# The Effect of Ownership Structure on Firm Value of Listed Oil and Gas Firms in Nigeria

[1]Egolum, Priscilla Uche. PhD, [2]Onyinyechukwu Okonenwa, [3]Ezeh, Augustina A.

[123]*Department of Accountancy, Faculty of Management Sciences, NnamdiAzikiwe University,*
*P. M. B. 5025, Awka, Anambra State, Nigeria.*

## ABSTRACT
This study examined the effect of ownership structure on firm value of listed oil and gas firms in Nigeria. Specifically, the study determined the effect of managerial ownership, government ownership, ownership concentration and CEO ownership on firm value (surrogated by Tobins q) of oil and gas firmsfrom 2010 to 2019. The tests of the four null hypotheses were carried out using spearman rank correlation analysis and also employed panel least square (POLS) regression analysis. The result of the analyses revealed that managerial ownership and CEO ownershiphave insignificant positive effect on firm value of listed oil and gas firms in Nigeria (Coef. = 0.089, t = 0.46 and P -value = 0.643)(Coef. = -0.013, t = -0.41 and P -value = 0.683); while government ownership has an insignificant negative effect on firm value of listed oil and gas firms in Nigeria (Coef. = -0.037, t = -1.47 and P -value = 0.145);ownership concentration has a significant negative effect on firm value of listed oil and gas firms in Nigeria (Coef. = -0.420, t = -1.95 and P -value = 0.054). The study recommended, among others, that management should reconsider and pay critical attention to management policies that tends to increase the volume of concentrated ownership of listed oil and gas firms in Nigeria.

**KEYWORDS:**Managerial Ownership, Ownership Concentration, Government Ownership. Chief Executive Officer Ownership, Firm Value.

## I. INTRODUCTION
The ownership structure of firms is an important element of corporate governance; the complex system of legal, institutional and market forces by which firms are governed (Egolum, Ugonabo and Okonenwa, 2021). Since time immemorial, it has been largely argued that ownership structure is related positively to firm profitability. Continuing this debate, other scholars have examined and generally given supporting evidences to the agency theory expectations (Jensen &Meckling, 1976) that separation between ownership and control provides managerial incentives to diversification because of the personal benefits that managers would acquire from risk reduction. Indeed, large number of shareholders cannot exercise enough power to oversee managerial performance. Consequently, managers exercise more freedom in the use of firm resources as they would in case of a single shareholder or if the ownership would have been more concentrated.

According to Lawal, Eniola& Lateef (2018), ownership structure refers to power to control in a company that implicates a capacity to determine and make decision on a company policy. It can also be viewed as the combination of managerial ownership which is the percentage of shares held by directors, state ownership, chief executive officer ownership and ownership concentration which is seen as the portion of shares. Several researchers believe that ownership structure affects the operation of a company which will influence company value held by top shareholders in relation to the percentage of shares held by controlling shareholders. Therefore, Chief executive officer ownership is referred to the percentage of shares held by the CEO of the firm. Given that the whole equity stock of the company does not belong to the non-managerial shareholders only, managers who also own shares in the company would work very hard to see that the profitability of this firm increases, if not for anything, but for his own self-interest, still. However, it has been observed in empirical literature that ownership structure does not contribute significantly to the market value firms (Lawal, Eniola& Lateef, 2018).

Under this assumption, the greater the managerial ownership, state ownership and CEO ownership, the less inclined the managers are to divert resources away from value maximization. In other words, higher ownership by managers, CEO

and state government aligns the interest of the managers with that of the company. Additionally, the greater the managerial ownership (i.e. larger the percentage of shares held by the directors of the company), the better will be the company's value. The assumption that managers who hold a large stake in a company will wholly promote the interest of that company is called convergence in interest assumption (Najjar, 2015). Contrary to the assumption above, it is also argued in literature that the greater the percentage of shares held by the managers, the lesser the other shareholders can compel them to manage the firm in their interests. The managers may seek entrenchment by weakening the mechanisms so as to be able to control or replace them (Lawal, Eniola& Lateef, 2018).

Agency problem posits that managers set out their own personal interest at all times leaving behind the interest of shareholders or even incubating personal interests that do not align with the shareholders. Thus, conflict of interest gets tougher and more damaging with some unpleasant consequences such as diminution of shareholder's value, unhealthy earnings management practices, decrease in firm value among others. Therefore, inadequate ownership concentration, CEO ownership, state-ownership and high managerial ownership structure have made other shareholders indisposed to monitor management and to control the excesses of the management team if any. This of course has resulted in many impediments to the growth and performance of firms, loss of a significant market segment, etc.

Previously, there are a number of studies that were conducted to evaluate the effect of ownership structure. However, most of the previous studies utilized accounting measures such as return on equity, returnon Assets, return on capital employed, earnings per share, etc. both in Nigeria and abroad. More so, the results of the extant studies are mixed and inconclusive.Hence, this study tends to address this gap in knowledge by using firm value (proxy by Tobin Q) to examine the effect of ownership structure in quoted oil and gas firms in Nigeria.

**Objectives of the Study**
The broad objective of this study is to examine the effect of ownership structure on the firm value of listed oil and gas companies in Nigeria. To achieve this objective, the study specifically seeks to:
i.    Determine the effect of managerial ownership on the firm value (Tobin Q) of listed oil and gas companies in Nigeria.
ii.   Ascertain the extent to which state ownership affects firm value (Tobin Q) of listed oil and gas companies in Nigeria.
iii.  Evaluate the effect of ownership concentration on the firm value (Tobin Q) of listed oil and gas companies in Nigeria.
iv.   Ascertain the degree to which Chief Executive Officer ownership affects the firm value (Tobin Q) of quoted oil and gas firms in Nigeria.

## II.  REVIEW OF RELATED LITERATURE
**2.1 Conceptual View of Ownership Structure Using Tobin Q as Firm Value**
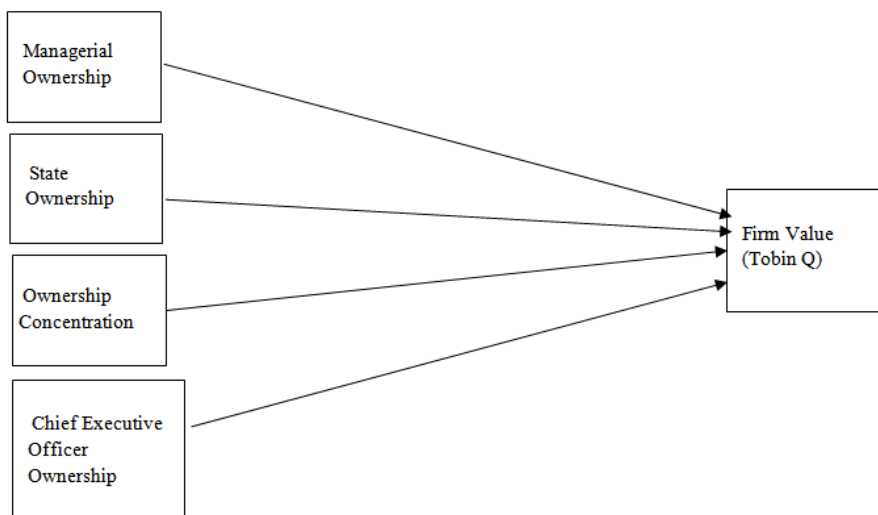


