

Moderating Role of Executive Compensation on Dispersed and Foreign Ownerships Effect on Market Value of Listed Consumer and Industrial Goods Firms in Nigeria

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ABSTRACT

The market value of firms in Nigeria remains highly sensitive to corporate governance dynamics, particularly the structure of ownership and the incentives provided to executive management. This study examined the moderating role of executive compensation in the relationship between dispersed ownership and foreign ownership structures and the market value of listed consumer and industrial goods firms in Nigeria. The study population consists of twenty-one (21) listed consumer and thirteen (13) industrial goods firms on the Nigerian Exchange Group as of December 31, 2024. A purposive sampling technique was used to select twenty-six (26) firms with consistent disclosures over fifteen years (2010–2024). Employing a longitudinal panel research design, the study utilized panel least squares and panel EGLS (random effects) regression analysis through E-Views 13 software. The results revealed that dispersed ownership percentage has a positive and significant effect on price to book value, while foreign ownership percentage does not exert a statistically significant influence on price to book value. However, after their interaction with executive compensation, findings show that dispersed ownership has a positive and statistically significant effect on price to book value, while Foreign ownership has a negative but insignificant effect on the price to book value. The study concludes that executive compensation has a significant relationship with the moderating effect of dispersed ownership, but an insignificant effect on foreign ownership on the firm value of listed consumer and industrial goods firms in Nigeria. The study recommended that boards adopt performance-contingent compensation schemes and that regulatory bodies enforce greater disclosure of ownership-incentive alignments to improve market valuation and promote sustainable governance outcomes in Nigeria's consumer and industrial goods firms.

Keywords: Executive Compensation, Dispersed Ownership, Foreign Ownership, Market Value, Price to book value.

INTRODUCTION

The market value of a firm represents a critical financial metric, widely regarded as a reflection of its overall economic performance, investor confidence, and growth potential. In emerging markets like Nigeria, market value is not only influenced by traditional financial measures but is also highly susceptible to variations in governance quality, ownership structure, and external market conditions. Despite substantial efforts at reforming corporate governance and adopting international financial reporting standards, market value disparities persist in Nigerian firms. These discrepancies, often manifested as undervaluation or microeconomic volatility, highlight systemic inefficiencies in corporate governance mechanisms, ownership configurations, and executive incentives (Oshim & Igwe, 2024; Bamidele *et al.*, 2023). Understanding the core determinants of market value, particularly within Nigeria's consumer and industrial goods sectors, remains a pressing issue for scholars and practitioners aiming to enhance publicly listed firms' competitiveness and financial health. A significant challenge that can impede the enhancement of market value in Nigerian firms is the weak alignment between management's interests and shareholder value. Inefficiencies in corporate governance structures, especially those related to executive compensation, exacerbate market valuation issues. The misalignment of incentives between executives and shareholders can lead to sub-optimal decision-making, often deterring investment and skewing investor perceptions (Barde *et al.*, 2023). In Nigerian listed firms, the erratic valuation patterns, including underpricing and overvaluation, suggest a lack of proper mechanisms to align managerial behavior with the long-term interests of investors. These challenges, compounded by political instability, corporate governance issues,

financial leverage, industry and market conditions, firm-specific risks, and limited enforcement of regulatory frameworks, further deepen market inefficiencies and hinder value maximization in key sectors of the economy, including consumer and industrial goods (Farouk & Ahmed, 2023). As such, there is a critical need for research that identifies these factors influencing market value and provides pathways to mitigate these challenges.

Ownership structure has emerged as a pivotal element influencing firm value, with varying degrees of impact depending on the concentration or dispersion of shares. Dispersed ownership, often characterized by a wide base of shareholders, is theorized to mitigate agency costs by dispersing control and enhancing monitoring of managerial actions. According to agency theory, when ownership is less concentrated, managers face greater scrutiny, which can potentially reduce the tendency for self-serving behaviour and increase firm value (Jensen & Meckling, 1976). However, in the Nigerian context, the effects of dispersed ownership are often constrained by weak institutional frameworks and regulatory enforcement, suggesting that dispersed ownership alone may not be sufficient to address market value issues without complementary governance mechanisms. In addition to dispersed ownership, foreign ownership has been identified as another critical factor influencing firm value, particularly in emerging markets like Nigeria. Foreign investors bring in capital, global best practices, and a heightened demand for transparency and good governance, which can enhance corporate performance and elevate market value. The literature suggests that foreign ownership acts as an external governance mechanism that ensures managers are held to higher standards of accountability, which ultimately reduces risks and improves investor confidence (Nguyen & Duong, 2022; Gupta *et al*, 2024).

In the case of Nigeria, foreign ownership can serve as a stabilizing force for firms within the consumer and industrial sectors, which are highly susceptible to political and economic volatility. However, the benefits of foreign ownership are not fully realized unless they are effectively integrated with other governance factors such as executive compensation and board oversight, which directly influence managerial performance and, by extension, market valuation (Bajaher *et al*, 2022). Despite the theoretical promise and empirical evidence supporting the positive effects of dispersed and foreign ownership on market value, Nigerian firms continue to experience suboptimal performance in this regard. Recent studies indicate that ownership structure, when considered in isolation, does not fully resolve market valuation challenges unless coupled with robust governance frameworks, particularly in the design and implementation of executive compensation. Executive compensation, which aligns the interests of managers with those of shareholders, plays a critical role in mitigating agency costs and ensuring that managerial behaviour supports long-term value creation (Ahmed *et al*, 2020). Therefore, the failure to adopt effective compensation structures that align executive incentives with market value goals can undermine the benefits of dispersed and foreign ownership, leading to a continued struggle for market value optimization in Nigerian listed firms (Kantudu & Zik-Rullahi, 2020).

The moderating role of executive compensation is crucial for bridging the gap between ownership structure and firm performance. While dispersed and foreign ownership may influence firm value through improved monitoring and capital access, the actual realization of these benefits largely depends on how well management incentives are structured. Executive compensation packages that are tied to performance metrics such as stock options, long-term bonuses, and other incentive-based rewards can align managerial behaviour with the long-term objectives of the firm and its shareholders. By moderating the effects of ownership structure on firm performance, executive compensation serves as a critical governance tool that ensures managers act in the best interests of shareholders, thus enhancing market value (Zhao *et al*, 2022).

