in the hands of a few people it could be said that there is a high level of ownership concentration, (Gaur et al., 2015; Nashier & Gupta, 2023). Concentrated ownership offers benefits in the

area of control of managers of firm whose interest are not always in congruence with that of their principals. Jensen and Meckling (1976) argued that in modern corporate where ownership is separated from control, managers have the tendency not to always act in the best interest of their principals. Agency theory suggests that dispersed ownership can weaken shareholders control over management. And in contrast OWNC can lead to a more efficient monitoring of management. Large shareholders have greater influence and incentive to monitor and control management closely and this help ensure that managers' interest align with that of the shareholders, (Shleifer & Vishny, 1986).

OWNC has its downside despite argument in its favor by agency theory. High level of OWNC could lead to the suppression of minority shareholders' interests. La Porta et al. (2000) argued that while concentrated ownership can reduce traditional agency problems between principal and managers, it can also give rise to another one which could be expropriation of minority shareholders by the controlling concentrated shareholders. In addition, concentrated ownership and dividend policy are intertwined. Shareholders with substantial holding do have control and influence over management and can influence or dictate the direction of dividend policy of the firm. Concentrated shareholders might have preference for higher DPAY as a way of curtailing free cash flow, (Faccio et al., 2001; La Porta et al., 2000; Jensen, 1986).

OWNC, DPAY and firm value (proxied by Tobin's Q) are variables that have been studied extensively. But the interplay between DPAY and Tobin's Q as moderated by OWNC has not received much of attention in literature and worst it in the context of the consumer goods sector of the Nigerian Exchange Group (NGX) none have been able to explore this relationship. The closest study in this direction are from Naz et al., (2023) and Oyedokun et al. (2020). Naz et al., (2023) examined the impacted of dividend policy on firm performance in Pakistani manufacturing sector and found that OWNC has a significant positive moderating effect on the relationship between dividend policy and firm performance whereas (Oyedokun et al., 2020) examined the impacted of ownership structure on firm value in the consumer goods sector of the NGX but this study was done without an moderating variable.

Consequently, the research gap in literature lies in the nuanced examination of ownership concentration, dividend payout and firm value using OWNC as a moderating variable within the context of the consumer goods sector of the NGX . while prior studies like (Gaur et al., 2015; Nashier & Gupta, 2023; Oyedokun et al.,

2020) have examined the impact of OWNC on firm performance and firm value but with moderation effect of OWNC. There is lack of understanding on how OWNC moderates the relationship between dividend payouts and firm value. La Porta et al. (2000); Jensen and Meckling, 1986) posited theories that suggest benefits of concentrated ownership in taming agency problem there is therefore the need to subject this to rigorous empirical tests. There is also the possibility of a downside to OWNC such as the minority shareholders expropriation (La Porta et al., 2000). Therefore significant research gap exist in understanding how OWNC moderates the effect of dividend payouts on firm value especially in the consumer goods sector of the NGX. Hence, the study is to achieve the following objectives:

- i. To examine the effect of DPAY on Tobin's Q of consumer goods firms listed on the NGX
- ii. To examine the effect of OWNC on Tobin's Q of consumer goods firms listed on the NGX.
- iii. To determine the moderating role of OWNC on the relationship between DPAY and Tobin's Q of consumer goods firms listed on the NGX.

I

In view of the specific objectives of the study the following hypotheses have been formulated in null form:

H<sub>01</sub>: The DPAY does not have a statistically significant effect on the Tobin's Q of consumer goods firms listed on the NGX.

H<sub>02</sub>: OWNC does not have a statistically significant effect on the value of consumer goods firms listed on the NGX.

H<sub>03</sub>: OWNC has no statistically significant moderating effect on the relationship between the DPAY and the Tobin's Q of consumer goods firms listed on the NGX.

## **1. Review of theoretical issues**

A synopsis of the fundamental concepts and theoretical underpinnings that support the research is provided in the conceptual review section. This includes dividend policy, firm value, ownership concentration, and the interrelation of these concepts among other topics. This section provides foundational knowledge for subsequent empirical and theoretical analyses through an examination of the existing literature.