**Figure 1: Researcher's Concept, 2021**

According to Aliyu, Mazadu and Shehu (2015), ownership structure is the distribution of equity with regard to votes and capital as well as the identity of the equity owners. It is alternatively called ownership diversity. These diversities sometimes refer to structures are of major importance in corporate governance because they determine the incentives of managers and thereby the economic efficiency of the corporations they manage. Sahut&Gharbi (2010) viewed Ownership structure as the combination of ownership concentration, managerial ownership and institutional ownership. Ownership structure entails the distribution of equity with respect to votes (Nazir& Malhotra, 2016), capital, and also by the equity owners' identity (Lawal, Eniola& Lateef, 2018). Abubakar (2015) conceptualized ownership structure as the classes or group of owners that exercise control over activities of a firm. Ownership structure is regarded as the fraction of shares owned by a firm's most significant shareholders, with much attention given to the fraction owned by the five largest shareholders (Najjar, 2015)**.**

**Concept of Firm Value**

Firm value is the view of investors on the level of success of the company in managing company resources (Apariada&Suardikha, 2016). Firm value provides information about the future worth of a firm. Approaches to measuring the firm value are not always the same in each company due to varying purposes of doing business. A company's profit can be a tool to measure the value of the firm. For this study, the value of firms will be measured with Tobin Q. Tobin Q is the sum of the market value of equity and book value of debt all divided by the book value of the firm's assets. When the value of the company rises up, it is pointing that there is good corporation between the agents (management) and the principal or investor as third parties who include shareholders and stakeholders in order to create good financial policy by maximizing their working capital.

**Ownership Concentration and Firm Value**

Ownership concentration refers to the total percentage of shares held by an owner relative to the total shares of the shareholding of the firm (Amin &Hamdan, 2018). This dimension of the ownership structure focuses more on the ability of the owner to monitor and control managerial discretion. Sahibzada and Siti (2018), examined the impact of ownership structure on firm performance of Textiles, oil marketing and distribution, movies and entertainment industries in Bombay stock exchange. The independent variables were managerial ownership, ownership concentration, institutional and foreign ownership while the dependent variable was Return on Assets. The findings show that ownership concentrate has a significant positive impact on Return on Assets.Reem, Allam and Wajeeh (2015), assessed the relationship between ownership structure dimensions and corporate performance of listed companies in Bahrain. The first finding showed that ownership concentration has a negative relationship on company's performance measured by ROA and Tobin's Q. Their results were mixed, hence, **ownership concentration does not significantly affect firm value (Tobin Q) of listed oil and gas firms in Nigeria.**

**Managerial Ownership and Firm Value**

Manoranjan, (2005) as cited in Abubakar, (2015), defines managerial ownership as the fraction of equity shares that is held by insiders and promoters, and the proportions of director's equity ownership which includes their deemed interest.Lawal, Eniola& Lateef (2018) argued that managerial ownership is not only meant to increase the equity of the organization but also to serve as incentives to managers to align managers' interests with those of the interests of the organization. They further posited that managerial ownership is measured by natural logarithm of equity held by managers as shareholders in a firm. Okewale, Mustapha and Aina (2020) examined the effect of the ownership structure and its dimensions (such as managerial ownership, employee ownership and private ownership) on the financial performance of eighteen food and beverage quoted firms on the Nigerian Stock Exchange. The result showed that managerial ownership had an insignificant (positive) effect on return on equity. When it comes to managerial ownership and firm value of oil and gas companies, it is most probable that managers who are also shareholders of the same company will without undue hesitation do everything possible to see that the financial performance of the firm is bolstered.

**Hence, the hypothesis,managerial ownership doesnot significantly affect firm value (Tobin Q) of listed oil and gas firms in Nigeria.**

**State Ownership and Firm Value**

State ownership refers to an ownership fraction or stake in a firm that is held by the state government (Lawal, Eniola& Lateef, 2018). State ownership affords the government the motivation and ability to monitor and control management decisions. Therefore, government shareholders use

their large stake in reducing conflicts between managers and the organization by being more proactive in monitoring and protecting their investments. Stanley (2015), assessed the impact of ownership structure on financial performance of listed Chinese banks. Using correlation analysis, the results revealed that there is no significant difference in performance between the two types of ownership structure (state-owned and joint venture. The researcher opined that the more percentage share the government owns in a firm, the higher the rate of monitoring in the firm. By this, the firm will be effectively managed because the managers are under strict monitoring by the state/government.JoséSatsumi and JoséG (2014) tested if the type of ownership (Foreign Private, Local Private and State) affects the financial performance of firms in Latin America. Three kinds of ownership were used: foreign private, local private and state ownership. The Return on Equity (ROE) was used to measure the financial performance. The results shedthat the type of ownership is not relevant to the financial performance in Latin American context giving an inconclusive result.

**Hence,the hypothesis, state ownership does not significantly affect firm value (Tobin Q) of listed oil and gas companies in Nigeria using as measure for firm value.**

**Chief Executive Officer Ownership and Firm Value**

According to Saseela&Thirunavukkarasu (2017), Chief Executive Officer (CEO) ownership is the measured of equity shares (votes) of a firm owned by the CEO, divided by the total number of shares in percentage.CEOs have a direct control of the company which provides them with the ability and motivation to control and monitor the management of the firm. This is because CEO ownership measures the degree of concentration of voting right in listed corporations which is owned by the CEO. It is argued that the higher the number of shares owned by the CEO, the more mangers action will be regulated and monitored to act in the interest of the shareholders and the higher the firm value.Aliyu, Mazadu and Shehu (2015) investigated the impact of shareholding structure on the performance of listed conglomerate firm in Nigeria. The study found that independent director's ownership has a negative but strong and significant impact on the performance of listed conglomerate firms in Nigeria.Benjamin, Love and Dandago (2014), examined the relationship of equity ownership and financial performance of logistic firms in India. From the study it is found

that Promoters' holding has positive relationship with accounting measures such as RONW, ROCE and negative relationship with marketing measures such as PE, PBV. However, Non Promoters Holding has positive relationship with marketing measures and negative relationship with accounting measures. Hence, the hypothesis, Chief Executive Officer (CEO) ownership does not significantly affect firm value (Tobin Q) of oil and gas firm in Nigeria.

**Agency Theory**

According to Egolum, Ugonabo and Okonenwa (2021), agency theory which is propounded by Jensen and Meckling (1976), can be seen as the contractual relationship that exists between the manager and the shareholders in which shareholders authorize the manager to run their business activities. In so doing, investors employ the services of managers (based on their managerial expertise) to invest their surplus funds in profitable ventures in order to generate good returns and the managers are rewarded for their services. Agency theory holds that the separation of ownership from management in companies often leads to a misalignment of interests between shareholders (the principal) and the management (the agent), (Egolum, ugonabo and Okonenwa 2021). This scenario arises because the shareholders aim at maximizing the share value and creating value for the company; management's main goals comprise reinforcing its position and power within the firm, and increasing its remuneration and personal benefits at the expenses of the shareholders (Jensen and Meckling, 1976). The theory attempts to deal with first, the agency problem where there is a conflict of interests between a firm's managers and firm's stockholders, and second, that the principal and agent settle for different risk tolerances. Therefore, there are two main agency relationships in a firm that are normally in conflicts; those between the firm's managers and stockholders and between the stockholders and the debt-holders (Lawal, Eniola& Lateef, 2018). Conflicts of interests between managers and shareholders also arise from the divisions between ownership and control. Since managerial ownership can align the interests between them and owners, hence, it as well reduces the total agency costs.

