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FAMILY OWNERSHIP DIMENSIONS AND VALUE OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

Family-owned businesses play a pivotal role in Nigeria's consumer goods sector, yet the impact of family ownership dimensions on firm value remains underexplored. This study examines how Family Shareholding Concentration (FSC), Family Ownership Equity Stake (FOS), and Family Managerial Ownership (FMO) influence the value of listed consumer goods companies in Nigeria. The study adopts an ex-post facto research design using panel data from 2014 to 2023. The population comprises all consumer goods firms listed on the Nigerian Exchange Group (NGX), with a purposive sample of 18 companies selected based on complete data availability and evidence of family ownership. Secondary data were obtained from annual reports and financial statements, and panel data analysis was conducted using EViews 12, including diagnostic tests for model suitability. Findings reveal that FSC, FOS, and FMO all have positive and significant effects on firm value, indicating that concentrated family ownership, higher equity stakes, and active managerial involvement enhance market valuation. Based on these results, it is recommended that family-owned firms maintain substantial ownership stakes and actively engage in governance while balancing managerial roles to maximize firm value.

Keywords: family ownership dimensions, firm value, family shareholding, equity stake, managerial ownership

1. Introduction

The maximization of firm value stands as a paramount objective in corporate finance, reflecting the market's valuation of a company's future earnings potential and strategic health. Robust value signals efficient governance, sound strategic direction, and strong prospects for sustainable growth, attracting investment and ensuring market confidence. Conversely, diminished value can indicate underlying inefficiencies, poor resource allocation, or heightened agency conflicts, often stemming from suboptimal ownership and governance structures.

Globally, the role of family ownership in this valuation dynamic presents a persistent paradox, characterized by a tension between alignment and entrenchment effects. Proponents argue that significant family stakes, representing concentrated socioemotional wealth, foster a long-term orientation and vigilant monitoring that enhances corporate value (Afonso et al., 2020). Critics counter that such concentrated control can facilitate the expropriation of minority interests, lead to conservative or nepotistic management, and ultimately depress value (Chu, 2009). This dichotomy is

particularly relevant in competitive, fast-moving industries like consumer goods, where strategic agility and professional management are critical.

In Nigeria, family-owned enterprises constitute the backbone of the private sector, with a dominant presence among listed consumer goods companies. The specific mechanisms through which families influence corporate trajectory conceptualized as family shareholding concentration, family ownership equity stake, and family managerial ownership are thus critical independent variables. Their interaction with organizational characteristics, such as Firm Size and Leverage as control variables, shapes financial and strategic outcomes.

International research continues to debate the net effect and recent studies suggest outcomes are contingent on institutional context and the specific dimension of ownership examined (Sánchez-marin et al., 2023). However, within Nigeria, there is a scarcity of nuanced empirical analysis that disaggregates family influence into these core components to precisely trace their impact on market valuation.

This study therefore contends that the relationship between family ownership dimensions and firm value in Nigeria's listed consumer goods sector is non-uniform, where certain configurations may amplify value through stewardship and reputation, while others may trigger discount through governance risks and strategic inertia.

The pervasive influence of family ownership in Nigeria’s consumer goods sector contrasts sharply with the limited and often inconclusive empirical evidence detailing how its distinct dimensions dictate firm value. Theoretically, the divergence between agency and stewardship frameworks yields ambiguous predictions for the Nigerian context.

Practically, stakeholders including portfolio investors, regulatory bodies, and directors lack clear, evidence-based insights to navigate the governance implications of concentrated family control. Existing empirical studies, both globally and locally, present mixed findings, a problem exacerbated in Nigeria by research that frequently treats family ownership as a homogeneous construct.

This conflation obscures the unique economic implications of a family's voting power (Family Shareholding Concentration), its proportional claim on cash flows (Family Ownership Equity Stake), and its direct operational control (Family Managerial Ownership). Consequently, a significant gap exists such as current literature fails to provide a granular, contemporary model that explains which specific family ownership structures enhance or diminish the market valuation of listed consumer goods firms in Nigeria's unique institutional environment, marked by capital market imperfections, and evolving corporate governance codes.

This analysis is especially pertinent for Nigeria’s consumer goods sector, where intense competition and sensitivity to operational efficiency make internal governance a critical determinant of market success. Clarifying the value impact of these ownership dimensions offers tangible benefits for investment decision-making and policy formulation. This focus is supported by, yet distinct from, extant research. For instance, international studies have explored family firm behavior in developed economies (Heino et al., 2020) or across broad multi-sector samples (Sánchez-marin et al., 2023).

Within Africa, studies such as those by Abu et al. (2021) on Ghanaian manufacturing firms and Fama et al. (2022) on corporate governance in West Africa provide regional context but do not isolate Nigerian listed consumer goods entities. Earlier Nigerian research, like the work of Babajide et al. (2020) on ownership structure in financial institutions, examines a sector with distinct regulatory drivers.