Existing studies on the relationship between dispersed ownership and foreign ownership structure and market value in Nigeria present mixed and inconclusive findings. Some studies, such as those by Ajibola *et al*. (2024), Ogaluzor and Omes (2019), and Adeyemi and Oboh (2011), report a significant positive relationship between ownership structure and market value. Conversely, other studies, including Fatoki and Nasieki (2017), Uwuigbe and Olusanmi (2012), and Oboh and Adekoya (2012), reveal either inconsistent or insignificant relationships when additional variables like firm size are considered. These discrepancies suggest that the relationship may be more complex and context-dependent than previously assumed. One potential reason for these inconsistent findings is the lack of consideration for moderating factors such as executive compensation, which could influence the impact of ownership structure on market value. Therefore, exploring the moderating role of executive compensation may provide a more nuanced understanding of how ownership structures affect market value in Nigerian firms.

A methodological gap also exists in the Nigerian context. Previous studies on market value in Nigeria, such as those by Bakoji & Ishaku (2023), Abubakar (2022), and Iheyen (2021), primarily used Tobin's Q as a measure of market value. While this metric is widely used, it may not fully capture the complexities and dynamics shaping market valuation in emerging economies. Unlike past research that typically scales dispersed ownership and foreign ownership using the percentage of shares held, this present study employed the use of dispersed ownership percentage, foreign ownership percentage, and the moderating effect of executive compensation and firm age introduced as control variables with the use of price to book value as a measure of market value. Additionally, the incorporation of data from the 2010 to 2024 accounting years in the present study gives a valuable feature of recency and relevance to the literature. To address this limitation, this study will utilize the Price-to-Book Value (PBV) ratio as a more comprehensive measure, providing greater insights into market performance and the value creation processes within Nigerian consumer and industrial goods firms.

This study examined how executive compensation interacts with ownership structure, specifically dispersed and foreign ownership, to influence the market value of listed consumer and industrial goods firms in Nigeria, providing a more nuanced understanding of the relationship between governance practices and firm performance. The motivation for this study stems from the persistent undervaluation and governance fragility observed in key sectors of the Nigerian economy. Given the critical role of consumer and industrial goods firms in driving economic development, there is an urgent need to explore governance mechanisms that can unlock firm value and promote long-term growth. While dispersed ownership and foreign participation have demonstrated potential in improving governance, their effects on market value are often diluted by the lack of an effective moderation mechanism, such as executive compensation. This study is therefore motivated by the need to examine the role of executive compensation as a moderator in the relationship between dispersed and foreign ownership structure and market value, to provide actionable insights that can inform corporate governance policies, investment decisions, and regulatory frameworks in Nigeria's consumer and industrial goods sectors.

The basic hypotheses underlying this study are stated thus, in null form;

H₀₁: Dispersed ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

H₀₂: Foreign ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

LITERATURE REVIEW

Conceptual Framework

Dispersed Ownership

Dispersed ownership refers to a corporate structure in which shares are widely distributed among numerous shareholders, each holding a relatively small stake. This is typical in publicly traded companies with broad retail investor participation, as opposed to concentrated ownership, where a few stakeholders control significant portions of the company. Dispersed ownership often results in a more decentralized control mechanism, where decision-making authority is spread across a large shareholder base, necessitating stronger governance systems to align their diverse interests (Bena *et al.*, 2021). A key advantage of this structure is enhanced market liquidity, as a larger pool of shareholders makes buying or selling shares easier without significantly impacting stock prices, thereby attracting a wider variety of investors (Ammann *et al.*, 2022). However, despite its benefits, dispersed ownership presents several governance challenges. The lack of a dominant shareholder means that no single entity holds significant control over the company, potentially leading to agency problems where managers act in their interests rather than those of the shareholders. Firms with dispersed ownership may struggle with corporate discipline and accountability, requiring robust internal controls and governance frameworks (Chen & Lin, 2022). Moreover, the focus on short-term financial returns by diverse shareholders can hinder long-term strategic planning and innovation, as the company may prioritize immediate gains over sustainable growth (Wang *et al.*, 2021; Nguyen *et al.*, 2022).

Dispersed Ownership Percentage

Dispersed ownership percentage, on the other hand, occurs when many shareholders individually own a relatively modest percentage of the company's outstanding shares, and no single shareholder or group of shareholders holds a dominant interest. No single organization has a significant influence over how the company is operated when ownership is distributed. A dispersed ownership structure percentage requires oversight and control by an independent board and gives managers a great deal of discretion, allowing them to behave opportunistically (Bena *et al.*, 2021). Monitoring attention moves from the manager to the controlling shareholder in a dispersed ownership structure.

Ownership is divided among a vast number of stockholders, with none having a large enough interest to exercise meaningful control. The proportion of shares available to minority investors (i.e., non-closely held) is high. Because no single shareholder has sufficient ability to adequately monitor management, managers may prioritize their interests over those of the shareholders. While scattered ownership may result in a lack of direct control by a single shareholder, it can also make hostile takeovers more difficult to complete. Institutional investors (such as pension funds or mutual funds) frequently play an important role in dispersed ownership arrangements, owning a high number of shares (Nguyen *et al.*, 2022). These limitations can impact a company's ability to make significant investments or navigate periods of financial difficulty, thereby affecting its market value. For this study, dispersed ownership percentage was mathematically expressed as follows:

$$DO(\%) = \frac{\text{Total Outstanding Shares} - \text{Shares held by large Shareholders}}{\text{Total Outstanding Shares}} \times \frac{100}{1}$$

Foreign Ownership

Foreign ownership on its part refers to the extent to which non-domestic individuals or entities hold shares in a company. This ownership structure has been shown to significantly influence corporate governance, financial performance, and strategic decision-making. Foreign ownership can lead to improved corporate governance as global investors typically bring with them higher standards of financial transparency and accountability, which often reflect the legal and regulatory frameworks of their home countries. These practices reduce mismanagement risks, promote better financial oversight, and support long-term firm performance (Kampouris *et al.*, 2022; Lindemanis *et al.*, 2022). By introducing these global governance standards, foreign investors help enhance the company's credibility, attract further investments, and improve market value. On the other hand, foreign ownership can also have drawbacks, particularly in emerging markets. While foreign investors contribute capital, expertise, and international business connections, they may prioritize short-term financial returns over long-term sustainable growth, potentially neglecting the local economic and social impacts of their decisions. This can lead to strategic shifts focused on profit maximization, cost-cutting, and restructuring, which may not align with the broader goals of the host country (Wulandari & Setiawan, 2023). In addition, foreign ownership can result in tensions between economic liberalization and national interests, prompting governments to impose foreign ownership caps in sensitive industries.

