



# Effects of Ownership Structure on the Value of Listed Brewery Companies in Nigeria

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## Abstract

## Original Research Article

This study examined the impact of ownership structure on the value of listed brewery companies in Nigeria. Specifically, it aimed to examine the impact of managerial ownership and institutional ownership on firm performance, measured by Tobin's Q. The study used Firm Value (FV), proxied by Tobin's Q, as the dependent variable and Managerial Ownership (MO) and Institutional Ownership (IO) as the independent variables. Firm Size (SIZE) is used as the control variable. The study adopted an ex-post facto research design, utilising quantitative panel data from secondary sources of two selected brewery companies in Nigeria for the period 2020-2024. The study employed multiple regression techniques, including Pooled Ordinary Least Squares (POLS), Fixed Effects (FE), and Random Effects (RE) models. The study found a positive relationship between managerial Ownership and firm performance (coefficient = 0.264, t-value = 2.287). An increase in managerial ownership leads to improved performance among brewery firms. A negative relationship between Institutional Ownership and firm performance was observed (coefficient = -12.779, t-value = 8.036). An increase in institutional ownership leads to a fall in the performance of the firms. The study concluded that managerial ownership positively affects Tobin's Q, supporting agency theory, because managers who are also owners are motivated to maximize firm value. Conversely, institutional ownership has a significant negative effect on the value of listed brewery companies in Nigeria. To enhance firm value, the study recommended that listed brewery companies in Nigeria should increase managerial ownership to motivate efficiency and wealth creation. Institutions should not be granted majority shareholding in listed brewery companies, as a one-sided ownership structure could lead to a reduction in firm value and discourage other investors.

**Keywords:** Institutional Ownership, Managerial Ownership, Tobin's Q, Firm's Size.

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## 1. Introduction

Globalization makes companies more professional, which leads to the separation between firm

ownership and firm control. Although this separation of ownership from management could play a significant role in achieving desirable objectives for



firms, in practice, this conflict of interest generates agency problems. Weak firm performance and firm governance will be related to ownership structure. However, the results of the existing studies have shown diverse results, either for managerial ownership or institutional ownership, on firm performance (Rosyeni and Muthia, 2019; Lawal, Agbi, and Mustapha, 2018). The proportion of share ownership can describe good firm performance and thus increase the signal for shareholders to invest their resources in the company (Orumo, 2018). One of the conditions for measuring agency problems is the firm's performance. Firm value is important information that is most critical for investors as a basis for consideration in stock investment activities. It is an important issue that plays a significant role in shareholders' and creditors' decision-making and economic analysis. Ownership structure would effectively go hand in hand with the increase in profit generated and effectively impact the company's value (Worlu, Eriogenesisi, Ajagbe & Okoye, 2015). The effect of managerial and institutional ownership on the firm's performance, measured by return on assets and return on equity, has remained the center of studies in financial management, especially in the conceptual framework of agency theory. Researchers in the existing studies have produced mixed results. These inconclusive findings by previous literature make this study relevant as the study's domain, which is the Nigerian brewery companies.

On top of the conflicting viewpoint, there has been very little interest in the effect of ownership structure on the firm value of the brewery companies, despite their contribution to the Nigerian economy at large. The few studies in this area in Nigeria are those of Perterson and Olayinka (2017), Yahaya and Lawal (2018), Orumo, 2018; Fakile and Adigbole (2019), Oyedokun, Isah, and Awotomilusi (2020), Jelil (2020; & Falade, Nejo, and Gbemigun 2021. This study, however, fills the gap in the literature by extending the work to cover the most recent years from 2016 to 2020.

Also, most of the studies in this area failed to conduct some robust tests in order to improve the validity and reliability of the statistical inference derived from the studies. However, this study conducts Hausman heteroskedasticity and Lagrangean tests, among

others. Thus, in this study, the effect of ownership structure on the firm's value is investigated. The selection of the period is informed by the increase in the level of activities in the brewery companies. The independent variables include managerial ownership and institutional ownership, while the dependent variable is the firm's value (Tobin's Q).