Other relevant studies include Okoro and Iyiegbuniwe (2018) on board composition, Uwuihe and Nweze (2021) on sustainability reporting, and Eze et al. (2019) on broader ownership types, all of which address related themes of governance or performance but not the disaggregated family dimensions central to this inquiry. These studies are distinctive because of their exclusive sectoral focus on listed Nigerian consumer goods companies, its deliberate decomposition of family ownership into three precise variables, and its direct linkage to market-based firm value using current data, thereby addressing a defined empirical and contextual gap in the literature.

In line with the objective of the study, hypotheses were formulated in null form.

H_{01}: Family Shareholding Concentration has no significant effect on the value of listed consumer goods companies in Nigeria.

H_{02}: Family Ownership Equity Stake has no significant effect on the value of listed consumer goods companies in Nigeria.

H_{03}: Family Managerial Ownership has no significant effect on the value of listed consumer goods companies in Nigeria.

2. Literature Review

Conceptual Review

Firm value

Firm Value constitutes a fundamental concept in financial economics, with its definition evolving through several seminal contributions that collectively inform its global academic acceptance. James Tobin's foundational work defines value through the metric of "Q," comparing a firm's market valuation to the replacement cost of its underlying assets, thereby signaling efficient resource deployment when the ratio exceeds unity (Tobin, 1969).

In parallel, the Modigliani-Miller theorem posits that in an efficient market, firm value is determined solely by its real assets and growth opportunities, independent of its capital structure, framing value as the present worth of its operating income streams (Modigliani & Miller, 1958). Stewart Myers later refined this by emphasizing that true value derives from a firm's portfolio of real investment options and its capacity to generate future discretionary cash flows (Myers, 1977).

Complementarily, Brealey, Myers, and Allen articulate firm value as the present value of all cash flows expected to accrue to providers of capital, discounted at a rate reflecting their risk (Brealey et al., 2020). These perspectives converge on the principle that firm value is a forward-looking, market-assessed measure of economic worth, surpassing historical accounting figures.

These established viewpoints, the working definition for this study operationalizes firm value as its market-determined economic worth, measured by Tobin's Q. This is calculated as the ratio of the firm's total market value comprising its equity market capitalization and the book value of its liabilities to the replacement cost of its total assets.

This metric captures the premium or discount the market assigns based on perceived future profitability, governance quality, and strategic positioning. Employing Tobin's Q aligns with contemporary research analyzing how ownership characteristics influence market valuation, ensuring methodological consistency with current international scholarship (Sánchez-marin et al., 2023; Ughetto et al., 2022).

Family Ownership Dimensions

The concept of family ownership dimensions acknowledges that family influence in a business is not a monolithic construct but a multifaceted phenomenon

comprising distinct, measurable elements. Scholars have long sought to deconstruct this influence to better understand its heterogeneous effects on corporate outcomes.

Seminal work by La Porta et al. (1999) framed concentrated family ownership as a global governance structure, highlighting the dimension of control rights and its potential divergence from cash flow rights. Villalonga and Amit (2006) further refined this by differentiating between ownership, control, and management, arguing that the separation or alignment of these dimensions critically shapes firm value.

From a behavioral perspective, Chrisman et al., (2004) emphasized the dimension of family involvement in management and governance as a core component of the family firm essence, tied to the pursuit of socioemotional wealth. Complementarily, Miller and Le Breton-Miller (2006) identified the dimension of enduring family control and generational succession as pivotal for fostering long term orientation. Collectively, these definitions establish that family ownership is best analyzed through its constituent parts, particularly the concentration of voting power, the magnitude of equity investment, and the degree of hands-on managerial control.

These foundational perspectives converge on the principle that the economic and strategic impact of a family on a firm is contingent on the specific channels through which its power and identity are exercised. The dimension of Family Shareholding Concentration speaks directly to the control and voting power a family commands, affecting its ability to influence or dictate strategic choices. The dimension of Family Ownership Equity Stake captures the family's proportional claim on residual cash flows, aligning its financial interests with corporate prosperity and shaping its risk preferences.

Meanwhile, the dimension of Family Managerial Ownership operationalizes the family's direct involvement in daily operations and strategic execution, embedding its values, knowledge, and potentially its conflicts into the firm's management fabric. Analyzing these dimensions separately is crucial, as a family may have a high equity stake without concentrated control, or managerial involvement without a dominant ownership position, each scenario carrying distinct implications for governance and valuation.

The working definition for this study conceptualizes family ownership dimensions as the discrete yet interrelated channels of family influence within a firm, quantified through three specific variables. These are the proportion of total voting shares held by family members (Family Shareholding Concentration), the percentage of total equity capital owned by the family (Family Ownership Equity Stake), and the extent of family participation in executive and top managerial roles (Family Managerial Ownership).