However, low levels of governance are likely to attract costs thereby lowering profitability (Lawal, Eniola& Lateef, 2018). As a result, management that is dedicated to the entity's interest will try to lower transaction/agency costs in order to increase performance results. Thus, we can infer from this theory that the managers' propensity

to increase firm value depends on ownership structure (Oyerogba, Olaleye& Solomon, 2014). The agency theory predicts that ownership structure is a significant determinant of corporate value since share ownership structure is a mechanism to reduce agency cost. In addition, it is widely accepted that corporate ownership structure has the potential to limit the agency problem, and therefore enhances firm value as a result of better monitoring of the agents by large shareholders who are also the principals (Akman, Mugan&Akisik, 2015).

**Empirical Review**

Okewale, Mustapha and Aina (2020), examined the effect of the ownership structure and its dimensions (such as managerial ownership, employee ownership and private ownership) on the financial performance of eighteen food and beverage quoted firms on the Nigerian Stock Exchange (NSE) during the period 2010-2018. The study used secondary data on managerial ownership (MO), employee ownership (EO), private ownership (PO) and return on equity (ROE). These were sourced from the annual report and accounts of the firms used for the study. Data collected were analyzed using pooled regression, fixed and random effect regression. The result showed that managerial ownership had an insignificant (positive) effect on return on equity (t=1.63; P=0.329; P>0.05). Employee ownership had significant positive effect on return on equity (t=2.19; P=0.001; P<0.05). Private ownership had significant effect on return on equity (t=3.2; P=0.005; P<0.05). Managerial ownership, employee ownership and private ownership had a significant combined effect on return on equity (Wald Chi$^2$=32.91; R$^2$=0.682; P=0.000). The study concluded that ownership structure had a significant effect on the financial performance of quoted food and beverage manufacturing firms in Nigeria.

Sahibzada and Siti (2018), examined the impact of ownership structure on firm performance in India. Textiles, oil marketing and distribution, movies and entertainment industries were studied through 50 companies registered in Bombay stock exchange within the span of 2011 -2015 and total observations of 250 firms-years. The independent variables were managerial ownership, ownership concentration, institutional and foreign ownership while the dependent variable was Return on Assets. The research employed Descriptive Statistics, Pearson correlation coefficient and multiple linear regressions for gauging the impact of the independent variables on the dependent variable.

Simple convenience sampling technique was used to select the sample size and E-view software was adopted to generate the data for analysis. The findings show that concentrate ownership has a significant positive impact on Return on Assets. While managerial and institutional ownership have positive insignificant impact on ROA. Lastly, foreign ownership was found to have a negative insignificant impact on ROA. Furthermore, it was recommended that future researchers are encourage different industries with the same framework to investigate the impact which might be different due to the difference in the nature of the industry.

Amin and Hamdan (2018), evaluated the relation between ownership structure and firm performance; the sample included 171 firms from all the sectors in Kingdom of Saudi Arabia for two years, 2013–2014. Two dimensions of ownership structure were studied, concentration and identity of owner, which was subdivided into foreign, managerial, family and institutional ownership. One major financial tool was used to measure firm performance: return on assets (ROA). The study evaluated this relation using several control variables which are: firm size, firm age, financial leverage and industry sector. Ownership concentration was found to have a positive, statistically insignificant effect on company performance. Institutional ownership was found to have a positive effect on company performance. Managerial ownership did not have a significant effect on company performance; however, managerial ownership had a positive effect on performance. Foreign ownership was found to have a negative, statistically significant effect on firm performance, and family ownership was found to have a positive and statistically insignificant effect on firm performance.

Lawal, Eniola and Lateef (2018), examined the effect of ownership structure on financial performance of listed insurance firms in Nigeria. Data was collected from the annual reports of 28 insurance firms listed in the Nigerian Stock Exchange for the periods of 2011 to 2016. The ex-post facto was employed by the study to examine the effect of ownership structure on financial performance of listed insurance firms in Nigeria. In addition to the descriptive statistics and correlation, multiple regression technique through panel data methodology was applied for model estimation. Data were subjected to pooled General Least Square, Fixed Effects, and Random Effects regression model to test the hypotheses of the study. Ownership structure proxied by managerial ownership, institutional ownership, and ownership concentration were adopted as independent

variables. Firm financial performance as the dependent variables was proxied by Book value per Share. This study found ownership structure has significant positive effect on financial performance of the listed insurance firms except concentrated ownership with negative effect. However, in respect of size and growth of the firms, which form the control variables of the study, there were mixed evidence of their effects on financial performance. The study recommends that in order to enhance the financial performance, insurance firms in Nigeria should increase management equity-holding in the firms as this can stimulate the managers to maximize their efficiency and create more wealth for stakeholders.

Saseela and Thirunavukkarasu (2017), investigated the relationship between ownership structure and financial performance of listed beverage food and tobacco companies for the period of 2010-2015. The sample consisted of 10 listed beverage food and tobacco companies in Sri Lanka. In this study, data was collected from secondary sources and hypotheses are examined by using Pearson's correlation and regression analysis. The results reveal that ownership concentration and foreign ownership structure are positively correlated with financial performance of listed beverage food and tobacco companies while institutional ownership structure isn't significantly correlated with financial performance. It is also found that there is a significant impact of foreign ownership structure on financial performance. Thus, the higher the foreign ownership structure in listed beverage food and tobacco companies, the higher the financial performance which is preferable for the shareholders and it improves the wealth of companies.

Reem, Allam and Wajeeh (2015), assessed the relationship between ownership structure dimensions and corporate performance of 42 out of 48 listed companies in Bahrain for the period 2007 and 2011. The first finding showed that ownership concentration has a negative relationship on company's performance measured by ROA and Tobin's Q. Second finding showed that institutional ownership has a positive relationship on company's performance. While the third finding showed that managerial ownership found a significance positive relationship with company's performance.

Abubakar (2015), examined the impact of ownership structure on financial performance of quoted building materials firms in Nigeria. The population of the study consists of six (6) cement firms quoted on the Nigerian stock exchange as at 31st December 2013. Four firms were selected using two criteria. Cement companies that made

available their annual report of eight years and cement companies quoted on the Nigerian stock exchange before 2004. The study used multiple regression as a tool for analysis and tested for fixed and random effect. The study revealed that institutional ownership and managerial ownership showed a positive significant impact on the financial performance of quoted building materials firms in Nigeria, while ownership concentration showed no significant impact on the financial performance of quoted building material firms in Nigeria. The study concluded that ownership structure affects financial performance of building materials firms in Nigeria and therefore recommended that Security and Exchange Commission should encourage more potential managers and Institutional shareholders to invest long term in building materials industry as both managers and Institutional shareholders enhances financial performance of quoted building materials firms in Nigeria.

Stanley (2015), assessed the impact of ownership structure on financial performance of listed Chinese banks between the periods 2005-2013. Using correlation analysis, the results revealed that there is no significant difference in performance between the two types of ownership structure (state-owned and joint venture).

