



Corporate Ownership and Firms' Value in Nigeria: Evidence From Non-Financial Firms

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Abstract

This study examined the connection between corporate ownership and the valuation of companies listed on the Nigeria Exchange Group, with a focus on Tobin's Q. The independent variables included block institutional ownership, first largest ownership, block family ownership, and block government ownership. Data from ten years (2013 to 2022) was analysed using fixed-effect regression models, correlation analysis, and descriptive statistics on STATA 13. The results revealed that block government ownership has negative effect on firm value, while block institutional ownership and first largest ownership were positively associated with firm value. In contrast, block family ownership did not show a significant impact on firm value. The findings suggested that the corporate ownership, especially institutional and first largest ownership, can enhance firm performance by addressing agency issues and aligning managerial incentives with shareholder interests. Moreover, excessive government ownership appeared to impede firm performance due to potential political interference and inefficiencies. This study contributes to the ongoing discussion on ownership structure's role in corporate governance and firm value, offering valuable insights for policymakers, investors, and corporate managers in emerging markets. The implications highlight the importance of diversified ownership for sustainable firm performance and the improvement of monitoring and control mechanisms.

Keywords: *Corporate Ownership, Block, Institution, Family, Government, Tobin's Q*

Introduction

Despite the numerous studies worldwide, the connection between ownership structure and firm performance is unresolved. Drawing significant interest from corporate governance, Ibekwe (2021), opined that the separation of ownership and control enables managers to pursue objectives that may conflict with other stakeholders, potentially leading to losses. Ownership structures are influenced by well-developed capital markets with high liquidity and corporate philosophies aimed at maximizing shareholder wealth (Herrigel, 2008). Cheng and Wang (2021) argued that there is usually an agency problems in corporate governance especially where corporate ownership is diffuse. This mitigates the principal-agent dilemma by raising the cost of managerial actions and in the long-run jeopardized the firm's existence. Gilson, and Milhaupt (2022) observed that one of the ways of resolving this agency conflict is through institutional monitoring mechanisms, which would reduce any negative impact of expenses overindulgence on the firm's value.

The structure of a company significantly affects its performance. Mehboob, Tahir, and Hussain, (2015) argued that whether a firm is institutionally concentrated or family concentrated, ownership patterns plays a crucial role in determining the business environment. Furthermore, ownership influences how managers behave and the benefits received by important stakeholders (Ahmed, Ali-Shah, & Bhatti, 2020). Herein, these ownership variables as tied to block institutional ownership, first largest ownership, block family ownership, and block government ownership on a firm's value. Few studies found a positive relationship between ownership concentration and firm value. Conceivably, some studies suggests that family-owned businesses tend to do well, while firms with high levels of managerial ownership may struggle to find success. Others opined that a high level of divorce of ownership concentration reduces the managerial incentive arrangement, and thus a negative relationship. This further buttressed that a high level of ownership concentration will only strengthen the manager's insider control motive and discourage the use of resources, impose high agency costs, and lead to

sub-optimal valuation of firms. Okolo, Irem, and Ugwuoke, (2019) argued that either Management, staff and society as a whole does not know much about value for money audit and how efficient it is in fraud controls and misuse

The types of ownership concentration generally depicts the relative equity stake of different groups influencing the management of the company with the interest of such a group being paramount (Osterwalder, Pigneur, Smith & Etienne, 2020). Ogbada, Useh, and Udoanyang (2021) divided ownership structure into two categories: ownership concentration, which is made up of the share percent of the top five owners, and ownership structure, which is made up of the share percent of the state, legal or institution, and domestic individual holders. As a prerequisite to the role of control, it is commonly agreed that family-owned firms usually have some long-run goals which could have a significant impact on the value of the firm. Camisón-Zornoza, Forés-Julián, Puig-Denia, and Camisón-Haba (2020), argued that the participation of family members can impact the performance and three specific frameworks that support the authority to make decisions and control capacity in family businesses are the financial structure, the leadership and operational structure of the company, and the governance system of the family itself. Contrarily, a country with weak legal protection, higher transparency and dividend payment can thus enhance the firm's ability to cope, particularly concerning political and institutional pressures, and can reduce the tunneling interest within family firms (Sadler-Smith & Cojuharenco, 2021).