Foreign Ownership Percentage

Similarly, Foreign ownership percentage refers to the percentage of a company's shares or assets owned by persons or entities from another country. This proportion represents the extent to which foreign investors influence or control a company. High percentages may indicate extensive foreign involvement in a company's operations and decision-making. Foreign ownership percentage refers to the percentage of a company or project owned by individuals or entities from a different nation than the one where it is based (Tokas & Yadav, 2023). To determine the percentage, the number of shares or assets owned by foreign entities will be divided by the total number of shares or assets in the company, and multiplied by 100. Higher percentages of foreign ownership typically suggest that foreign investors have more influence and control over the company's management, strategic choices, and operations (Ahmed *et al.*, 2022). Foreign ownership can provide a significant source of money for businesses, particularly in developing nations. Foreign ownership can have an impact on a country's

economic environment, industries, jobs, and trade. Thus, while foreign ownership can enhance firm performance and competitiveness, it also presents challenges that need careful management.

$$FO(\%) = \frac{\text{Shares held by Foreign Shareholders}}{\text{Total Outstanding Shares}} \times 100$$

Market Value

Market value refers to the total value of a company as determined by the market price of its shares, representing investor perceptions of the firm's worth. It is commonly referred to as market capitalization, calculated by multiplying the current share price by the total number of outstanding shares (Kantudu & Zik-Rullahi, 2020). This metric is crucial for investors, analysts, and stakeholders in assessing a company's financial standing. While market value offers a snapshot of the company's worth, it reflects not only the current financial situation but also investor sentiments, expectations, and future growth potential (Bakoji & Ishaku, 2023). However, market value is dynamic, subject to continuous fluctuations based on various factors, including investor sentiment, economic conditions, and industry trends. It is influenced by both current market conditions and forward-looking expectations, making it a real-time indicator of a company's perceived value in the market. Market value plays a central role in corporate finance decisions, including mergers, acquisitions, and equity offerings, and is often used for comparative analysis within industries (Dhaliwal et al., 2016). A company's market value can diverge significantly from its book value, with high market values indicating strong investor confidence, while lower values may signal market concerns (Rofael & Jovanovic, 2021; Orshi, 2023).

Price to Book Value

Price to book value (P/BV) compares a company's market value to its book value, offering insights into how the market views the firm's financial health and growth potential. A P/BV ratio greater than 1 suggests that the market values the company at a premium, signaling confidence in its prospects, while a ratio below 1 may indicate concerns about its performance or stability (Barth et al., 2018). This ratio is particularly relevant in asset-heavy industries, like industrial goods, where tangible assets closely align with book values. In contrast, for firms with significant intangible assets, such as technology firms, P/BV might not fully reflect their value (Hall et al., 2005). The P/BV ratio is also influenced by governance quality, with firms that exhibit strong corporate governance typically commanding higher ratios. Companies with poor governance or financial risk tend to trade at lower P/BV ratios. While it is a useful metric for comparing companies within the same industry, the P/BV ratio fluctuates with economic cycles and investor sentiment. During periods of economic expansion, P/BV ratios tend to rise, while they decrease during recessions (Sharif et al., 2015). The P/BV ratio is thus an essential tool for evaluating market dynamics, offering a snapshot of investor confidence and the firm's ability to generate long-term value.

$$PBV = \frac{\text{Marker Price per Share}}{\text{Shareholders Equity}} \times 100$$

Executive Compensation

Executive compensation refers to the financial and non-financial rewards provided to senior executives to align their interests with those of shareholders and mitigate agency conflicts. This compensation can include salaries, bonuses, stock options, and other benefits, with performance-based pay being a significant motivator for executives to pursue strategies that enhance market value (Komolafe, 2024). In Nigeria, the design of executive compensation packages has gained attention due to corporate governance reforms aimed at ensuring transparency and fairness, with regulatory frameworks such as the Nigeria Code of Corporate Governance (2018) and Companies and Allied Matters Act (2020) emphasizing the importance of equitable pay structures (Abubakar, 2022). While well-designed executive compensation can drive firm performance and enhance shareholder value, poorly structured pay packages can exacerbate agency problems, leading to misaligned incentives. For example, excessive bonuses tied to short-term performance may encourage executives to prioritize immediate gains at the expense of long-term sustainability. Studies have shown that compensation structures in firms with concentrated ownership may align more closely with shareholder interests, whereas firms

with dispersed ownership often struggle with weak monitoring mechanisms (Akanfe & Oladipo, 2017). Effective executive compensation must be integrated within a broader governance framework that includes board oversight and accountability to mitigate potential risks.

$$EC = \frac{\text{Base Salary} + \text{Annual Bonus} + \text{Stock Options} + \text{Other Benefits}}{100}$$

Shareholders Equity

1

Firm Age

Firm age, the number of years a company has been in operation, significantly influences its governance practices and market value. Older firms tend to have established management teams, well-defined governance structures, and strong brand recognition, which can enhance investor confidence and reduce the cost of capital. These companies benefit from a proven track record, customer loyalty, and extensive networks, contributing to competitive advantage (Abubakar, 2022). However, the maturity of older firms can sometimes result in bureaucratic inefficiencies and resistance to change, which may hinder innovation and adaptability (Komolafe, 2024). In contrast, younger firms are typically more agile and innovative but face challenges such as higher risks and limited access to capital. These companies often have concentrated ownership, with founders or a small group of investors exerting significant control. While this can facilitate quick decision-making, it may also lead to governance challenges such as a lack of independent oversight (Bakoji & Ishaku, 2023). Younger firms may struggle to scale operations and establish strong governance frameworks, which can negatively impact their ability to optimize market value. Understanding the impact of firm age on governance and performance is crucial, especially in sectors like Nigeria's consumer and industrial goods industries, where firm age can influence market dynamics and investor perceptions.

$$\text{Firm Age} = \text{Current year} - \text{Incorporation Year}$$

Empirical Review

Sunday *et al.* (2025) examined the Moderating effect of Board Size on Ownership Structure and Financial Performance of listed Consumer firms in Nigeria. The population of this study comprised all 21 publicly listed consumer goods manufacturing firms in Nigeria. Through a filtering technique, a sample size of seventeen (17) firms was selected. The hypotheses were tested using a robust fixed-effect regression model following the completion of various diagnostic tests. The findings revealed that share ownership concentration has a significant negative impact on the return on assets of quoted consumer goods manufacturing firms in Nigeria. Additionally, results from the second model indicated that board size plays a significant moderating role in the relationship between share ownership concentration and return on assets of these firms. However, the study does not account for external factors, such as economic fluctuations or regulatory changes, which could considerably affect the relationship between ownership structure, board size, and financial performance in Nigerian consumer goods firms.