Aliyu, Mazadu and Shehu (2015) investigated the impact of shareholding structure on the performance of listed conglomerate firm in Nigeria. The sample of the study was all the 6 firms representing the whole population of the study. The study adopted ex-pot facto research design; using secondary data extracted from the annual report and account of the sampled firms within the period of 2008/2013. Panel multiple linear regression technique was used as a technique of data analysis. The study found that managerial ownership and independent director's ownership has a negative but strong and significant impact on the performance of listed conglomerate firms in Nigeria, whereas institutional and ownership concentration were found to have a positive, strong and significant impact on the performance of listed conglomerate firm in Nigeria. On the other hand, foreign ownership was found to have no significant impact on the performance. It is therefore recommended that management of firms in the conglomerate sub-sector should advice and lobby institutions and individual block holders to subscribe more of their shares as it increase the firm performance, while managers should be discouraged by the board to hold a substantial unit of shares by instituting a policy that will restrict the

number of their holdings to avoid decrease in performance.

Zakaria, Purhanudin and Pallanimally (2014), conducted a study to examine the impact of ownership structure on firm performance of the Malaysian listed Trading and Services firms by using samples of 73 companies and obtained the data for ownership within span of five years (2005-2010), by testing dependent variable in term of profitability, valuation, growth and risk such as ROA, leverage, firm size and investment opportunities; and independent variable Concentrated Ownership, Managerial ownership, Government ownership and Foreign ownership. Their study revealed that firm performance which measures through return on asset, leverage, firm size and investment opportunities has two relationships with the ownership structure. First, concentrated and managerial ownership show that it can enhance the firm performance and the second is it inversely occurs in government ownership firms. In addition, the Trading and Services firms have no effect by ownership structure under pre crisis period.

JoséSatsumi and JoséG (2014) tested if the type of ownership (Foreign Private, Local Private and State) affects the financial performance of firms in Latin America in the period from 2005 to 2011. In order to reach this aim, a sample of 29 firms that operates in different countries from Latin America was selected (mainly from Brazil, Mexico, Chile, Argentina and Colombia). Likewise, in order to measure the type of ownership, the firms of the sample were categorized in three kinds of ownership such as: foreign private, local private and state ownership. The Return on Equity (ROE) was used to measure the financial performance. Finally, in order to reach the main aim of this paper, we test the hypothesis using a regression analysis with SPSS. The results shed that the type of ownership is not relevant to the financial performance in Latin American context.

Benjamin, Love and Dandago (2014), examined the relationship of equity ownership and financial performance of logistic firms in India. The study explored the possibility that whether equity ownership type affects the financial performance of listed logistic Indian firms. The study examined the relationship of equity ownership with accounting as well as market performance measures of financial performance of the firms. The 25 most actively listed logistic Indian companies on BSE 500 indices and few on NSE listed constituting the bulk of trading, are chosen to constitute the sample of the study. A

period of one year as of ending 2010 - 2011 financial statement is considered. The study used Ordinary least square (OLS) to examine the relationship between the equity ownership and financial performance of the Indian listed firms. From the study it is found that Promoters' holding has positive relationship with accounting measures such as RONW, ROCE and negative relationship with marketing measures such as PE, PBV. However, Non Promoters Holding has positive relationship with marketing measures and negative relationship with accounting measures.

## III. METHODOLOGY

In this study, ex-post facto research design is employed. The population is made up of all oil and gas firms that are listed on the floor of the Nigerian stock exchange market for the period between 2010 and 2019. As at 31st December, 2019 the total number of listed oil and gas firms were fifteen (15)

However, to obtain our sample size this study focused on those companies that joined the stock exchange before year 2010 and remained on the stock exchange till year 2019. To this end, firms listed after the start period (2010) of this study were deselected bringing the final sample size to eight (8) oil and gas firms.

First, the study made use of Spearman Rank correlation analysis and also employed Panel Least Square (POLS) regression analyses. Gujarati (2003) suggests some critical assumptions that must be met in validating the least square regression estimates. First, is the assumption of normality of residua. We examined this assumption using Shapiro Wiki test. Second, is the assumption of linearity of model parameters (model specification error). Third, is the assumption of homoscedasticity which we conducted using Breusch-Pagan-Godfrey test for heteroscedasticity. Fourth is the test for multicollinearity which was carried out using variance inflation factor (VIF) technique as recommended by Gujarati (2003). We also carried out a test for fixed and random effects. The results revealed the presence of random and fixed effect and Hausman specification test was employed to decipher the most appropriate model which in this study is the random effect model. However, to correct for random effect in the model, we adopted **Hierarchical Regression Estimator** which was also employed to test the study hypotheses and provide policy recommendations.
The model for this study is adopted from the study of Jabeen and Ahmad, (2019) and expressed econometrically as:

$$TobinQ_{it} = \square_0 + \square_1 ManOwn_{it} + \square_2 GovtOwn_{it} + \square_3 OwnCon_{it} + \square_4 CEOOwn_{it} + \square_5 Shareprice_{it} + e_{it}$$

**Where:**
Tobin Q = Firm Value (Tobin Q)
ManOwn = Managerial Ownership
GovtOwn = Government Ownership
OwnCon = Ownership Concentration
CEOOwn = CEO Ownership
Shareprice = Share Price
"{i}" = Cross Section (Sample Companies)
"t" = Time Frame (2010 to 2019)
$e_{it}$ = Stochastic error Term

**Operationalization of Variables**
These are the operational definitions (tabulated) of the variables used in the study, i.e., the dependent and independent variables.

**Table 1: Operationalization of Variables**

| Variables | Measurement | Source |
|---|---|---|
| Tobin Q (Dependent Variable) | Tobin Q in numbers is computed as Market Capitalization + Total Liabilities -Cash flow divided by Total asset | Musa and Nawaiseh (2017) |
| Ownership Concentration (Independent Variable) | Ownership concentration in percentage is the shares ownership concentration of all the block shareholders with 5% and above controlling interest. | Feng, Ghosh, He, &Sirmans (2010) |
| Government Ownership (Independent Variable) | Institutional ownership in percentage is the shares ownership concentration of all the block institutional shareholders with 5% and above controlling interest. | Feng, Ghosh, He, &Sirmans (2010) |
| Managerial Ownership (Independent Variable) | Managerial Ownership in percentage is computed as directors direct and indirect shares divided by outstanding shares. | Feng, Ghosh, He, &Sirmans (2010) |
| CEO Ownership | CEO ownership in percentage is computed as CEO shares to total outstanding shares. | Feng, Ghosh, He, &Sirmans (2010) |
| Share Price (Control Variable) | December Price in monetary value is December Ending Local Currency Closing Share Price as sourced from stock exchanges official reports | Musa and Nawaiseh (2017) |