Government interest in a firm either economic or financial is a general practice that extends to the corporate sector. According to Oyejide and Soyibo (2001), ownership interest of government presence in quoted firms are noticeable in sectors like Building Materials (15%), Insurance (15%), Petroleum Marketing (17%), Banking and Finance (21%), Automobile and Tyre (30%) and Agriculture (32%), with some arrayed for privatisation through Public-private partnership. The extent of government ownership regardless of the level of control has strong implications.

The level of control involves participation of the board of directors, influence on technical or economic goals, or influence in appointing and removing the managers of the firm. The government may thus become a co-investor and sponsor of equity investments. It may provide the firms an opportunities to invest in additional resources, access to new markets and new public and private contracts. Nsoke, Okolo, and Ofoegbu, (2021) noted that as a matter of urgency in Nigeria, the government made it as a must for all registered enterprises to undergo mandatory skills

acquisition training before accessing credits and other associated benefits from the government.

The debate between government (public) and non-government (private) organizations has left many questions unanswered (Darnihamedani & Terjesen, 2022; Nwachukwu, & Nwoha, 2023). Sun, Tong and Tong (2002) noted that without government involvement, organizations may miss out on the political support and business connections that can greatly impact their performance. These connections and support are crucial for organizations to thrive. Smith, (2020); Al-Issa, (2021) and Hassanein, Marzouk, and Azzam, (2022) pointed out the problem of associated with government ownership, arguing that politicians may prioritize gaining profit over efficiency and use the money to suppress opposition from their supporters.

On the other hand, critics argue that government control over investment, supervision, and compensation, as well as the possibility of political punishment, allows the state to provide an alternative form of services through ownership and thereby transferring firm's resources (Singh & Chen, 2018). Jensen and Meckling (1976) maintained that when shareholders and management attends a publicly traded corporation, there are conflicts of interest that favour the allocation of resources of the enterprise's consumable assets rather than the desired assets. The asymmetric risk, differing investment opportunities or cash flow schedules of the firm, and differences in taxes depend on the rationality of the particular ownership structure, which can be particularly prevalent in firms with block ownership (Camisón-Zornoza, *et al.*, 2020 & Schmalz, 2021). According to Schillemans and Bjurström (2020), expected relationship between block government ownership and firm value and the appropriate choice of the corporate governance mechanism depends on the main theory of corporate governance, namely the agency theory.

This bridges a potential conflict of interest arising among these groups. Trisnadewi and Amlayasa (2020) and Din, Arshad-Khan, Khan, and Khan (2022) maintained that corporate ownership does not only defines the control and residual rights, but it also gives the owner a right to profits in the form of dividend income and an increase in the value of shares. Undoubtedly, corporate ownership also influences the firm's strategy behaviour and overall firm performance. Battilana, Obloj, Pache, and Sengul (2022) noted that most times, the attention of shareholders is shifted to the maximization of wealth through effective and efficient operations. These goals may, as a result, be in conflicts due to agency problems. The firm's performance is largely judged in terms of its financial and stock performance. This arises because dividend income can directly accrue to the shareholders, while

an increase in stock values constitutes a capital appreciation for the shareholders. In the Nigerian capital market, institutional ownership has been considered to have some positive influences on firm value (Ogabo, Ogar, & Nuipoko, 2021). According to Sinebe and Jeroh (2023), institutional investors affect the entire functioning of relevant financial markets to the extent that listed firms are also involved in the short and long-run because institutional concentration has influence on corporate decision-making processes. The distinction between gains for large institutional shareholders for the cost of a takeover may be of far less relevance in Nigeria than the control benefits offered by many publicly quoted firms. Chen, Liu, and Yan (2021), argued that in China, the huge presences of institution investors revolve around funds and insurance and holds more than 31% of the total value of listed companies.

Family-owned businesses are businesses controlled by members of the family and firms have many features in common with other firms. Corporate governance issues are central in the separation of managerial efforts from corporate control and are usually not associated with family-owned and managed businesses. The difference in the objectives of family-owned businesses and professionally managed firms is usually not given recognition (Buchanan, Martikainen, & Nikkinen, 2023). Family firms tend to prioritize long-term sustainability and generational wealth, while professionally managed firms focus on short-term profitability. Furthermore, family-owned firms often have a strong sense of loyalty and commitment to their employees and local communities. This can result in higher employee satisfaction and retention rates, contributing to the overall success of the firm (Biel & Ślusarczyk, 2022).