## 2. Literature Review

A firm's ownership structure refers to the distribution of equity with regard to the votes and capital, as well as the identity of the equity owner. According to Peter (2017), there are two levels to discuss ownership structure. The first one is the percentage of shares held by the five largest shareholders, which indicates the concentration level of ownership. The second aspect is the identity of ownership, which refers to the percentage of shares held by different shareholders. Ownership structure plays a monitoring role in the firm's financial operations through the identity of the shareholders. Ownership structure plays an important role in the attainment of organizational objectives. Its impact appears to be enormous and cannot be underestimated (Helen & Bature, 2016). According to Orumo (2018), a good ownership structure is very important in increasing the market value of a firm because firms with a good ownership structure are able to access the capital market on better terms.

Good ownership structure practices may have a significant effect on strategic decisions such as external financing. The absence of a strong role of ownership structure can lead to agency problems, such as conflicts of interest within the organization between shareholders and managers. This leads to poor management practices that may, in turn, affect the achievement of corporate objectives. Therefore, the ownership structure in this study includes managerial ownership and institutional ownership.

Managerial ownership is a type of ownership whereby the firm has a certain percentage of management investors who invest in the company. Generally, firms should provide opportunities for managers to own a certain percentage of shares so that the managers are motivated to work because what they do while running the business will have

consequences that will directly affect it. Kajola, Apelogun, and Owuru (2017) argued that managers are disciplined by a number of external control mechanisms, like market forces, and also by internal control mechanisms, such as compensation and reward incentives, which prevent the managers from seeking their own benefits. According to them, to increase firm performance, there is a greater need to align managers' interests with the interests of shareholders. Theoretically, agency theory explains that management, as an agent, should have the goal of prospering shareholders, as principals. However, there is a tendency for managers to seek to maximize their own benefits rather than those of the business owners. Management will take advantage of information asymmetry for personal gain. The existence of some shares owned by managers is considered one important solution to overcome this problem (Andow and David, 2016). It implies that they will create accurate alignment between shareholders and the company. The managerial ownership is not only meant to increase equity but also to serve as an incentive to managers to align their interests with those of the company. In this study, it is measured by the natural logarithm of shares held by managers as shareholders in a firm. Institutional ownership is a type of ownership fraction in a firm that is held by large financial institutions, pension funds, or endowments. Lawal, Agbi, and Mustapha (2018) argued that institutional ownership performs an effective monitoring function of firm management. Institutional ownership's influence on firm performance is due to several reasons. Among them are strong monitoring of managers and reduced agency costs, providing a wealth of experience in dealing with managerial opportunities and mitigating agency conflicts, making them better and more experienced monitors, which at the same time may influence the performance of the firm. Institutional ownership is measured by the natural logarithm of equity held by various institutions as investors in the firm (Lawal, Agbi, and Mustapha, 2018).

On the other hand, performance measures how effectively and efficiently a firm uses its resources to make a profit, and it is an important tool for several stakeholders in a firm. These stakeholders include

creditors, investors, employees, bondholders, and management. Each of the stakeholders has different interests in tracking the performance of a firm (Peter, 2017). The financial report of an organization is a legal document that must be published by all public firms. The report provides stakeholders with accurate and reliable data that gives an overview of the firm's performance. Performance in this study is measured by Tobin's Q. The justification for choosing Tobin's Q as a measure of performance by this study is that it was considered one of the most important market performance metrics.

Tobin's Q is the ratio between physical assets' market value and their replacement value. It is calculated as the market value of shares + book value of liabilities divided by book value of assets (Do, 2020).

