

## **OWNERSHIP ATTRIBUTES AND FIRM VALUE: EVIDENCE FROM LISTED NON-FINANCIAL FIRMS IN NIGERIA**

**Yusuf Olamilekan Quadri**

Department of Accounting and Finance,  
Kwara State University, Malete, Kwara State, Nigeria.  
quadriyusuf@gmail.com, +2348065587154

**Lukman Adebayo-Oke Abdurauf**

Department of Accounting and Finance,  
Kwara State University, Malete, Kwara State, Nigeria.  
okelukman2003@yahoo.com, +2348034305255

**Sheriff Akanji Ibrahim**

Department of Accounting and Finance,  
Kwara State University, Malete, Kwara State, Nigeria.  
sheffygold001@gmail.com, +2348136488288

<https://doi.org/10.57233/gujaf.v6i1.11>

### **Abstract**

The volatile macroeconomic environment in which listed non-financial firms operate in Nigeria has posed many challenges to firm value maximisation due to policy inconsistencies, governance imbalance from ownership configuration, investors' confidence-related issues, regulatory barriers among others. Hence, this study investigates the impact of ownership attributes on firm value of listed non-financial firms in Nigeria. The study adopted a longitudinal research design and the data of 84 sampled listed non-financial companies were extracted from the annual reports and market data websites. Panel generalised least square regression was employed to analyse the data obtained and the results exhibited that foreign ownership ( $\beta=0.1183$ ,  $p\text{-value} = 0.000$ ), institutional ownership ( $\beta = 0.5511$ ,  $p\text{-value} = 0.000$ ), managerial ownership ( $\beta = 0.2206$ ,  $p\text{-value} = 0.031$ ) and ownership concentration ( $\beta = 0.1181$ ,  $p\text{-value} = 0.007$ ) are all significant at 5% significant level, The study concluded that ownership attributes enhance the firm value of listed non-financial firms in Nigeria; thus, it was recommended that sustainable value-creation strategies should be adopted in balancing all forms of ownership attributes among listed non-financial firms in order to enhance firm value.

**Keywords:** Ownership attributes, managerial ownership, institutional ownership, foreign ownership, ownership concentration, firm value

**JEL Classification Code:** G30, G32

### **1.0 Introduction**

Remarkably, the multi-faceted role of ownership structure in maximising the firm value has been a subject of discourse in corporate finance as the distribution of ownership rights and control among the different stakeholders of a company, such as the shareholders, the management, and the board of directors lean towards affecting the company's governance, its decision-making processes, and its ability to generate profits and growth (Suriawinata, 2022; Qi, et al., 2022). Changes in ownership structure due to acquisitions, mergers, or changes in controlling shareholders are implicative on firm value due to their impact on governance practices, strategic direction, and investor perceptions (Musah, et al., 2020). Ownership structure tends to influence firm value by shaping governance practices, risk management strategies, access to capital, strategic decision-making, market perception, and regulatory compliance. A well-designed ownership structure that promotes alignment of interests, effective governance, and sustainable

growth conceivably contributes to long-term value creation for shareholders and stakeholders (Santi & Novita, 2020; Alkurdi, et al., 2021).

Despite the significant roles played by ownership structure in shaping companies' operations and decision making, its impact varies widely based on the specific context, industry, and the broader economic environment in which the firm operates (Santi & Novita, 2020). Also, alignment of ownership attributes (managerial ownership, institutional, foreign and ownership concentration) with the goals and objectives of the firm is challenging as the firm value tends to be maximised by ensuring effective oversight and management accountability. Notably, ownership concentration poses a great challenge as it allows for reduced transparency, managerial entrenchment and expropriation of minority shareholders, all of which undermine firm performance and value (Oyedokun, et al., 2020; Yaghoobi & Khansalar, 2022). In addition, the presence of managerial ownership gives rise to agency conflicts as managers prioritise personal interests over shareholder wealth maximisation, compromise the financial reporting quality to cover for their excesses and expose the firm to more financial risks that will ultimately undermine the value (Saidi & Gidado, 2018; Shao, 2019).

Another major concern is the institutional ownership, whose potential for short-termism returns reduces the firm's ability to make long-term value-enhancing investments. These investors pressure management for immediate returns at the expense of long-term strategic goals, thereby leading to underinvestment in research and development or other long-term initiatives, potentially hindering the firm's sustainable growth and value maximisation (Abubakar, et al., 2019). Also, repatriation of profit is currently experienced in Nigeria, and firms with foreign ownership lean to move their profit back to their country which poses a serious negative effect on firm value. Empirically, the studies conducted on ownership attributes in Nigeria focused on firm performance and those on firm value examined specific sectors without looking at the listed non-financial firms as a whole. Hence, it becomes necessary to explore the bearing influence of ownership attributes on the value of listed non-financial firms in Nigeria. To achieve this, the following hypotheses are formulated:

H<sub>01</sub>: ownership attributes do not significantly affect the value of the listed non-financial firms in Nigeria

H<sub>01a</sub> institutional ownership does not significantly affect the value of the listed non-financial firms in Nigeria

H<sub>01b</sub> managerial ownership does not significantly affect the value of the listed non-financial firms in Nigeria

H<sub>01c</sub> ownership concentration does not significantly affect the value of the listed non-financial firms in Nigeria

H<sub>01d</sub> foreign ownership does not significantly affect the value of the listed non-financial firms in Nigeria.