Onyali *et al.* (2024) investigated the effect of corporate ownership structure on the social responsibility cost of Quoted manufacturing firms in Nigeria. The specific objectives of this study were to examine the impact of ownership concentration, board ownership, foreign ownership, and institutional ownership on the philanthropic responsibility costs of listed manufacturing firms in Nigeria. The research design utilized in this study is ex-post facto. The target population consisted of twenty-one consumer goods manufacturing firms that are listed in Nigeria. A purposive sampling technique was employed to select a sample of sixteen companies for the study. Secondary data was gathered from the firms' annual reports, covering ten years from 2013 to 2022. Hypotheses were tested using ordinary least squares regression analysis, which revealed the following results: Ownership concentration has a positive and significant effect on the philanthropic responsibility costs of listed manufacturing firms in Nigeria, board ownership has a non-significant but positive effect on these costs; foreign ownership significantly and positively influences the philanthropic responsibility costs; and institutional ownership has a significant and negative effect on these costs. It is important to note that the sampling technique used excludes smaller firms, which raises questions about the generalizability of the findings. Additionally, the focus on philanthropic costs overlooks other critical dimensions of corporate social responsibility, such as

environmental sustainability, employee welfare, and community engagement, all of which may also impact ownership structures.

Rokhimah, (2024) investigated corporate Governance and Financial Performance. Exploring the Relationship Between Board Structure, Executive Compensation, and Firm Value. The systematic literature review method with the PRISMA approach was used to analyze and synthesize relevant literature. The research results show that companies with a diversified board structure, covering various aspects such as gender, age, and ethnicity, tend to have a higher company value compared to companies with a centralized board structure. Diversifying board structures increases the transparency and effectiveness of performance-based compensation, ultimately contributing to better financial performance. These findings offer new insights into how corporate governance can be optimized to increase company value. The study by Rokhimah (2024) relies solely on a systematic literature review without empirical analysis, which limits the ability to establish causal relationships between board structure, executive compensation, and firm value.

Oshim and Igwe (2024) investigated corporate governance and financial performance of listed consumer goods firms in Nigeria. The specific objectives of the study were to examine the relationship between board size, board independence, board meetings, and return on assets of consumer goods firms in Nigeria. The study adopted ex-post facto research design, and secondary data were extracted from the annual reports of sampled consumer goods firms for the period 2013 – 2022. Correlation technique was used for the test of hypotheses. Findings showed that board size does not have a strong relationship with return on assets (ROA) of listed consumer goods firms in Nigeria. On the other hand, board independence does not have a strong relationship with return on assets (ROA) of listed consumer goods firms in Nigeria. However, board meetings do not have a strong relationship with return on assets (ROA) of listed consumer goods firms in Nigeria. This implies that none of the corporate governance mechanisms studied can influence return on assets of consumer goods firms in Nigeria. Achieving a balance between independent and non-independent directors is crucial. Correlation techniques used in the study fail to establish causality between corporate governance mechanisms and financial performance. The study overlooked external factors like economic policies that may influence the findings.

Komolafe, (2024) examined the effect of executive compensation and the financial performance of quoted commercial banks in Nigeria. The ex post facto research design was employed, and secondary data were sourced from the annual reports of 13 quoted commercial banks on the Nigerian Exchange Group between 2013 and 2022. The panel linear regression technique was adopted, and data were analyzed using E-views to determine the effect of executive compensation on financial performance. Return on equity and earnings per share were modeled as a function of executive salaries, bonuses, and executive equity holdings. The study found that executive salary has a positive and significant effect on return on equity, executive equity holding has positive but no significant effect while executive bonuses have negative and no significant effect on return on equity of the quoted commercial banks, and that executive salaries have negative relationship with earnings per share, while executive equity holding and executive bonuses have positive relationship with earnings per share of the quoted commercial banks in Nigeria. The study's narrow focus on executive salaries and bonuses ignores other compensation components such as stock options. Additionally, the dataset used excludes industries outside banking, limiting the applicability of the results.

Ekwueme and Sunday (2024) examined the effect of board mechanisms on firm leverage of consumer goods firms in Nigeria. The independent variables of this study are board meetings, board independence, board gender diversity, and managerial ownership, while the dependent variable is firm leverage measured by debt to equity. The study adopted an ex post facto research design. The population of this study consists of 16 listed consumer goods firms in the Nigerian Exchange group as of 31st December 2023. The study used the sixteen (16) companies as the sample size, using secondary data. The secondary data used were collected from annual financial reports of the sampled companies for twelve (12) years period, spanning from 2012-2023. The panel least square model was developed to test the effect of dependent and independent variables. It was operated using E-views 12. The results of the panel least square model revealed that board meetings have a positive significant effect on the firm leverage of sampled firms in the Nigerian exchange group, board independence has a positive significant effect on the firm leverage of sampled firms in the Nigerian exchange group, board gender diversity has a positive significant effect on firm leverage of sampled firms in the Nigerian exchange group and managerial ownership has also positive significant effect on the firm leverage of sampled firms in the Nigerian

exchange group. The study concludes that corporate mechanism has a significant effect on leverage of consumer goods firms in Nigeria. The study's reliance on the debt-to-equity ratio as the sole measure of firm leverage does not capture the broader financial strategies firms may adopt. The lack of qualitative insights undermines the contextual understanding of board mechanisms.

Yahaya and Omotola (2024) examined how institutional ownership moderates the relationship between board attributes (such as board independence, board size, and board diversity) and tax aggressiveness in publicly listed companies in Nigeria for a period covering 2014-2023. The study utilized a panel data regression analysis. A sample of 153 publicly listed firms was used, and data on board attributes, institutional ownership, and tax aggressiveness were collected from financial statements, proxy filings, and ownership disclosures. Institutional ownership was treated as a moderating variable in the relationship between board attributes and tax aggressiveness. The study found that institutional ownership significantly moderates the relationship between board independence and tax aggressiveness. Specifically, firms with higher institutional ownership and independent boards exhibited lower tax aggressiveness. However, the moderating effect was insignificant for board size and diversity. Institutional investors' presence can strengthen independent boards' role in curbing tax aggressiveness. Policymakers and regulators should consider encouraging institutional ownership as a means to enhance corporate governance and reduce tax aggressiveness. The study by Yahaya and Omotola (2024) lacks a comprehensive exploration of causality and external validity, as well as potential biases in data sources, and it overlooks the impact of other governance factors or firm-specific characteristics on tax aggressiveness.