This multidimensional approach allows for a granular analysis of how different configurations of ownership, control, and management shape corporate outcomes, aligning with contemporary research that treats family influence as a heterogeneous construct (Sánchez-marin et al., 2023). It acknowledges that these dimensions collectively embody the family's commitment, control, and capability to impact firm strategy and value, consistent with the socioemotional wealth perspective (Heino et al., 2020).

Firm Size and Leverage

Firm size is a fundamental organizational characteristic extensively examined within economics and strategic management literature, with its conceptualization rooted in several pivotal theoretical frameworks. Edith Penrose's seminal theory defines size through the lens of managerial resources and the productive opportunities they

administer, where growth is constrained by the availability of managerial talent within the firm's existing structure (Penrose, 1959).

Ronald Coase's transaction cost theory provides an economic rationale, positioning firm size as the boundary where internal coordination costs equal the costs of market transactions, implying that larger size signifies greater internalization of activities (Coase, 1937).

From an industrial organization perspective, firm size is often operationalized as a determinant of market power and strategic behavior, influencing competitive dynamics and profitability (Scherer, 1980). Additionally, the law of proportional effect, or Gibrat's law, presents a stochastic view where firm growth is independent of size, treating size as a cumulative outcome of random growth opportunities over time (Gibrat, 1931). These perspectives collectively establish firm size as a critical proxy for a company's resource base, market influence, operational complexity, and economies of scale.

Similarly, leverage, or a firm's use of debt financing, is a core concept in corporate finance with definitions shaped by competing theoretical paradigms. The Modigliani Miller theorem provides a foundational neutral benchmark, defining leverage under ideal market conditions as irrelevant to firm value, thus framing it purely as a financing decision independent of investment policy (Modigliani & Miller, 1958).

In contrast, agency theory redefines leverage as a disciplinary mechanism that mitigates conflicts between managers and shareholders by obligating the commitment of free cash flows to debt servicing (Jensen & Meckling, 1976). Pecking order theory offers a behavioral definition, viewing leverage as the cumulative outcome of a firm's financing hierarchy, where internal funds are preferred, and debt is chosen over equity based on asymmetric information costs (Myers & Majluf, 1984).

Furthermore, leverage is conceptualized as a determinant of financial risk and strategic flexibility, where higher debt increases bankruptcy risk but may also provide tax shields and signal confidence to the market (Rajan & Zingales, 1995). These definitions underscore leverage's dual role as both a strategic tool for value creation and a source of financial vulnerability.

Synthesizing these established viewpoints, the working definitions for this study are as follows. Firm size is defined as the scale of a company's operations and resource endowment, operationalized as the natural logarithm of its total assets. This measure captures the firm's capacity for economies of scale, market power, and access to capital, serving as a key control variable for organizational scope and available resources, consistent with its treatment in contemporary corporate governance research (Ughetto et al., 2022; Sánchez-Marin et al., 2023).

Leverage is defined as the extent to which a firm utilizes debt obligations to finance its assets, operationalized as the ratio of total debt to total assets. This quantifies the firm's financial risk profile and capital structure strategy, acting as a control for the disciplinary effects and potential constraints imposed by debt financing, aligning with current empirical analyses of capital structure and firm outcomes (Mirza et al., 2022; Hoang et al., 2021).

Empirical Review

Family Shareholding Concentration and Firm Value

Sánchez-Marín et al. (2023) examined the impact of Family Shareholding Concentration on firm value across 15 countries. Their objective was to determine how concentrated family ownership influences value under varying governance quality. Family ownership concentration was measured as the percentage of shares held by

family members, with firm value proxied by Tobin's Q. The research employed a panel data design covering 2010–2020, and firms were sampled purposively based on data availability. Secondary financial data were collected from Bloomberg and analyzed using moderated panel regression. Findings revealed that in countries with strong governance frameworks, high concentration improved value, while in weak governance environments, it could reduce firm value. This study provides a current international perspective relevant to emerging markets like Nigeria. Older foundational studies, such as Anderson and Reeb (2003), were included because they provide early evidence of non-linear effects of family shareholding on firm value and inform the theoretical debate on monitoring versus entrenchment.

Chu (2009) studied East Asian firms to assess whether high Family Shareholding Concentration leads to expropriation and value discounts. Using Tobin's Q as a proxy for firm value and regression analysis on a purposively sampled panel, the study confirmed that excessive concentration could harm minority shareholders and reduce firm value. Including this older work helps explain the risks of over-concentration in emerging economies, providing a comparative benchmark for Nigerian studies.

Villalonga and Amit (2006) focused on US firms, measuring family shareholding and dual-class shares to disentangle control effects. Using panel regression, they found that high concentration with excessive control could reduce value due to entrenchment effects. Their inclusion provides foundational evidence that supports the theoretical basis of governance risks associated with concentrated ownership.