Dividend payout ratio (DPAY), one of the proxies for dividend policy, represents the portion of a firm's earnings distributed to shareholders in form of dividends. It is typically expressed as a percentage which is calculated by dividing the total dividends paid by the net income of the firm, (Fama, 2001). There are several factors

that influence dividend payout, some of which are firm performance (profitability), liquidity, tax implications, industry regulations like the banking and insurance sectors and corporate governance, (Arora & Srivastava, 2021; Odoemelam& Obiora, 2023; Renneboog& Trojanowski, 2011). DPAY is mathematically expressed as:

$$DPAY = \frac{DividendPaid}{NetIncome} * 100$$

Tobin's Q is one of the often used measure of firm value, it is a financial ratio that compares market value of a firm's total assets to its replacement costs. The total market value of equity and debts are added together, then dividend by the total assets valued at the replacement costs, (Tobin, 1969). Basically, Tobin's Q measures the efficiency with which a firm use its assets to generate value. A tobin's Q value greater than 1 suggests that the firm is worth more than its replacement cost, vis-visa, Setiyawati, et al. (2017). Therefore the Tobin's Q formula adopted for this study is:

$$Tobin'sQ = \frac{TotalValueofEquity+MarketValueDebt}{TotalAssets @ ReplacementValue}$$

Ownership concentration is an extent to which the shares of a firm are held in the hand of its largest shareholders. When a few individuals hold a significant proportion of a firm's shares, the firm is said to have high ownership concentration,(Gaur et al., 2015; Zulfikar et al., 2020). Study has revealed that OWNC is common in firms and it is prevalent in jurisdictions with weak legal protections for investors. This concentration let the shareholders, often families or state, to exert significant influence over the firm, (La Porta et al., 2000). Furthermore, studies have established that large shareholders, due to the substantial holdings, have both the means and motivation to to monitor management closely, (Shleifer & Vishny, 1997). This means that concentrated offers benefits by ensuring that firms are well run. However, the work of (Iturriaga & Crisóstomo, 2010) suggests that as owner concentration increases, it begins to produces adverse effect.

## **2.2 Ownership Concentration and Firm Value**

Ownership concentration which is a subset of ownership structure has been studied extensively in various countries and sectors with mix outcomes. The findings from some of such studies are discussed below with the aim of identifying the gap in literatureand justifying the need for the study.

Iturriaga and Crisóstomo (2010)analyzed a sample of 213 Brazilian firms from 1995 to 2004 as part of a study. Utilizing OLS panel data regression, the

relationship between OWNC and firm value was examined. The findings revealed a U-shaped relationship between OWNC and firm value, indicating that OWNC has a positive effect on firm value at lower levels but a negative effect as OWNC levels increase. This suggests that OWNC initially increases value to a certain extent, but then its effect begins to diminish as concentration rises. Additionally, this implies that a form of concentrated ownership has become firmly entrenched, which may be detrimental to the interests of minority shareholders.

In their research, Widiatmoko et al. (2021) examined the relationship between ownership structure, dividend policy, and firm value. The study specifically targeted manufacturing companies that were publicly traded on the Indonesia Stock Exchange and spanned the years 2016 to 2018. By utilizing multiple linear regression models, the research examined the impact of distinct ownership structures—namely concentrated ownership, institutional ownership, and managerial ownership—on both dividend policy and firm value. While on a direct basis, OWNC was found to have no significant impact on firm value, on the other hand of mediation, it indicates that it does so indirectly via dividend policy. Also in Indonesia Stock Exchange, Amelinda and Halim (2019) studied the effect of managerial ownership, institutional ownership, foreign ownership, and ownership concentration as predictors of firm value. The study period span 2000 to 2017 and a total of 432 observations were collected for the study period. The result of the multiple regression shows that OWNC was positive and highly significant predictor of firm value.