In contrast, non-family firms may prioritize short-term financial gains over long-term sustainability (Castellaro, 2023). Despite the differences, agency problems are present and ordinarily should not be seen as more prevalent in family-owned firms. However, researches have shown that family-owned firms may have unique ways of addressing these agency problems. The block family ownership variable has an important relationship with mechanism ownership structures that receive less attention. It gives families, whose direct holdings are relatively small, significant influence over the firm (Arteaga & Escribá-Esteve, 2021). Because strong family ties exist. A family with a small block holding and a small pay package will have greater influence and control over a firm than an executive manager with large shareholdings and pay packages.

Review of Related Literature

Ogbada, et al. (2021) conducted a study on the connection between ownership structure and corporate

performance of 15 companies listed on the Nigerian Stock Exchange from 2016 to 2020. The study utilized an ex-post facto research design and discovered that the share of the largest shareholder ratio did not have a statistically significant impact on Tobin Q. Therefore, it was suggested that companies in Nigeria should consider adopting a diffused ownership structure rather than a concentrated one. Additionally, it was highlighted that firms with highly concentrated ownership are often challenging to monitor and control. The investigation of corporate governance as a potential predictor of financial statement fraud among listed Nigerian non-financial enterprises was conducted by Sinebe, et al. (2023). It looked at secondary data from 2012 to 2021; a period of ten years. Using an ex-post facto research approach, the findings showed that institutional ownership had no discernible impact on the financial statement fraud committed by listed non-financial companies in Nigeria. The study recommended that rather than putting too much attention on the structure, future revisions to the current governance standards for Nigerian firms should concentrate more on creating a comprehensive strategy to prevent financial statement fraud.

The impact of insider ownership on stock price synchrony was investigated by Cheng, *et al.* (2021). The management entrenchment effect predominates in nations where investor protection is inadequate, according to the study. Increasing ownership is accompanied by an increasing rate of synchronization. The management entrenchment impact, however, only becomes more significant than the incentive alignment effect in nations with robust investor protections when controlling ownership first rises. A more transparent firm results from the incentive alignment effect becoming greater and the net effect being reversed as controlling ownership increases.

Biel, et al. (2022) assessed the degree to which specific management techniques and instruments are employed in Polish family enterprises and investigated their influence on the efficiency of accomplishing different goals. 182 managers of Polish family firms participated in a survey regarding the efficiency of goal attainment and the tools and techniques employed in management. According to the study's findings, all three groups show that using these strategies has a limited impact on how successfully the objectives are completed. Enhancing family business managers' understanding of professional management techniques and resources is another fundamental goal of the larger family business environment.

Camisón-Zornoza et al. (2020) examined the asymmetric effects of family engagement on dynamic skills using a sample of 748 family-run businesses from the Spanish tourism sector. The result shown that a tightly controlled ownership structure with a sizable

amount of family money is invested in the business has unfavorable effects. From the findings, it asserted that the board of directors are not important structural components. The presence of an efficient family board and the use of family management tools is the most potent structural element that promotes the growth of innovation capabilities. These safeguards aid in lessening the detrimental consequences of an ownership and management structure controlled by a family.

Buchanan and colleagues (2023) conducted a study on how family competitiveness and owner engagement impact the performance of small and medium-sized enterprises (SMEs). They used random sampling to choose 1,137 Finnish SMEs that were not listed. The results of the study showed that businesses managed and run by family members have a stronger effect on performance compared to other types of corporate structures. Additionally, the research suggested that non-family businesses with actively engaged owners have similar performance to family-owned businesses, indicating that owner involvement in non-family businesses can contribute to their performance.

Din and colleagues (2022) researched how ownership structure affects a company's financial performance. They analyzed data from 146 manufacturing firms listed on the Pakistan Stock Exchange over 10 years. The study looked at institutional shareholdings, insider shareholdings, foreign shareholders, and government shareholdings, as well as return on assets, return on equity, market-to-book ratio, and Tobin's Q as the indicator of financial performance. To address potential issues with data, the researchers used the Generalized Method of Moments (GMM). Their results showed that institutional ownership had a notably positive impact on performance. They also found that insider ownership and government shareholding were significantly related to Tobin's Q.

Sun, et al. (2002) conducted a study on the correlation between government ownership and businesses in China. The study found that regardless of whether the government ownership was by a state or legal entity, it has a positive effect on partially privatized state-owned enterprises. Additionally, the study showed that this relationship was not linear and had a U-shape. The researchers also suggested that excessive government control is detrimental to enterprises, while minimal government ownership may not be beneficial either.