## **2.0 Literature Review**

According to Thompson & Weisbach, (2012), ownership attributes refer to the characteristics or qualities associated with ownership, which can vary depending on the context in which the term is used. In the context of tax law, ownership attributes are the tax characteristics associated with a security that determine how income and deductions are taxed and these attributes include holding periods, eligibility for special tax benefits such as the dividends received deduction, and

counting toward control or as qualifying consideration for various purposes (Droblyen, 2023). In the context of workplace ownership, ownership attributes can refer to the sense of responsibility and accountability that employees feel towards their work and the organization as a whole. This can include the ability to take initiative, make decisions, and be accountable for the outcomes of those decisions (Wilms, 2024).

### **Institutional Ownership**

Institutional ownership, according to Kenton (2021), is the portion of a company's available stock held by endowments, mutual or pension funds, insurance companies, investment firms, private foundations, or other sizable organisations that look after other people's money. Institutional ownership is important for a company because it is essential for overseeing management. Institutional ownership will encourage and lead to the company's ideal growth. Investor institutional oversight will ensure shareholder wealth (Arifin, 2022). The term "institutional ownership" describes the ownership of stock in a business by endowments, pension funds, or major financial institutions. They are expected to be able to oversee managers because they hold significant shareholdings, which has an undeniable impact on companies (Moradi, et al., 2022).

### **Managerial Ownership**

Managerial ownership refers to the portion of shares held by management, which includes directors and commissioners who actively participate in corporate decisions (Agustia, et al., 2019). Managerial ownership, according to Khan et al. (2013), gives managers control over the business and the ability to determine its strategies and policies because the manager in this scenario also serves as a shareholder. Managerial ownership is defined by Santoso and Nurhidayati (2022) as the extent of share ownership of management parties that actively participate, including directors, management, and commissioners. Ownership of managerial shares will influence how well management performs in order to maximise the company. According to Suzan and Utari (2022), managerial ownership refers to the portion of the financial statements share ownership that directors, managers, and commissioners own. Because they will be held accountable for their decisions, managers who possess this shared ownership will exercise caution. They are more driven to increase output and manage the company in order to bring value to it.

### **Ownership Concentration**

Alhababsah (2019) described ownership concentration as the percentage of shares held by a single person or organisation as it can have a significant effect on corporate governance frameworks and decision-making procedures. Ownership concentration, according to Fera, et al. (2023), is the portion of a company's share capital that is not actively traded on the open market. As such, it is a key internal governance mechanism that allows block owners to influence and control the company's management in order to further their own interests. Ownership concentration (OC), according to Nashier and Gupta (2020), is regarded as a crucial corporate governance mechanism since owners with concentrated shareholding have an impact on a company's operations and management. Ownership concentration is the accumulation of a significant number of shares in the hands of a small number of people, giving these people significant influence over other shareholders in the organisation (Mbate and Sutrisno, 2023; Singh & Rastogi, 2023). Ownership concentration pertains to the allocation of ownership stakes among shareholders within a company. It is a crucial factor that influences the decision-making dynamics of the organisation, corporate governance, and ultimately, the firm's performance (Gupta & Mer, 2023)

### **Foreign Ownership**

Collins, (2019) asserted that the definition of foreign ownership can vary depending on the context in which it is used. In the context of securities and assets, foreign ownership can be defined by the percentage of outstanding voting securities owned by foreign persons. In the context of companies, foreign ownership can refer to the degree of ownership and control by foreign entities. Foreign ownership is the percentage of a company's equity or assets that is owned by foreign investors or entities, often measured in terms of shareholding or controlling interests (Brewster & Hegewisch, 2017). Foreign ownership also refers to the ownership of companies, assets, or properties by individuals, entities, or governments from foreign countries, indicating the degree of international investment in a country's economy (OECD, 2020).

### **Firm Value**

Putro & Risman (2021) described the firm value as representing the present value of anticipated cash flows which reflect the worth of company assets and are likely affected by risk variables that may induce potential deviations. Nurhayati, et al., (2021) asserted that value generally encompasses elements of nominal, market, intrinsic, and book value. While nominal value refers to the value specified in a company's articles of association typically at its inception or as per its deed of amendment; market value is referred to as the market price established in the stock market through a negotiation mechanism or process as the market value of this company's shares will be ascertainable upon its listing on the stock exchange (Zeume, 2017). Moreso, intrinsic value is derived from computations in a company's basic analysis and is typically employed to evaluate a company's share price and inform decision-making for investors and investment managers. The book value of a firm is determined for accounting purposes by calculating the difference between total assets and total liabilities, and then dividing this figure by the number of shares outstanding (Krause, & Tse, 2016; Jihadi, et al., 2021).

### **Theoretical Review**

According to the Resource-Based View (RBV), firm value stems from unique assets combined with their effective use of resources, which are rare, difficult to duplicate, and inimitable (Barney, 1991). A firm's ownership attributes regarding concentration alongside forms of ownership directly affect how its base of resources and capabilities develops. Institutional investors contribute important financial capabilities with governance frameworks and network benefits that help companies achieve better firm performance (Gillan & Starks, 2003). Family business owners have specific knowledge of their companies and strategic foresight and social capital, which benefits firm value (Chrisman et al., 2015). The positive value effects from ownership characteristics hinge on how well the firm operates these resources efficiently. According to RBV theory, the interest alignment between managers and shareholders improves through significant equity ownership (Fahlenbrach & Stulz, 2009; Morck et al., 1988).

Furthermore, RBV demonstrates how institutional ownership enhances governance systems while it decreases information imbalance and delivers access to fundamental business resources (Bushee, 1998). Long-term institutional investors support firm value creation through their support for capital investments combined with financial management strategies and operational efficiency measures (Ferreira & Matos 2008; Edmans, 2014). RBV presents an extensive framework which demonstrates how a company's value is affected by ownership characteristics through obtaining valuable resources and developing strategic skills.