Bamidele *et al.* (2023) examined the corporate governance, financing, and firm value of listed food and beverage firms in Nigeria. The relationship between corporate governance, corporate financing, and the firm value of listed food and beverage companies in Nigeria between 2011 and 2020 is the focus of this study. Secondary data from published, audited financial reports of 10 randomly sampled companies in the industry was used. Panel pooled estimate least square regression results indicate that the impact of corporate governance through CEO duality and audit committee on market capitalization value of food and beverage companies in Nigeria is mixed, while corporate finance has a positive and significant relationship with the firm value of the sampled companies in the Consumer Goods sector in Nigeria. Consequently, the researchers establish that during the study period, corporate governance (CEO duality and audit committee) and corporate finance (short and long-term debts to total assets) have a significant influence on the market capitalization value of food and beverage firms in Nigeria. The mixed results regarding CEO duality and audit committees are not adequately contextualized, leaving questions about their broader relevance. The focus on food and beverage firms excludes other critical industries.

Irom *et al.* (2023) examined how managerial ownership and audit committee financial expertise affect earnings management of listed manufacturing companies in Nigeria. This study used the Roychowdhury approach to measure real earnings management. Thirty-four (34) manufacturing companies out of seventy-three (73) population that were listed on the Nigerian Exchange (NGX) from 2007 to 2021 were selected as the sample size. Data was gleaned from the annual financial reports of the sampled companies for this study. Descriptive statistics, Pearson correlation, and quantile regression analysis are the econometric techniques used to test the analyzed data and for hypothesis testing. Results from the study showed that managerial ownership significantly affects real-earnings management. When the effect was moderated by the financial expertise of the audit committee, the effect of ownership structure on real earnings management disappears. The results from the study show that managers of manufacturing firms in Nigeria should be encouraged to own more shares in the companies they manage to minimize real earnings management. The study's findings on managerial ownership fail to provide a clear explanation of why audit committee expertise negates its effect. The exclusion of smaller manufacturing firms raises concerns about selection bias.

Theoretical Framework

Agency Theory

Agency theory, developed by Jensen and Meckling (1976), focuses on the relationship between principals (shareholders) and agents (managers), exploring the inherent conflict of interest that arises when ownership and control are separated. The theory suggests that managers may prioritize their interests, which can lead to

inefficiencies, such as excessive risk-taking, shirking of duties, or managerial inefficiency. This conflict, often referred to as the agency problem, leads to what is known as agency costs, which are incurred when the interests of managers diverge from those of shareholders. In publicly traded companies, such as those in the Nigerian consumer goods sector, these agency costs are significant as shareholders typically lack the control to directly influence managerial behaviour. Agency theory emphasizes the importance of aligning the incentives of agents (managers) with those of principals (shareholders) to mitigate agency costs. One key mechanism for achieving this alignment is executive compensation, particularly equity-based incentives like stock options and performance bonuses. These structures motivate executives to act in the best interest of shareholders by directly tying their compensation to the firm's performance, specifically its market value (Murphy, 1999). In the context of Nigerian listed firms, where ownership is often dispersed, this theory is particularly relevant, as it emphasizes the need for robust governance mechanisms to ensure that executives prioritize maximizing shareholder value over pursuing their interests.

Optimal Contracting Theory

Optimal contracting theory, also known as contract theory, propounded by Oliver Hart and Bengt Holmstrom in 1987, analyzes how to design contracts that minimize the costs associated with aligning the interests of two or more parties with potentially conflicting goals and information. The primary goal of optimal contracting is to design a contract that minimizes the total agency costs while ensuring the agent is incentivized to act in a way that benefits the principal. This often involves finding the right balance between providing incentives for effort, managing risk, and dealing with information asymmetries by designing optimal compensation packages for executives to align their interests with those of shareholders.

The Theory offers valuable insights into the relationship between executive compensation, ownership structure, and market value. For Nigerian listed consumer and industrial goods firms, particularly those with dispersed ownership, this theory suggests that when managers are incentivized, they are more likely to prioritize long-term firm performance over short-term financial gains. Executive compensation can act as a moderating factor by incentivizing managers to focus on sustainable value creation, which aligns with both shareholder interests and the company's long-term market value. Unlike performance-based compensation models in Agency Theory, Optimal Contracting Theory would advocate for compensation structures that emphasize commitment, responsibility, and a focus on long-term outcomes.

Optimal contracting Theory stands out as the underpinning theory for this study because it highlights the importance of incentive alignment in mitigating agency problems. It directly addresses the moderating role of executive compensation in aligning the interests of managers with those of shareholders in Nigerian firms. The theory's emphasis on alignment of interest through incentive-based compensation, collaboration, and long-term value creation is particularly relevant in a Nigerian context where ownership structures can be highly fragmented or foreign-dominated. It allows for a nuanced understanding of how executive compensation can be designed to foster a culture of responsibility and alignment with the long-term goals of shareholders, without the need for excessive monitoring mechanisms. This theory helps explain how, even in firms with dispersed or foreign ownership, executive compensation can act as a tool to ensure that management remains focused on enhancing market value and firm performance, thereby making it the most fitting theoretical foundation for this research.

METHODOLOGY

This study employed a longitudinal research design, focusing on panel data analysis to investigate the moderating effect of executive compensation on the relationship between dispersed & foreign ownership structures and the market value of listed consumer and industrial goods firms in Nigeria. The population of this study comprised all 21 consumer and 13 industrial goods firms listed on the Nigerian Exchange Group (NGX) as of December 31, 2023. Purposive sampling technique was employed, where firms listed before 2010 and still in operation during the study period (2010-2024) were selected, resulting in a final sample size of 26 firms. Secondary data was collected from the annual reports and financial statements of these firms over 15 years, ensuring a comprehensive dataset. The data was analyzed using panel data regression techniques, employing models such as Ordinary Least Squares (OLS), Random Effects Model (REM), and Fixed Effects Model (FEM). The data

analysis was carried out using E-View version 13 statistical software. The model employed by Kantudu and Zik-Rullahi (2020) was adapted with little modification. The original model is stated below:

$$TQ_{it} = \beta_0 + \beta_1 CEOP_{it} + \beta_2 CCOM_{it} + \beta_3 HPDI_{it} + \beta_4 ESOW_{it} + \epsilon_{it} \quad (i)$$

Where:

CEOP = Chief Executive Officer pay

CCOM= Chairman's Compensation

HPDI = Highest Paid Director

ESOW= Executive Share Ownership

ϵ_{it} = Stochastic Error term

β_0 = the autonomous parameter estimates (intercept or constant term)

$\beta_0 - \beta_4$ = Parameter coefficient

Model Specification

Direct Effect model (before moderation)

$$PBV_{it} = \beta_0 + \beta_1 DOP_{it} + \beta_2 FOP_{it} + \beta_3 FA_{it} + \epsilon_{it} \quad (ii)$$