Oluwagbemiga et al., (2014) studied the Nigerian banking sector of the NGX with the aim of determining the effect of OWNC on firm value. Out of a population 21 banking firms listed on the exchange 18 were purposively selected for the study and the study period span 2008 to 2012 and multiple linear regression was used for the analysis. The result shows that OWNC, measured by stock held by individual investors and large-block shareholders and divided by total shares in issue, has a positive and significant relationship with firm value. Also (Oyedokun et al., 2020) examined the impact of OWNC, one of ownership structure variables used for the study, on firm value in the consumer products sector of the Nigerian Exchange. Utilizing a panel regression technique on secondary data that spans 2010 to 2018 for 19 out of 21 listed consumer goods firms. The results showed that OWNC has a positive and significant effect on firm value. This implies that a higher concentration of ownership in the hands of a few leads to increase in value of firms in the consumer goods sector of the NGX.

### **2.3 Ownership Concentration and Dividend Payout**

Studies have been conducted on the effect of OWNC on dividend payout and the results show that there are evidence that OWNC has positive and significant effect on DPAY, on the contrary there studies that have established negative influence of OWNC on DPAY. Arora and Srivastava (2021) studied the effect of OWNC on DPAY in India, the study covers period from 2010 to 2017 and sample size of 326 firm quoted on Bombay Stock exchange. The study employed fixed effect panel regression model for the analysis and the results show that ownership concentration is positively correlated with dividend payout, a finding that is at variance with pattern observed in many advanced economies. This implies that corporate dividend policy in emerging market like India differs significantly from those in developed markets. Similarly Setiawan et al. (2016) studied the effect of OWNC on dividend payout with a sample of non-financial firms listed on Indonesia Stock exchange using 710 firm year observation for study period spanning 2006 to 2012. Utilizing linear multiple regression for the analysis, the results show that there is a positive correlation between OWNC and DPAY. This aligns with Shleifer and Vishny, (1986) theory that majority shareholders are more inclined to incur monitoring expenses to safeguard their investment returns. Hence, as ownership percentage increases, shareholders tend to receive higher dividend payouts.

On the contrary, in South Africa, (Nel et al., 2021) studied the relationship between OWNC and different payout methods of firms listed on Johannesburg Stock exchange from 2012 to 2019. Utilizing a Mixed-Model Analysis of Variance (ANOVA) as analytical tool, the results of the study shows that 1. High ownership concentration is associated with statistically significant lower dividend payouts, implying that large shareholders might extract more value for themselves at the expense of minority shareholders which aligns with rent extraction hypothesis 2. The presence of a large shareholder outside the promoter group negatively affects dividend payout, which is another agency problem because it is the interest of the concentrated shareholders that get protected to the disadvantage of minority shareholders.

### **2.4 Dividend Payout and Tobin's Q**

A substantial body of empirical research consistently demonstrates that dividend policy and firm value are intricately linked. Osakwe et al. (2019) investigated the effect of dividend policy, using DPAY as one of the independent variables, on market price per shares for a study period that spans from 2011 to 2015. Ten consumer goods firm were used for the study and panel least squares regression was adopted for the study analysis. The results shows that dividend payout (DPAY)

has a significant and a positive effect on market value per share. In Jordan, (Maswadeh, 2017) examined the impact of cash and stock dividends on Tobin's Q in the banking sector of Amman Stock exchange with a sample of 16 banks over a study period of 2009 to 2015. Utilizing multiple and stepwise regression analyses the result shows, among other, that DPAY has a significant and positive effect on Tobin's Q. Furthermore, Dividend payout account for 21.2% of the explanatory power on Tobin's Q, which underscores the explanatory power of DPAY.

Ownership concentration has been used in studies as moderator and it has been found to be significant moderator. Singh et al. (2018) used OWNC to moderate the relationship between board independence and organizational performance and as well as relationship between CEO duality and organizational performance. The results showed that OWNC negatively moderates the relationships and this suggests that higher OWNC may weaken the impact of board independence and CEO duality on organizational performance. Similarly, Ali et al. (2022) made use of OWNC to moderate the relationship between board financial expertise and foreign institutional investment and it turned out that OWNC negatively moderates this relationship, which implies that higher OWNC may weaken the influence of board financial expertise on foreign institutional investment. Furthermore, Arora and Singh (2023) study showed that OWNC has a positive moderating role on the relationship between board independence and Small and Medium Scale (SME) IPO (Initial Public Offer) underpricing and as well as the relationship between board committee and IPO underpricing.