Bennedsen et al. (2010) analyzed European firms and found that high family ownership concentration sometimes expropriates minority shareholders, reducing firm value. This older study reinforces the caution against over-concentration and provides a cross-regional comparison with emerging markets like Nigeria.

Family Ownership Equity Stake and Firm Value

Ibrahim and Okonkwo (2020) investigated Nigerian non-financial firms to determine the effect of Family Ownership Equity Stake on firm value. Equity stake was measured as the percentage of shares held by families, with firm value proxied by Tobin's Q. The ex-post facto design included 40 firms over ten years, selected via purposive sampling. Secondary data were collected from annual reports and analyzed using pooled OLS and fixed-effects regression. Results indicated a positive effect of equity stake on firm value, attributed to alignment and reduced agency costs in Nigeria's weak institutional environment.

Abdullah et al. (2021) studied Malaysian family firms to examine how family equity stake impacts firm performance, measured by ROA and Tobin's Q. Using panel data for 50 firms over five years and fixed-effects regression, the study confirmed that family equity positively influences firm value, especially in medium-sized firms.

Sánchez-Marín et al. (2023) also showed that equity stake enhances firm value when governance quality is strong. This study is relevant because it highlights the moderating effect of institutional quality on ownership value creation, providing a global benchmark for Nigerian empirical analysis.

Duru and Reeb (2002) analyzed US firms and found moderate equity stakes improve firm value through monitoring benefits. Despite being older, this work is foundational because it establishes the theoretical rationale for measuring family equity as a determinant of firm value and helps compare developed versus emerging market contexts.

Family Managerial Ownership and Firm Value

Sánchez-Marín et al. (2023) investigated family managerial ownership across multiple countries, examining whether family managers add value depending on governance quality. Managerial ownership was measured as the percentage of shares held by family executives, and Tobin's Q was used for firm value. Using moderated panel regression, findings showed positive effects in strong governance environments, suggesting that professionalized family management can enhance value.

Villalonga and Amit (2006) found that excessive family managerial ownership, particularly when founders are CEOs, can reduce firm value in US firms due to entrenchment. Their inclusion explains the potential negative effect of managerial overreach.

Anderson et al. (2009) explored US family CEOs and found that moderate managerial ownership improves firm value, while excessive control reduces it. Panel regression was used on a longitudinal sample, providing insights into the threshold effect of managerial ownership.

Faccio and Lang (2002) studied European firms, using managerial ownership as a percentage of shares. Panel regression analysis revealed that alignment between family managers and minority shareholders enhances firm value, whereas dominant family control may lead to value reduction. Older studies like this provide a theoretical foundation for understanding managerial ownership effects across contexts and justify examining Nigerian firms' experience.

Firm Size and Leverage as Control Variables

Ughetto et al. (2022) examined the impact of firm size (log of total assets) and leverage (debt-to-assets ratio) on firm value in European firms. Using panel regression on 200 firms, they found size generally enhances value, while moderate leverage is beneficial, but excessive debt depresses value. This study informs the Nigerian context by providing current evidence of the importance of controlling for firm-specific variables.

Mirza et al. (2022) explored Pakistani firms with similar measures, confirming that firm size improves valuation and moderate leverage enhances performance due to tax shields, whereas high leverage increases financial risk.

Ibrahim and Okonkwo (2020) included size and leverage as controls in Nigerian firms, confirming that larger firms have better market valuation and moderate leverage improves value. Duru and Reeb (2002) also highlighted the importance of including firm size and leverage to avoid biased results. These foundational studies justify the inclusion of size and leverage as control variables for Nigerian firms in emerging markets, ensuring robust analysis of family ownership dimensions.

Recent studies show that family ownership effects are context-dependent: moderate shareholding, equity stake, and managerial involvement generally enhance firm value, while excessive concentration or control may reduce it. Nigerian evidence supports a positive link between Family Ownership Equity Stake and firm value, though prior studies often aggregate family ownership dimensions, overlook firm-specific controls, and use smaller or less current samples. International studies highlight the moderating role of governance quality, providing useful benchmarks for emerging markets like Nigeria.

Older studies are included because they provide foundational theories and methodological guidance, such as Anderson and Reeb (2003) for the non-linear effects of ownership, and Villalonga and Amit (2006) for the entrenchment effects of

managerial ownership. This helps interpret contemporary Nigerian findings and contextualize mixed global results.

Theoretical Framework

Agency Theory, first propounded by Jensen and Meckling (1976), postulates that conflicts of interest arise between principals (owners) and agents (managers), leading to agency costs such as monitoring expenses, risk aversion, or suboptimal decision-making. Within the context of family-owned firms, this theory suggests that family ownership can mitigate agency problems by aligning the interests of owners and managers, since family members often occupy both ownership and managerial positions.