After moderation

$$PBV_{it} = \alpha_0 + \beta_0 + \beta_1 DOP * EC_{it} + \beta_2 FOP * EC_{it} + \beta_3 FA + \epsilon_{it} \quad (iii)$$

Where:

PBV= Price-to-Book Value

DOP = Dispersed Ownership Percentage

FOP = Foreign Ownership Percentage

DO *EC = Dispersed ownership interacting with executive compensation

FO *EC = Foreign ownership interacting with executive compensation

ϵ = error term

i = cross-sectional

t = time

β_0 = the autonomous parameter estimates (intercept or constant term)

$\beta_0 - \beta_3$ = Parameter coefficient of managerial ownership and concentrated ownership

Table 1: Apriori Expectation

The current study envisages that the coefficient of dispersed ownership percentage and foreign ownership percentage would significantly affect the market value of listed consumer and industrial goods firms in Nigeria. $B_1 - \beta_3 > 0$. Additionally, the interaction between dispersed ownership and executive compensation, as well as that

of foreign ownership and executive compensation, is expected to have a positive effect, as they are likely to motivate management towards long-term value creation and improved firm performance.

Table 3.2: Measurements of Variables

Variables	Measurement	Source
Price-to-Book Value (PBV) (Dependent Variable)	(Market Price per Share / Shareholders' Equity)	Abdulfatah <i>et al.</i> , (2022)
Dispersed Ownership Percentage (DOP) (Independent Variable)	$((\text{Total Outstanding Shares} - \text{Shares held by Large Shareholders}) / \text{Total Outstanding Shares}) \times 100$	Company Annual Reports
Foreign Ownership Percentage (FOP) (Independent Variable)	$(\text{Shares held by Foreign Investors} / \text{Total Outstanding Shares}) \times 100$	Gupta <i>et al.</i> , (2014)
Executive Compensation (EC) (Moderating Variable)	Base Salary + Annual Bonus + Stock Options + Other Benefits	Nugraheni <i>et al.</i> (2022)
Firm Age (Control Variable)	(Current Year - Incorporation Year)	Umobong & Bele-Egberi (2019)

Source: Researcher's Computation (2025)

RESULT AND DISCUSSION

Descriptive Statistics

To have a glimpse of the data used in the study, a first pass at the data in the form of descriptive statistics was carried out. This gives us a good idea of the patterns in the data used for the analysis. The summary statistics are presented in Table 4.1 below.

Table 4.1: Descriptive Analysis Result

	PBV	DOP	FOP	FA
Mean	0.035195	34.98109	19.75774	44.82564
Median	0.036000	38.56526	19.63117	43.00000
Maximum	0.410000	63.05819	24.97934	101.0000
Minimum	0.010000	0.028105	15.04940	10.00000
Std. Dev.	0.029419	18.32433	2.941226	16.61357
Skewness	6.903879	-0.356421	0.080055	0.936938
Kurtosis	77.19681	1.848680	1.757962	4.527909
Jarque-Bera	92557.09	29.79730	25.48477	94.99612
Probability	0.000000	0.000000	0.000003	0.000000
Sum	13.72600	13642.63	7705.518	17482.00
Sum Sq. Dev.	0.336669	130618.8	3365.164	107368.1
Observations	390	390	390	390

Source: E-View 13 Output (2025)

Table 4.1 revealed the summary of descriptive statistics of the variables included in the model. It shows the mean values of 0.035195, 34.98109, 19.75774, and 44.82564 for PBV, DOP, FOP, and FAGE, respectively. The standard deviation from the mean is 0.029419, 18.32433, 2.941226, and 16.61357 for PBV, DOP, FOP, and FAGE, respectively, during the 2010 to 2024 study period. Further analysis shows the minimum values of 0.010000, 0.028105, 15.04940, and 10.00000, and maximum values of 0.410000, 63.05819, 24.97934, and 101.0000, respectively. This implies that dispersed ownership percentage and foreign ownership percentage do not witness a substantial increase during the study period, as the standard deviation is so low compared to the mean. Kurtosis value measures the peakness and flatness of the distribution of the series. If the Kurtosis value is

less than 3, it means the distribution of the variable is normal, but when it is more than 3, the distribution of the variable is said to be abnormal.

Correlation Analysis

Table 4.2 presents correlation values between dependent and independent variables and the correlation among the independent variables themselves. These values are generated from Pearson Correlation output. The Table contains correlation matrix showing the Pearson correlation coefficients between the dependent and independent variables and among the independent variables of the study. Generally, a high correlation is expected between dependent and independent variables, while a low correlation is expected among independent variables.

Decision Rule: The correlation between two variables must be between -1 and 1.

Table 4.2: Correlation Analysis Result

Covariance Analysis: Ordinary				
Date: 07/20/25 Time: 06:00				
Sample: 2010 2024				
Included observations: 390				
Balanced sample (listwise missing value deletion)				
Correlation				
Probability	PBV	DOP	FO P	FA
PBV	1.000000			

DOP	0.015812	1.000000		
	0.7556	-----		
FOP	-0.040479	0.012049	1.000000	
	0.0000	0.0125	-----	
FA	-0.105503	-0.001823	0.006693	1.000000
	0.0373	0.9714	0.8952	-----

Source: E-View 13 Output (2025)

Table 2 shows the correlation between the dependent variable, PBV, and the independent variables of DOP and FOP, and also among the independent variables themselves. According to Gujarati (2004), a correlation coefficient between two independent variables of 0.80 is considered excessive, and thus, certain measures are required to correct that anomaly in the data. From the table, it can be seen that all the correlation coefficients among the independent variables are below 0.80. This points to the absence of possible multicollinearity among the independent variables, and the correlation between the variables shows that there is a mix of both positive and negative correlation among the dependent and independent variables. There exists a positive and significant 15.8% correlation between PBV and DOP, respectively, indicating that the higher the PBV, the higher the DOP. Furthermore, it is notable from the analysis that all the associations between and within the variables of the studies are weak; thus, this signifies the absence of possible multicollinearity.

Multicollinearity Test VIF (Diagnostic Test)

To ensure the rigidity of the measurements, multicollinearity tests were performed, using the Variance Inflation Factor (VIF) as the rigidity test. Multicollinearity occurs when one or more independent variables have a stronger influence on others, and this condition is a violation of the linear regression model, that so it may affect the validity of the outcome in any analysis.

Multicollinearity tests are performed to test whether there is a strong correlation between independent variables that may result in misleading results. However, collinearity diagnostics tests were performed using the variance inflation factor (VIF) to further confirm the absence of a multicollinearity problem between independent mutations. The results of the collinearity diagnostic test are presented in Table 4.3 below:

***Decision rule:** Medium VIF less than 10 indicates the absence of multi-collinearity, while a VIF intermediate over 10 is a sign of multi-collinearity.