### **Agency Theory**

According to agency theory, the essential elements of ownership structure determine how well agencies can resolve their conflicts while simultaneously maximizing firm value. Jensen and Meckling (1976) asserted that companies suffer agency problems because managers (agents) lack shared interests with shareholders (principals). Ownership attributes function as vital tools for agency cost reduction through their impact on manager encouragement and supervisory systems; hence, firm performance improves and decision-making efficiency grows while value increases after managers see their interests synchronized with shareholder interests through proper ownership design (Chemmanur, et al., 2023). The ownership level prompts managers to deliver value maximization because their wealth strengthens in direct relation to company outcomes. The extreme amount of company ownership held by managers often causes a problem of managerial entrenchment which weakens external monitoring and enables detrimental managerial activities that reduce firm value (Fosberg, 2023).

Also, firms under foreign and institutional ownerships benefit from stringent governance inspections and superior surveillance, enabling agency cost reduction, which enhances firm value under suitable information transparency and minimal regulatory restrictions (Kusnadi, et al., 2022). The absolute performance of firms improves when institutions become owners because they provide both specialized knowledge and monitoring abilities that strengthen governance and minimize agency costs thereby enhancing firm value (Lee, et al., 2023).

### **Empirical Review**

Sakawa and Watanabel (2020) determined the function of institutional investors with shareholder-oriented agendas in Japan. The TOPIX 500, a list of large Japanese listed companies, was used as the study's sample from 2010 to 2016 to assess the role of institutional investors in stakeholder-focused corporate governance, the impact of institutional investors on firm performance using 2924 firm-year observations. The findings showed that institutional shareholders, or foreign shareholders, effectively perform the monitoring role in Japanese firms. Additionally, the study found that institutional shareholders contribute to building sustainable corporate governance systems and improving sustainable business performance in a stakeholder-oriented framework.

Indy and Uzliawati (2023) conducted an analysis on the impact of managerial ownership, intellectual capital, and profitability on firm value within the banking sector. The study focused on the population of banking institutions listed on the Indonesia Stock Exchange between the years 2017 and 2021. The study employed a purposive sampling technique to select the sample for their study. The findings indicated that there is no significant relationship between managerial ownership and intellectual capital on business value. However, profitability does have a significant impact on firm value.

The simultaneous and partial effects of managerial ownership, intellectual capital, and profitability on business value are examined by Leny and Nurul (2023). The non-cyclical consumer firms sector listed on the Indonesia Stock Exchange (IDX) in the years 2018 to 2021 serves as the study's sample. Purposive sampling was employed, resulting in 76 samples from 23 enterprises in the consumer non-cyclical category. Panel data regression analysis was used and the findings demonstrated that management ownership, intellectual capital, and profitability all

simultaneously and somewhat affect firm value. This shows that the business requires competent management that is directed by the variables that influence its value.

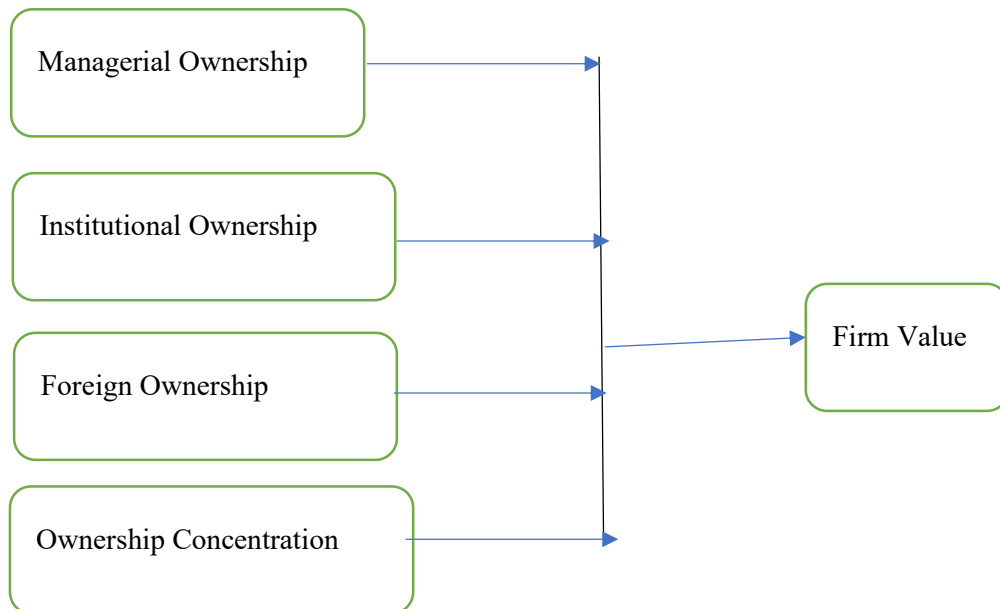
Balogun, et al., (2023) investigated the impact of institutional ownership on the firm value of listed manufacturing companies in Nigeria using dividend distribution as moderating variable. For a period of 2010 to 2021, secondary data from financial reports of 35 sampled listed manufacturing companies were analysed and the findings demonstrated that the value of enterprises was not significantly impacted by institutional ownership; institutional ownership and dividend payout together have a moderating effect on business valuation and the amount of institutional ownership in listed manufacturing businesses in Nigeria depends on the dividend payments made to shareholders.

Suwandi and Susilawati (2023) explored how managerial ownership, intellectual capital, and company performance affect firm value using company performance as the mediating variable. The study population is made up of 47 mining companies listed on the IDX between 2017 and 2021 using purposive sampling technique. 36 mining companies were sampled and the analysis revealed that the value of a corporation is not impacted by intellectual capital. Performance differences have little impact on a company's worth. Business performance is significantly and profitably influenced by managerial ownership characteristics. Corporate social responsibility and corporate values can be connected using business performance metrics.