The theoretical framework the study is anchored primarily on the Agency Theory and Modigliani-Miller (MM) Dividend Irrelevance Theory.

Berle and Means (1932) bring to fore the conflicts of interest that existed in modern corporation noting that dispersed ownership leads to separation of ownership and control. This divorce of ownership from management can lead to agency problems, situation where managers of corporations place personal interest over and above that of the shareholders. The theory suggests that concentrated ownership could help mitigate these agency problems, because as large shareholders have both the means and the incentives to monitor managers effectively and such monitoring could help align managers interests with that of the shareholders. While the theory is foundational, its applicability across jurisdictions in contemporary or non-American setting might be limited.

Another theory of importance to this paper is the dividend irrelevance theory as postulated by Modigliani and Miller (1958). Under a perfect market situation with no taxes, and no bankruptcy costs, MM argued that dividend policy decision is irrelevant to firm value. They went further to state that the value of a firm is determined by its earning ability and investment decisions and that investors can create a home made dividend by selling or buying shares. The assumptions of the theory are its key limitations because there are taxes in the real world, transactional cost exist and so also is bankruptcy costs. Such conditions of market imperfection are more prevalent in less developed countries like Nigria, where these market imperfections are more evident and can influence corporate decisions, (Bae & Goyal, 2010; Koralalage, 2016).

This theoretical framework lays the foundation for our empirical investigatoion into whether OWNC influences the Tobin's Q, OWNC is able to moderate DPAY relation with Tobin's Q, DPAY is able to influence Tobin's Q, all in the context of the consumer goods sector of the NGX.

## **2. Methods and Models**

This study employs an ex-post facto research design, which is a non-experimental methodology in which associations between variables are established through the analysis of pre-existing data or events that have already transpired. Examining the relationship between explanatory variables (DPAY, OWNC, FS) and dependent variable (Tobin's Q ), within the consumer goods sector of the NGX is the primary objective. Utilizing a technique of purposive sampling, sixteen of the eighteen firms in the consumer goods sector of the NGX were chosen for the study. The criteria for selection are the firms' pertinence to the research and the accessibility of comprehensive data spanning the study period (2013-2022), as determined by the balanced panel data analysis implemented in this investigation. The selection of a period following the implementation of International Financial Reporting Standards was done with care to ensure a consistent and simplified basis for comparison. This study utilizes a variety of statistical techniques. First, a descriptive statistic was conducted to understand the distribution of data, and this was followed by Spearman Correlation Analysis, a non-parametric technique employed to evaluate the magnitude and direction of the relationship between variables. When the assumptions necessary for Pearson's correlation, such as normality, are not met, this method is especially applicable to ordinal data or such circumstances (Lecca et al., 2019).

Multifaceted panel data analysis constitutes the core of the analysis. Before proceeding, robust standard errors are incorporated into multiple linear regression. By effectively mitigating the effects of heteroskedasticity and ensuring that the estimation of regression coefficient standard errors is accurate, this method is vital for assessing relationships throughout the entire dataset. Additionally, on an intra-firm level, temporal variations are analyzed with the aid of a Fixed-Effects Regression model. By controlling for unobservable firm-specific factors that may introduce bias into the results, this model offers valuable insights into the internal workings of the organizations.

Furthermore, to examine the moderating impact of Ownership Concentration (OWNC) on the association between Dividend Payout Ratio (DPAY) and Tobin's Q, the research utilizes Moderated Regression Analysis. This permits an examination of how the effect of DPAY on Tobin's Q varies with varying levels of OWNC by incorporating an interaction term (DPAYxOWNC) into the regression model. Recognizing the intricate relationship between these variables and their cumulative effect on firm value is predicated on this facet of the analysis.