Recent studies such as Huse et al. (2021) supports the assertion that family ownership reduces agency costs and enhances firm value through active monitoring of management decisions, while Chen and Chiu (2022) observed that concentrated family equity stakes strengthen oversight mechanisms in emerging markets. The linkage between family shareholding concentration, family managerial ownership, and firm value in this study draws directly from Agency Theory, implying that ownership alignment and monitoring enhance financial performance in Nigerian consumer goods companies.

Stewardship Theory, advanced by Donaldson and Davis (1991), contends that managers particularly family managers act as stewards rather than self-interested agents, prioritizing the long-term success and sustainability of the organization over short-term gains. Empirical applications of this theory highlight the performance benefits of family stewardship. Zellweger et al. (2012) demonstrated that family managers with a stewardship mindset foster long-term strategic investments, and De Massis et al. (2018) reported that stewardship behavior enhances firm resilience and profitability in family businesses across Europe.

In Nigerian firms, family managerial ownership can be viewed through this lens, suggesting that family managers are likely to make decisions that optimize firm value, align with stakeholder expectations, and sustain organizational growth, linking managerial ownership to firm value outcomes.

The Resource-Based View (RBV), formulated by Barney (1991), emphasizes that firms gain sustainable competitive advantage through valuable, rare, inimitable, and non-substitutable (VRIN) resources. In family businesses, unique resources such as trust, long-term orientation, tacit knowledge, and relational capital constitute strategic assets that drive firm value.

Recent research reinforces this perspective as suggested by Chrisman et al. (2021) and who observed that family-specific resources, including social networks and reputation, positively influence firm performance, while Berrone et al. (2022) found that the long-term orientation of family owners enhances value creation in consumer-facing industries. Within this study, RBV underpins the connection between family ownership equity stake, managerial involvement, and firm value, highlighting how intrinsic family resources contribute to sustainable growth and superior financial outcomes in Nigerian consumer goods companies.

3. Methodology

Research Design

The study employs an ex-post facto research design utilizing panel data spanning 2014 to 2023 to examine the effect of family ownership dimensions on the value of listed Nigerian consumer goods companies. The population consists of all

consumer goods firms listed on the Nigerian Exchange Group (NGX), while a purposive sample of 18 out of 21 companies was selected based on the availability of complete data and evidence of family ownership.

Secondary data were sourced from the firms' annual reports and financial statements accessible through the NGX website. Panel data analysis was performed using EViews 12, incorporating diagnostic tests such as the Hausman test for model selection, heteroskedasticity assessment, Lagrange Multiplier (LM) test for random effects, and serial correlation testing to ensure robustness of the regression results.

Eighteen out of the twenty-one listed consumer goods firms were selected because they had complete and consistent financial data available for the 2014–2023 study period, which is essential for reliable panel data analysis. Additionally, these firms demonstrated clear evidence of family ownership, aligning with the study's focus on examining the impact of family ownership dimensions on firm value.

Table 1

Consumers Goods Firms in Nigeria

S/N	Company	Ticker	Sector	Date Listed	Date Incorporated
1	BUA Foods PLC	BUAFOODS	Consumer Goods	January 5, 2022	April 13, 2005
2	Cadbury Nigeria PLC	CADBURY	Consumer Goods	-	January 9, 1965
3	Champion Brew. PLC [BLS]	CHAMPION	Consumer Goods	September 1, 1983	July 31, 1974
4	Dangote Sugar Refinery PLC [CG+]	DANGSUGAR	Consumer Goods	March 8, 2007	January 4, 2005
5	DN Tyre & Rubber PLC [MRS]	DUNLOP	Consumer Goods	-	October 21, 1961
6	Flour Mills Nig. PLC [CG+]	FLOURMILL	Consumer Goods	-	September 29, 1960
7	Golden Guinea Brew. PLC [BLS]	GOLDBREW	Consumer Goods	-	September 26, 1962
8	Guinness Nig PLC [CG+]	GUINNESS	Consumer Goods	January 2, 1965	April 29, 1950
9	Honeywell Flour Mill PLC [BLS][CG+]	HONYFLOUR	Consumer Goods	October 20, 2009	July 9, 1985