**Conceptual Framework**

**Independent Variables**

**Dependent Variables**



**Source: Author’s Conceptualization**

**3.0 Methodology**

The study employs a longitudinal research design because its main purpose is to answer the research questions about ownership attributes and their impact on Nigerian listed non-financial firm value. The research target includes 104 non-financial companies registered on the Nigerian Exchange group. This study adopted Taro Yamane’s (1967) sample size technique for

determining the selected research sample. Eighty-four (84) public firms from all ten non-financial economic sectors were chosen for this research. The stratified sampling technique enabled the selection of sampled data that provided thorough representation while maintaining statistical validity, operational efficiency, unbiased data collection while fulfilling all essential points related to this study's purpose. Data concerning the ownership attributes and firm value of the studied listed non-financial companies originated from their annual reports and additional specific data were extracted from market data platforms including Wall Street Journal and investing.com. The business cycle from 2011 to 2023 serves as the reference point for this study and the data analysis proceeded with panel generalized least square regression analysis after preliminary evaluation.

**Model Specification**

To achieve the study’s objective, the model of Uche, et al., (2021) was adapted which investigated the effect of ownership structure on the firm value of listed oil and gas firms in Nigeria and the model was stated as:

$$TobinQ_{it} = \beta_0 + \beta_1 ManOwn_{it} + \beta_2 GovtOwn_{it} + \beta_3 OwnCon_{it} + \beta_4 CEOOwn_{it} + \beta_5 Shareprice_{it} + \epsilon_{it} \dots \dots \dots (i)$$

The model was adapted as:

$$Tobin'sQ_{it} = \beta_0 + \beta_1 FO_{it} + \beta_2 IO_{it} + \beta_3 MO_{it} + \beta_4 OC_{it} + \epsilon_{it} \dots \dots \dots (ii)$$

Where:

Tobin’s Q<sub>it</sub> = Tobin’s Q Value of firm i at time t

FO<sub>it</sub> = Foreign ownership of firm i at time t

IO<sub>it</sub> = Institutional ownership n of firm it at time t

MO<sub>it</sub> = Managerial Ownership of firm i at time t

OC<sub>it</sub> = Ownership Concentration of firm i at time t

**Table 1:**  
**Variable Measurement**

Variables	Construct	Measurement	Sources	a-priori
<b>Dependent variable</b>				
Firm Value	Tobin’s Q	$\frac{\text{Market value of equity} + \text{Debt}}{\text{Book value of equity} + \text{Debt}}$	Chabachib, et al., 2020; Antoro, et al., 2020;	
<b>Ownership Attributes</b>				
Foreign Ownership	FO	$\frac{\text{Total shares of Foreign Parties}}{\text{Total Outstanding Shares}}$	Sumarno & Setiawan, 2023; Budiman & Mahadwartha	+

Institutional Ownership	IO	$\frac{\text{No of Institutional owned shares}}{\text{Amount of share capital outstanding}}$	, 2023; Alexandria & Radianto, 2023 Akmalia & Aliya, 2022; Lifaldi, et al., 2023;	+
Managerial Ownership	MO	$\frac{\text{No of shares owned by ED}}{\text{Amount of share capital outstanding}}$	Silalahia & Lestari, 2023; Indriawati, et al., 2023; Santoso & Nurhidayati, 2022;	+
Ownership Concentration	OC	5% or more shares owned by block shareholders in relation to the total number of shares in issue	Wulandari & Setiawan, 2021; Abdullah, et al., 2019;	+

Source: Author's compilation

#### 4.0 Results and Discussions

Table 2:

*Statistical Summary of the Variables*

Variable	Obs	Mean	Std. dev.	Min	Max
tobinsq	1,092	5.274086	7.04637	-3.9776	55.33112
foreign	1,092	0.0174147	0.01014	0.00132	0.061
institut~l	1,092	0.5097689	0.10549	0.31098	0.77231
managerial	1,092	0.0047258	0.00602	0.000242	0.031426
concentrat~n	1,092	0.5127366	0.10632	0.31098	0.77321

Source: Author's Computation, 2024.

The summary statistics results in Table 2 revealed that Tobin's q has a mean value of 5.27, standard deviation of 7.05, minimum value of -3.98 and maximum value of 55.33. Since the mean value is higher than 1, this indicates that on average, firms are valued higher portraying that the listed non-financial firms have the potential of strong growth prospects, market confidence and competitive advantage. The standard deviation of 7.05 implies substantial variability in Tobin's q values which may be attributed to firms' specific factors and differences in the industry. The minimum value of -3.98 shows that the market perceives some listed non-financial firms as having little or no growth prospect while the maximum value of 55.33 suggests that some firms have exceptional growth which may ultimately result in overvaluation.

With respect to the ownership attributes, foreign ownership has a mean value of 0.0174 indicating that on average, 1.74% of the shares of the listed non-financial firms are held by foreign investors; the standard deviation of 0.01014 signifies variability in the foreign ownership levels across the firms; the minimum value of 0.0013 represents the company with the lowest

foreign ownership or 0.13% while the maximum value of 0.061 imply that the company with the highest foreign ownership has 6.1%. Also, institutional ownership has a mean value of 0.509 signifying that on average, institutional investors hold 50.9% of ownership of listed non-financial firms in Nigeria and the standard deviation of 0.105 telltale moderate variability in the institutional ownership across the listed non-financial firms. The firm with the least institutional ownership is the firm with 31.09% while the maximum value of 0.7723 shows that in a company, institutional investors possess 77.23% of the outstanding shares of the company.