**Source: Researcher's Compilation 2021**

## IV. DATA ANALYSIS, PRESENTATION AND DISCUSSION OF FINDINGS

**Table 2: Descriptive Statistics**

| years | tobinq | manown | govtown | owncon | ceoown | sharep~e |
|---|---|---|---|---|---|---|
| 2010 | 1.5671 | .13295 | 0 | .4925 | .73125 | 71.54375 |
| | 1.124501 | .2217417 | 0 | .2371708 | 1.980739 | 79.5614 |
| | .8899 | .0002 | 0 | .06 | 0 | 1.4 |
| | 4.1509 | .6002 | 0 | .74 | 5.63 | 234 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2011 | 1.169263 | .1371875 | 0 | .4925 | .725 | 56.24625 |
| | .5590401 | .2446481 | 0 | .2371708 | 1.982697 | 68.77059 |
| | .7799 | 0 | 0 | .06 | 0 | .9 |
| | 2.3039 | .6002 | 0 | .74 | 5.63 | 188.1 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2012 | .9862625 | .147 | 0 | .50625 | .00125 | 37.1825 |
| | .3942666 | .2307087 | 0 | .2467467 | .0035355 | 48.7227 |
| | .5805 | 0 | 0 | .06 | 0 | .55 |
| | 1.7745 | .6002 | 0 | .74 | .01 | 120.57 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2013 | 1.103063 | .1629875 | 0 | .50625 | .00125 | 68.35125 |
| | .4380091 | .2542302 | 0 | .2467467 | .0035355 | 60.34877 |
| | .5695 | 0 | 0 | .06 | 0 | .54 |
| | 1.7291 | .6002 | 0 | .74 | .01 | 170 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2014 | 1.359825 | .1887 | 0 | .52625 | .70875 | 79.88375 |
| | 1.071374 | .2202808 | 0 | .2632184 | 1.984493 | 85.11111 |
| | .6856 | .0004 | 0 | .06 | 0 | .5 |
| | 3.8819 | .6001 | 0 | .78 | 5.62 | 227.9 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2015 | 1.631275 | .18645 | 1.25 | .60125 | .70625 | 89.6725 |
| | 1.920475 | .21928 | 3.535534 | .2573179 | 1.985483 | 116.2878 |
| | .5619 | .0003 | 0 | .06 | 0 | .5 |
| | 6.2868 | .6001 | 10 | .89 | 5.62 | 330 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2016 | 1.0837 | .200475 | 1.25 | .6025 | .70625 | 93.93125 |
| | .618647 | .2299958 | 3.535534 | .2563898 | 1.985483 | 123.6887 |
| | .5024 | .0003 | 0 | .06 | 0 | .5 |
| | 2.146 | .6001 | 10 | .89 | 5.62 | 299 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2017 | 1.101137 | .09005 | 0 | .60125 | .02875 | 66.8225 |
| | .5114143 | .1280424 | 0 | .2436882 | .0659951 | 91.445 |
| | .6144 | .0001 | 0 | .06 | 0 | .5 |
| | 2.0858 | .3658 | 0 | .78 | .19 | 229.95 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2018 | 1.126013 | .1409625 | 0 | .58375 | .005 | 59.5075 |
| | .6151801 | .2703255 | 0 | .2399367 | .0106904 | 83.97447 |
| | .7123 | 0 | 0 | .06 | 0 | .21 |
| | 2.499 | .782 | 0 | .78 | .03 | 203 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| 2019 | .854075 | .1912537 | 0 | .579625 | .46625 | 39.81125 |
| | .1865255 | .2857565 | 0 | .2631425 | 1.298603 | 56.60213 |
| | .6213 | .00003 | 0 | .06 | 0 | .2 |
| | 1.1164 | .8145 | 0 | .85 | 3.68 | 147.9 |
| | 8 | 8 | 8 | 8 | 8 | 8 |
| Total | 1.198171 | .1578016 | .25 | .5492125 | .408 | 66.29525 |
| | .8651565 | .2227221 | 1.5711 | .2391991 | 1.416384 | 81.76022 |
| | .5024 | 0 | 0 | .06 | 0 | .2 |
| | 6.2868 | .8145 | 10 | .89 | 5.63 | 330 |
| | 80 | 80 | 80 | 80 | 80 | 80 |

**Author's Computation, 2021**

**Discussion**

The table above shows the descriptive statistics of the study, from the table we observed a decrease in average values of Tobin Q from 1.57 in year 2010 to 1.17 in year 2011, 0.99 in the year 2012, 1.10 in the year 2013, 1.36 in year 2014, 1.08 in year 2016, 1.10 in year 2017, 1.13 in year 2018 and 0.85 in year 2019. However, we observed that

Tobin Q was highest in year 2015 (1.63) when compare to other years under study. For the independent variable of managerial ownership, we observed an increase for the period under study from 0.13 in year 2010 to 0.14 in year 2011, 0.15 in year 2012, 0.16 in year 2013, 0.19 in year 2014, 0.19 in year 2015 and 0.20 in year 2016. However, we observed a decrease to 0.09 on average in year 2017. On average, it is seen that government shareholding in the firms under study is 1.25 in year 2015 and 2016. However, no government stake is recorded between year 2010 and year 2014 and for the periods 2017, 2018 and 2019. The table shows an increase in ownership concentration from 0.49 in year 2010 to 0.49 in year 2011, 0.51 in year 2012. We also observed that CEO ownership rose above 50% in year 2010 (73%), year 2011 (73%), year 2014 (71%), year 2015 (71%), and year 2016

(71%). However, CEO ownership was less than 50% in year 2012 (0.01%), year 2013 (0.01), year 2017 (29%), year 2018 (5%), and year 2019 (47%). For our control variable of share price, on average, the table shows highest average value in year 2016 (93.93) closely followed by year 2015 (89.67), and year 2014 (79.88) respectively.

**Test for Normality of Residua**

In this study, we follow the results of Mendes and Pala (2003); Farrel and Stewart (2006); and Keskin (2006) Razali and Wah (2011) who concluded that Shapiro-Wilk test is the most powerful normality test since it consistently has the lowest total rank from n = 10 until n = 2000 and conducted the test for normality of residua as shown in the table below:

**Table 3Shapiro-Wilk W test for Normal Data**

| Variable | Obs | W | V | z | Prob>z |
|---|---|---|---|---|---|
| tobinq | 80 | 0.62294 | 25.881 | 7.129 | 0.00000 |
| manown | 80 | 0.72898 | 18.603 | 6.405 | 0.00000 |
| govtown | 80 | 0.52675 | 32.484 | 7.627 | 0.00000 |
| owncon | 80 | 0.85614 | 9.874 | 5.017 | 0.00000 |
| ceoown | 80 | 0.41294 | 40.296 | 8.099 | 0.00000 |
| shareprice | 80 | 0.78960 | 14.442 | 5.851 | 0.00000 |

**Authors Computation 2021**

From the results obtained above, we find that both the dependent variable of Tobin Q (Prob>z 0.00006) and the independent variables of managerial ownership (Prob>z 0.00000), government ownership (Prob>z 0.00000), ownership concentration (Prob>z 0.00000), CEO ownership (Prob>z 0.00000), and the control variable of share price (Prob>z 0.00000) are not

normally distributed. This is obtained from the probability z statistics revealed in the table above. We justify this interpretation following the study of Bera and Jarque (1982).