Table 4.3: Multicollinearity Test (VIF) Result

Variance Inflation Factors			
Date: 07/20/25 Time: 06:02			
Sample: 2010 2024			
Included observations: 390			
	Coefficient	Uncentered	Centered
Variable	Variance	VIF	VIF
DO	6.594209	4.654331	1.000149
FO	2.563207	46.24986	1.000190
FA	8.023109	8.299046	1.000048
C	0.000125	56.66823	NA

Source: E-View 13 Output (2025)

As noted above, the law of multicollinearity test rule uses a variance inflation factor that a VIF Medium below 10 indicates a lack of multi-collinearity, while VIF intermediate over 10 indicates the presence of multi-collinearity. Table 4.3 above shows the absence of multicollinearity between independent variables, as all independent variables (DOP and FOP) have VIF centres less than 10

Heteroskedasticity Test (Robustness Test)

A heteroskedasticity test was performed as a diagnostic check to verify the robustness of the estimates. A heterogeneous variance occurs when the standard error of the variable being monitored is not constant over time. Heteroscedasticity violates linear regression modeling assumptions and can affect the validity of analytical results. On the other hand, heteroscedasticity does not cause any bias in the coefficient estimates, but it reduces the precision, and less precise coefficients are more likely to be estimated. The estimates are far from the correct population values that have been removed.

***Decision Rule: Do not reject the null hypothesis if the P-value is greater than 5% level of Significance, otherwise do not reject H_0**

Hypothesis

H_0 : The Error Variances are all Equal (Homoskedastic)

H_1 : The Error Variances are not Equal (Heteroskedasticity)

Table 4.4 Heteroskedasticity Test Result

Panel Cross-section Heteroskedasticity LR Test			
Equation: EQ01			
Specification: PBV C DO FO FA			
Null hypothesis: Residuals are homoscedastic			
	Value	df	Probability
Likelihood ratio	410.2237	26	0.0000

Source: E-View 13 Output (2025)

Table 4.4 shows the results of the panel cross-section Heteroskedasticity regression test. The null hypothesis of the test states that there is no heteroscedasticity, while the alternate hypothesis states that there is heteroscedasticity. The null hypothesis is not to be rejected if the P value is greater than 5% level of significance. From the result in table 4.4 above, with a ratio value of 410.2237 and a corresponding probability value of 0.0000, which is less than 5%, the study therefore rejects the null hypothesis, showing that there is a Heteroskedasticity problem. Consequently, based on the diagnostic probability 0.0000, the null hypothesis is rejected, thus there is conditional heteroskedasticity, indicating that residuals are heteroskedastic and, as such, the samples did not give a true reflection of the population. This is corrected by logging the dependent variable.

Hausman Test

The Hausmann specification test is a model specification test used in panel data analysis to select between fixed and random effects models. Because the datasets utilized in this investigation were panel, both fixed and random effects regressions were performed. A Hausmann specification test was then used to choose between the fixed-effects and random-effects regression models. This test determined if the error term was connected to the regressor. As a result, the decision rule for the Hausmann specification test is presented at a 5% level of significance:

H_0 : Random effect is more appropriate for the Panel Regression analysis

H_1 : Fixed effect is more appropriate for the Panel Regression analysis

***Decision Rule:** Reject H_0 if the cross-section random probability value is less than 5% level of Significance. Otherwise, do not reject H_0 .

Table 4.5: Hausman Specification Test Result

Correlated Random Effects - Hausman Test			
Equation: EQ01			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.906608	3	0.5920

Source: E-View 13 Output (2025)

The Result of the above Hausman test shows that the cross-section chi-square statistics value is 1.906608, while the probability value is 0.5920. This implies that there is enough evidence not to reject the null hypothesis, which states that random effect is more appropriate for the Panel Regression analysis. Similarly, based on the Chi-Square (χ^2) results $\text{Prob} > \chi^2$ is 0.5920, which is greater than 0.05, thus, there is no reason to reject the null hypothesis (H_0). The study therefore upholds that Random Effect Model (Estimate) is the more appropriate model.

Breusch-Pagan Lagranger Multiplier Test

In panel data analysis, the Lagranger multiplier test is used to select between pooled and random effects models. Because the dataset was a panel, both pooled and random effects regression analyses were done. The optimum model among the pooled-effects and random-effects regression models was then determined using a Breusch-Pagan Lagrangian multiplier test. At a 5% significance level, the decision rule for the Breusch-Pagan Lagrangian multiplier test is provided:

H_0 : Pooled OLS Model is more appropriate for the Panel Regression analysis

H_1 : Random effect Model is more appropriate for the Panel Regression analysis

Decision Rule: if the p-value is less than 0.05, the decision rule is to reject H_0 . Otherwise, do not reject H_0 .

Table 4.6: Breusch-Pagan Langranger Multiplier Test Result

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	25.65930	0.041977	25.70127
	(0.0000)	(0.8377)	(0.0000)

Source: E-View 13 Output (2025)

Based on the probability value of the Breusch-Pagan Langranger Multiplier Test at probability value of 0.0000, the null hypothesis is rejected, thus the random effect is more appropriate when compared to pooled effect.

Test of Research Hypotheses

In panel regression analysis, the ultimate goal is to estimate the relationship between dependent and independent variables. This goal can be achieved through the estimation of the coefficients of each independent variable in the model. The sign of the coefficients of independent variables indicates their relationship with the dependent variable, while the magnitude of the coefficients implies the responses of dependent variables to independent variables.

Decision Rule: The decision rule for accepting or rejecting the null hypothesis for any of these tests will be based on the Probability Value (PV) and the Probability (F-statistic). If the PV is less than 5% or 0.05 (that is, if $PV < 0.05$), it implies that the regressor in question is statistically significant at 5% level; and if the PV is more than 5% or 0.05 (that is if $PV > 0.05$), it is categorized as not significant at that level.