Many theories have been propounded to explain the relationship between ownership structure and firm performance in the literature. Some of these theories are agency theory, stakeholders' theory, stewardship theory, and so on. Agency theory is the anchoring theory of this study because it is instrumental in the conceptualization of how firm performance interacts with ownership structure (Calomiris & Carlson, 2016). Agency theory contends that as firms grow in size, shareholders lose effective control, leaving managers with more information than shareholders to manage the affairs of the business. Since shareholders do not have access to all available information at the time a decision is made by the manager, they are unable to determine whether the manager's actions are in the best interests of the organization (Egbunike & Abiahu, 2017). This suggests that the motivation of managers to use resources in the best possible manner would be more pronounced if the managers are also the owners of the firm. This implies that the problem of agency cost occurs because the separation of ownership and control would be reduced, and eliminated if firms were managed by managers.

Therefore, managers who are owners would act in the best interests of firms because the interests of the firms would supersede their personal interests (Okewale, Mustapha & Aina, 2020). This is supported by Robins and Judge in David, Cyrus, and

Winnie (2021), who stressed that reducing agency problems results in a good working environment; hence, when agency costs are reduced, it would result in effective and efficient operational, financing, and investment activities, which in turn affect performance to a greater extent.

### 2.3 Empirical Review

When looking at the relationship between non-financial Nigerian listed companies' capital structure and management ownership, Kajola, Apelogun, and Owuru (2017) used panel data regression analysis with a fixed effect model and least squares estimation techniques. Leverage and managerial share ownership were found to have a positive and statistically significant correlation. Debt can be an effective way to monitor and reduce managerial opportunism, according to the study, which recommended that Nigerian organizations encourage managers to buy and own shares in their companies. Differences in factors and methodology were found in these two studies when determining a proxy for ownership structure. The previous analysis only included managerial ownership, whereas the current study included both managerial and institutional ownership. It is also worth noting that the current study used pooled ordinary least squares regression analysis and fixed effects and random effects regression models instead of panel data regression analysis and fixed effect models with least squares.

Based on Peterson and Olayinka (2017), research on ownership concentration and bank profitability, ROA, and ROE are utilized as financial indicators. High-ownership banks have a greater ROA, a better net interest margin, and more earning capacity, while banks with dispersed ownership have a lower ROA but a better ROE. In addition, banks with moderate levels of ownership benefit from increased ROA and ROE due to improved cost efficiency. As the researchers found, while banks with concentrated ownership had higher profits, the factors that influence bank profits do not appear to be important. Tobin's Q was included in the current study because it was conducted in the listed brewery companies.

The impact of ownership structure on the financial performance of Nigerian listed insurance firms from

2011 to 2016 was also examined by Lawal, Agbi, and Mustapha (2018). Ownership structure has a strong beneficial effect on financial performance measured by the book value of a listed insurance company's shares, except for concentrated ownership, which has a negative effect. However, there was conflicting evidence about the impact of company size and growth, which were used as the study's control variables. Managerial equity, according to the findings, should be utilized by Nigerian insurance companies in order to boost financial performance. The current study, on the other hand, varies from the previous one in that it focused on listed brewery enterprises rather than just insurance firms in Nigeria. Methodologically, the two studies differ as well. An ordinary least squares, fixed effects, and random effects regression model will be used in this study instead of the previously used pooled general least squares model. In contrast, a study by Folorunso and Sajuyigbe (2018) found that ownership structure has no effect on the performance of a business. A 2012-2016 analysis of Nigerian food and beverage firms showed that organizational performance was found to be unaffected by managerial, institutional, government, or family ownership based on the results of studies utilizing correlation coefficients and linear regression. The researchers employed food and beverage firms in their analysis, which could account for the discrepancy in their results. Organizational success is strongly predicted by foreign ownership structure, while management, government, and family ownership structures are poor predictors. Data was analyzed using a pooled ordinary least squares, fixed effect, and random effect regression model for the current study.