Based on the fact that the data set followed a non-normal distribution, we employ the Spearman Rank Correlation technique to conduct the possible association between the variables of interest shown in the table below;

**Table 4 Spearman Rank Correlation Analysis**

```
+----------------+
| Key            |
|----------------|
| rho            |
| Number of obs  |
| Sig. level     |
+----------------+
```

```
            |   tobinq   manown   govtown   owncon   ceoown  sharep~e
------------+-----------------------------------------------------------
     tobinq |   1.0000
            |       80
            |
            |
     manown |  -0.2873*   1.0000
            |       80       80
            |   0.0098
            |
    govtown |  -0.2011    0.2256*  1.0000
            |       80       80       80
            |   0.0737    0.0443
            |
     owncon |   0.0419    0.2378*  0.0871    1.0000
            |       80       80       80       80
            |   0.7122    0.0337    0.4422
            |
     ceoown |   0.1570   -0.2812* -0.0999   -0.3337*  1.0000
            |       80       80       80       80       80
            |   0.1642    0.0115    0.3780    0.0025
            |
  shareprice|   0.5369*  -0.0918   0.0589    0.5114*  -0.2597*  1.0000
            |       80       80       80       80       80       80
            |   0.0000    0.4178    0.6035    0.0000    0.0200
```

**Authors Computation 2021**

Specifically, the analysis from the spearman rank correlation showed that only the variable of managerial ownership (-0.2873), and government ownership (-0.2011) have negative correlation with the independent variable of Tobin Q. However, we find that the independent variables of ownership concentration (0.0419), CEO ownership (0.1570) and the control variable of share price (0.5369) have a positive association with the dependent variable of Tobin Q. However, we find that all the associations are seen to be weak (not up to 0.8) hence there is no room to suspect the presence of multicollinearity in the estimated model.

we first conducted a Panel Ordinary Least Square regression analysis before checking for any regression violations. As indicated in the table below, the panel least square regression yielded the following results:

**Table 5 Firm Value Panel Least Square Regression Estimation Result**

```
------------------------------------------------------------------------
   TobinQ |     Coef.   Std. Err.      t    P>|t|    [95% Conf. Interval]
----------+-------------------------------------------------------------
   manown |  .0893818   .1923188     0.46   0.643   -.2938218    .4725854
  govtown | -.0372249   .0252666    -1.47   0.145   -.0875697     .01312
   owncon | -.4197261   .2148141    -1.95   0.054   -.8477526    .0083005
   ceoown |   -.01348   .0329068    -0.41   0.683   -.0790481    .0520882
shareprice|  .0045673   .0005087     8.98   0.000    .0035536     .005581
     _cons| -.0335997   .1212675    -0.28   0.782   -.2752305    .2080312
```

No of Observations = 80   Probability F- Statistics = 0.0000$R^2$ = 0.5496

**Authors Computation, 2021**

To identify the existence or lack of multicollinearity in the firm value model, we use the variance inflation factor (VIF) technique. For classifying a VIF as high, a mean cut-off value of 10 is accepted. Gujarati (2004), in particular, allows for a VIF of lower than ten. However, our findings revealed that VIF (1.41) is within the maximum limit of 10.

The assumption of homoscedasticity states that if the errors are heteroscedastic then it will be difficult to trust the standard errors of the least square estimates. The result obtained from the Breusch-Pagan test reveals a probability value of (P-value: 0.0012) indicating that the assumption of homoscedasticity has been violated. Hence, we resort to the use within effect estimators to correct for this violation.

**Test for Fixed and Random Effects**

Wallace and Hussain estimator of component variances (a two-way random and fixed effects panel) was performed at a 0.05 level of significance. If the p-value > $\chi2$ is larger than .05, then it is safe to use random effects, but if the p-value < $\chi2$ is less than .05, then the fixed-effects model should be adopted (Gujarati, 2004; Ajibolade&Sankay, 2013). The table below provides a summary result obtained from both fixed and random effect models.

**Table 6 Panel Firm Value Fixed & Random Effect Models**

| Variables | ManOwn | GovtOwn | OwnCon | CEOOwn | Share price |
|---|---|---|---|---|---|
| **Fixed Effect Model** | | | | | |
| **Coefficient** | -0.401 | -0.004 | 0.014 | -0.094 | 0.011 |
| **t_ Statistics** | (-0.76) | (-0.10) | (0.03) | (-1.43) | (8.00) |
| **Probability_t** | {0.450} | {0.921} | {0.979} | {0.158} | {0.000} * |
| **No. of Obs = 80** | | **Prob. F statistics = 0.0000** | | **$R^2$ = 0.4999** | |
| **Random Effect Model** | | | | | |
| **Coefficient** | -0.021 | -0.015 | -0.466 | -0.055 | 0.009 |
| **z_ Statistics** | (-0.05) | (-0.32) | (-1.01) | (-0.87) | (7.71) |
| **Probability_z** | {0.962} | {0.748} | {0.313} | {0.382} | {0.000} * |
| **No. of Obs = 80** | | **Prob. Wald Chi$^2$ = 0.0000** | | **$R^2$ = 0.4858** | |

**Hausman = 0.1836**

**Note: t & z -statistics and respective probabilities are represented in () and {}**
**Where: ** represents 5% & * represent 1% level of significance**
**Source: Authors' Computations (2021)**

From the tables shown above, a careful examination of the results provided by the effects models show that both models of interest suggest appropriateness as it relates to the dependent variable of Tobin Q for the period under investigation. However,a look at the p-value of the Hausman test (0.1836) implies that we should accept the null hypothesis since the p-values is insignificant at 5% or 1% level. This suggests that the random effect model tend to be more appealing statistically when compared to the fixed effect results. However, to control for random effect in the model we adopt the hierarchical regression estimator.

The $\Delta R^2$ and its corresponding change in F ($\Delta F$) and p-values are the statistics of greatest interest when using hierarchical regression (Wampold& Freund, 1987). The corresponding $\Delta F$ value for $\Delta R^2$ will allow a researcher determine if the $\Delta R^2$ statistics significantly improve the model's ability to predict the effect of the independent variable on the dependent variable. With a focus on $\Delta R^2$, rather than on $\beta$ or structure coefficients (Courville& Thompson, 2001), less attention is given to how predictor variables are reevaluated on the basis of their corresponding $\beta$s and structure coefficients when other predictors are added to the analysis, as was often done in stepwise regression. Specifically, we show the model summary obtained from the Hierarchical regression and present it below as:

**Table 6 Firm Value Hierarchical Regression ($R^2$ Estimates)**

| Model | R2 | F(df) | p | R2 change | F(df) change | p |
|---|---|---|---|---|---|---|
| 1: | 0.024 | 1.924(1,78) | 0.169 | | | |
| 2: | 0.038 | 1.502(2,77) | 0.229 | 0.013 | 1.078(1,77) | 0.302 |
| 3: | 0.057 | 1.530(3,76) | 0.214 | 0.019 | 1.565(1,76) | 0.215 |
| 4: | 0.059 | 1.178(4,75) | 0.328 | 0.002 | 0.170(1,75) | 0.681 |
| 5: | 0.550 | 18.061(5,74) | 0.000 | 0.491 | 80.596(1,74) | 0.000 |

**Author's Computation, 2021**

From the table above, the inclusion of a second predictor variable (government ownership) resulted to an insignificant (P- value = 0.229) change in the model $R^2$ from 0.024 to 0.038. This indicates that only about 1% (0.013) of the changes in Tobin Q is associated with the addition of government ownership to as another predictor variable. In the same vein, when the third predictor variable (ownership concentration) was included, it brought about an insignificant (P- value = 0.214) change in $R^2$ from 0.038 to 0.057. This indicates that about 2% (0.019) of the changes in Tobin Q is explained by including ownership concentration to managerial ownership and government ownership as predictors of firm value. Similarly, the addition of a fourth predictor variable (CEO ownership) also revealed an insignificant (P- value = 0.328) change in $R^2$ from 0.057 to 0.059. This indicates that less than 1% (0.002) of the changes in Tobin Q is explained when CEO ownership variable is included in the model containing managerial ownership, government ownership, and ownership concentration as predictors variables of firm value. Finally, the addition of a control variable (Share price) brought about a significant change (P- value = 0.000) in $R^2$ from 0.059 to 0.550. This indicates that about 49% (0.491) of changes in Tobin Q is explained by the inclusion of share price to managerial ownership, government ownership, ownership concentration, and CEO ownership as predictor variables of firm value. However, a careful look at the F-statistics of the 5th model reveal an overall increase (80.596) when compared to the previous models. The p-value of 0.000 indicates that changes in the F-Statistics is significant at 1%. From the foregoing, since the explanatory power of ($R^2$) in the fifth model is significantly (1%) better when compared to the previous models, we adopt the 5th model for interpretation and policy recommendation. The result is presented below.