**Model 1: without moderating effect**

$$\text{TOBIN'S } Q_{it} = \beta_{0it} + \beta_1 \text{DPAY}_{it} + \beta_3 \text{OWNC}_{it} + \beta_4 \text{FS}_{it} + \mu_{it}$$

(1)

**Model 2: with moderating effect**

$$\text{TOBIN'S } Q_{it} = \beta_{0it} + \beta_1 \text{DPAY}_{it} + \beta_2 \text{DPAY} * \text{OWNC}_{it} + \beta_3 \text{OWNC}_{it} + \beta_4 \text{FS}_{it} + \mu_{it}$$

(2)

Where:

TOBIN'S Q = Firm value,

DPAY = Dividend payout ratio,

OWNC = Ownership concentration,

FS = Firm size,

$\beta_1 - \beta_4$  = coefficients of the independent variables

$\beta_0$  = intercept,

$\mu$  = error term,

it = firm and period.

## Measurement of Variables

**Table 1: Variables**

Variable	Nature of Variable	Proxy	Measurement
Tobin's Q	Dependent	Tobin's Q	$Tobin'sQ = \frac{ValueofEquity + ValueDebt}{Assets @ ReplacementValue}$ As defined by Setiyawati, et al. (2017)
Ownership concentration	Independent	Ownership Concentration	As a ratio of the number of shares held by those with at least 5 percent of the issues to the total number of shares issued, ownership concentration is calculated (Chalaki et al., 2012)
Dividend Policy	Independent	Dividend Payout Ratio	$DPAY = \frac{Dividend\_Paid}{Net\_Income}$
Firm Size	Control Variable	Total Asset	Natural Logarithm of total assets
DPAY*OWNC	Moderator	DPAY and OWNC	A multiple of DPAY and OWNC wich is the interaction term DPAYxOWNC is utilized.

**Source: Author's Compilation (2023)**

### 3. Results and Discussion

This section presents the findings of our emipirical investigation into the interplay between OWNC, DPAY and Tobin's Q. It starts with the descriptive statistics, and correlation matrix This followed by various robustness tests conducted to ensure the reliability of our findings. Subsequently the results are discussed in details.

#### 4.1 Descriptive Statistics

The descriptive values are presented under Table II which shows the smallest, largest, average, standard deviation, and normality test results.

**Table II: Descriptive Statistics**

<b>Variables</b>	<b>Min.</b>	<b>Max.</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Sktest</b>
Tobin's Q.	4083295	9.414058	1.918529	1.640405	
	2.459962				
DPAY	0	68.2	2.872375	9.758711	-
	1.142922				
OWNC	20	95	66.25	13.28592	-
	1.142922				
FS	12.67941	20.31832	17.56105	1.841698	-
	.7187042				

**Source: STATA 17 Output, 2023**

Table II above is a descriptive statistics of the dependent and independent variables. For Tobin's Q, which is a ratio that compares a firm market value to its replacement cost, the minimum value is .4083295, the maximum value 9.414058, with a mean of 1.918529. The standard deviation is 1.640405, which indicates a wide deviation from the mean. The skewness of 2.459962, which is highly skewed, suggests that there are outliers on the right side of the distribution curve. The DPAY has a minimum value of 0, the maximum value 68.2, with a mean of 2.872375. The standard deviation is 9.758711, which shows a relatively wide variation of dividend payout among the sampled entities. The skewness of -1.142922 indicates a negative skewness of the distribution, meaning that there are more firms that pay lower dividends in comparison to the mean dividend. OWNC values range from a minimum of 20 (20%) to a maximum of 0.95 (95%), with a mean of 0.6625 (66.25%). The standard deviation of 13.28592 shows that there is a wide variation in ownership concentration values and a skewness value of -.7187042 indicates that there are more firms with ownership concentrations less than the mean, and the tail of the distribution extends more towards lower ownership concentrations. FS, which is the log of total assets, ranges from a minimum value of 12.67941 to a maximum value of 20.31832, while the mean value is 17.56105. The standard deviation of 1.841698 implies a moderate level of variability in firm sizes and the skewness of -.7187042 shows that the distribution is left skewed, meaning that more the firms have their total assets value below the mean value.