Moreover, managerial ownership has a mean value of 0.0047 indicating that on average, 0.047% of total ownership in the firms belongs to the managers suggesting that managers have a minimal equity stake in the firms they manage; a standard deviation of 0.0062 telltale a low variability in managerial ownership across firm meaning that most firms have a consistent low level of ownership by their managers; the minimum value of 0.00024 suggest that there are firms with near-zero level of managerial ownership while the maximum value of 0.0314 portray the firm with the highest level of managerial ownership with the tune of 3.14%. Likewise, the ownership concentration has a mean value of 0.5127 implying that on average, 51.27% of ownership is concentrated in the hands of a group of owners meaning that a small number of shareholders hold significant influence over the firm’s decisions; the standard deviation of 0.1063 implies moderate variability as some firms have dispersed ownership while some dominated by a small group; the minimum and maximum values of 0.3109 and 0.7723 shows that the firms with lowest ownership considerations have 31.09% while the firms with highest ownership concentration has 77.23%.

**Variance Inflation Factor**

This sub-section presents the statistical measures result to further assess the extent of the correlation among the independent variables and detect any multicollinearity which may distort the regression coefficients, inflate the standard errors thereby leading to unreliable estimates.

**Table 3:**  
**Variance Inflation Factor**

Variable	VIF	1/VIF
Managerial	1.17	0.851194
concentrat~n	1.16	0.860581
Foreign	1.13	0.887539
instititut~l	1.12	0.894113
Mean VIF	1.15	

**Source:** Author’s Computation, 2024.

The degree to which correlations between the independent variables may increase the standard error of regression coefficients is clearly shown in Table 3. In other words, the variance inflation factors were used to gauge how strongly one independent variable was correlated with another. Generally speaking, a VIF of more than 5 indicates that more research is necessary, whereas a VIF of at least 10 indicates that there is a significant degree of collinearity between the variables of interest that has to be corrected (Hair et al., 1995; Rogerson, 2001).

The result presented in Table 4.3 revealed that the variables have low VIF values suggesting immaterial multicollinearity which is unlikely to cause significant issues in the regression model

and the predictors do not contribute significantly to multicollinearity. The mean VIF gives an overall sense of multicollinearity in the model thereby suggesting that multicollinearity is not a widespread issue. The Tolerance levels (TOLs) i.e. the inverse of VIFs, support this, with the majority of results being noticeably higher than the typical threshold of 0.2. Therefore, there is no indication that the regression coefficients' standard errors would have been mistakenly exaggerated.

**Table 4:**  
**Panel Regression Result Ownership attributes**

Variable	Fixed			Random		
	Coefficient	t	p-value	Coefficient	z	p-value
foreign	.0640006	4.11	0.000	.1183358	7.3	0.000
institutional	8.268711	7.4	0.000	.5511226	11.4	0.000
managerial	3.852655	9.2	0.000	.2205523	2.16	0.031
concentration	.3965237	8.3	0.000	.11813	3.4	0.007
const	28.99384	0.91	0.362	-1.211596	-1.35	0.177
R-squared	0.0602			0.0632		
Wald Chi2	0.39			7.87		
prob>F	0.8162			0.0963		
F-test	28.73					
Hausman	0.7964					

**Source:** Author's Computation, 2024

Table 4 presents panel regression results for ownership attributes and value of listed non-listed non-financial firms in Nigeria using Tobin's q as a proxy for firm value. The R-squared has 0.0632 indicating that 6.32% of the variance in the dependent variable is explained by the model. While relatively low, this is not uncommon in panel data when unobserved heterogeneity exists. The Wald chi-squared has 7.87, with a p-value of 0.0963 implying that the model's overall significance is marginal (close to the 0.1 threshold), suggesting that while the included variables are important, there may be omitted factors influencing the dependent variable. The Hausman test p-value (0.7964) suggests that the random effects model is appropriate as the null hypothesis (that the random effects model is consistent) cannot be rejected, indicating that the explanatory variables are not correlated with the error term, therefore, the random effects model is the focus for interpretation. The constant has a coefficient of -1.2116 with a p-value of 0.177 indicating that the constant term is not statistically significant, as there is no substantial baseline level of the dependent variable when all predictors are at zero.

Foreign ownership as a component of ownership attribute has a coefficient of 0.1183 indicating that firms with higher levels of foreign ownership experience better performance and firm value as foreign ownership may bring in better management practices, advanced technology, and enhanced access to international markets, positively impacting firm value. The p-value of 0.000 suggests the rejection of the null hypothesis but acceptance of the alternative hypothesis which states that foreign ownership significantly impacts the value of the listed non-financial firms in Nigeria. In addition, institutional ownership has a coefficient of 0.5511 posing that it has a strong influence on the firm value. This is a pointer that institutional investors, as active monitors of firm management, enhance governance quality and drive performance improvements through

strategic oversight which directly or indirectly enhance the firm value. The p-value of 0.000 suggests that it is statistically significant thereby leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis which states that institutional ownership has a significant impact on the value of listed non-financial firms in Nigeria.

Moreso, managerial ownership has a coefficient of 0.2206 implying that managerial ownership aligns management's interests with those of shareholders, leading to improved firm value as ownership by managers reduces agency conflicts and promotes decision-making focused on long-term value creation. The p-value of 0.031 suggests that managerial ownership is statistically significant, hence, leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis which states that managerial ownership impacts significantly the value of listed non-financial firms in Nigeria. Likewise, ownership concentration has a coefficient of 0.1181 suggesting that firms with concentrated ownership structure have improved firm value as concentrated ownership improves monitoring and decision-making efficiency, reducing the risks of managerial opportunism. The p-value of 0.007 indicates that it is statistically significant thereby leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis which states that ownership concentration has a significant impact on the value of listed non-financial firms in Nigeria.