**Table 7 Firm Value Hierarchical Regression Estimates {5th Model}**

| TobinQ | Coef. | Std. Err. | t | P>|t| | [95% Conf. Interval] | |
|---|---|---|---|---|---|---|
| manown | .0893818 | .1923188 | 0.46 | 0.643 | -.2938218 | .4725854 |
| govtown | -.0372249 | .0252666 | -1.47 | 0.145 | -.0875697 | .01312 |
| owncon | -.4197261 | .2148141 | -1.95 | 0.054 | -.8477526 | .0083005 |
| ceoown | -.01348 | .0329068 | -0.41 | 0.683 | -.0790481 | .0520882 |
| shareprice | .0045673 | .0005087 | 8.98 | 0.000 | .0035536 | .005581 |
| _cons | -.0335997 | .1212675 | -0.28 | 0.782 | -.2752305 | .2080312 |

**Source: Author's computation (2021)**

The table above show a summarized result obtained from hierarchical regression analyses for the 5th model. Specifically, we provide interpretation for the hierarchical regression estimator as recommended by Cohen (2001) and Wampold& Freund (1987). The model goodness of fit as captured by the Fisher Statistics (18.06) and the corresponding probability value (0.000) shows a 1% statistically significant level suggesting that the entire model is fit and can be employed for interpretation and policy recommendation.

**Test of Research Hypotheses**
**Hypotheses 1: Managerial ownership has no significant effect on firm value of listed oil and gas firms in Nigeria**

The hierarchical regression of the 5th model presented above reveal the result of the variable of managerial ownership (ManOwn) as follows: (Coef. = 0.089, t = 0.46 and P -value = 0.643). Following the results above, it is revealed that the effect of managerial ownership on Tobin Q measure of firm value is positive and statistically insignificant during the period under review. This finding is consistent with our stated null hypothesis which leads to accepting the null hypotheses that managerial ownership has no significant effect on firm value of listed oil and gas firms in Nigeria during the period under review.

**Hypotheses 2:    Government ownership has no significant effect on firm value of listed oil and gas firms in Nigeria**

The hierarchical regression of the 5th model presented above reveal the result of the variable of government ownership (GovtOwn) as follows: (Coef. = -0.037, t = -1.47 and P -value = 0.145). Following the results above, it is revealed that the effect of government ownership on Tobin Q measure of firm value is negative and statistically insignificant during the period under review. This finding is consistent with our stated null hypothesis which leads us to accept the null hypotheses that government ownership has no significant effect on firm value of listed oil and gas firms in Nigeria during the period under review.

**Hypotheses 3:    Ownership concentration has no significant effect on firm value of listed oil and gas firms in Nigeria**

The hierarchical regression of the 5th model presented above reveal the result of the variable of ownership concentration (OwnCon) as follows: (Coef. = -0.420, t = -1.95 and P -value = 0.054). Following the results above, it is revealed that the effect of ownership concentration on Tobin Q measure of firm value is negative and statistically significant at 5% level during the period under review. This finding is inconsistent with our stated null hypothesis hence we accept the alternate hypothesis that ownership concentration has a significant effect on firm value of listed oil and gas firms in Nigeria during the period under review.

**Hypotheses 4:    CEO ownership has no significant effect on firm value of listed oil and gas firms in Nigeria**

The hierarchical regression of the 5th model presented above reveal the result of the variable of CEO ownership (CEOOwn) as follows: (Coef. = -0.013, t = -0.41 and P -value = 0.683). Following the results above, it is revealed that the effect of CEO ownership on Tobin Q measure of firm value is negative and statistically insignificant during the period under review. This finding is consistent with our stated null hypothesis which leads us to accept the null hypotheses that CEO ownership has no significant effect on firm value of listed oil and gas firms in Nigeria during the period under review.

**Discussion Of Findings**

Board of Directors (BOD) performs important function such as monitoring the actions of management and resources allocation. However, the role of BODs largely depends on ownership structure, for instance, the role of monitoring is more important in organizations where the shareholders are dispersed while the role of providing resources is central to BODs where concentrated ownership dominates. We document a positive and insignificant effect of managerial ownership on firm value proxied by Tobin Q. This is against prior studies of Zakaria, Purhanudin and Pallanimally (2014), and Abubakar (2015), who documented that the level of managerial ownership is positively associated with firm value. Similarly, we negate the studies of Okewale, Mustapha and Aina (2020) who concluded that insider (managerial) ownership has a positive and significant impact on firm value, while directors holding has no perceptible impact. However, this finding agrees with Himmelberg, Hubbard and Palia (1999) who conclude that managerial ownership has no statistically significant effect on firm performance.

We document a negative insignificant effect of government ownership on firm value. This implies that government ownership does not significantly improve firm value as proxied by Tobin Q. This is against prior studies of Stanley (2015), who found that government-linked companies have higher valuations and better corporate governance than a control group of non-government-linked companies. Furthermore, our finding is inconsistent with those of Lawal, Eniola, & Lateef (2018), who find that government ownership on firm value of the company is not a monotonic, but rather a U-shaped relationship implying that when government's holdings are large, the government can actually increase the value of the business. Furthermore, our result also negates that of Lina, Soud, Nimer, &Alnimer (2013), who found that the net effect of government ownership on firm value is negative.

For the variable of ownership concentration, we document a negative significant effect on firm value. This implies that increased ownership concentration will lead to a decrease in value of the firms in our sample. However, we find that our study did not agree with those of De Miguel, Pindado, &De La Torre, 2004; Thomsen & Pedersen, 2000 who concluded that larger shareholders might have stronger incentives to monitor and therefore, they should oblige managers to be aligned with their objective of increasing the value of their shares. But on the other side, Sahibzada and Siti (2018) argued that ownership concentration above a certain level will allow managers to become entrenched and expropriate the wealth of minority shareholders.

CEO ownership is found to have a negative insignificant effect on firm value. This position aligns with prior studies of Coles, McWilliams and Sen (2001) who found an insignificant relation between CEO ownership and firm performance. Similarly, Reem, Allam and Wajeeh (2015), investigatedthe relationship between ownership structure dimensions and corporate performance of listed companies in Bahrain and the study found negative relationship on company's performance measured by ROA and Tobin's Q. However, we also find our result to be inconsistent with those of Sahibzada and Siti (2018) who found that CEO ownership has a big influence on firm performance.

## V.  CONCLUSION AND RECOMMENDATIONS

This study examined the effect of ownership structure on firm value of listed oil and gas firms for the period 2010 to 2019. The result obtained from the hierarchical regression estimate reveal that only the variable of ownership concentration is seen to have a negative significant effect on firm value, contradicting the agency perspective that higher concentration increases shareholder power and control aligning managers and shareholders' interests, consequently increasing firm value; however, the variables of CEO ownership, managerial ownership and government ownership have insignificant effect on firm value of listed oil and gas firms in Nigeria.