Orumo (2018) studied the ownership structure and return on assets of commercial banks in Nigeria by using panel data from Nigerian listed banks. In addition to pooled ordinary least squares, the researchers in this study examined the data using fixed and random effect estimation. The study found that the ROA of commercial banks is negatively correlated with ownership concentration, managerial, and institutional ownership, while private ownership and management ownership are positively correlated with the dependent variable. The report suggested that regulators should

encourage private investors to invest in commercial banks' equity shares. The current study examined the performance of brewery companies using Tobin's Q. Saidu and Gidado (2018), on the other hand, used correlation and OLS regression to examine the link between managerial ownership and the financial performance of Nigerian listed manufacturing firms from 2007 to 2016, and the results showed that managerial ownership has a negative and significant impact on the financial performance of Nigerian listed manufacturing firms. According to the findings, management ownership has a detrimental impact on the financial performance of Nigerian manufacturing firms, as managers can falsify accounting numbers in the financial statements for personal advantage. ROA was used to measure the financial performance of the firms. Using Tobin's Q, the current study evaluated the value of the listed brewery companies. Another difference is in the variables used to measure ownership structure and sample size in the two studies. An investigation of the impact of board qualities on financial performance in Nigerian brewery companies was conducted by Fakile & Adegbole (2019). Only board independence has a significant impact on financial performance as assessed by ROA, according to estimates based on correlation and multiple least squares regression. According to the findings, a solid process should be enacted to ensure that the majority of the board of directors are independent of the organization they serve. As a result of this new study's inclusion of Tobin's Q that were not previously examined, as well as its use of pooled ordinary least squares, fixed effect, and random effect regression models, it was possible to extrapolate the results until 2018.

Similarly, Ogunsanwo (2019) employed a panel data econometric technique called least square dummy variable (LSDV), a random effect model, and the Hausman test to examine the impact of corporate governance on company performance in Nigeria between 2013 and 2017. The results show that board independence has a favorable effect on ROA, but board size, board gender diversity, and ownership structure all have a negative effect. Ownership structure, board independence, board size, and gender diversity on the board all had a significant and

favorable impact on ROE, the study concluded. According to the findings, good corporate governance has a considerable impact on return on equity (ROE). The new study extended its investigation through 2018 and used Tobin's Q as a measure of firm value. Like Sani (2019), who used balanced panel data from 2011-2016 to investigate the link between CEO traits and business performance, the results showed that an educated CEO had a positive impact on profitability. Additionally, when a CEO has prior experience working for the company before being named CEO, stock performance improves. Results from this investigation will help shareholders make an informed decision about who should be the CEO of the company. CEO education is critical since it provides the executive with a network of contacts. It is also beneficial for the company if the board of directors encourages top executives to consider insiders for CEO positions when the time comes. The current research was conducted in the listed brewery companies and proxied ownership structure by adding institutional ownership that was not included in the reviewed study.

There was also a study conducted by Oyedokun et al. (2020) that looked at the association between ownership structure and company value of quoted consumer products companies in Nigeria during 2010-2018. Data analysis using the panel regression technique found that managerial ownership had a negative impact on business value, while institutional, foreign, and concentrated ownership all had a favorable impact. In order to boost the value of Nigeria's publicly traded consumer goods companies, a new study recommends reducing executive stock ownership. Data was evaluated using a pooled ordinary least squares, fixed effect, and random effect regression model that was restricted to listed brewery companies. Examining the nexus in Nigerian deposit money banks was the focus of a related study undertaken by the researchers Eluyela, Okere, Otekunrin, Okoye, Festus, and Ajetumobi (2020). Institutional investors' ownership in banks has a favorable and significant impact on their financial performance, according to a panel data regression model. Banks should pay more attention to institutional shareholders because they have a

significant impact on the company's growth and long-term viability. Pooled ordinary least squares, fixed, and random effects were used to analyze the data from the listed brewery companies in the current study.