### **Discussion of Findings**

The finding revealed that institutional ownership positively impacts the value of listed non-financial firms in Nigeria as firms with institutional ownership tend to enjoy improved corporate governance, reduction in agency conflict, enhanced risk management, financial reporting quality, promotion of ESG practices, reduction in cost of capital among others that ultimately influence the firm value. Essentially, the monitoring roles played by the institutional investors especially on the managerial decisions usually reduce the agency conflict as the interest of the shareholders is always aligned with that of management which ultimately fosters a better financial performance as well as higher firm valuation. Also, the proactive approach of institutional investors towards risk management activities improves the firm's credit rating and long-term sustainability thereby maximizing the firm value. This finding agrees with the studies of Sakawa and Watanabel (2020); Diab, et al., (2021); Agustina, et al., (2023); Lifaldi, et al., (2023)

Furthermore, managerial ownership according to the findings positively impacts the value of listed non-financial firms in Nigeria. By implication, firms with managerial ownership have their values maximized as a result of the alignment of interests, enhanced decision-making, reduced agency costs, increased investor confidence, mitigation of risky behaviour, dividend policy optimization among others. Also, as the personal wealth of the managers is tied to the firm's success, hostile takeovers are deterred; costs associated with the monitoring and controlling manager's actions are reduced and the firm's assets and reputation are protected thereby enhancing stability, operational efficiency and value maximization. This finding concurs with the studies of Fujianti et al., (2020); Fitri and Eddy (2023); Indy (2023).

In addition, the findings pontificate that ownership concentration positively impacts the firm value of listed non-financial firms in Nigeria and by implication, significant shareholders are granted incentives to closely monitor managerial actions; maintain a balanced risk profile and effectively allocate resources thereby reducing agency-related expenses and likelihood of managerial opportunism which may hamper the firm value. this finding agrees with the studies of Abdulfatah et al. (2023); Hashmi et al., (2023); Waris and Din (2023); Rastogi, et al., (2023)

Likewise, the findings hold forth that foreign ownership positively impacts the firm value of listed non-financial firms as firms with foreign ownership enjoy combined benefits of access to advanced technology, capital inflow, enhanced corporate governance, knowledge transfer, export market expansion, exchange rate risk mitigation, policy advocacy influence among others that ultimately enhance the firm value. essentially, foreign investors demand higher standards of governance and transparency which later translate to efficient management of resources and aligning the operational activities to the best international standards thereby improving the firms' performance and enhancing the value of the firm. This finding agrees with the submissions of Wulandari and Setiawan (2021); Satrio (2022); Sumarno and Setiawan (2023).

## **5.0 Conclusion and Recommendation**

Based on the findings, it is concluded that the ownership attributes, among which are institutional ownership, managerial ownership, ownership concentration, and foreign ownership, enhance the firm value of listed non-financial firms in Nigeria. Succinctly, the study concludes that:

- i. Robust oversight and monitoring provided through institutional ownership promote transparency and accountability, which further mitigate risks and enhance firm value.
- ii. Incentivising managers through equity shares fosters efficient resources and motivates the pursuance of strategies that maximize the long-term value of the firm.
- iii. Ownership concentration ensures strategic alignment and mitigates inefficiencies
- iv. The introduction of global expertise and access to the international market through foreign ownership also enhances firm value.

It is therefore recommended that

- i. Securities and Exchange Commission (SEC) and Nigerian Exchange Group (NGX) should develop policies that promote active and long-term institutional investment in non-financial listed firms, as they are more likely to support sustainable value creation strategies
- ii. Firms should introduce stock options or performance-based equity awards to motivate managers to focus on long-term firm value;
- iii. Optimal level of concentrated ownership should be maintained by listed non-financial firms to ensure effective oversight without undermining the benefits of broader shareholder representation.
- iv. Collaboration between foreign and domestic stakeholders should be fostered by firms to address potential cultural and operational challenges that could diminish firm value.

## **References**

- Abubakar, Y., Umaru, D., & Daikwo, A. (2019). Institutional ownership and financial performance of quoted building materials firms in Nigeria. *International Journal of Research and Scientific Innovation*, 6(5), 269-273.
- Agustia, D., Dianawati, W., & Indah, D. R. A. (2019). Managerial Ownership, Corporate Social Responsibility Disclosure and Corporate Performance. *Management of Sustainable Development*, 10(2), 67–71. <https://doi.org/10.2478/msd-2019-0011>
- Akmalia, A., & Aliyah, S. A. (2022). The role of financial performance in mediating the effect of institutional ownership, company size and sales growth on firm value. *Jurnal Manajemen Bisnis*, 9(2), 274-279.