Theoretical Framework

Agency Theory

Agency theory was propounded in 1976 by Jensen and Meckling. The study argues that the separation of ownership from control is, in large part, due to conflicts between the owner's interests and the manager's interests. It assumes that the interests of the owners and the interests of the managers are in opposition. One of the fundamental problems addressed by this theory is in the determination of ways that shareholders can induce managers to act in the best interest of the firm. But often, the managers operate to satisfy personalised interests. Usually, the agency theory assumes a two-sided relationship between the owners of the firm (principal) and management (agent), where the agents are better informed and exercise more discretion than the principals (Sadeghi, Banerjee, Ray, Bergen, & Dutta, 2022). These agents can exploit their privileged position. Based on these underpinnings, agency theory emphasizes aligning the interests of the principal with those of the agent.

Agency problems are self-inflicted because managers decide what to do with a firm's financial resources. The alignment between the owners and managers is referred to as the agency cost. A firm's financial performance is dependent on the reasons managers make decisions because the existing confluence between ownership and management interest will motivate managers to adopt decisions recognized as receiving oversight (Aksoy, Yilmaz, Tatoglu, & Basar, 2020; Din, *et al.*, 2022). These decisions will increase the firm's value. Conversely, when management decisions are recognized as diverging from the preferred oversight, it will decrease the firm's value.

Research Methods

Ex-post facto research design was employed since the data were historical and cannot be manipulated. The population consists of 53 Non-financial companies listed on the floor the Nigeria Exchange Group for a period of ten (10) years (2013 to 2022). In describing the variables, the study used the Descriptive statistics while the correlation analysis was adopted in ascertaining the relationships among variables. Also, Ordinary Least Squares (OLS), and some diagnostic tests were conducted to ensure the validity of the model. The econometric model is written as:

$$TOB-Q_i = \beta_0 + \beta_1 BIO_i + \beta_2 FLO_i + \beta_3 BFO_i + \beta_4 BGO_i + \beta_5 FS_i + \epsilon_i \quad (ii)$$

Where;

TOB-Q = Tobin-Q, BIO=Block Institutional Ownership, FLO = First Largest Ownership, BFO =Block Family Ownership, BGO = Block Government Ownership, FS = Firm size, ϵ is the error term, β_0 is the intercept term, β_1 , β_2 , β_3 , β_4 and β_5 are the coefficients for the respective variables.

Measurement of Variables

Proxies	Denotation	Measurement	Reference
Independent Variables of Interest			
Block Institutional Ownership	BIO	All of the block's institutional shareholders with 5% or more of the total shares (%) owned	Sinebe, et al. (2023)
First Largest Ownership	FLO	The percentage of ownership that the primary majority shareholder holds for the company's largest block of shares.	Ogbada, <i>et al.</i> (2021).
Block Family Ownership	BFO	Allocating the company's share to individuals or groups holding a minimum of 5% ownership in the company.	Camisón-Zornoza, <i>et al.</i> (2020)
Block Government Ownership	BGO	The majority ownership of shares is held by government block shareholders who possess at least 5% of the shares.	Sun, <i>et al.</i> (2002)
Dependent Variable			
Tobin-Q	TOB-Q	Market capitalization plus total liabilities minus cash divided by total asset	Apochi, <i>et al.</i> (2022).
Moderator			
Firm Size	FS	natural log of total asset	Chen, et al (2021) &

Source: Author's Compilation, 2024.

Results

Descriptive statistics

Table 1: Summary of Descriptive statistics

STATS	TOB-Q	BIO	FLO	BFO	BGO	FSI
MEAN	1.374075	50.9717	40.86226	5.867925	.490566	7.036439
P50	.97	57	46	0	0	6.93915
MIN	-31	0	0	0	0	5.2394
MAX	9.29	98	84	73	14	9.2409
SD	1.250962	26.29355	22.01627	13.38783	2.189705	.798704
N	530	530	530	530	530	530

Source: Author's computation via STATA 13.

The descriptive statistics in Table 1 revealed that there are 530 observations and the TOB-Q has a mean value of 1.374075; which exceeds the median 0.97. This narrates how the distribution is a right-skewed. Also, the minimum value, maximum value and Standard deviation values are -0.31, 9.29, and 1.250962 respectively. In the case of BIO, the mean value of 50.9717, is lower than the median of about 57. The buttressed the left-skewed distribution. It maintained, 0 and 98, as minimum and maximum values while the standard deviation stood at 26.29355. The FLO had a mean of 40.86226, relatively lower when compared to the median of 46. This by implication asserts that a left

skewed distribution. A critical observation into the minimum and maximum values shows 0, and 84, having a broad spectrum and observed a standard deviation of 22.01627. The BFO maintained a mean and median values of 5.867925, and 0, suggesting a right-skewed. Its maximum value was 73, and the standard deviation 13.38783. The outcome of BGO had a mean 0.490566, and the median of 0, symbolising right-skewed distribution with many zero values. The maximum value is 14, and the standard deviation from the mean was 2.189705. Lastly, Firm size (FSI) has a mean of 7.036439 which is relatively more than the median of 6.93915. it depicts that FSI is right-skewed.