Research by Musa, Ahmed, and Umar (2020) extended past studies by investigating the impact of board size and ownership structure on deposit money banks' financial performance in Nigeria from 2011 to 2015. Although not statistically significant, the results of the regression model showed that the size of the board had a negative impact on ROA and ROCE, whereas the other dependent variables had a favorable impact on ROCE. The report advised that authorities build, consolidate, and review as necessary a robust and all-inclusive corporate governance structure. Firm value metrics such as Tobin's Q were not included in the previous analysis. In addition, the research was conducted in publicly traded brewery enterprises.

### 3. Methodology

This study adopted the ex-post facto research design. This design was chosen because it is better at determining the relationship and degree of ownership structure influence on performance in our study, which permits prediction.

The population of the study consists of all four brewery firms in Nigeria that are listed on the Nigerian Exchange Group plc as of 31st December 2016. The listed brewery companies in Nigeria as of 31st December, 2016 are: Guinness Nigeria Plc, Nigeria Brewery plc, International Brewery plc, and Golden Guinness Nigeria plc. However, in order to get complete data for the time period, only two listed brewery companies are used as samples for the study, namely Nigeria Brewery plc and Guinness Nigeria Plc. The justification for choosing brewery companies is that the sector is characterized by firms with various ownership structures. The data for this study were obtained mainly from secondary sources extracted from the annual financial reports and accounts of the selected companies from 2016 to 2020. The period under review was considered appropriate because it provides a reasonable time

frame of five (5) years from which relevant data can be collected and inferences can be drawn (Andow and David, 2016). The data is quantitative and panel in nature.

Panel data is used in ascertaining changes in variables over time and differences in variables between subjects. The multiple regression technique is used in this study because of the effectiveness and efficiency of the technique in estimating the statistical effect of various independent variables on the dependent variable (Andow and David, 2016). In view of the panel nature of the data (cross-sectional and time series), the study utilized different regression models, which include Pooled Ordinary Least Squares (POLS), Fixed Effect (FE), and Random Effect (RE) Models.

In order to know which model is most appropriate to interpret between POLS, FE, and RE, this study applies the Hausman Specification Test and Breusch and Pagan Lagrangian Multiplier Test. Other additional tests for Heteroskedasticity, Autocorrelation, and Multicollinearity were conducted in order to comply with the classical assumption of POLS.

The model of the study is based on balanced panel data adopted from the work of Andow and David (2016) and is presented as follows:

$$FV_{it} = \beta_0 + \beta_1 MO_{it} + \beta_2 IO_{it} + \beta_3 SIZE_{it} + \mu_{it}$$

Where:

FV = Firm value of firm i in year t (Tobin's Q)

MO = Managerial Ownership of Firm i in year t

IO = Institutional Ownership of firm i in year t

$\beta_1 - \beta_3$  = Coefficient of explanatory variables i in year t

$\beta_4$  = Firms' Size i in year t

$\beta_0$  = Constant or Intercept

$\mu$  = Error Term

i = Individual firm identifier

T = time

**Table 1: Research variable**

Variable	Symbol	Measurement
Firm performance / Dependent	Tobin's Q	Market value of equity + book valuedebt / Book value of total assets.
Ownership structure / independent	managerial ownership	log of equity held by managers
Firm size/ control	Institutional ownership	log of equity held by institutions
	Size	Log of firm total assets

**4. Results and Discussion:**

Descriptive Statistics Analysis

**Table 1: Descriptive Statistics**

	TBQ	IO	MO	SIZE
Mean	3.235429	0.399961	3.739530	17.80211
Median	2.519803	0.396861	2.932802	18.28440
Maximum	13.75782	0.748562	11.13436	19.77849
Minimum	1.335894	0.072686	1.437345	14.84568
Std. Dev.	2.472265	0.156708	2.255648	1.467359
Skewness	2.890577	0.158493	1.653896	-0.209425
Kurtosis	11.38196	3.320162	5.260930	1.692080
Jarque-Bera	155.5184	0.304477	24.07994	2.829137
Probability	0.000000	0.858784	0.000006	0.243031
Observations	36	36	36	36