Test of Research Hypotheses

H₀₁: Dispersed ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

H₀₂: Foreign ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

Table 4.7a Panel Regression Result (Random Effect) Before moderation:

Dependent Variable: PBV				
Method: Panel EGLS (Cross-section random effects)				
Date: 07/20/25 Time: 06:11				
Sample: 2010 2024				
Periods included: 15				
Cross-sections included: 26				
Total panel (balanced) observations: 390				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.179188	0.008929	20.06705	0.0000
DO	1.440305	4.763205	0.302991	0.0421
FO	-3.104305	0.000294	-0.105310	0.9162
FA	-6.535305	8.816205	-0.741280	0.4590
LOGPBV	0.039923	0.001524	26.19994	0.0000

	Effects Specification			
			S.D.	Rho
Cross-section random			0.006842	0.1456
Idiosyncratic random			0.016576	0.8544
	Weighted Statistics			
R-squared	0.641797	Mean dependent var		0.018665
Adjusted R-squared	0.638075	S.D. dependent var		0.027572
S.E. of regression	0.016587	Sum squared resid		0.105929
F-statistic	172.4521	Durbin-Watson stat		2.088248
Prob(F-statistic)	0.000000			

Source: E-View 13 Output (2025)

Table 4.7a above shows the panel regression results before the introduction of the moderating variable. The table shows that dispersed ownership percentage has a positive and significant effect on the price to book value of listed consumer and industrial goods firms, while foreign ownership percentage has a negative but insignificant effect on the price to book value of listed consumer and industrial goods firms.

Table 4.7b Panel Regression Result - After moderation:

H₀₁: Dispersed ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

Dependent Variable: PBV				
Method: Panel EGLS (Cross-section random effects)				
Date: 07/20/25 Time: 06:19				
Sample: 2010 2024				
Periods included: 15				
Cross-sections included: 26				
Total panel (balanced) observations: 390				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.179323	0.006797	26.38278	0.0000
DO_EC	1.361413	2.151412	0.063395	0.0495
FO_EC	-3.360313	4.850312	-0.069292	0.9448
FA	-6.762105	8.992105	-0.751465	0.4528
LOGPBV	0.039932	0.001525	26.17734	0.0000
	Effects Specification			
			S.D.	Rho
Cross-section random			0.007063	0.1537
Idiosyncratic random			0.016575	0.8463
	Weighted Statistics			
R-squared	0.641822	Mean dependent var		0.018239
Adjusted R-squared	0.638101	S.D. dependent var		0.027538
S.E. of regression	0.016566	Sum squared resid		0.105663
F-statistic	172.4714	Durbin-Watson stat		2.094472
Prob(F-statistic)	0.000000			

Source: E-View 13 Output (2025)

H₀₂: Foreign ownership percentage has no significant effect on price to book value of listed consumer and industrial goods firms in Nigeria when moderated by executive compensation.

The result, as shown in Table 4.7a above, shows that dispersed ownership percentage has a coefficient value of 1.440305 and a probability value of 0.0421 ($p < 0.05$). This finding shows that dispersed ownership percentage

has a positive and significant effect on price to book value of listed consumer and industrial goods firms in Nigeria. Likewise, when dispersed ownership percentage is moderated by executive compensation, it gives a coefficient value of 1.361413, and a probability value of 0.0495 ($p < 0.05$). The coefficient and probability values indicate that the combination of dispersed ownership percentage and executive compensation has a significant positive relationship with price to book value of listed consumer and industrial goods firms in Nigeria. This shows that the null hypothesis stated above should be rejected. Thus, executive compensation has a significant moderating effect in influencing the relationship between dispersed ownership and price to book value of listed consumer and industrial goods firms in Nigeria.

The second hypothesis shows that foreign ownership percentage has a coefficient value of -3.104305 and a probability value of 0.9162 ($p > 0.05$), which reveals a negative and insignificant relationship. However, when foreign ownership percentage is moderated with executive compensation, it gives a coefficient value of -3.360313 and a probability value of 0.9448 ($p > 0.05$). The coefficient and probability values indicate that the combination of foreign ownership percentage and executive compensation has an insignificant negative relationship with price to book value of listed consumer and industrial goods firms in Nigeria. This evidence, therefore, leads to a situation in which there is no reason to reject the null hypothesis. The finding, therefore, means that executive compensation has no significant moderating effect on the relationship between foreign ownership and price to book value of listed consumer and industrial goods firms in Nigeria.

DISCUSSION OF FINDINGS

This study examined the moderating effect of executive compensation on the relationship between dispersed ownership and foreign ownership on the market value of listed consumer and industrial goods firms in Nigeria. The study revealed that the dispersed ownership percentage has a significant positive relationship with price to book value, indicating that dispersed ownership percentage does contribute positively to price to book value. This aligns with the position of Ekwueme and Sunday (2024) and Irom *et al.* (2023) while negating the finding of Komolafe (2024). This study suggests that dispersed ownership percentage is associated with an increase in market value within the study period, which can lead to financial performance, stability, and cash flow, and can also have a positive effect on shareholders' returns. However, when moderated by executive compensation, the relationship also proved to be significant, suggesting that executive compensation can be used to influence managerial ownership without compromising market value.

The second hypothesis revealed that foreign ownership has a negative and insignificant relationship with price to book value, indicating that foreign ownership percentages are not likely to have any effect on price to book value within the study period. This position is consistent with the findings of Rokhimah (2024), while it disagrees with the findings of Irom *et al.* (2023). This study documented an insignificant relationship between foreign ownership percentage on price to book value, indicating that firms with a high percentage of foreign ownership are not likely to achieve a good market value within the study period. However, when moderated with executive compensation, the relationship also shows an insignificant relationship, indicating that larger firms with a high foreign ownership percentage are not likely to achieve a good market value.

CONCLUSION AND RECOMMENDATIONS

This study investigated the moderating effect of executive compensation on the relationship between dispersed ownership and foreign ownership on market value of listed consumer and industrial goods firms in Nigeria. Based on the study findings reached through the study objectives guided by the study hypotheses, the following conclusions are made: the study affirmed that dispersed ownership has a positive and significant effect on the market value of listed consumer and industrial goods firms. When moderated with executive compensation, it also has a positive and significant relationship with the market value of listed consumer and industrial goods firms in Nigeria. On the other hand, the study concluded that foreign ownership has a negative and insignificant effect on the market value of listed consumer and industrial goods firms in Nigeria. But when moderated with executive compensation, it maintains a negative and insignificant relationship with market value. The study therefore concludes that when dispersed ownership is moderated by executive compensation, it has a positive effect on market value, while foreign ownership moderated by executive compensation has a negative but insignificant effect on the market value of listed consumer and industrial goods firms in Nigeria. Based on the

findings of this study, the following recommendations are made for effective management of listed consumer and industrial goods firms on the Nigerian Exchange Group;

- i. It is recommended that listed consumer and industrial goods firms in Nigeria should consider continue to increasing dispersed ownership impact on market value as well as the moderating effect of executive compensation when making decisions about ownership structure compensation package.
- ii. The study further recommends that the management of listed consumer and industrial goods firms in Nigeria should balance foreign ownership and executive compensation so as to maximize market value and protects the interest of all shareholders.

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