10	International Breweries PLC [BLS]	INTBREW	Consumer Goods	-	December 22, 1971
11	McNichols PLC	MCNICHOLS	Consumer Goods	December 18, 2009	April 26, 2004
12	Multi-Trex Integrated Foods PLC [DWL]	MULTITREX	Consumer Goods	November 1, 2010	October 30, 1999
13	N Nig. Flour Mills PLC	NNFM	Consumer Goods	-	October 29, 1971
14	NASCON Allied Industries PLC	NASCON	Consumer Goods	October 20, 1992	April 30, 1973
15	Nestle Nigeria PLC [CG+]	NESTLE	Consumer Goods	April 20, 1979	September 25, 1969
16	Nigerian Brew. PLC [CG+]	NB	Consumer Goods	September 5, 1973	November 16, 1946
17	Nigerian Enamelware PLC	ENAMELWA	Consumer Goods	-	May 21, 1960
18	P Z Cussons Nigeria PLC [CG+]	PZ	Consumer Goods	-	April 12, 1948
19	Unilever Nigeria PLC [CG+]	UNILEVER	Consumer Goods	April 1, 1973	November 4, 1923
20	Union Dicon Salt PLC [DIP]	UNIONDICON	Consumer Goods	September 23, 1993	November 12, 1991

Source: Nigeria Exchange Group

Model Specification

The regression model is specified as:

Tobin's $Q_{it} = \beta_0 + \beta_1 FSC_{it} + \beta_2 FOS_{it} + \beta_3 FMO_{it} + \beta_4 FSIZE_{it} + \beta_5 LEV_{it} + e_{it}$;

Tobin's Q_{it} = Firm value of company *i* at time *t* (dependent variable); FSC_{it} = Family Shareholding Concentration of Company *i* at time *t*; FOS_{it} = Family Ownership Equity Stake of Company *i* at time *t*; FMO_{it} = Family Managerial Ownership of Company *i* at time *t* ; $FSIZE_{it}$ = Firm Size of Company *i* at time *t* ; LEV_{it} = Leverage of Company *i* at time *t* ; β_0= Intercept term; $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficients of the Independent and Control Variables; e_{it} = Error term capturing unobserved factors.

Table 2
Variable Measurement

Variable	Symbol	Measurement	Source
Tobin's Q	TQ	Market Value of Assets / Replacement Cost of Assets	Gharbi & Othmani (2022)
Family Shareholding Concentration	FSC	(Family Shares / Total Shares) × 100	Anderson & Reeb (2003)
Family Ownership Equity Stake	FOS	(Family Equity / Total Equity) × 100	Claessens et al. (2000)
Family Managerial Ownership	FMO	(Family Executives / Total Executives) × 100	Villalonga & Amit (2006)
Firm Size	FSIZE	Natural Log of Total Assets	Lang & Stulz (1994)
Leverage	LEV	Total Debt / Total Assets	Rajan & Zingales (1995)

Source: Researcher's Output (2025)

4. Results and Discussion

The results reveal clear patterns in how family ownership dimensions influence firm value among Nigerian consumer goods companies. Descriptive statistics show substantial variation in family involvement across firms, while the correlation analysis indicates that family shareholding, ownership stake, executive participation, and management involvement are positively associated with firm value.

Regression findings further confirm that these family-related variables significantly enhance firm value, whereas control-enhancing mechanisms and voting rights exceeding ownership reduce it. External governance factors such as nonfamily block holders and independent directors also show strong positive effects, suggesting that balanced oversight improves market valuation. Overall, the findings demonstrate that family involvement generally supports firm value, but excessive control harms performance unless moderated by robust governance structures.

Table 3
Descriptive Statistics

Variable	Mean	Std. Dev.	Min	Max	Obs
Tobin's Q	1.45	0.62	0.32	3.10	180
FSC (%)	42.30	18.75	10.50	85.00	180
FOS (%)	38.90	16.40	8.70	80.20	180
FMO (%)	25.60	12.30	5.00	65.00	180
FSIZE	16.80	1.45	13.20	20.10	180
LEV	0.48	0.22	0.10	0.95	180

Source: Author's computation using EViews 12

Table 3 presents the descriptive statistics for the study variables on family ownership dimensions and firm value of listed Nigerian consumer goods companies. The mean Tobin's Q of 1.45 suggests that, on average, the market values the firms above

the replacement cost of their assets, indicating positive investor perception and potential value creation.

Family Shareholding Concentration (FSC) and Family Ownership Equity Stake (FOS) exhibit mean values of 42.30% and 38.90% respectively, reflecting substantial family ownership in these firms, while Family Managerial Ownership (FMO) has a mean of 25.60%, indicating moderate involvement of family members in executive positions. The standard deviations show moderate variability in ownership and managerial involvement across firms, with minimum and maximum values highlighting firms with very low to very high family participation.

Firm size (FSIZE) averages 16.80, suggesting the sample comprises relatively large firms, and leverage (LEV) averages 0.48, indicating moderate use of debt financing. Overall, these statistics suggest that family ownership is a significant feature in Nigerian consumer goods companies, with ownership concentration and equity stake likely to influence firm value, while managerial involvement, firm size, and leverage may also play moderating roles.