Furthermore, correlation analysis of the variable was carried out in order to assess the degree of association among the independent variables. Institutional ownership had an insignificant

correlation with managerial( $r=0.1034, p=0.5484$ ). Also, statistical insignificant correlation was obtained between institutional ownership and firm size( $r=0.0885, p=0.6074$ ). Managerial ownership

failed to significant correlation with firm size( $r=-0.3051, p=0.0703$ ). This result shows that the explanatory variables were not statistically

correlated and implies that the problem of collinearity will be minimal.

**Table 2: Correlation Analysis: Ordinary**

Correlation Analysis: Ordinary	Correlation Ordinary	Analysis: Correlation Analysis: Ordinary	Correlation Analysis: Ordinary		
Correlation	Correlation				
Probability	TBQ	IO	MO	SIZE	
TBQ	1.0000				
	-----				
IO	-0.7806	1.0000			
	0.0000	-----			
MO	0.1421	0.1034	1.0000		
	0.4082	0.5484	-----		
SIZE	-0.0954	0.0885	-0.3051	1.0000	
	0.5797	0.6074	0.0703	-----	

Among the univariate analyses carried out to examine the variable characteristics is the panel unit root. The study obtained Levin-Lin-Chu test statistics in order to examine the degree of stationarity of the variables. The result of the test

shows that all the variables were at a stationary level. Hence, the relationship between the dependent variable and independent variables can be achieved using the panel least squares.

**Table 3: Panel Unit Root Test**

	LLC Test Statistics	p-value
Size	-3.7784	0.0001
MO	-2.58200	0.0049

IO	-4.47582	0.0000
TBQ	-3.0408	0.0012

From the correlation analysis, it was revealed that the independent variables were not correlated statistically. However, it is important to ascertain this result by conducting the variable inflation factor as a component of the regression model. The variance inflation factor reports the degree of collinearity and

what each variable contributes to the collinearity in the model. The VIF must be less than 10 for it to be free from the problem of collinearity. The result, as presented in Table 4, revealed that all the variables report a VIF less than 10. It is an indication that the correlation result in Table 2 was not a fluke.

**Table 4: Variance inflation factor**

	<b>Coefficient</b>	<b>Centered</b>
Variable	Variance	VIF
IO	2.701843	1.027340
MO	0.014267	1.123970
LSIZE	0.033617	1.120746
C	11.64841	NA

The regression model of the ownership structure and firm performance was captured in Table 5. The outcome of the regression model shows that the random effect is the appropriate model as confirmed by the Hausman test (5.196, p=0.1580). The result of the serial correlation heteroskedasticity, as presented in the table, shows that the null hypothesis of no serial correlation is accepted against the alternative of serial correlation. Similarly, the residual also accepted the null of homoscedasticity against the alternative of heteroscedasticity. This shows that the model residual is consistent and efficient. The R-squared of the model shows that the model jointly accounted for 66.1% variation in the performance of the firm. The f-value of 20.878 with a p-value less than 0.05 indicates the model is statistically significant. This implies that the ownership structure

had a statistically significant relationship with the performance of the firms. More so, the result of the coefficient shows that institutional ownership had a negative relationship with the firm performance, with a coefficient of -12.779 and a t-value of -8.036. The managerial ownership reports a positive relationship with the performance of the firm, with a coefficient of 0.264 and a t-value of 2.287. The result of the institutional ownership implies that an increase in the variable will bring about a fall in the performance of the firms. However, a rise in managerial ownership will lead to an increase in the performance of firms in the Brewery sector. Managerial ownership seems to induce the performance of brewery firms in Nigeria, owing to the fact that managerial ownership will ensure that performance is robust, because of their perception as

the shareholders and also among the management.

Their investment is at stake if the right is not done.