- Alexandria, V. A., & Radianto, W. E. D. (2023). Inovbiz The Impact of Tax, Foreign Ownership, and Firm Size on Transfer Pricing (Empirical Studies on Coal Mining Sub-Sector Companies Listed in Indonesia Stock Exchange for 2012-2021 Period). In *Inovbiz: Jurnal Inovasi Bisnis* (Vol. 11). [www.ejournal.polbeng.ac.id/index.php/IBP](http://www.ejournal.polbeng.ac.id/index.php/IBP).
- Alhababsah, S. (2019). Ownership structure and audit quality: An empirical analysis considering ownership types in Jordan. *Journal of International Accounting, Auditing and Taxation*, 35, 71–84.
- Alkurdi, A., hamad, A., Thneibat, H., & Elmarzouky, M. (2021). Ownership structure's effect on financial performance: An empirical analysis of Jordanian listed firms. *Cogent Business and Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1939930>.
- Antoro, W., Sanusi, A., & Asih, P. (2020). The Effect of Profitability, Company Size, Company Growth on Firm Value Through Capital Structure in Food and Beverage Companies on the Indonesia Stock Exchange 2014-2018 Period. *International Journal of Advances in Scientific Research and Engineering*, 06(09), 36–43. <https://doi.org/10.31695/ijasre.2020.33876>.
- Balogun, J. E., Agbi, S. E., Yahaya, O. A., & Joshua, S. G. (2023). Institutional ownership and firm value of listed manufacturing companies in Nigeria: the moderating role of dividend payout. *Nigerian Journal of Accounting and Finance*, 15(1), 85-111.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Brahmana, R., Kontesa, M., & Gilbert, R. E. (2019). *Volume 38, Issue 2 Income diversification and bank performance: evidence from malaysian banks*. <https://www.researchgate.net/publication/324826997>.
- Budiman, A., & Mahadwartha, P. A. (2023). Foreign Ownership, Agency Fees, Debt, and Company Value of Manufacturing Companies on the Indonesia Stock Exchange. *JURNAL AL-QARDH*, 8(1), 41–51. <https://doi.org/10.23971/jaq.v8i1.2964>.
- Bushee, B. J. (1998). The influence of institutional investors on myopic R&D investment behavior. *Accounting Review*, 73(3), 305-333.
- Chabachib, M., Hersugondo, H., Septiviardi, D., & Dapit Pamungkas, I. (2020). The Effect of Investment Opportunity Set and Company Growth on Firm Value: Capital Structure as an Intervening Variable. In *International Journal of Innovation, Creativity and Change*. [www.ijicc.net](http://www.ijicc.net) (Vol. 12, Issue 11). [www.ijicc.net](http://www.ijicc.net).
- Chemmanur, T. J., Loutskina, E., & Tian, X. (2023). Private equity ownership and firm innovation: Evidence from patenting. *Journal of Financial Economics*, 147(2), 336–362. <https://doi.org/10.1016/j.jfineco.2022.12.003>
- Chrisman, J. J., Chua, J. H., Pearson, A. W., & Barnett, T. (2015). Family involvement, family influence, and family-centered non-economic goals in small firms. *Entrepreneurship Theory and Practice*, 39(2), 237-261.
- Collins, C. (2019). *foreign ownership*. <https://www.collinsdictionary.com/us/dictionary/english/foreign-ownership>.

- Diab, A., Abdelazim, S. I., & Metwally, A. B. M. (2023). The impact of institutional ownership on the value relevance of accounting information: evidence from Egypt. *Journal of Financial Reporting and Accounting*, 21(3), 509–525. <https://doi.org/10.1108/JFRA-05-2021-0130>.
- Droblyen, E. (2023). *How to Attribute Family Ownership When 401(k) Plan Testing*. <https://www.employeebenefits.com/blog/how-to-attribute-family-ownership-401k-plan-testing>
- Edmans, A. (2014). Blockholders and corporate governance. *Annual Review of Financial Economics*, 6, 23-50.
- Fahlenbrach, R., & Stulz, R. M. (2009). Managerial ownership dynamics and firm value. *Journal of Financial Economics*, 92(3), 342-361.
- Fera, P., Moscariello, N., Pizzo, M., & Ricciardi, G. (2023). *Institutional Investors' Representativeness and Earnings Management: Evidence from a High Ownership Concentration Context*. DOI: 10.4018/978-1-7998-7596-3.ch002
- Ferreira, M. A., & Matos, P. (2008). The colors of investors' money: The role of institutional investors around the world. *Journal of Financial Economics*, 88(3), 499-533.
- Fitri Fauziah, & Eddy Winarso. (2023). The Influence of Intellectual Capital Component and Managerial Ownership on Company Value (Case Study of Mining Companies in the Oil and Gas Subsector Listed on the Indonesia Stock Exchange in 2016-2021). *Journal of US-China Public Administration*, 20(1). <https://doi.org/10.17265/1548-6591/2023.01.004>.
- Fosberg, R. H. (2023). Managerial ownership and firm performance: A non-linear relationship. *Corporate Ownership and Control*, 20(2), 56–64. <https://doi.org/10.22495/cocv20i2art5>.
- Fujianti, L., Keiko Hubbansyah, A., Siswono, S., & Sinaga, L. (2020). *The effect of managerial ownership, dividend policy and debt on firm value: the Indonesia stock exchange cases*. <http://journal.univpancasila.ac.id/index.php/INQUISITIVE/>.
- Gillan, S. L., & Starks, L. T. (2003). Corporate governance, corporate ownership, and the role of institutional investors: A global perspective. *Journal of Applied Finance*, 13(2), 4-22.
- Gupta, N., & Mer, P. (2023). *Exploring the Impact of Foreign Ownership and Ownership Concentration on Firm Performance: Evidence from Indian Manufacturing Firms*. [www.ijnrd.org](http://www.ijnrd.org).
- Indy, L. A., Uzliawati, L., & Yulianto, A. S. (2023). Enrichment: Journal of Management Managerial ownership profitability and firm value agency theory perspective. In *Enrichment: Journal of Management* (Vol. 13, Issue 1).
- Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The effect of liquidity, leverage, and profitability on firm value: Empirical evidence from Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(3), 423-431.
- Kenton, W. (2021). *Institutional Ownership Defined and Explained*. Investopedia. <https://www.investopedia.com/terms/i/institutional-ownership.asp#:~:text=Institutional%20ownership%20is%20the%20amount,funds%20on%20behalf%20of%20others>.