Following the outcome obtained from regression analysis, we strongly recommend that;

(1) Managers should reconsider and pay critical attention to management policies that tends to increase the volume of concentrated ownership of listed oi and gas firms in Nigeria. Increased ownership concentration has not shown to be effective in improving firm value.

(2) Shareholders of listed oil and gas firms in Nigeria should rethink resizing concentrated owners if their goal is to maximize value.

(3) Appropriate monitoring measures should be taken to govern the activities of concentrated owners so that efforts and scare resources of the company will generate value for shareholders.

## REFERENCES

[1]. Abubakar, Y. (2015). Ownership Structure and Financial Performance of Quoted Building Materials Firms in Nigeria. Unpublished M.sc thesis submitted to Ahmadu Bello University, Zaria.

[2]. Aliyu, M., Mazadu, A. &Shehu, U. (2015). Ownership Diversity and Corporate Performance: Evidence from Nigerian Conglomerates Firms. J. basic appl. Res1(4), 89-101

[3]. Amin, A. A. &Hamdan, A. M. (2018). Evaluating the Effect of Ownership Structure on Firm Performance: Evidence from Saudi Arabian Listed Companies. Journal of Economic Cooperation and Development, 39(3), 65-92.

[4]. Benjamin, K. G., Love, O. A., &Dandago, K. I. (2014). The Impact of ownership structure on the financial performance in Nigerian Insurance Firms. Journal of Academic Researchin Accounting, Finance, and Management Sciences, 4, 409-416.

[5]. De Miguel, A., Pindado, J., & De la Torre, C. (2004). Ownership structure and firm value: New evidence from Spain. Strategic Management Journal, 25(12), 1199-1207

[6]. Egolum, P. U., Ugonabo, C. U., &Okonenwa, O. (2021). Corporate Governance Determinants of Financial Statement Fraud Likelihood: Evidence from Quoted International Licensed Banks in Nigeria: International Journal of Academic Management Science Research (IJAMSR) 5(4),62-70: ISSN: 2643-900X.

[7]. Gujarati, D. N. (2004). Data disk to accompany Basic Econometrics.

[8]. Himmelberg, C. P., Hubbard, R. G., &Palia, D. (1999). Understanding the determinants of managerial ownership and the link between ownership and performance. Journal of financial economics, 53(3), 353-384.

[9]. Jensen, M. C., &Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of financial economics, 3(4), 305-360.

[10]. JoséSatsumi, L. &JoséG, V. (2014). Effect of the Type of Ownership in the Financial Performance: The Case of Firms in Latin America. International Business Research, 7(10).

[11]. La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. The journal of finance, 54(2), 471-517.

[12]. Laiho, T. (2011). Agency theory and ownership structure–Estimating the Effect of Ownershipstructure on firm performance, Economics Master's thesis, Department of Economics, Aalto University.

[13]. Lawal, O., Eniola, S. & Lateef, O. (2018). Effect of Ownership Structure on Financial

Performance of Listed Insurance Firms in Nigeria. Journal of Accounting, Finance and Auditing Studies, 4(3), 123-148.

[14]. Lina, M., Soud, M. A., Nimer, S. &Alnimer, M. (2013). The Relationship between OwnershipConcentration and Company Performance, A Case of Jordanian Non-Financial Listed Companies, Interdisciplinary Journal of Contemporary Research in Business, 4(9).

[15]. McConnell, J. J., &Servaes, H. (1995). Equity ownership and the two faces of debt. Journal of financial economics, 39(1), 131-157.

[16]. Morck, R., Nakamura, M., &Shivdasani, A. (2000). Banks, ownership structure, and firm value in Japan. The Journal of Business, 73(4), 539-567.

[17]. Najjar, J. H. (2015). An Empirical Study of Corporate Companies listed at Palestine Exchange. International Journal of Novel Research in Marketing Management andEconomics, 2(2), 135-148.

[18]. Nawaiseh, M. A. L. I. A. (2017). The impact of the financial performance on firm value: Evidence from developing countries. International Journal of Applied Business and Economic Research, 15(16), 241-253.

[19]. Nazir N. & Malhotra A. (2016). The Effect of Ownership Structure on Firm Profitability in India: A Panel Data Approach. International Journal of Economics and Finance, 8(6).

[20]. Okewale, J.A, Mustapha, O.A &Aina, G.O (2020). Ownership Structure and Financial Performance of quoted Food and Beverage Firms in Nigeria. Kampala International University, 6(2), 263–273.

[21]. Reem, Allam, &Wajeeh (2015). The Relation Between Ownership Structure Dimensions and Corporate Performance of Listed Companies. Evidence from Bahrain. AustralasianAccounting, Business, and Finance Journal, 9, 38-56.

[22]. Sahibzada, M.H &Siti, S.S (2018). The Impact of Ownership Structure on Firm Performance: A Study on Bombay Stock Exchange in India. 6(1), 2289-4519.

[23]. Sahut, J. M. &Gharbi, O. H. (2010). Institutional Investors' Typology and Firm Performance: The Case of French Firms. International Journal of Business, 15(1) 1083-4346.

[24]. Saseela, B. &Thirunavukkarasu, V. (2017). A Study on Ownership Structure and Financial Performance of Listed Beverage Food and Tobacco Companies in Sri Lanka. International Journal of Accounting and Financial Reporting, 7(2).

[25]. SitiSuziyati, S., Abdul, B. &Sahibzada, M. (2016). The Impacts of Ownership Structure on Firm Performance. International Journal of Accounting & Business Management, 4 (2).

[26]. Stanley, J. I. (2015). An Assessment of the Impact of Ownership Structure on Financial Performance of Listed Chinese Banks. Journal of Management Science and BusinessAdministration, 1, 26-33.

[27]. Thomsen, S., & Pedersen, T. (2000). Ownership structure and economic performance in the largest European companies. Strategic Management Journal, 21(6), 689-705.

[28]. Tian, G. G &Zeitun, R. (2007). Does Ownership Affect a Firm's Performance and Default Risk in Jordan? Corporate Governance Journal, 7(1), 66-82.

[29]. Tian, L., & Estrin, S. (2008). Retained state shareholding in Chinese PLCs: does government ownership always reduce corporate value? Journal of Comparative Economics, 36(1), 74-89.

[30]. Ungki, L. & Chang, K. (2005). Determinants of Ownership Structure: Evidence study of the Korean Conglomerates. Pacific-Basin Finance Journal, 13, 1-28.

[31]. Woochan, K. & Lim, Y. (2005). Group Control Motive as a Determinant of Ownership Structure in Business Conglomerates, Chongryangri-Dong, Dongdaemun-Ku, Seoul, Korea.

[32]. Yahya, A., Ebrahim, M. &Sulaiman, A. (2017). Association Between Ownership Structure Characteristics and Firm Performance: Oman Evidence. Academy of Accounting and Financial Studies Journal, 21(1).

[33]. Zakaria, Z., Purhanuddin, N. and Palanimally, Y. R. (2014). Ownership Structure and Firm Performance: Evidence from Malaysian Trading and Services Sector. [Online]. Available on: URL: http://www.ejbss.com/recent.aspx[Retrieved 27/03/2016].