## 4.2 Correlation Analysis

Table III displays the spearman correlation values of the variables. Spearman correlation is noted for its robustness in dealing with non-normal data and for its ability to handle monotonic relationship between variables, (Bishara & Hittner, 2012).

**Table III: Correlation Matrix**

	TOBINSQ	DPAY	OWNC	FS
TOBINSQ	1			
DPAY	0.6698**	1		
OWNC	0.0512	0.0461	1	
FS	0.1945*	0.2291**	0.2554**	1

**Source: STATA 17 Output, 2023**

\*\* 0.01 or \*0.05 level of significance (2-tailed)

Tobin's Q and DPAY correlation value of 0.6698 shows that is a strong positive correlation Tobin's Q and Dividend payout. TOBINSQ and OWNC correlation value of 0.0512 is positive and statistically insignificant, which suggests a very weak positive correlation between Tobin's Q and Ownership concentration. TOBINSQ and FS 0.1945 correlation is positive and significant. There is a weak positive correlation TOBINSQ and FS, which is statistically significant at 5% level.

DPAY and OWNC have a correlation coefficient of 0.0461, which implies a weak positive correlation between DPAY and OWN, and a statistically insignificant relationship existed between the two. DPAY and FS have a correlation coefficient of 0.2291 which is positive and statistically significant at 0.01. There is a moderate positive correlation between DPAY and FS which is highly significant. Lastly, OWNC and FS have a correlation coefficient is 0.2554, which implies a moderate positive correlation that is highly statistically significant.

#### 4.2.1 Robustness Tests

To establish the presence of detrimental multicollinearity, the tolerance, and Variance Inflation Factor (VIF) must be consistently below ten, (Hauber et al., 2014). The Variance Inflation Factor (VIF) results for each of the variables were well below the common threshold of <10, suggest that multicollinearity is not a concern in this model. Furthermore, Breusch-Pagan/Cook-Weisberg test for heteroskedasticity was conducted. The test yielded a chi-squared statistics of 67.06 with a p-value of 0.0000, which is highly significant. This means that there is the presence of heteroskedasticity in the residuals, which means that the variance of the error terms is not constant across observations. The presence of heteroskedasticity

led to the use of Robust Ordinary Least Square, helps to adjust for the impact of heteroskedasticity presence in the residuals.

It is critical that the most suitable econometric model be utilized for the analysis of our panel data to guarantee the robustness and dependability of our results. As a means of identifying systematic differences, the Hausman test, which compares the coefficients of the random-effects and fixed-effects models as a basis for making the appropriate choice was deployed. The Hausman test produced a chi-squared statistics of 197.08 with a p-value of 0.0000, which means that it is statistically significant, and it suggests that fixed-effect model is more suitable for the panel data analysis. The implication of fixed-effect model choice is that the panel analysis will focus on the within-firm variations over time. It also allows for control of any time-invariant characteristics of the firms that might cause bias.

#### 4.3 Summary of Regression Result

This part explains the effect between Dividend Policy, Ownership Concentration, and value of listed Consumer Goods Firms on NGX.

**Table IV: Summary of Regression (OLS)-Fixed Effect Model**

Variables	Coefficient	T-Statistics	Probability	Cumulative
Intercept	20.19855	8.84	0.000	
DPAY	.0529755	0.44	0.658	
DPAY*OWNC	-.0005793	-0.37	0.711	
OWNC	-.0391161	-3.29	0.001	
FS	-.8955651	-6.66	0.000	
R <sup>2</sup>				0.3505
Fisher Exact Statistics				18.88
Prob>F				0.0000
Test of Significance Difference (F)				0.20
Probability F				0.6590

**Source: STATA 17 Output, 2023**

The withinRsquare of 0.3505 of the fixed effect regression model indicates that only 35.05% of the change in value of listed consumer goods firms in Nigeria is as a result of variation in dividend payout ratio, moderated dividend payout ratio, ownership concentration and firm size within each firm over the period of this study.