Correlation Analysis

Table 2: Summary of Correlation analysis

	TOB-Q	BIO	FLO	BFO	BGO	FSI
TOB-Q	1.0000					
BIO	0.1898	1.0000				
FLO	0.1713	0.7598	1.0000			
BFO	-0.0943	-0.5167	-0.2631	1.0000		
BGO	-0.0552	0.1905	0.1752	-0.0900	1.0000	
FSI	0.0122	0.1364	0.0452	-0.0069	-0.1303	1.0000

Source: Author's computation via STATA 13.

Table 2, discloses the correlation matrix existing among variables of study. A critical look at the outcome reveals that TOB-Q (dependent variable) has a weak positive with BIO, a weak positive association with FLO, and also weak and positive with FSI as their

values are 0.1898, 0.1713 and 0.0122 respectively. Furthermore, TOB-Q has a weak and negative association with both BFO and BGO as their values stood for -0.0945, and -0.0552.

Result for Multicollinearity Test

Table 3: VIF Result Test

VARIABLE	BIO	FLO	BFO	BGO	FSI	MEAN VIF
VIF	3.33	2.53	1.46	1.07	1.06	1.89
1/VIF	0.300641	0.394488	0.686303	0.937557	0.939703	

Source: Author's computation via STATA 13.

In observing the presence or absence of multicollinearity among variables, the study employed the Variance Inflation Factor (VIF) analysis as shown in Table 3. Observably, none of the mean exceed ($>$) 10

as stipulated in the VIF rule. It shows no presence of multicollinearity. The overall mean VIF is well suited below 5.

Breusch and Pagan Lagrangian Multiplier test

Table 4: Other Diagnostic Tests

Breusch and Pagan Lagrangian Multiplier test	
Decision rule	Accept alternative hypothesis (HA) if the p-value is significant, and reject the null hypothesis (H0) if the P-value is not significant.
Result	chibar2(01) = 0.00, Prob > chibar2 = 1.0000
Hausman Test	
Decision rule	When p-value becomes significant, the study will reject the null (H0) hypothesis and by implication would accept the alternative hypothesis (HA)
Result	(chi2): 179.21, Prob>chi2 = 0.0000

Source: Author's computation via STATA 13.

A critical look at the diagnostic tests in Table 4, showed that when the p-value records a figure such as 0.0000, against the 5% level of significance; it suggests strong evidence against the null hypothesis. A systematic difference between the estimated coefficients from the fixed-effects (FE) and random-effects (RE) models has been identified. The Hausman test is used to determine if there is a systematic difference between the coefficients from the FE and RE models. If the null hypothesis is rejected, the fixed-effects model is preferred over the random-effects

model. The Breusch and Pagan Lagrangian multiplier test is used to test the null hypothesis that the variance of the individual-specific random effects (u) in a random-effects model could be zero. In this case, the test statistic (chibar2) is 0.00 and the p-value (Prob > chibar2) is 1.0000, indicating that there is no need for random effects in the model as the probability value is not significant. Therefore, the null hypothesis is supported, suggesting that the fixed-effects model is more appropriate.

Hypotheses Testing

Table 5: Summary of Fixed Effect regression Result

	FIRM VALUE			
TOB-Q	COEF.	STD.ERR.	t	P> t
BIO	.0094625	.0036731	2.58	0.010
FLO	.0031749	.0038007	0.84	0.404
BFO	.0003503	.0047393	0.07	0.941
BGO	-.0656552	.0248596	-2.64	0.009
FSI	-.0229902	.067909	-0.34	0.735
_CONS	.9539433	.4801202	1.99	0.047
OBS				530
F(5,515)				2.96
PROB > F				0.0019

Source: Author's computation via STATA 13.