- Krause, T. A., & Tse, Y. (2016). Risk management and firm value: recent theory and evidence. *International Journal of Accounting and information management*, 24(1), 56-81.
- Kusnadi, Y., Wang, J., & Xu, L. (2022). Foreign institutional ownership and firm performance: International evidence. *Journal of International Financial Markets, Institutions and Money*, 78, 101559. <https://doi.org/10.1016/j.intfin.2022.101559>.
- Leny Suzan, & Nurul Izza Ramadhani. (2023). Firm Value Factors: The Effect Of Intellectual Capital, Managerial Ownership, And Profitability. *Jurnal Akuntansi*, 27(3), 401–420. <https://doi.org/10.24912/ja.v27i3.1487>.
- Lifaldi, B., Yuvisa Ibrani, E., & Uzliawati, L. (2023). The Effect of Institutional Ownership, Company Diversification, and Profitability on Company Value in Manufacturing Companies Listed on The Indonesia Stock Exchange. *Journal of Applied Business, Taxation and Economics Research*, 2(6), 602–618. <https://doi.org/10.54408/jabter.v2i6.194>.
- Moradi, M., Yazdifar, H., Eskandar, H., & Namazi, N. R. (2022). Institutional Ownership and Investment Efficiency: Evidence from Iran. *Journal of Risk and Financial Management*, 15(7). <https://doi.org/10.3390/jrfm15070290>.
- Morck, R., Shleifer, A., & Vishny, R. W. (1988). Management ownership and market valuation: An empirical analysis. *Journal of Financial Economics*, 20(1-2), 293-315.
- Musah, A., Abdulai, M., & Baffour, H. (2020). The Effect of Mergers and Acquisitions on Bank Performance in Ghana. *Asian Journal of Economics and Empirical Research*, 7(1), 36–45. <https://doi.org/10.20448/journal.501.2020.71.36.45>.
- Nashier, T., & Gupta, A. (2023). Ownership Concentration and Firm Performance in India. *Global Business Review*, 24(2), 353–370. <https://doi.org/10.1177/0972150919894395>.
- Nurhidayati, N. & Santoso, A. (2022). Ownership of Management as a Moderating of Impact Profitability to Firm Value. *JKBM (Jurnal Konsep Bisnis Dan Manajemen)*, 9(1), 67–77. <https://doi.org/10.31289/jkbm.v9i1.8314>.
- Oyedokun, G. E., Isah, S., & Awotomilusi, N. S. (2020). Ownership Structure and Firm Value of Quoted Consumers Goods Firms in Nigeria. *Journal of Accounting and Strategic Finance*, 3(2), 214–228. [Mendeley+1jasf.upnjatim.ac.id+1](https://doi.org/10.24912/jasf.upnjatim.ac.id+1).
- Putro, D. C., & Risman, A. (2021). The Effect of Capital Structure and Liquidity on Firm Value Mediated by Profitability. *The EURASEANs: journal on global socio-economic dynamics*, (2 (27)), 26-34.
- Qi, Q., Li, W., Liu, C., Huang, Y., & Hu, C. (2022). Continuous cash dividends, ownership structure and firm value: Evidence from Chinese A-share market. *PLoS ONE*, 17(3 March). <https://doi.org/10.1371/journal.pone.0265177>.
- Saidi, A. S., & Gidado, S. (2018). Managerial Ownership and Financial Performance of Listed Manufacturing Firms in Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 8(9), 1–10.

- Sakawa, H., & Watanabel, N. (2020). Institutional ownership and firm performance under stakeholder-oriented corporate governance. *Sustainability (Switzerland)*, 12(3). <https://doi.org/10.3390/su12031021>.
- Santi Novita, M. S. (2020). Ownership Structure, Firm Value and Mediating Effect of Firm Performance. *Jurnal Akuntansi*, 24(2), 219. <https://doi.org/10.24912/ja.v24i2.692>
- Singh, S., & Rastogi, S. (2023). *Competition and Ownership Concentration: Exotic Tools for corporate governance in Firms*.
- Shao, L. (2019). Managerial Ownership and Financial Performance of the Nigerian Listed Firms: The Moderating Role of Board Independence. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 10(3), 64–73.
- Sumarno, R. A., & Setiawan, D. (2023). The Effect of Capital Structure, Dividend Policy, and Foreign Ownership on Firm Value. *Journal of economics, finance and management studies*, 06(09). <https://doi.org/10.47191/jefms/v6-i9-06>.
- Suriawinata, I. S., & Nurmalita, D. M. (2022). Ownership Structure, Firm Value and The Moderating Effects of Firm Size: Empirical Evidence From Indonesian Consumer Goods Industry. *Jurnal Manajemen Dan Kewirausahaan*, 24(1), 91–104. <https://doi.org/10.9744/jmk.24.1.91-104>.
- Suzan, L., & Utari, A. R. (2022). *Effect of Capital Structure, Managerial Ownership, and Intellectual Capital on Firm Value: Study on Banking Companies Listed on the Indonesia Stock Exchange for the Period 2017-2020* (Vol. 12, Issue 2).
- Thompson, R., & Weisbach, D. A. (2012). *Chicago Unbound Chicago Unbound Attributes of Ownership Attributes of Ownership*. [https://chicagounbound.uchicago.edu/law\\_and\\_economics](https://chicagounbound.uchicago.edu/law_and_economics).
- Uche, P., & Okonenwa, O. (2021). The Effect of Ownership Structure on Firm Value of Listed Oil and Gas Firms in Nigeria. *International Journal of Advances in Engineering and Management (IJAEM)*, 3, 3269. <https://doi.org/10.35629/5252-030732693284>
- Wilms, L. (2024). *What Ownership in the Workplace Means to Me*. <https://infotrust.com/articles/what-ownership-in-the-workplace-means-to-me/>.
- Yaghoobi, A., & Khansalar, E. (2022). Impact of Ownership Structure on Financial Reporting Quality in Nigerian Non-Financial Firms: A Study. *International Research Journal of Accounting, Finance and Banking*, 13(7), 12–27.
- Zeume, S. (2017). Bribes and firm value. *The Review of Financial Studies*, 30(5), 1457-1489.