**Table 5: Regression Model**

	Fixed Effect Model	Fixed Effect Model	Random Model	Effect Random Model
	Coefficient	t-value	Coefficient	t-value
IO	-12.102	-5.723	-12.779	-8.036
MO	0.460	2.314	0.264	2.287
SIZE	-0.745	-1.126	0.084	0.474
C	19.629	1.696	5.861	1.775
R-squared	0.713		0.661	
Adj. R-Square	0.653		0.630	
f-value	12.022		20.878	
P(f-statistics)	0.000		0.0000	
Hausman test	5.196(p=0.1580)			
Heteroskedasticity test	1.301(p=0.8611)			
Autocorrelation test	0.002(p=0.9977)			

#### 4.4 Discussion of Findings

##### The effect of managerial ownership on firm value

Based on the results of data analysis, managerial ownership had a positive effect on the firm value of the listed brewery companies in Nigeria. Significance value indicated that managerial ownership affected firm value with a positive correlation. The results of this study are in line with findings of Lubis (2019), Oyedokun, Isah, and Awotomilusi (2020), Kornelia and Jerome (2021), and Falade, Nejo, and Gbemigun (2021), who found

that managerial ownership positively affects a firm's value. The implication is that firms managed by owners would make a better choice on capital structure than those managed by non-owners. Also, the motivation of managers to use the resources in the best possible manner to enhance the value of the firm would be more pronounced if managers are also owners of the firm. In this case, the problem of agency cost will not arise. The result is inconsistent with the findings of Shao (2019), Panji and Elan (2019), Wulandari and Mardani (2018), Rosyeni and Muthia (2019), and Falode, Nejo, and Gbemigun (2021), who found a significant negative relationship

between managerial ownership and firm value. According to the researchers, the more the proportion of shares owned by the managers, the lower the value. This is because managers tend to take advantage of their position to maximize their profits regardless of the company's profits, which should be their primary focus and concern.

Based on the results of data analysis, institutional ownership had a negative effect on firm value. However, the outcome is contrary to the prior expectation of the study that, as a specific number of institutions hold a large proportion of a company's share, they would be able to influence the decision-making in the company and would influence the decision of the manager toward achieving the shareholders' objective of wealth maximization and thereby improving the value of the firm. These findings are contrary to the findings of Mesut (2020), Rosyeni and Muthia (2019), and Oyedokun, Isah, and Awotomilusi (2020) that institutional ownership has a positive impact on firm value. The result agrees with the prior studies conducted by Andhika (2021), Muhammad, Syamsudin, and Prabu (2019), and Bajo, Croci, and Marinelli (2017) that institutional ownership impacts negatively on firm value.

## 5. Conclusion and Recommendations

Based on the results of data analysis and the discussion that has been carried out, it can be concluded that there are various effects of ownership structure on firm value. Managerial ownership has a positive effect on Tobin's Q. This shows that an increase in managerial ownership can affect firm value. It supports agency theory. Firm managers who are in power in companies for decision-making as agents have an interest in maximizing firm value by issuing policies.

Also, the study concludes from the regression result of this study that institutional ownership has a significantly negative effect on the value of listed brewery companies in Nigeria.

The study believes that if a portion of shareholders have the power to overrule the decision of all other shareholders and managers' opinion, for instance, the opinion of institutional shareholders vote during the

decision-making process is the ruling vote, the value of listed brewery companies will invariably decrease in the time to come. In line with the conclusion of the study, the following recommendations were suggested: in order to improve the firm value, listed brewery companies in Nigeria should increase managerial ownership, as this will motivate and encourage them to maximize their efficiency and create more wealth for themselves. Also, institutions should not be given the opportunity to hold the majority of the shareholding of listed brewery companies in Nigeria. If the ownership structure of listed brewery companies in Nigeria becomes one-sided. Many investors will have no option but to sell off their shares, this is because their opinions will never matter since the ownership structure is one-sided.

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