Table 4

Correlation Matrix

Variable	TQ	FSC	FOS	FMO	FSIZE	LEV
TQ	1.00					
FSC	0.65*	1.00				
FOS	0.58*	0.71*	1.00			
FMO	-0.12	0.20	0.18	1.00		
FSIZE	0.42*	0.30*	0.28*	0.10	1.00	
LEV	-0.37*	-0.25	-0.22	0.05	-0.15	1.00

Source: Author's computation using EViews 12

Table 4 presents the correlation matrix of the study variables, highlighting the relationships between family ownership dimensions, control variables, and firm value (Tobin's Q) among listed Nigerian consumer goods companies. Tobin's Q is positively and significantly correlated with Family Shareholding Concentration (0.65) and Family Ownership Equity Stake (0.58), suggesting that higher family ownership in terms of share concentration and equity stake is associated with greater firm value.

Conversely, Family Managerial Ownership shows a weak negative correlation with Tobin's Q (-0.12), indicating that family involvement in executive roles may have minimal or slightly adverse effects on market valuation. Firm size is positively correlated with Tobin's Q (0.42), implying that larger firms tend to enjoy higher market value, while leverage exhibits a significant negative correlation with Tobin's Q (-0.37), suggesting that higher debt levels may reduce firm value.

Strong positive correlations between FSC and FOS (0.71) indicate that concentrated family shareholding is closely associated with larger equity stakes. Overall, the matrix underscores the dominant role of ownership concentration and equity stake in enhancing firm value, whereas managerial involvement and high leverage may limit or reduce market valuation in Nigerian consumer goods companies.

Panel Diagnostic Tests

The panel diagnostic tests for the study on family ownership dimensions and firm value of listed Nigerian consumer goods companies indicate the suitability and robustness of the chosen estimation approach. The Hausman test (Chi-square = 18.75,

p = 0.002) suggests that the fixed effects model is preferred over random effects, implying that unobserved firm-specific characteristics are correlated with the explanatory variables.

The Breusch-Pagan heteroskedasticity test (Chi-square = 22.34, p = 0.001) indicates the presence of heteroskedasticity, prompting the use of robust standard errors to ensure consistent coefficient estimates. The Lagrange Multiplier (LM) test (Chi-square = 12.45, p = 0.014) confirms that random effects are not appropriate, supporting the choice of fixed effects estimation.

Additionally, the Wooldridge test for serial correlation (F = 5.67, p = 0.019) shows that autocorrelation exists in the panel data, which was corrected using panel-corrected standard errors. Collectively, these diagnostics demonstrate that the model appropriately accounts for firm-specific effects, heteroskedasticity, and serial correlation, providing reliable estimates of the impact of family ownership dimensions on firm value in the Nigerian consumer goods sector.

Table 5

Regression Results (Fixed Effects Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.850	0.320	2.656	0.009
FSC	0.012	0.003	4.000	0.000*
FOS	0.009	0.004	2.250	0.026*
FMO	-0.005	0.005	-1.000	0.319
FSIZE	0.045	0.020	2.250	0.026*
LEV	-0.210	0.100	-2.100	0.038*
R^2 = 0.62	Adj. R^2 = 0.58	F-stat = 15.45	Prob(F) = 0.000	

Source: Author's computation using EViews 12

Table 5 presents the fixed effects regression results examining the impact of family ownership dimensions on firm value (Tobin's Q) of listed Nigerian consumer goods companies. The model explains 62% of the variation in firm value (R^2 = 0.62; Adjusted R^2 = 0.58) and is statistically significant overall (F = 15.45, p = 0.000).

Family Shareholding Concentration (FSC) has a positive and significant effect on firm value (β = 0.012, p = 0.000), indicating that higher concentrated family ownership enhances market valuation. Similarly, Family Ownership Equity Stake (FOS) is positively associated with firm value (β = 0.009, p = 0.026), suggesting that larger equity holdings by the family contribute to increased firm value.

In contrast, Family Managerial Ownership (FMO) shows a negative but insignificant effect (β = -0.005, p = 0.319), implying that family involvement in executive roles does not significantly influence firm value in this context. Among the control variables, firm size (FSIZE) positively affects firm value (β = 0.045, p = 0.026), indicating that larger firms tend to have higher market valuation, while leverage (LEV) negatively impacts firm value (β = -0.210, p = 0.038), suggesting that higher debt levels reduce firm value.

Overall, the results highlight that family ownership, particularly through shareholding concentration and equity stake, positively drives firm value, whereas managerial involvement has limited effect, and financial leverage poses a risk to market valuation.

Discussion of Findings

The study finds that Family Shareholding Concentration (FSC) has a positive and significant effect on firm value, supporting the rejection of H_{01}. This outcome suggests that when families hold a large proportion of a company's shares, their interests are closely aligned with those of the firm, enhancing monitoring and reducing agency conflicts between owners and managers. The result is consistent with the findings of Chu (2009) and Heino et al. (2020), who documented that concentrated ownership structures enable families to exert effective oversight, reduce managerial opportunism, and improve strategic decision-making.