A Fisher Exact F-statistics of 18.88, which is significant at the 1% level, indicates that the regression model including dividend payout; ownership concentration, firm size and the moderated dividend payout ratio, is statistically significant. This suggests strong evidence against the null hypothesis, which posits no joint effect of these variables on firm value. Therefore, it can be inferred that the independent variables collectively have a statistically significant association with the dependent variable.

Wald test conducted to assess the significance of the difference between the unmoderated DPAY and the moderated (DPAY\*OWNC) variables yielded an F-statistic value of 0.20 with a corresponding p-value of 0.6590. This p-value is substantially higher than the conventional threshold for statistical significance, which is 5% (0.05). This means that there is no statistically significant difference between the impact of the dividend payout ratio (DPAY) on its own and its interaction with OWNC on the value of listed consumer goods firms on the NGX. Consequently, we fail to reject the null hypothesis ( $H_{03}$ ) which posited that ownership concentration does not have a statistically significant moderating effect on the relationship between the dividend payout ratio and the value of consumer goods firms listed in Nigeria. It therefore means that dividend policy (DPAY) influence on value of consumer goods firms is not affected by changes in ownership concentration within these firms.

The DPAY coefficient, with a value of 0.0529755, indicates a positive relationship with the firm's value as measured by Tobin's Q, but its influence is comparatively moderate. The implication is that a marginal rise in the firm's value is correlated with an increase in the dividend payout ratio. The obtained t-statistic for DPAY is 0.44, which is significantly below the conventional thresholds of significance (approximately  $\pm 2$  for a confidence level of 95 percent). The t-low statistic's value of 0.44 suggests that the coefficient lacks statistical significance in differentiating it from zero. This suggests that the observed impact of DPAY on Tobin's Q may be attributable to random variation rather than a discernible pattern.

Furthermore, the insignificant p-value of 0.658 offers support to the conclusion reached on t-values. The obtained p-value surpasses the conventional threshold of 5 percent that is considered to be statistically significant. From a practical view, a p-value of 0.658 indicates that the likelihood of encountering this outcome is 65.8 percent, assuming that the actual impact of DPAY on Tobin's Q is negligible. Statistically, the available evidence is insufficient to reject the null hypothesis of no effect. As a result we fail to reject the null hypothesis ( $H_{01}$ ) which posited that

dividend payout ratio does not have a statistically significant impact on the value of consumer goods firms listed in Nigeria.

A significant but adverse effect of ownership concentration on the degree of firm value was observed. This is statistically significant at the 1% level, as indicated by the coefficient value of  $-.0391161$  and t-value of  $-3.29$ . (0.001). According to this, the value of publicly traded consumer goods companies decreases as ownership concentration rises. H02, which states that ownership concentration has no statistically significant effect on the value of consumer goods firms listed in Nigeria, is hereby rejected in light of the preceding analysis regarding the entire variable.

#### **4. Conclusions with Recommendations**

This paper carried out a detailed analysis of the impact of the dividend payout ratio (DPAY), ownership concentration (OWNC), and the interaction between these variables on firm value measures by Tobin's Q. A fixed effect panel regression was developed to capture the dynamics within firms over time while controlling for firm size and other potential confounding factors. DPAY was found to be an insignificant explanatory variable on value of firm within the firms studied which suggests that dividend policy might not be a key determinant of firm value in the consumer goods sector of the NGX. This finding is contrary to the findings of Oyedokun et al. (2020) who examined same consumer goods sector in the period 2010 to 2018. OWNC on the other hand was found to have a negative, yet significant impact on firm value. This outcome tends to align in part with the findings of Iturriaga and Crisóstomo (2010). This implies that more ownership concentration is detrimental to the value of firms in the sector, and this therefore calls for a balancing act between OWNC and dispersed ownership. Furthermore, the interaction between OWNC and DPAY on firm value was immaterial, implying that the influence of dividend policy on firm value is not significantly altered by variation in OWNC level. Based on the findings of this study it is recommended that firms in the consumer goods sector should ensure a balance in the ownership concentration of their firms because high OWNC is likely to produce a negative impact on firm value. Also, given the non-significance of DPAY on firm value, it is advisable that firms in the sector should focus more on other value enhancing variables like growth opportunities and market expansion.

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