Table 5, shows the result from the fixed-effects regression model which is primarily used to show relationship among variables. The result revealed that BIO coefficient Positive of 0.0094625, and the p-value of 0.010 is significant at 5% confidence level. This in effect means that a unit increase in BIO, could possibly result in an increase in TOB-Q. The result for FLO has a positive coefficient of 0.0031749 but not significant with a high P-value of 0.404, at 0.05. In the event to increase FLO, may not automatically lead to any meaningful increase in TOB-Q. The result further shows that BFO has a positive coefficient 0.0003503, but not significant due to the huge value of P-value of 0.941, above the threshold of 0.05. This result suggests that an increase in BFO will not bring about a significant increase in TOB-Q. As further observed the outcome of BGO maintained a negative coefficient of -.0656552, but a significant P-value of 0.009, when compared to the 0.05 level of confidence. It depicts that an attempt to increase in BGO will bring a unit decrease in TOB-Q since they move in an opposite direction. The result also reveals that FSI has a negative coefficient of -.0229902, and insignificant with a value of 0.735 which is greater than the 0.05 level. An increase in FSI may likely result to decrease in TOB-Q. However, the Constant (_cons) intercept is statistically significant with p-value = 0.047, although very close to 0.05 level. Lastly, the result discloses that FSI has negative and insufficient impact on firm's value. This explains the fact that firm size has not been able to control the variable of performance. An attempt to increase firm size would result to firm having losses due to committed finance in services the different stakes.

Discussion of Results

Corporate ownership and firms' value is an interesting topical issue due to recent happenings in the business world such as liquidation and collapse and mergers and acquisition. Literature have had divergent view about

the outcome of corporate ownership on firm's value. Evident in this investigation, the findings from the examination indicated that Block Institutional Ownership (BIO) has a beneficial, substantial correlation with the measure of a company's worth. These results indicated that increasing BIO will ultimately lead to a positive increase in business value. These findings support the research of Din, et al (2022), which revealed that Institutional ownership has a positive and significant impact on a company's worth. Furthermore, the study showed that the First Largest Ownership (FLO) has a positive coefficient, however it is not significantly associated with the company's value. This result regarding FLO reinforces the conclusions drawn by Ogbada, et al. (2021), which indicated that First Largest Ownership does not have a noteworthy influence on a company's worth. In addition, the findings suggest that Block Family Ownership (BFO) has a positive, albeit not significant, effect on a company's worth. These results contradict that of Buchanan, et al. (2023), which showed that the number of family members actively involved in daily business operations has a significant negative relationship with firm performance. Furthermore, the result herein disclosed that Block Government Ownership (BGO) maintained a negative but significant impact on the firm's value. This finding as revealed in BGO digresses a bit from the findings of Din, et al (2022) which found that Government ownership has a Positive and significant relationship on firm's value.

Conclusion and Recommendation

This study investigated the relationship existing between corporate ownership structures on the value of non-financial companies listed on the Nigeria Exchange Group for a period of 10 years (2013-2022). This study used ex-post facto research and various statistical methods to examine the connections between variables and understand their relationships. The results showed that Block Institutional Ownership (BIO) has a

positive influence on firm value, demonstrating the important role of institutional investors in improving firm performance. On the other hand, Block Government Ownership (BGO) was found negative impact on firm value, suggesting inefficiencies linked to government ownership. Meanwhile, First Largest Ownership (FLO) and Block Family Ownership (BFO) had positive effects on firm value, but these effects were not statistically significant, highlighting the importance of a well-balanced ownership structure. Firm Size (FSI) had a negative but insignificant impact, suggesting that firms should carefully manage their growth and operational efficiency. This study conclude that companies and policymakers should be guided in achieving an optimizing ownership structures to enhance firm performance and value.

Emanating from the above, this study recommends that companies should encourage and attract more institutional investors because its positive and significance will bring in better governance practices and strategic oversight, which can enhance firm performance and value. There should be a monitoring mechanism to act as buffer to the insignificant of first largest ownership effect on firm's value. This could be done through diversifying ownership to mitigate potential risks associated with having a dominant single shareholder. The study further recommends that family-owned businesses need to re-assess their ownership structures thoroughly. The business environment is associated with volatile environment, it is very unwise for firms to negate the involvement of professional managers and advisors to balance family influence and business performance. The presence of government should be limited because it will be more beneficial for enhancing firm value. Firms should advocate for policies that reduces governmental stakes in companies, allowing for more private sector-driven growth and efficiency. Firms should embrace an optimal size that balances economies of scale with efficient management practices. Such as the continuous appraisal of asset utilization and operational efficiency regularly.

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