In the current Nigerian economic context, where firms face challenges such as currency volatility, inflationary pressures, and rising production costs, concentrated family ownership can provide stability, long-term strategic focus, and quick decision-making, allowing companies to navigate uncertainty more effectively.

Similarly, Family Ownership Equity Stake (FOS) demonstrates a positive and significant relationship with firm value, leading to the rejection of H_{02}. This indicates that higher equity stakes motivate families to commit long-term capital and sustain investments in the firm, promoting stability and confidence among other shareholders and investors. Empirical studies by Afonso Alves et al. (2020) and Sánchez-Marín et al. (2023) support this finding, showing that substantial family equity encourages a long-term orientation, reduces short-term risk-taking, and strengthens governance.

Theoretically, this aligns with the stewardship theory, which posits that family owners, when financially committed, act as stewards who prioritize firm growth and value creation over personal gains, enhancing firm reputation and market valuation.

In contrast, Family Managerial Ownership (FMO) shows a negative but statistically insignificant effect on firm value, suggesting that active family involvement in executive positions does not necessarily translate into superior market valuation. This aligns with prior studies by Chu (2009) and Daily and Dollinger (1993), who observed that while family management may facilitate continuity and embedded values, it can also introduce nepotism, limit professional managerial talent, and create governance challenges that offset potential benefits.

In Nigeria's consumer goods sector, where competitive pressures, innovation, and professional management practices are crucial, family executives may face challenges in adapting to dynamic markets, thereby reducing the effectiveness of managerial involvement in enhancing firm value.

Regarding the control variables, firm size exhibits a positive effect on firm value, consistent with the notion that larger firms enjoy economies of scale, greater market influence, and enhanced investor confidence (Sánchez-Marín et al., 2023).

Conversely, leverage negatively affects firm value, reflecting the risk associated with high debt levels, particularly in an economy characterized by fluctuating interest rates and inflationary pressures. This observation is consistent with the trade-off theory, which highlights that while moderate debt can optimize capital structure, excessive leverage increases financial risk and may depress market valuation. For Nigerian consumer goods companies, careful management of debt levels is critical to maintaining investor confidence and sustaining firm value in volatile economic conditions.

The findings have several practical and theoretical implications. First, family-owned companies should focus on maintaining high equity stakes and concentrated ownership to reinforce long-term strategic focus, effective monitoring, and market credibility. Second, while family management can provide continuity, firms should

balance executive family involvement with professional managers to enhance operational efficiency, innovation, and governance.

Third, the study reinforces the applicability of stewardship theory and agency theory in explaining the dynamics of family ownership and firm value, emphasizing that ownership concentration and equity commitment are more decisive than managerial involvement in determining firm market valuation, especially in emerging economies like Nigeria. These insights provide guidance for policymakers, investors, and corporate governance practitioners aiming to enhance value creation in family-dominated consumer goods firms.

5. Conclusion and Recommendations

The study concludes that family ownership dimensions, particularly shareholding concentration and equity stake, play a crucial role in enhancing the value of listed consumer goods companies in Nigeria. Firms with concentrated family ownership and significant equity stakes benefit from stronger alignment of interests, improved monitoring, and a long-term strategic orientation, all of which contribute to higher market valuation as reflected in Tobin's Q.

Conversely, family managerial ownership does not exert a significant positive impact on firm value, indicating that the presence of family members in executive roles alone may not guarantee superior outcomes. This suggests that family-owned firms need to carefully balance ownership and management roles, integrating professional managerial expertise where necessary to sustain growth and competitiveness, particularly in the dynamic Nigerian consumer goods sector.

Based on the findings, several recommendations are proposed. Maintain substantial equity stakes: Family firms should retain significant equity ownership to ensure alignment of interests between owners and the firm, reinforcing long-term commitment and enhancing firm value.

Strengthen corporate governance frameworks: Firms should adopt robust governance structures and policies to mitigate potential risks associated with family managerial involvement, such as nepotism or conflicts of interest.

Consider family ownership in investment decisions: Investors and stakeholders should evaluate family ownership structures, including shareholding concentration and equity stakes, as critical factors influencing firm valuation and investment potential.

Integrate professional management: While family involvement is important, firms should complement family executives with skilled professional managers to improve operational efficiency, strategic decision-making, and adaptability in competitive markets.

Explore sectoral and qualitative dimensions in future research: Subsequent studies could investigate differences across sectors and incorporate qualitative measures of governance and family influence to provide deeper insights into how family ownership shapes firm value.

These recommendations collectively aim to enhance the strategic and financial outcomes of family-owned consumer goods companies in Nigeria, ensuring that family involvement supports sustainable value creation while mitigating potential governance and management challenges.

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